

# REPUBLIC OF NAMIBIA



**STATEMENT BY HON. MARTIN ANDJABA,  
MINISTER OF PRESIDENTIAL AFFAIRS ON  
THE OCCASION OF THE TABLING  
OF THE BUDGET ESTIMATES FOR VOTE 04:  
AUDITOR-GENERAL FOR THE 2018/2019  
FINANCIAL YEAR**

**12 April 2018,**

**WINDHOEK**

*\*Check Against Delivery.*

Honourable Speaker,

I rise to motivate the budget request for Vote 04, Auditor-General for the 2018/2019 Financial Year. The Auditor-General performs an important constitutional mandate, namely to audit the state revenue fund and report thereon to the National Assembly.

As part of that oversight mandate, the Auditor-General contributes to the strengthening of accountability and transparency in all institutions of the State where state revenue funds and other public resources are utilized. Furthermore, when audited reports of O/M/As, Regional Councils, Local Authorities and Statutory Bodies are tabled in the National Assembly, such reports become public documents available to all stakeholders as part of promoting transparency.

In addition, Accounting Officers are summoned, whenever necessary, to appear before the Public Accounts Committee of Parliament to give additional information when audit reports on their entities are being reviewed. The Office of the Auditor-General supports the Public Accounts Committee during scrutiny and site visits.

The Auditor-General's reports identify gaps in governance that need to be attended to by Accounting Officers. Some of the issues highlighted in these reports are related to internal controls, risk management, conflict of interests, mismanagement, etc. In order, to fulfil the audit mandate, the Office of the Auditor-General needs resources to conduct one hundred and twenty (120) asset inspections throughout the country. These inspections are intended to ensure that relevant controls are in place to safeguard Government assets. Where necessary, asset inspections will include Namibia's diplomatic missions abroad.

During the 2018/2019 Financial Year, the Office intends to finalize one hundred and twenty eight (128) Audit Reports. These include thirty seven (37) government audit reports, eighty (80) Regional and Local Authority and Statutory Body audit reports as well as eleven (11) specialized audit reports, including performance audits, information systems and environmental audits reports.

The Office has implemented plans that enhance compliance with International Standards for Supreme Audit Institutions (ISSAI) and improve the quality of its processes. It also strives to strengthen its operational and functional independence in line with international best practices, as endorsed by the UN General Assembly and the International Organization of Supreme Audit Institutions (INTOSAI). In this regard, the Office will be guided by the provisions of the Constitution and other legal frameworks of Namibia.

The eleven (11) specialized audit reports planned during 2018/19 are as follows: three (3) Performance Audit Reports; two (2) Follow-up Performance Audit Reports; two (2) Environmental Audit Reports, two (2) information systems report, one (1) transversal audit report and one (1) other Special Audit Report.



The Office of the Auditor-General will continue with extensive training of staff to ensure that they acquire the necessary technical skills for Environmental and Information Systems Audits as new types of audits that have been introduced.

Quality assurance, research and development and a training division have been strengthened to ensure that quality and factual reports are produced at all times. The research and development division keeps the Office abreast with international standards and the latest developments in public sector auditing.

Past and recent audits and observations show that there is a serious need for capacity building within the O/M/As and Regional Councils, Municipalities, Towns and Villages. The Office will continue to render advisory and stakeholders education services on a regular basis to help improve public finance management in the Government and its institutions.

During the previous financial year, a need was identified for the Office to transform into a learning organization where professionally qualified human resources can contribute to accountability, transparency and good governance. Due to financial challenges, the initiative could not commence. In the new financial year, the Office intends to sign a memorandum of understanding with audit firms to train the staff in the Office to improve capacity.

Honourable Speaker,

In the 2018/19 financial year, the Office will pursue three (3) main programmes, namely Programme 1: Oversight of Public Resources, Programme 2: Independence and Legal Framework and Programme 3: Organization and Management. I wish to provide some details on each of these programmes.

#### Programme 1: Oversight of Public Resources

The objectives of this programme are:

- To provide independent assurance and advice to the National Assembly on the proper accounting for and the regularity of the expenditure and receipts of Central Government, Regional Councils, Local Authorities, and legally assigned Statutory Bodies;
- To provide independent reports to the National Assembly on the economy and on the efficiency and effectiveness with which Public resources are used by Central Government
- To develop Institutional capacity and Professionalization and to ensure compliance to audit methodologies and standards

This programme consists of the following components:

- Financial Audits: Government Audits;
- Financial Audits: Accrual Based Audits;
- Forensic Audits;
- Environmental Audits;
- Value for Money Audits;

- Compliance Audits;
- Information Systems Audits;
- Audit of Key Performance Indicators;
- Research and Development, and
- Quality assurance, training and development.

An amount of Sixty Seven Million, Four Hundred and Ninety Seven Thousand Namibia Dollars (N\$ 67,497,000) is required to fund this programme.

#### Programme 2: Independence and Legal Framework

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

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

An amount of Three Million Eight Hundred and Seven Thousand Namibia Dollars (N\$3,807,000.00) is required to fund this programme.

#### Programme 3: Organization and Management

The objectives of this programme are:

- To enhance the utilization of resources effectively, efficiently and in an economical manner
- To manage organisational risk effectively
- To effectively manage information technology.
- To Strengthen stakeholder communication and engagements;
- To strengthen human resources, enhance leadership and organisational development;

An amount of Thirty Five Million and Ninety Five Thousand Namibia Dollars (N\$ 35,095,000.00) is required to fund the following main activities under this programme:

##### Coordination and Support Services

- Information Systems and Technology Management
- Business Process Reengineering
- Enterprise Risk Management
- Financial Management
- Human Resource Management

##### Communication and Stakeholder Management

- Implementation of stakeholder communication strategy
- Conducting stakeholder surveys

Honourable Chairperson of the Whole House Committee,

To enable the Office of the Auditor-General to implement its important programmes, an amount of One Hundred and Six Million Three Hundred and Ninety Nine Thousand Namibia Dollars (N\$106,399,000.00) is required as per the Appropriation Bill. I cannot over-emphasize the fact that we need an effective and well-resourced Office of the Auditor General. This Office is critical to the promotion and deepening of accountability and transparency in our country. It is an important watchdog ensuring that public resources and assets are utilized for intended purposes. It is an important institution that keeps civil servants on their toes to eradicate waste, embezzlement and misuse of public resources. It is in this context that I respectfully request this august House to approve the budget allocation of the Office of the Auditor General for the 2018/2019 Financial Year.

I thank you.