



REPUBLIC OF NAMIBIA



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

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 Prime Minister 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, JANUARY 2021

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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.
Underexpenditure:	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)
Key performance indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

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).
Types of Audit Opinions:	<p>Unqualified Opinion. 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>Qualified Opinion. 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>Disclaimer Opinion. 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>Adverse Opinion. 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>
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.
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

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE OFFICE OF THE PRIME MINISTER
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 Prime Minister 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, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements of the Office of the Prime Minister 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 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 INTOSAI Code of Ethics 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 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 Office of the Prime Minister 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 Prime Minister 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 Prime Minister 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 limited 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 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 regulation that governs them.

2.6. Key audit findings

2.6.1. Unauthorized expenditure

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

- (i) One (1) main division was exceeded with N\$ 188 364.91 which is unauthorized in terms of Section 6(a)(ii) of the Act.
- (ii) Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, two (2) operational subdivisions were exceeded with a total amount of N\$ 198 761.25 which is unauthorised in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should implement budgetary control measures to prevent unauthorised expenditure in future.

Management comment

The Accounting Officer explained that, this main division was done away with at the end of the 2018/2019 financial year and was incorporated into main division 08 starting from the 2019/2020 financial year. An omission was made by processing a retired staff member's leave gratuity of N\$ 188 364.91, under this main division 10.

Unfortunately, the IFMS system failed to prevent this overpayment as there was no budget on this main division. When it was noticed, during the final glance, it could unfortunately not be rectified due to time constraint.

2.6.2 Annual stocktaking

Treasury Instruction KA0901 stipulates that stores and equipment must be subjected to stocktaking at least once a year. The Accounting Officer reported that stocktaking for the 2019/2020 financial year was conducted from 09 March 2020 to 18 March 2020 at the Head Office in Windhoek. However, the approved stocktaking report by Treasury was not provided for audit purposes.

It is recommended that the Accounting Officer should submit the approved stocktaking report by Treasury for audit purposes.

2.7. Unqualified opinion on the subject matter

In my opinion, the Office of the Prime Minister's 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 Office of the Prime Minister 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 timelines.

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 Office's Mandate, the Strategic Plan (2018/2019 - 2021/2022) and the Annual Plan for the financial year 2019/2020.

3.2 Audit objective

The objective of the Key Performance Indicator (KPI) audit is to provide reasonable 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. 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. The findings and recommendations are taken into consideration.

3.3 Audit criteria

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

- Compliance with legislative requirements
- Usefulness
- Reliability
- Existence
- Timeliness
- Presentation
- Measurability
- Relevance
- Validity
- Accuracy
- Completeness

3.4. Summary of methods applied

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Strategic Plan (2018/2019 - 2021/2022) and the Annual Plan of the Office for the financial year 2019/2020.

A key performance indicator was selected based on what would be significant to the intended users, their usefulness and reliability in assessing the Office’s achievements in terms of its service performance objectives. The following Key performance indicator *Number of progress reports on Customers Services Charters’ implementation and Number of reports produced on remedial actions* was selected and audited.

3.5 Selected key performance indicators

3.5.1 Directorate/Department: Public Service Management

The (1) one key performance indicator from the Department Public Service Management (DPSM) was selected out of a population of nine (9) key performance indicators from the 2019/2020 annual plan.

Strategic Objective	Key Performance Indicators
Accelerate Performance Improvement in the Public Service	Number of progress reports on Customers Services Charters’ implementation

3.5.2 Directorate: Public Service Innovation and Reform

The (1) one key performance indicator from the Directorate Public Service Innovation and Reform was selected out of a population of two (2) key performance indicators from the 2019/2020 annual plan.

Strategic Objective	Key Performance Indicators
Promote Responsiveness and Accountability to Citizens	Number of reports produced on remedial actions

3.6 Conclusion on the subject matter

All criteria of the performance information was met, which concluded that reported information is reliable and might be useful to the general public and stakeholders.

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 State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations and 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 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 skepticism 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 auditor's 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 auditor's 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.

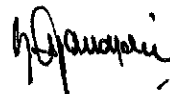
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with 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 auditor's 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 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), and 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 (ISSAs). 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.

7. ACKNOWLEDGEMENT

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



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, JANUARY 2021

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2019/2020						2018/2019
Service		Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under- expenditure/ (Excess)	Percent age	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Prime Minister:						
Original budget	15 997 000					
Plus: Virement	922 664	16 919 664	13 585 353.36	3 334 310.64	19.71	18 684 115.23
02. Disaster Risk Management:						
Original budget	123 489 000					
Plus: Virement	101 315 422					
Less: Suspension	(470)	224 803 952	224 143 164.00	660 788.00	0.29	57 093 033.06
03. Administration:						
Original budget	130 260 000					
Plus: Virement	9 882 142					
Less: Suspension	(14 000 000)	126 142 142	110 629 843.42	15 512 298.58	12.30	112 351 772.02
04. Public Service Innovation and Reforms:						
Original budget	6 005 000					
Less: Virement	(990 000)	5 015 000	4 390 157.44	624 842.56	12.46	4 716 702.49
05. Public Service Commission:						
Original budget	27 983 000					
Plus: Virement	1 193 000					
Less: Suspension	(720 000)	28 456 000	27 696 580.11	759 419.89	2.67	26 834 758.83
06. Public Service Information Technology Management:						
Original budget	76 433 000					
Less: Virement	(31 668 297)					
Less: Suspension	(2 000 000)	42 764 703	36 223 683.26	6 541 019.74	15.80	67 488 286.06

2019/2020						2018/2019
Service		Variations				Actual expenditure
		Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
07. Cabinet Secretariat:						
Original budget	16 805 000					
Less: Virement	(3 575 616)	13 229 384	12 830 814.93	398 569.07	3.01	13 732 390.95
08. Human Resources Planning and Development :						
Original budget	58 664 000					
Less: Virement	(8 442 000)					
Less: Suspension	(1 200 000)	49 022 000	48 600 291.93	421 708.07	0.86	17 872 482.83
09. Benefits and Industrial Relations:						
Original budget	3 755 000					
Less: Virement	(1 308 845)	2 446 155	2 388 191.04	57 963.96	2.37	11 893 831.09
10. Performance Improvement:						
Original budget	-	-	188 364.91	(188 364.91)	-	11 978 043.19
11. Organisational Development and Grading:						
Original budget	-	-	-	-	-	12 027 401.20
TOTAL:		508 799 000	480 676 444.40	28 122 555.60	(5.53)	354 672 816.95

1.2 Standard subdivisions

Subdivision	2019/2020			2018/2019
	Authorised expenditure N\$	Actual expenditure N\$	Expenditure (Excess) N\$	Actual expenditure N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	155 341 443	151 698 249.97	3 643 193.03	154 889 483.00
002. Employer's contribution to the G.I.P.F	18 800 000	18 398 398.86	401 601.14	18 941 893.54
003. Other conditions of service	3 265 158	2 962 959.43	302 198.57	3 284 352.73
005. Employer's contribution to Social Security	407 600	355 427.97	52 172.03	368 780.04
Total	177 814 201	173 415 036.23	4 399 164.77	177 484 509.31
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	7 671 384	4 981 254.38	2 690 129.62	2 661 650.90
022. Materials and supplies	2 258 000	1 480 904.12	777 095.88	1 956 310.46
023. Transport	7 952 000	7 496 170.95	455 829.05	6 266 566.66
024. Utilities	33 232 087	32 141 745.53	1 090 341.47	23 788 201.46
025. Maintenance expenses	22 641 703	13 843 257.98	8 798 445.02	12 081 999.22
026. Property rental and related charges	2 410 000	2 069 457.14	340 542.86	2 761 762.01
027. Other services and expenses	1 566 819	877 736.73	689 082.27	50 672 391.74
028. Training course, symposiums and workshops	1 558 000	1 382 263.18	175 736.82	648 736.26
029. Printing and advertisements	448 000	383 539.88	64 460.12	216 440.39
031. Entertainment politicians	-	-	-	46 285.25
033. Office refreshment	155 000	140 210.57	14 789.43	141 517.81
034. Official entertainment / Corporate gifts	118 000	68 621.23	49 378.77	95 538.58
036. Property rental and related charges	20 000	-	20 000.00	-
038. Consultancy fees	900 000	900 000.00	-	-
040. Security contracts	1 360 000	1 334 595.99	25 404.01	1 337 260.58
Total	82 290 993	67 099 757.68	15 191 235.32	102 674 661.32
Current expenditure: Membership fees and subscriptions				
041. International	370 000	343 954.24	26 045.76	211 030.86
Total	370 000	343 954.24	26 045.76	211 030.86
Current expenditure: Subsidies, grants and other transfers				
046. Subsidies to sub national bodies	215 516 806	215 516 806.00	-	48 183 000.00
047. Subsidies to other extra budgetary bodies	23 500 000	23 500 000.00	-	25 805 806.35
051. Subsidies public and departmental enterprises and private industries	-	-	-	29 638.15
Total	239 016 806	239 016 806	-	74 018 444.50
Total Current expenditure	499 492 000	479 875 554.15	19 616 445.85	354 388 645.99
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 500 000	729 220.41	770 779.59	284 170.96
Total	1 500 000	729 220.41	770 779.59	284 170.96

Subdivision	2019/2020			2018/2019
	Authorised expenditure	Actual expenditure	Expenditure (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Development Capital expenditure				
105. Feasibility Studies, Design and Supervision	5 000 000	71 669.84	4 928 330.16	-
107. Construction, Renovation And Improvement	2 807 000	-	2 807 000.00	-
Total: Development	7 807 000	71 669.84	7 735 330.16	-
GRAND TOTAL	508 799 000	480 676 444.40	28 122 555.60	354 672 816.95

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\$
Private telephone calls	-	39 798.73	39 798.73	-
Miscellaneous	15 000	73 748.52	58 748.52	328 858.87
IT services	200 000	-	(200 000.00)	-
Total	215 000	113 547.25	101 452.75	328 858.87

1.4 Notes to the financial statements

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

(i) Underexpenditure

Main division 01: Office of the Prime Minister (N\$ 3 334 310.64– 19.71%)

The underexpenditure under personnel expenditure was due to vacancies under this main division. The filling of these positions are at the behest of the Political Office Bearers. The underexpenditure under travel and subsistence allowance was due to COVID-19 interruptions of planned trips.

Main division 03: Administration (N\$ 15 512 298.58 – 12.30%)

The underexpenditure under personnel expenditure was due to staff turnover during the financial year. The underexpenditure under materials and supplies was due to services which could not be delivered by the end of the financial year and some services could not be sourced from suppliers due to lack of stock in their warehouses. The underexpenditure under transport was due to late receiving of journals from Government Garage due to their system failure.

Other underexpenditure was realized due to invoice vouchers which were not received by end of the financial year; flooring of Cabinet Chambers and the seat covering of the same Chambers which could not be finalized before the end of the financial year; the renewal of the building housing the Department of Public Service Management which was not signed by the Ministry of Works and Transport on time. Other Services and Expenses – Training Courses, Workshops were put on hold due to Lockdown resulting from COVID-19; Furniture and Office Equipment due to some equipment which could not be delivered before the end of the financial year.

Main division 04: Public Service Innovation and Reforms (N\$ 624 842.56– 12.46%)

The underexpenditure under personnel expenditure was due to staff turnover during the financial year. The underexpenditure under travel and subsistence allowance was due to COVID-19 interruptions of planned trips. The underexpenditure under innovation policy is due to an invoice which was not received by the end of the financial year.

Main division 05: Public Service Commission (N\$ 759 419.89– 2.67%)

The underexpenditure under personnel expenditure was due to staff turnover during the financial year. The underexpenditure under travel and subsistence allowance was due to COVID-19 interruptions of planned trips.

Main division 06: Public Service Information Technology Management (N\$ 6 541 019.74 – 15.80%)

The underexpenditure under personnel expenditure was due to staff turnover during the financial year. The underexpenditure under travel and subsistence allowance was due to COVID-19 interruptions of planned trips. The underexpenditure under maintenance was due to limited time to acquire computer equipment (security firewall) as the companies who applied for the tender did not meet the prescribed requirements under Treasury.

Main division 07: Cabinet Secretariat (N\$ 398 569.07– 3.01%)

The underexpenditure under personnel expenditure was due to vacancies which were not filled during the financial year. The underexpenditure under travel and subsistence allowance was due to COVID-19 interruptions of planned trips.

Main division 09: Political Office Bearers Commission Secretariat (N\$ 57 963.96– 2.37%)

The underexpenditure under personnel expenditure was due to staff turnover during the financial year.

(ii) Overexpenditure

Main division 10: Performance Improvement N\$ 188 364.91

This main division was done away with at the end of the 2018/19 financial year and was incorporated into main division 08 starting from the 2019/2020 financial year. An omission was made by processing a retired staff member's leave gratuity of N\$ 188 364.91, under this main division. Concentration of the reconciliation was just under the existing main divisions 01-09.

Unfortunately, the IFMS system failed to prevent this overpayment as there was no budget on this main division. When it was noticed, during the final glance, it could unfortunately not be rectified due to time constraint.

2. GENERAL INFORMATION

2.1. Bank accounts

The Accounting Officer reported that during the financial year under review, the Office kept and operated the following bank accounts:

Account name	Banking institution	Balance as at 31/03/2020
		N\$
OPM NAMSACCO Support	First National Bank	3 980 427.60
National Disaster Fund: COVID-19	First National Bank	17 227 541.50
Drought Relief Account (Call Account)	Standard Bank	486 864.03
Drought Relief Account	Standard Bank	1 492 825.89
Namibia Cleaning Campaign	First National Bank	353 483.25
OPM - Children of the Liberation Struggle	First National Bank	13 497 112.53
National Independence Celebration Committee	First National Bank	11 235 464.88
Heroes Acre	Standard Bank	379 431.24
National Emergency Disaster Fund	Bank Windhoek	53 619 315.50
National Emergency Disaster Fund (Call Account)	Bank Windhoek	132 349 458.77

2.2. Outstanding commitments

The Accounting Officer reported outstanding commitments amounting to N\$ 13 110.57 at the end of the financial year.

2.3. Bursary/Study assistance

The Accounting Officer reported that the Office rendered bursary/study assistance to three (3) staff members amounting to N\$ 63 345.00.

2.4. Grants by Government

The Accounting Officer reported that the Office offered grants amounting to N\$ 122 663.14 during the financial year under review.

2.5. Capital projects

The Accounting Officer reported the following capital projects:

Nature of project	Approved total budget	Total expenditure as at 31/03/2019	Approved appropriation 2019/2020	Actual expenditure 2019/2020	Total expenditure as at 31/03/2020	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Renovation of Old United House	28 100 000	-	4 000 000	71 669.84	71 669.84	31/03/2023
Renovation of the Office of the Prime Minister's Headquarter	12 300 000	-	3 807 000	-	-	31/03/2023
Total	40 400 000	-	7 807 000	71 669.84	71 669.84	

2.6. Movable property transferred within Government

The Accounting Officer reported that the Office transferred movable property valued at N\$ 3 550.00 to the Community Courts in the Ministry of Justice.

2.7. Debt to Government

The Accounting Officer reported outstanding debt amounting to N\$ 107 374.86 for the year under review.

2.8. Internal inspections

The Accounting Officer reported that the Office conducted seven (7) internal inspections.

2.9. Vehicles on hand (Government Garage)

The Accounting Officer reported that the Office has one hundred and thirty three (133) vehicles on hand as at 31 March 2020.

The Accounting Officer reported eight (8) vehicle accidents of which five (5) vehicles were repaired at a cost of N\$ 46 000.

2.10. Relief of distress

The Accounting Officer reported total expenditure for food relief and water services amounting to N\$ 81 770 743.65 and N\$ 249 786 608.63 respectively.

The Accounting Officer also reported that the total expenditure for livestock support and crops was N\$ 52 750 479.81 and the total expenditure for non-mechanized hydroponic and fodder production was N\$ 10 445 828.71.

2.11. Subsistence and travel allowance

The Accounting Officer reported that the DSA Debit Balance List had a balance amounting to N\$ 2 100.50 and further indicated that the amount was recovered from the staff members.

2.12. Donations to the Government

The Accounting Officer reported that the Office received donations in cash or in kind amounting to N\$ 159 471 378.79 from local instances and cash donations amounting to N\$ 998 985.81 from individuals.

The Accounting Officer also reported that the Office received cash donations from foreign instances amounting to N\$ 4 584 361.00 The Office further received donations in cash or in kind amounting to N\$ 12 767 328.00 from other governments.

2.13. Suspense accounts

The following nine (9) suspense accounts had balances at the end of the financial year, two (2) with debit balances and seven (7) with credit balances:

Description	Balance as at 31/03/2020 Debit / (Credit)
	N\$
Receipt suspense	(115 696.80)
RD cheques	17 496.38
S&T advance suspense account	(774 920.33)
Rejection account	(32 532.81)
Bills payable	(98 875.00)
Electronic Fund Transfer Clearing Account (EFT)	(961.00)
Social Security	(708.14)
Tax Code	3 467.71
Pension Fund: GIPF	(4 002.26)

2.14. Wellness

The Accounting Officer reported that the Office paid for wellness activities amounting to N\$ 30 151.88.

