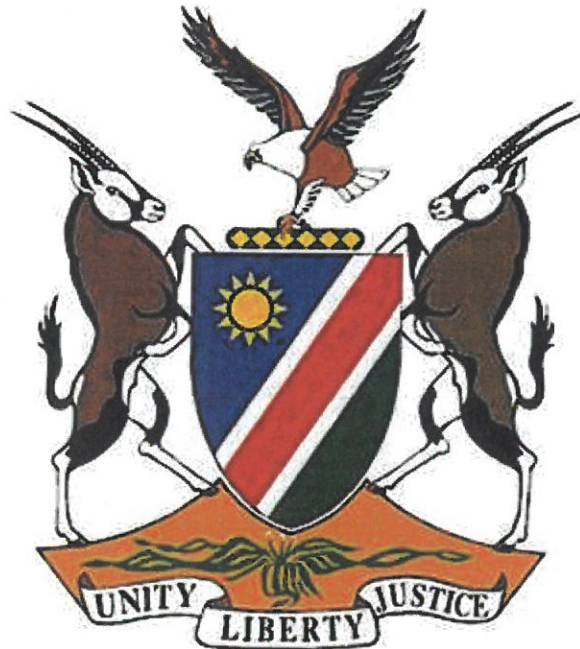


REPUBLIC OF NAMIBIA



BUDGET SPEECH FOR VOTE 04: AUDITOR-
GENERAL FOR THE 2023/2024 FINANCIAL YEAR
BY HON. CHRISTINA //HOEBES, MINISTER IN THE
PRESIDENCY.

Honourable Speaker,

I rise to motivate Vote 04, Auditor-General. In order to increase accountability and transparency in the use of public resources, the Auditor-General is required under the Constitution to audit the state revenue fund and submit his findings to the National Assembly.

The Auditor-General's reports over the years have identified governance and public finance management gaps that need to be addressed by Accounting Officers, providing independent audit assurance to stakeholders in accordance with International Auditing Standards and complying with legal obligations with regard to its audit mandate and required reporting on the regularity and efficiency of the use of public funds.

During the previous financial year, the following were achieved:

1. The Office managed to table 105 audit reports for Local Authorities, O/M/As, SOEs, Funds and Regional Councils. The Office also tabled three (3) performance audit reports covering the management of the drought relief programme in Namibia; management and implementation of the Food Bank programme in Namibia and a follow up audit on unemployment amongst the Namibian Youth. Tabled reports indicate government's understanding toward the relevance of performance audit to nation development as well as its willingness to support the audit type.

For local governments and regional councils, a total of 67 audits were created and approved. It is also noteworthy that International Public Sector Accounting Standards (IPSAS) are utilized by 95% of Regional Councils and Local Authorities.

Financial statement submission delays and non-submission continue to persist to be a challenge for the Auditor-General. Section 27(3) of

the State Finance Act, 1991 permits the Auditor-General to publish Special Audit Reports that are in the interest of Government and the Public. Included in the Auditor-General's Special Audit Report, delayed and non-submission of financial statements from especially Local and Regional Authority audited entities, remain a challenge. The main reason for this is that there is a lack of capacity in compiling annual financial statements by the financial accountants. This can be due to a lack of qualified staff. This results in the needless hiring of private consultants who add to the budget of the council while providing little benefit for the training of financial staff. To encourage councils to equip their accountants to prepare financial accounts, the Auditor-General has gained Treasury authorization to exempt local bodies from paying audit fees.

Honourable members,

2. The Auditor-General maintains its relevance by conducting a variety of audit types, including performance, environmental, compliance, and information system audits.
3. The following performance, environmental and audits were conducted:

Topic	Audit Type
Hazardous Waste Management	Environmental
Air Quality Monitoring	Environmental
Finalization of Criminal Cases within Magistrate's Courts in Namibia	Environmental
Finalization of Criminal Cases within Magistrate's Courts in Namibia	Performance

Lack of Transport (Police Vehicles)	Follow up
Overcrowding of Correctional Facilities	Follow up
Implementation of the Namibian School Feeding Programme	Performance

4. The Auditor-General's audit reports provide a critical analysis of the operations, performance and financial health of public sector organizations. They are an essential tool for ensuring accountability, transparency and good governance. By providing an independent, objective and unbiased assessment of public sector organizations, the Auditor-General's reports help to ensure the proper use of public funds and resources, highlight areas of concern and identify opportunities for improvement. In short, the Auditor-General's audit reports are essential for maintaining public trust in the public sector.

During the 2023/24 Financial Year, the Office intends to finalize one hundred and fifty-two (152) Audit Reports. These include thirty-three (33) government audit reports, seventy-three (73) Regional and Local Authority and Statutory Body audit reports, together with thirty-three (33) assets inspection audits. A cumulative amount of twelve (12) specialized audit reports, including compliance audit reports and information system audit reports.

Compliance audit reports provide an independent assessment of an organization's ability to comply with applicable laws, regulations, and standards, and can be a valuable tool in identifying potential areas of risk and developing strategies for improvement.

5. Therefore, twelve (12) specialized audit reports are planned during 2023/24 are as follows:

- three (3) Performance Audit Reports;
- three (3) Environmental Audit Reports;
- two (2) Compliance Audit Reports;
- two (2) Coordinated Audits, PA/EA/CA;
- two (2) Information System Audits.

6. Honorable Speaker, I would like to draw your attention to the following performance, environmental and compliance audits during 2023/24 financial year. These are all matters pertinent to establishing the nation and national development across all governmental sectors:

Topic	Audit Type
Occupational Health Hazards in mining	Performance
Follow up audit on service delivery to orphans and vulnerable children	Performance
Follow up on Tax Collection	Performance
Management of environmental impact assessments	Environmental
Wildlife Management	Environmental
Management of Fisheries Resources	Follow up
Assessment of Medical Complaints and Compensation concerning Health Practitioners in the Public Sector	Compliance
Disability measures at O/M/As	Compliance
Gender Equality with Ministry of Gender Equality	Coordinated
Impact of climate resilience/adaptation strategies with Ministry of Agriculture	Coordinated

Performance audit reports are an important tool used to evaluate the effectiveness, efficiency, and economy of an organization's operations.

The mining sector is identified as one of the sectors with an increased demand for minerals such as coal, which can be hazardous for human health. Therefore, this performance audit on Occupational Health Hazards in the Mining Sector aim to explore the safety and health of persons employed or otherwise present in or at mines.

In addition, environmental audit reports are an important tool for businesses and organizations to identify and address environmental issues. They provide insights into the environmental performance of a company, highlighting areas of improvement and identifying areas that may require further action. With environmental audit reports, organizations can create plans to reduce their environmental impact, increase their efficiency, and achieve their sustainability goals. Namibia is the first nation in Africa whose constitution includes provisions for environmental protection. The Auditor-General will conduct an environmental audit on wildlife management to determine whether the Ministry of Environment and Tourism and the NAMPOL are effectively, economically, and efficiently managing wildlife and national parks in light of the serious threat that wildlife crimes pose to Namibia's natural heritage.

7. Information system audits is an important tool for organizations to assess the effectiveness of their information systems. They provide a comprehensive overview of an organization's information assets, security, and processes.

The following Information System Audits will be conducted in the 2023/24 financial year:

- A combined Performance and Information System Audit on the Integrated Tax Administration System (ITAS) at the Ministry of Finance;

- A full Information System audit on Civil Registration process at the Ministry of Home Affairs, Immigration, Safety and Security.

Honourable Speaker,

In the 2023/24 financial year, the Office will pursue three (3) main programmes, namely;

Programme 1: Public Expenditure Oversight;
Programme 2: Independence and Legal Framework; and
Programme 99: Policy Co-ordination and Support Services

I wish to provide some details on each of these programmes.

Programme 1: Public Expenditure Oversight

This programme consists of the following components:

Financial audits are performed on all offices, ministries, statutory organizations, town councils, local governments, and various funds. The Office celebrates 100% submission of financial statements for auditing at the level of the central government. It is also noteworthy that the Office managed to finish all of its central government reports on time in 2022–2023 despite the obstacles it faced. Demonstrating audit relevance to all stakeholders remain our key objective.

An amount of seventy six million, six hundred and eighty six thousand Namibia Dollars (N\$ 76,686,000) is required to fund this programme.

Programme 2 : Independence and Legal Framework

The Office of the Auditor-General's top aim is acquiring and maintaining financial and administrative autonomy as well as suitable human, material, and financial resources.

Honourable members,

As you may know, the Office of the Auditor-General is in the process to seek for financial and operational independence. The term "SAI Independence" refers to the requirements that a Supreme Audit Institution (SAI) must meet in order to carry out its mission and work efficiently.

The INTOSAI Lima and Mexico Declarations, which were both adopted, set forth the guiding principles of SAI independence. These declarations show that Supreme Audit Institution (SAIs) can only be impartial, trustworthy, and successful if they are apart from the audited entity and shielded from external influence.

The Auditor-General's financial and operational independence offers significant benefits to the public. Firstly, it allows the Auditor-General to provide an independent and unbiased assessment of the financial and operational activities of the government, which in turn increases transparency and accountability. Secondly, it also helps to ensure that the public sector is not subject to undue influence or interference from the government or private sector. Finally, it facilitates an independent review of the government's performance and enables the Auditor-General to make reliable and objective recommendations that can help to improve the effectiveness and efficiency of the government. In short, the Auditor-General's financial and operational independence is instrumental in ensuring that the public receives quality services and that their money is spent wisely.

Honourable members,

To date the, the Office has successfully managed to finalise the Policy for the Audit of State Institutions and Public Funds as well as the Layman's Draft Audit Bill which are key legal documents that will assist the Office in attaining its financial and operational independence. We hope to

present these two documents to Cabinet for endorsement within the new financial year.

Therefore, an amount of four million, nine hundred and eighty thousand Namibia Dollars (N\$ 4,980,000) is required to fund this programme.

Programme 99: Policy Co-ordination and Support Services

This programme aims to support the Auditor-General with regard to overall administration, to ease the work of his office, and provide logistical and technical support for the Office's audit divisions. Key elements of this program include the provision of human resource management, training, and development as well as the support of strategic planning and performance management for the Office of the Auditor-General.

An amount of thirty-eight million one hundred and fifty-seven thousand Namibia Dollars (N\$ 38,157,000) is required to fund this programme:

To enable the Office of the Auditor-General to implement its important programmes, a total amount of one hundred and nineteen million, eight hundred twenty-three thousand Namibia Dollars (N\$ 119,823,000) is required as per the Appropriation Bill 2023/24. The significance of having an effective and well-resourced Office of the Auditor General for this country cannot be overstated.

It is in this context that I respectfully request this House to approve the budget allocation of the Office of the Auditor General for the 2023/24 Financial Year.

I thank you.

