

REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE AUDITOR-GENERAL
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 Office of the Auditor-General 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.

WINDHOEK, MARCH 2021

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	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.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time without or suspend any amount in an estimate of expenditure).
Virement:	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.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Under-expenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
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)performance agreements and personal development plans)
Key performance indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
OMA	Office/Ministry/Agency
International Standards of Supreme Audit Institutions (ISSAI):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Reasonable Assurance	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.

Limited Assurance	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.
Direct reporting engagement	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.
Attestation engagement	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.
Subject matter	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
ISSAI:	International Standards of Supreme Audit Institutions
Unqualified Opinion	The auditors conclude that the financial statements of your business present fairly its affairs in all material aspects. The opinion embodies the assumptions that your business observed compliance with applicable accounting principles and statutory requirements. Also known as a clean report, such a report implies that any changes in the accounting policies, their application and effects, are adequately determined and divulged. This opinion does not tell that your business is in good economic health. It merely states that your financial report is transparent and thorough and has not hidden important facts.
Qualified Report	The auditor concludes that most matters have been dealt with adequately, except for a few issues. 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. For auditors an issue must be material or financially worth consideration to qualify a report. The issue should not be pervasive, that is, the issue should not misrepresent the factual financial position. If issues are material and pervasive, the auditor issues a disclaimer or adverse opinion. A qualified audit report does not mean that your business is suffering, and it doesn't mean that your financial statement isn't transparent. It merely reflects the auditor's inability to give a clean report.
Adverse opinion	The auditor finds that the financial statements do not fairly represent the entity's accounts and the audited statements do not comply with the applicable accounting standards.
Disclaimer opinion	Auditor issue a disclaimer of opinion when the auditor's scope is limited. This occurs, for instance, when auditors cannot access certain financial data and reports may seem to violate accounting principles such as the matching concept or the conservatism principle.

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE OFFICE OF THE AUDITOR-GENERAL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Office of the Auditor-General 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 Office of the Auditor-General as at 31 March 2020 are prepared, in all material respects, in accordance with Section 12 and 13 of the State Finance Act, 1991 (Act 31 of 1991) and relevant legislation.

1.2 BASIS FOR UNQUALIFIED 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 Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia 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. I have determined that there were no key audit matters to communicate in my report.

1.4 OTHER MATTERS

Attention is drawn to the management on the following matter that relates to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Office of the Auditor-General in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 Audit committee

The primary purpose of an Audit Committee is to provide independent oversight on corporate governance issues pertaining to financial reporting, audit processes, internal controls and the compliance to laws and regulations. The Office does not have an Audit Committee and as a result, management does not have assistance in fulfilling the corporate governance requirements and the independent overseeing body of responsibilities in relation to the entity's financial reporting, internal control systems and risk management system.

It is recommended that the Accounting Officer should cause the appointment of an Audit Committee.

Management comment

The Accounting Officer indicated that the Office made budgetary provision to pay sitting allowance to the members that are appointed outside the public service.

1.4.2. IT Disaster Recovery Plan and Business Continuity Plan

An IT Disaster recovery and Business Continuity Plan is an integral part of overall risk management of the Office. Since not all the risks can be eliminated, management should implement a disaster recovery plan and business continuity plan to prepare for potentially disruptive events.

This process is extremely important because it provides a detailed strategy on how the Office of the Auditor General will continue with operations after severe interruptions and/or disasters. In the event of a disaster, the continued operations of the office will depend on the ability to replicate its IT systems and data. The disaster recovery plan stipulates how the office will prepare for a disaster and what steps the office will take to ensure that operations can be restored.

The audit found that the Office has not implemented the IT Disaster Recovery Plan and Business Continuity Plan.

It is recommended that the Accounting Officer should implement the Disaster Recovery and Business Continuity Plans.

Management comment

The Accounting Officer indicated that the Office was unable to engage in this exercise during the year due to budgetary constraints.

1.5 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I do not have any other information to report on.

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 of the Office of the Auditor-General

I have audited the financial performance and the use of appropriated funds of the Office of the Auditor-General 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 Office of the Auditor-General, 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 Public Procurement Regulations during the financial year ended 31 March 2020.

2.3 Audit objective

The objective of this compliance audit is to verify and assess whether Office of the Auditor-General has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs. This audit is an attestation engagement where the Office 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.

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 the 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 Audit findings

2.6.1 Unauthorized expenditure

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

- (i) Although Treasury approval was obtained to utilize certain expected savings for the defrayal of expenditure through virements during the year, one (1) operational subdivision was exceeded with an amount of N\$ 54 525.15. This excess is contrary to Section 6 (a) (iii) of the Act.

It is recommended that the Accounting Officer should indicate what control measures have been put in place to avoid unauthorised expenditure in future.

2.6.2 Opinion on the subject matter

In my opinion, the Office of the Auditor-General's financial performance and use of appropriated funds is in compliance, in all material respects, with the Appropriation Act, 2019 (Act 2 of 2019); Appropriation Amendment Act, 2019 (Act 3 of 2019) and Public Procurement Act, 2015 (Act 15 of 2015), State Finance Act, 1991 (Act 31 of 1991), Treasury Instructions and Public Procurement Regulations.

2.7 AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Office of the Auditor-General for the financial year ended 31 March 2020.

2.7.1 Description of the subject matter information and audit scope

A Performance Management System (PMS) is as a systematic process for achievement and improvement in obtaining results from an organization 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 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 Office of the Auditor-General and 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.

2.7.2 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, programs, and projects.

Key performance indicators were selected based on what is considered significant to the intended users and their role in assessing the entity's achievements in terms of its service performance objectives.

The following key performance indicators were selected from the 2019/2020 Annual plan:

Strategic objective	Directorate	KPI
To enhance the utilization of SAI's resources in terms of efficiency, effectiveness and economy	Administration	Percentage of financial goals achieved.
To ensure audit service excellence and quality	Information Systems Audit	Complete the customization of audit manuals.

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.

2.7.3 Audit criteria

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

- Compliance with legislative requirements,
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

2.7.4 SUMMARY OF METHODS APPLIED

I reviewed the 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 financial year ended 31 March 2020 are reported in the Directorate quarterly reports and Annual Performance Report.

Furthermore, I conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicators.

2.8 CONCLUSION ON THE SUBJECT MATTER

The audit revealed a satisfactory outcome and all sub-criteria of the selected key performance indicators are reliable and useful to the public and stakeholders.

3. 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 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 and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

4. 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 powers and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25 (1) (c), Section 26 (1) and Section 27 (3) of the State Finance Act, 1991 (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, in all material aspects, is in compliance with the Appropriation Act, 2019 (Act 2 of 2019), the Appropriation Amendment Act, 2019 (Act 3 of 2019), the State Finance Act, 1991 (Act 31 of 1991), the Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations. 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 entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

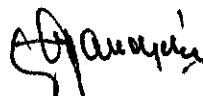
5. GENERAL INFORMATION

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 19 October 2020 in terms of Section 13 of the State Finance Act, 1991.

6. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Office of the Auditor-General during the audit is appreciated.



WINDHOEK, MARCH 2021

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2019/2020					2018/2019	
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Auditor-General:						
Original budget	2 321 000					
Plus: Virement	93 000	2 414 000	2 343 946.16	70 053.84	2.90	4 689 446.25
02. Administration:						
Original budget	36 167 000					
Plus: Virement	10 000					
Less: Suspension	(200)	36 176 800	35 825 512.60	351 287.40	0.97	34 712 136.80
03. Auditing:						
Original budget	70 777 000					
Additional budget	1 007 200					
Less: Virement	(103 000)					
Less: Suspension	(690 000)	70 991 200	70 580 606.98	410 593.02	0.58	70 371 694.71
Total		109 582 000	108 750 065.74	831 934.26	0.76	109 773 277.76

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2019/2020			2018/2019
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
Operational:	N\$	N\$	N\$	N\$
Current expenditure: Personnel				
001. Remuneration	77 869 800	77 499 166.88	370 633.12	76 742 305.40
002. Employer's contribution to GIPF	9 880 000	9 792 964.44	87 035.56	9 816 789.70
003. Other conditions of service	260 000	258 672.55	1 327.45	1 003 563.99
005. Employer's contribution to social security	212 000	205 121.42	6 878.58	209 627.66
Total	88 221 800	87 755 925.29	465 874.71	87 772 286.75
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	3 602 000	3 540 590.50	61 409.50	5 400 614.11
022. Materials and supplies	1 365 000	1 359 465.66	5 534.34	1 658 683.57
023. Transport	1 020 000	897 685.69	122 314.31	834 498.84
024. Utilities	4 030 000	4 015 038.68	14 961.32	3 860 276.42
025. Maintenance	3 085 000	2 998 492.58	86 507.42	2 480 838.11
027. Other services and expenses	40 000	37 275.00	2 725.00	4 009 320.03
028. Training course, symposiums and workshops	1 065 000	1 063 673.33	1 326.67	1 095 078.35
029. Printing and advertisements	70 000	67 682.04	2 317.96	64 898.25
031. Politicians entertainment	30 000	29 972.58	27.42	20 000.00
034. Official entertainment/corporate gift	20 000	20 000.00	-	9 886.00
038. Consultancy fees	5 364 200	5 316 187.74	48 012.26	-
040. Security contracts	688 000	686 357.24	1 642.76	589 478.40
Total	20 379 200	20 032 421.04	346 778.96	20 023 572.08
Current expenditure: Membership fees and subscriptions				
041. International	191 000	171 889.23	19 110.77	63 763.14
Total	191 000	171 889.23	19 110.77	63 763.14
Total: Current expenditure	108 792 000	107 960 235.56	831 764.44	107 859 621.97
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	790 000	789 830.18	169.82	94 990.99
102. Vehicles	-	-	-	1 818 664.80
Total	790 000	789 830.18	169.82	1 913 655.79
Total: Operational	109 582 000	108 750 065.74	831 934.26	109 773 277.76
GRAND TOTAL	109 582 000	108 750 065.74	831 934.26	109 773 277.76

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2019/2020	More/(Less) than estimated	Actual revenue 2018/2019
	N\$	N\$	N\$	N\$
Audit fees	1 940 000	1 075 334.34	(864 665.66)	1 530 167.37
Private telephone calls	12 000	5 801.76	(6 198.24)	20 168.31
Miscellaneous	8 000	599 732.28	591 732.28	400 465.46
Total	1 960 000	1 680 868.38	(279 131.62)	1 950 801.14

1.4 Notes to the financial statements**1.4.1 Appropriation account: Explanations of variations exceeding 2% between authorized and actual expenditure.****Underexpenditure****Main division 01: Auditor-General (N\$ 70 053.84 -2.90%)**

The underexpenditure occurred because planned trips and roaming for the Auditor-General costed less than originally anticipated. The lengthy procurement process also contributed to the underspending on this main division.

1.4.2. Departmental revenue: Explanations of variations exceeding N\$ 200 000**(i) Over-estimation****Audit fees (N\$ 864 665.66)**

The Office budgeted to generate revenue from audit fees charged to Local Authorities. However on 23 July 2019, Treasury granted authorization on request of the Auditor-General that the Local Authorities be exempted from paying audit fees for a period of five (5) years as from the 2019/2020 up to the 2023/2024 financial years, which caused the overestimation.

(ii) Under-estimation

Miscellaneous revenue (N\$ 599 732.28)

The under estimation was mainly due to the following unforeseen refunds:

Revenue item	Amount
	N\$
Exceeding cell phone limits	31 892.40
Sale of audit reports	812.00
Refund: DSA	3 241.35
Damage to laptop	1 690.50
Bidding documents: IT	1 500.00
Bidding documents	700 00
Damage to laptop screen	4 002.00
Buy-out fee MTC cell phone	2 000.00
Refund: Cellphone contract	6 006.00
Refund: Ait ticket	3 954.19
Refund: Staff development	107 808.32
Refund: Housing subsidy	30 468.00
Purchase of Mercedes Benz E200	168 116.89
Refund: Service bonus	10 393.28
Refund: Damage to GRN 8242	27 599.19
Rectify incorrect amount on receipt	(10.00)
DSA Reversals	190 159.02
Refund: Cellphone allowance	(15 394.93)
Refund: Overpayment on salary	24 794.07
Total	599 732.28

2. GENERAL INFORMATION

2.1 Revenue outstanding

The Accounting Officer reported revenue outstanding to a total amount of N\$ 1 141 819.18 as follows:

Revenue head	Number of cases involved	Outstanding amount as at 31 March 2020
		N\$
Audit fees	20	1 140 893.55
Private telephone calls	2	925.63
Total	22	1 141 819.18

2.2 Bursaries and study assistance

The Accounting Officer reported that twenty seven (27) staff members were granted study assistance by the Office to further their qualifications to a total amount of N\$ 605 714.21. In addition, an amount of N\$ 71 536.57 was recovered from staff members who did not complete their studies during the year under review.

2.3 Donations by Government

The Accounting Officer reported a donation of audit reports valued at N\$ 16 026.12 to the undermentioned institutions:

Beneficiary	Value
	N\$
Libraries	4 006.53
Universities	8 013.06
Archives	4 006.53
Total	16 026.12

2.4 Bank account

The Office operated one (1) bank account during the 2019/20 financial year. The purpose of this bank account was to cater for the hosting of the AFROSAI Governing Board meetings in 2016 and 2017. The account, however is still open and had a closing balance of N\$ 45 948.34 at 31 March 2020.

ANNEXURE A (continued)

2.5 Debt to Government

The Accounting Officer reported an outstanding balance of N\$ 833 106.79 in respect of various debts owed to the Government as at 31 March 2020:

Nature of debt	Balance as at 01 April 2019	Originated during the year	Recovered during the year	Adjustments	Interest Charged	Outstanding as at 31 March 2020
	N\$	N\$	N\$	N\$	N\$	N\$
Exceeding cell phone limits	26 967.31	19 417.52	28 427.00	6 559.83	-	11 398.00
Overpayment on leave	-	24 244.50	-	19 423.40	-	4821.10
Over-utilization of study leave	13 822.56	-	-	-	-	13 822.56
Housing subsidy	-	175 000.00	32 468.00	-	-	142 532.00
Misuse of government vehicle	-	2 625.42	-	-	-	2 625.42
Air ticket refund	3 163.36	-	3 954.19	(814.68)	-	23.85
Fraudulent transaction	-	66 300.00	3 871.98	-	-	62 428.02
Damage/Loss of laptop	-	11 771.34	5 692.50	-	-	6 078.84
Vehicle damages/Loss	65 996.60	23 998.07	27 599.00	4 405.00	4 187.93	62 178.60
Study Assistance	544 848.01	49 555.48	107.808	38 300.00	12 842.38	461 137.55
Cell phone allowance	41 143.64	-	6006.00	(13 296.00)	-	48 433.64
Cell phone buy out	-	2 357.03	1 248.32	-	-	1 108.71
Overtime claimed	-	18 303.86	1 785.36	-	-	16 518.50
Total	695 941.48	393 573.22	218 860.67	(54 577.55)	17 030.31	833 106.79

2.6 Annual stock taking

The Accounting Officer reported that stock-taking was carried out at three (3) stock points during the year under review. Treasury approval was obtained. Obsolete and worn out items to the value of N\$ 280 298.96 were identified and the value of stock was reported as N\$ 22 504 823.29.

2.7 Stores and depots

The Accounting Officer reported stock on hand at the end of the financial year to the value of N\$ 3 278 910.01 as follows at its stores and depots:

Description	Stock on hand as at 31 March 2020
	N\$
Furniture and office equipment	25 909.99
Stationery	1 569 206.57
Cleaning and catering supplies	77 220.43
Maintenance supplies	48 494.45
Maintenance equipment	32 542.80
IT equipment	1 283 557.37
IT consumables	241 978.40
Total	3 278 910.01

2.8 Internal inspections

The Accounting Officer reported internal inspections conducted during the financial year under review as follows:

Category of inspection	Number of inspections points	Number of inspections	Classification of reports according to the Accounting Officer's opinion
Financial	1	1	Satisfactory
Auxiliary Services	1	1	Satisfactory
Internal Audit	4	4	Satisfactory
Personnel	1	1	Satisfactory
Maintenance	1	1	Satisfactory
Total	8	8	

2.9 Vehicles (Own fleet)

The Accounting Officer reported a total number of forty-three (43) vehicles and three (3) trailers on hand at 31 March 2020 with a total value of N\$ 10 250 388.89.

2.10 Accidents – Cost of damages

The Accounting Officer reported that no vehicle was involved in an accident during the year under review. Three (3) vehicles that needed repairs at 31 March 2019, were repaired at a total cost of N\$ 11 705.18.

2.11 Losses/damages

The Accounting Officer reported an incident of damage to a vehicle by an unknown person amounting to N\$ 2 615.75, as well as a separate incident where the locks of a vehicle had to be replaced at a total cost of N\$ 14 722.84.

2.12 Wellness

The Accounting Officer reported that N\$ 12 017.50 was spent on wellness activities during the year under review.

2.13 Suspense accounts

Closing balances were reflected on three (3) of the Office's suspense accounts at 31 March 2020, of which two (2) had debit balances and one (1) had a credit balance. Analysis of the balances was disclosed as required by Treasury Instruction FD 0704:

Description	Balance as at 31 March 2020 Debit/(Credit)
	N\$
S&T advance suspense account	24 335.95
Rejection account	(17 573.85)
Electronic Fund Transfer Clearing Account	66 300.00

WINDHOEK, OCTOBER 2020

GOMS MENETTÉ
ACCOUNTING OFFICER