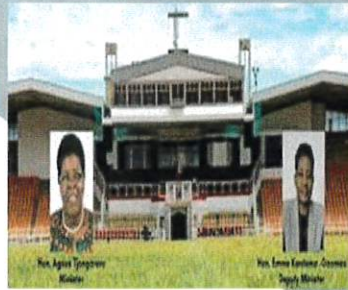




**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF SPORT, YOUTH AND  
NATIONAL SERVICE**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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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 Ministry of Sport, Youth and National Service for the financial year ended 31 March 2020 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'.

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**WINDHOEK, FEBRUARY 2021**



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## DEFINITIONS

|  |  |
|--|--|
| <b>Treasury:</b>                         | Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).   |
| <b>Vote:</b>                             | Represents an Office/Ministry/Agency.  |
| <b>Appropriation Act:</b>                | Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.  |
| <b>Appropriation Account:</b>            | 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.   |
| <b>Standard sub-division:</b>            | Government Balance account, showing balances incurred on each account/activity.  |
| <b>Suspension:</b>                       | Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).   |
| <b>Virement:</b>                         | 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. |
| <b>Unauthorised Expenditure:</b>         | Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.  |
| <b>Under expenditure:</b>                | Saving on the budget.  |
| <b>Miscellaneous Revenue:</b>            | All revenue collected and not having a specified revenue code.   |
| <b>Tender Board Exemptions:</b>          | To free from an obligation (Tender Board Regulations) to which others are subjected.   |
| <b>Commitments:</b>                      | Funds reserved to acquire goods or services from a supplier.   |
| <b>Suspense accounts:</b>                | 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.   |
| <b>S&amp;T Advance Suspense Account:</b> | A suspense account reflecting the outstanding subsistence and travel advances.   |
| <b>Rejection Account:</b>                | A suspense account reflecting names and balances of all persons/companies that owe the money to the State.   |
| <b>Budget:</b>                           | Is an estimation of the revenue and expenses over a specified future period of time specified.   |

|   |   |
|---|---|
| <b>Subsistence Advance:</b>   | Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.  |
| <b>Performance Information:</b>                                     | 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). performance agreements and personal development plans)   |
| <b>Key performance indicator (KPI):</b>                             | A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.   |
| <b>ISSAI: International Standards of Supreme Audit Institutions</b> | Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).   |
| <b>Types of Audit Opinions:</b>                                     | <p><b>Unqualified Opinion.</b> 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><b>Qualified Opinion.</b> 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><b>Disclaimer Opinion.</b> Auditors 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><b>Adverse Opinion.</b> The Financial statements 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> |
| <b>Reasonable Assurance</b>   | It is when the audit conclusion is expressed positively, conveying that, in the auditor's opinion, the subject matter is or is not compliant in all material respects or, where relevant, that the subject matter information provides a true and fair view, in accordance with the applicable criteria.  |
| <b>Limited Assurance</b>  | It is when the audit conclusion states that, based on the procedures performed; nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the criteria.   |



|                                    |   |
|------------------------------------|---|
| <b>Direct reporting engagement</b> | It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion. |
| <b>Attestation engagement</b>      | It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.  |
| <b>Subject matter</b>              | Refers to the information, condition or activity that is measured or evaluated against certain criteria.  |

#### **ABBREVIATIONS**

MOSYNS

Ministry of Sport, Youth and National Services

IFMS

Integrated Financial Management System

ISSAI

International Standards of Supreme Audit Institutions

INTOSAI

International Organisation of Supreme Audit Institutions



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF SPORT, YOUTH AND NATIONAL SERVICE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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**1. SECTION A: FINANCIAL AUDIT**

**1.1 UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Ministry of Sport, Youth and National Service for the financial year ended 31 March 2020 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended.

In my opinion, the financial statements of the Ministry of Sport, Youth and National Service as at 31 March 2020 are prepared, in all material respects, in accordance with Section 12 & 13 of the State Finance Act, 1991 (Act 31 of 1991) and relevant legislation.

**1.2 BASIS FOR AUDIT OPINION**

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the INTOSAI Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**1.3 KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

**1.4 EMPHASIS OF MATTERS**

Attention is drawn to the management on the following matter that relate to my responsibility in the audit of the financial statements as disclosed by the Ministry of Sport, Youth and National Service in the financial statements. My opinion is not modified in respect of these matters:

**1.4.1 Capital projects**

The Accounting Officer incurred expenditure to the amount of N\$1 745 268.11 on the construction of the Nkurenkuru Multi-Purpose Youth Recourses Centre/Sport while the project was not budgeted for in the development budget.

The Accounting Officer should ensure that the Ministry incurred expenditure on projects that are budgeted for.

**Management comment**

The Accounting officer indicated that the project was properly budgeted for.

**Auditors' comments**

The document that the Ministry attached as proof was the General Ledger and not the development budget.

## **2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION**

### **2.1 COMPLIANCE TO LAWS AND REGULATIONS**

#### **SUBJECT MATTER: Financial performance and the use of appropriated funds**

I have audited the financial performance and the use of appropriated funds of the Ministry of Sport, Youth and National Service for the financial year ended 31 March 2020.

#### **2.2 Description of the subject matter information and audit scope**

The audit aimed to determine whether the Ministry of Sport, Youth and National Service used the appropriated funds in compliance with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act, 2019 (Act 3 of 2019), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and the Public Procurement Regulations during the financial year ended 31 March 2020. This audit is an attestation engagement where the Ministry presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide reasonable assurance in forming an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

#### **2.3 Audit objective**

The objective of this compliance audit is to verify and assess whether the Ministry of Sport, Youth and National Service has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

#### **2.4 Audit criteria**

The audit criteria of this compliance audit are derived from the following laws and regulations stated below:

Appropriation Act, 2019 (Act 2 of 2019);  
Appropriation Amendment Act, 2019 (Act 3 of 2019);  
State Finance Act, 1991 (Act 31 of 1991);  
Public Procurement Act, 2015 (Act 15 of 2015);  
Treasury Instructions; and  
Public Procurement Regulations.

#### **2.5 Summary of methods applied**

I have audited the financial statements for the financial year ended 31 March 2020 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

#### **2.6 Key audit findings**

##### **2.6.1 Unauthorized expenditure**

The following unauthorized 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):

Although Treasury authorization was obtained to utilize certain expected savings for the defrayal of expenditure by way of virements during the year, nine (9) operational subdivisions were exceeded by a total amount of of N\$ 358 940.35. These excesses are unauthorized in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Ministry on a continuous basis to enable better financial control to take appropriate action timeously to avoid unauthorized expenditure.

#### **Management comment**

The Accounting Officer indicated that the Ministry undertakes to reconcile the balance.

### **2.7 Opinion on the subject matter**

In my opinion, the Ministry of Sport, Youth and National Service financial performance and use of appropriated funds is in compliance, in all material respects, with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations, Appropriation Act, 2019 (Act 2 of 2019) and Appropriation Amendment Act, 2019 (Act 3 of 2019).

## **3. AUDIT OF PERFORMANCE INFORMATION**

I have audited the performance information of the Ministry of Sport, Youth and National Service for the financial year ended 31 March 2020.

### **3.1 Description of the subject matter information and audit scope**

A Performance Management System (PMS) is defined as a systematic process for achievement and improvement in obtaining results from an organisation and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Offices, Ministries and Agencies (OMAs) to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the general public.

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Sport, Youth and National Service and the 2017-2022 Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

### **3.2 Audit objective**

The objective of the Key Performance Indicator (KPI) audit is to provide assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programmes, and projects. The objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholder whether the reported actual performance has actually occurred and is based on the selected criteria.

### **3.3 Audit criteria**

In this audit, the performance information against the following selected criteria was tested:

- Compliance with legislative requirements;
- Usefulness;

- Reliability;
- Timeliness;
- Existence;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

### 3.4 Summary of methods applied

I reviewed the Strategic Plan, Annual Plan and Annual Performance Report to confirm whether the Strategic Plan objectives, targets and KPIs have been correctly cascaded to the Annual Plan and the selected key performance indicators for the year under review are reported in the Directorates quarterly reports and Annual Performance Report.

#### Selected key performance indicators

The following two (2) key performance indicators from the Directorate of Sport and Youth were selected key performance indicators from the 2019/2020 Annual plan.

| STRATEGIC OBJECTIVES   | KEY PERFORMANCE INDICATORS   |
|--|--|
| <ul style="list-style-type: none"> <li>• Promote sport development in Namibia</li> </ul> | <ul style="list-style-type: none"> <li>• % progress made on the formulation of the Namibian sport development index</li> </ul> |
| <ul style="list-style-type: none"> <li>• Enhance youth empowerment</li> </ul>            | <ul style="list-style-type: none"> <li>• # of youth trained in year skills courses</li> </ul>                                  |

#### DIRECTORATE: DIRECTORATE OF SPORT

| INDICATOR/FINDINGS   | RECOMMENDATION   |
|--|--|
| <p><b>% progress made on the formulation of the Namibian sport development index</b> The quarterly target of Quarter 4 in the Annual plan was 100% however, only 45% was achieved giving a variance of 55% not achieved.</p> | <p>The variance was caused by the lack of serviced equipment to ensure training assessments take place and some trainees did not write the 2019 final assessment therefore the Accounting Officer should ensure that sufficient funds are budgeted for and provided to enable the annual service and repair of outdated training equipment and encourage the trainees to complete the training programmes.</p> |

#### DIRECTORATE: DIRECTORATE OF YOUTH

| INDICATOR/FINDING   | RECOMMENDATION   |
|---|--|
| <p><b># of youth trained in year skills courses</b><br/>The quarterly target of Quarter 3 in the Annual plan was 150 trainees however, only 144 out of 150 was achieved giving a variance of 6 trainees not trained due to a lack of serviced equipment and some trainees who did not write the 2019 final assessments.</p> | <p>The variance was caused by lack of funds to implement projects therefore the Accounting Officer should ensure that enough funds are budgeted for and allocated for the successful implementation of youth projects.</p> |

### 3.5 Conclusion on the subject matter

The audit found a satisfactory outcome on both performance indicators tested.

#### **4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, 1991, (Act 31 of 1991) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations, Appropriation Act, 2019 (Act 2 of 2019) and Appropriation Amendment Act, 2019 (Act 3 of 2019) and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

#### **5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My power and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25 (1) (c), and section 27 (3) of the State Finance Act, (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations, Appropriation Act, 2019 (Act 2 of 2019) and Appropriation Amendment Act, 2019 (Act 3 of 2019).

I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

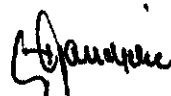
## 6. GENERAL INFORMATION

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 31 October 2020 in terms of Section 13 of the State Finance Act, 1991.

## 7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Ministry of Sport, Youth and National Service during the audit is appreciated.



**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

**WINDHOEK, FEBRUARY 2021**



## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

| 2019/2020  |                        |                    | Variations                  |                     | 2018/2019          |                       |
|--|------------------------|--------------------|-----------------------------|---------------------|--------------------|-----------------------|
| Service  | Authorized expenditure | Actual expenditure | Under-expenditure/ (Excess) | Percentage          | Actual expenditure |                       |
| N\$  | N\$                    | N\$                | N\$                         | %                   | N\$                |                       |
| <b>01. Office of the Minister:</b>                     |                        |                    |                             |                     |                    |                       |
| Original budget  | 3 159 000              |                    |                             |                     |                    |                       |
| Plus: Virement   | 678 715                | 3 837 715          | 3 820 414.53                | 17 300.47           | 0.45               | 3 951 673.04          |
| <b>02. Administration:</b>                             |                        |                    |                             |                     |                    |                       |
| Original budget  | 77 868 000             |                    |                             |                     |                    |                       |
| Additional budget                                      | 13 535 390             |                    |                             |                     |                    |                       |
| Plus: Virement   | (1 083 968)            |                    |                             |                     |                    |                       |
| Less: Suspension                                       | (200 390)              | 90 119 032         | 85 011 667.76               | 5 107 364.24        | 5.67               | 96 562 913.53         |
| <b>03. Youth Development, Training and Employment:</b> |                        |                    |                             |                     |                    |                       |
| Original budget  | 160 444 000            |                    |                             |                     |                    |                       |
| Additional budget                                      | 12 500 000             |                    |                             |                     |                    |                       |
| Plus: Virement   | 1 884 467              |                    |                             |                     |                    |                       |
| Less: Suspension                                       | (15 495 000)           | 159 333 467        | 157 422 703.00              | 1 910 764.00        | 1.20               | 140 754 621.40        |
| <b>04. Sporting, Promotion and Support:</b>            |                        |                    |                             |                     |                    |                       |
| Original budget  | 44 528 000             |                    |                             |                     |                    |                       |
| Additional budget                                      | 3 552 000              |                    |                             |                     |                    |                       |
| Plus: Virement   | (1 479 214)            |                    |                             |                     |                    |                       |
| Less: Suspension                                       | (5 800 000)            | 40 800 786         | 40 767 139.28               | 33 646.72           | 0.08               | 46 816 880.84         |
| <b>Total:</b>  |                        | <b>294 091 000</b> | <b>287 021 924.57</b>       | <b>7 069 075.43</b> | <b>2.40</b>        | <b>288 086 088.81</b> |

## 1.2 Standard subdivisions

| Subdivision   | 2019/2020                     |                           |                                       | 2018/2019                 |
|---|-------------------------------|---------------------------|---------------------------------------|---------------------------|
|   | Authorized expenditure<br>N\$ | Actual expenditure<br>N\$ | Under-expenditure/<br>(Excess)<br>N\$ | Actual expenditure<br>N\$ |
| <b>Operational:</b>   |                               |                           |                                       |                           |
| <b>Current expenditure: Personnel</b>                         |                               |                           |                                       |                           |
| 001. Remuneration   | 105 278 216                   | 105 293 271.09            | (15 055.09)                           | 108 818 749.96            |
| 002. Employer's contribution to GIPF                          | 12 778 623                    | 12 899 999.15             | (121 376.15)                          | 13 600 039.40             |
| 003. Other conditions of service                              | 3 302 088                     | 3 366 771.63              | (64 683.63)                           | 4 979 918.32              |
| 004. Improvement of remuneration structure                    | -                             | 0.03                      | (0.03)                                | 11 104.49                 |
| 005. Employers contribution to the social security            | 420 459                       | 420 316.88                | 142.12                                | 438 104.19                |
| <b>Total</b>  | <b>121 779 386</b>            | <b>121 980 358.78</b>     | <b>(200 972.78)</b>                   | <b>127 847 916.36</b>     |
| <b>Current expenditure: Goods and other services</b>          |                               |                           |                                       |                           |
| 021. Travel and subsistence expenses                          | 2 067 756                     | 2 231 484.03              | (163 728.03)                          | 2 864 655.34              |
| 022. Materials and supplies                                   | 2 217 675                     | 812 490.92                | 1 405 184.08                          | 1 038 654.77              |
| 023. Transport  | 4 242 000                     | 4 189 728.76              | 52 271.24                             | 3 980 869.93              |
| 024. Utilities  | 29 273 624                    | 27 398 513.54             | 1 875 110.46                          | 20 239 250.16             |
| 025. Maintenance expenses                                     | 7 807 025                     | 7 541 346.37              | 265 678.63                            | 21 041 125.32             |
| 026. Property rental and related charges                      | 1 842 156                     | 1 842 155.76              | 0.24                                  | 4 844 534.19              |
| 027. Other services and expenses                              | 13 261 666                    | 12 129 320.90             | 1 132 345.10                          | 27 107 079.79             |
| 031. Travel and subsistence expenses                          | 36 000                        | 31 792.16                 | 4 207.84                              | 48 985.63                 |
| 033. Transport  | 10 000                        | 8 332.14                  | 1 667.86                              | -                         |
| 038. Consultancy fees   | 3 158 685                     | 1 743 679.54              | 1 415 005.46                          | -                         |
| 040. Security contracts                                       | 14 432 424                    | 13 570 544.65             | 861 879.35                            | 13 768 594.37             |
| <b>Total</b>  | <b>78 349 011.00</b>          | <b>71 499 388.77</b>      | <b>6 849 622.23</b>                   | <b>94 933 749.50</b>      |
| <b>Current expenditure: membership fees and subscriptions</b> |                               |                           |                                       |                           |
| 041. Membership fees: international                           | 779 765                       | 779 763.94                | 1.06                                  | 399 999.42                |
| 049. Support for non-profit organization                      | 9 292 000                     | 9 276 805.95              | 15 194.05                             | 7 200 000.00              |
| 053. Subsidies for state owned enterprises                    | 78 405 040                    | 78 404 860.00             | 180.00                                | 53 800 000.00             |
| <b>Total</b>  | <b>88 476 805</b>             | <b>88 461 429.89</b>      | <b>15 375.11</b>                      | <b>61 399 999.42</b>      |
| <b>Total: Operational expenditure</b>                         | <b>288 605 202</b>            | <b>281 941 177.44</b>     | <b>7 084 341.44</b>                   | <b>284 181 665.28</b>     |
| <b>Development:</b>   |                               |                           |                                       |                           |
| <b>Capital expenditure: Acquisition of assets</b>             |                               |                           |                                       |                           |
| 105. Feasibility studies, design and supervision              | 1 903 862                     | 1 745 268.11              | 158 593.89                            | -                         |
| 107. Construction, renovation and improvements                | 3 581 936                     | 3 335 479.02              | 246 456.98                            | 3 904 423.53              |
| <b>Total: Development expenditure</b>                         | <b>5 485 798</b>              | <b>5 080 747.13</b>       | <b>405 050.87</b>                     | <b>3 904 423.53</b>       |
| <b>GRAND TOTAL</b>  | <b>294 091 000</b>            | <b>287 021 924.57</b>     | <b>7 069 075.43</b>                   | <b>288 086 088.81</b>     |

**1.3 Departmental revenue**

Revenue for the year is as follows:

| Revenue head        | Estimate<br>2019/2020 | Actual revenue<br>2019/2020 | More/(Less) than<br>estimated | Actual revenue<br>2018/2019 |
|---------------------|-----------------------|-----------------------------|-------------------------------|-----------------------------|
|                     | N\$                   | N\$                         | N\$                           | N\$                         |
| Miscellaneous       | 200 000               | 3 400.00                    | (196 600.00)                  | 12 060.00                   |
| Sport stadiums      | 500 000               | 62 030.17                   | (437 969.83)                  | 24 930.00                   |
| Youth centres       | 2 800 000             | 1 114 741.00                | (1 685 259.00)                | 1 033 409.00                |
| College of the Arts | -                     | -                           | -                             | 60.00                       |
| <b>Total</b>        | <b>3 500 000</b>      | <b>1 180 171.17</b>         | <b>(2 319 828.83)</b>         | <b>1 070 459.00</b>         |

**1.4 Notes to the financial statements****1.4.1 Appropriation account: Explanations of variations exceeding 2% between the authorized and actual expenditure****Underexpenditure****Main division 02: Administration: (N\$ 5 107 364.24- 5.67%)**

The underspending recorded is mainly attributed to the late approval of the final virement that was approved after the closure of the payment cycle for the financial year due to technical challenges. As a result, the Ministry could not utilize the saving viremented from the development budget, hence the underspending.

**1.4.2 Departmental revenue: Explanations of variations exceeding N\$ 200 000.00****Overestimation****Sport stadiums (N\$ 437 969.83)**

The estimate was based on the hope that the stadiums would be in demand in terms of usage because the Ministry would like to collect as much as possible for the usage of the stadiums, however the demand was not as anticipated and could not attain the desired estimates, thus as a variance of N\$ 437 969.83 was recorded.

**Youth centres (N\$ 1 685 259.00)**

The demand for the Youth Centre has declined a great deal due to the current economic situation and the state of our facilities. Due to the declining demand a variance of N\$ 1 685 259.00 was recorded.

## 2. GENERAL INFORMATION

### 2.1 Development projects

The following were the development projects of the Ministry for the year under review:

| Project name   | Approved total budget | Approved appropriation 2019/2020 | Total expenditure at 31/03/2019 | Actual expenditure 2019/2020 | Total expenditure at 31/03/2020 | Expected year of completion |
|--|-----------------------|----------------------------------|---------------------------------|------------------------------|---------------------------------|-----------------------------|
|  | N\$                   | N\$                              | N\$                             | N\$                          | N\$                             |                             |
| Construction of Eenhana Sports Complex                                   | 70 158 000            | 1 781 936                        | 37 948 162.56                   | 1 676 886.36                 | 39 625 048.92                   | 31/03/2024                  |
| Construction of Frans Dimbare Intergrated Rural Youth Development Centre | 35 181 000            | 1 958 593                        | 5 341 925.27                    | 1 658 592.66                 | 7 000 517.93                    | 31/03/2023                  |
| Nkurenkuru Multi-Purpose Youth Resources Centre/ Sport                   | -                     | 1 745 269                        | -                               | 1 745 268.11                 | 1 745 268.11                    | -                           |
| <b>Total</b>   | <b>105 339 000</b>    | <b>5 485 798</b>                 | <b>43 290 087.83</b>            | <b>5 080 747.13</b>          | <b>48 370 834.96</b>            |                             |

### 2.2 Vehicles

#### 2.2.1 Vehicles on hand (own fleet)

The Accounting Officer reported that the Ministry had one hundred and seven (107) vehicles valued at N\$ 54 870 000.00 as at 31 March 2020.

#### 2.2.2 Motor vehicle accidents

The Accounting Officer reported total cost of damages amounting to N\$ 2 761.73 in respect of three (3) vehicle accidents.

### 2.3 Points keeping stock and annual stocktaking

The Accounting Officer reported forty one (41) points for annual stocktaking. Annual stocktaking was conducted at only nine (9) points and no stocktaking was conducted at thirty two (32) stock points. The following were found during stock taking:

| Description          | Amount       |
|----------------------|--------------|
|                      | N\$          |
| Total value of stock | 6 530 950.26 |
| Surplus              | -            |
| Shortages/Deficits   | -            |
| Worn-out/Damaged     | -            |
| Obsolete/Redundant   | 2 695.00     |

### 2.4 Livestock

The Accounting Officer reported sixty (60) livestock with a total value of N\$ 73 000.00 at Frans Dimbare Intergrated Rural Development and Environment Centre and forty three (43) livestock with a total value of N\$ 222 000.00 at Berg Aukas Rural Development Centre as at 31 March 2020.

### 2.5 Outstanding subsistence advances

The Accounting Officer reported forty four (44) cases of outstanding subsistence advances amounting to N\$ 153 794.02 as at 31 March 2020.

## 2.6 Bank accounts

The Accounting Officer reported the following bank accounts during the financial year under review:

| Account name  | Bank name           | Balance as at 31 March 2020 |
|---|---------------------|-----------------------------|
|   |                     | N\$                         |
| Children of the Liberation Struggle                     | Bank Windhoek       | 54 680.37                   |
| Commonwealth Youth Credit Initiative                    | First National Bank | 934 966.76                  |
| Commonwealth Youth Credit Initiative ( Social Security) | First National Bank | 983 252.38                  |

## 2.7 Losses and damages

The Accounting Officer reported losses and damages for theft of household items at the Rundu Sport Stadium amounting to N\$ 1 634.00 in total. The theft case was reported to the Namibian Police.

## 2.8 Subsidies by the Government

The Accounting Officer reported an amount of N\$ 87 196 860.00 paid in respect of subsidies as follows:

| Institution               | Amount            |
|---------------------------|-------------------|
|                           | N\$               |
| National Youth Service    | 30 000 000        |
| National Youth Council    | 48 404 860        |
| Namibia Sports Commission | 8 792 000         |
| <b>Total</b>              | <b>87 196 860</b> |

## 2.9 Suspense accounts

The Ministry had the following outstanding balances on ten (10) suspense accounts at 31 March 2020 of which five (5) had debit and five (5) had credit balances:

| Description                                     | Balance as at 31 March 2020<br>Debit/Credit |
|---|---|
|   | N\$   |
| Receipt suspense                                | (820 889.29)                                |
| RD cheques                                      | 121 911.92                                  |
| S&T advance suspense account                    | 227 859.40                                  |
| Rejection account                               | 302 314.11                                  |
| Bills payable                                   | 79 643.68                                   |
| Electronic Fund Transfer clearing account (EFT) | (33 571.40)                                 |
| Social Security                                 | (32 961.27)                                 |
| Pension Funds; GIPF                             | (12 206.91)                                 |
| First National Bank (Windhoek)                  | 10 938.07                                   |
| Debt establishment                              | (200.00)                                    |

WINDHOEK, 2020-10-16

DR AUDRIN MATHE  
ACCOUNTING OFFICER

