



REPUBLIC OF NAMIBIA

MINISTRY OF DEFENCE

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MEDIA RELEASE ON THE ARTICLE PUBLISHED IN THE NAMIBIAN DAILY NEWSPAPER ON THURSDAY, 20 SEPTEMBER 2018 TITLED "DEFENCE CAN'T EXPLAIN USE OF N\$ 138M"

1. The Ministry of Defence wish to set the record straight with factually correct information, and not as depicted in the Namibian newspaper.
2. As explained to the Auditor-General in the response to the findings; the correct expenditure incurred by the Ministry of Defence for the Maintenance (spare parts) of the aircraft actually amounts to N\$ 230 037 318.00, exceeding the previously reported amount of N\$ 198 084 909.17. The reason for the difference is that foreign currency payments take time to process through the Ministry of Finance, Bank of Namibia and the respective International Corresponding Banks. These high value foreign currency transactions can only be posted by the Ministry of Finance on the General Ledger upon receipt of confirmation from the Bank of Namibia when the recipient confirmed receipt of the funds.
3. The Office of the Auditor-General was informed that the Ministry of Defence can make all expenditure vouchers available for verification and audit for the amount of N\$ 230 037 318.00, and a list of the transactions was attached as Annex H to the responses of the Ministry of Defence dated 06 April 2018.
4. Secondly, the Office of the Auditor-General was informed that the Ministry of Finance unilaterally suspended an amount of N\$653 793 767.82 from the 2016/2017 appropriation of the Ministry of Defence, thus explaining the overspending of N\$185 244 084.07, which presented 3.12% of the revised total budget allocation of N\$5.9 billion Namibian Dollar.
5. In addition, the Ministry of Defence also did not agree with the finding of the auditor in the response dated 06 April 2018 with regards to the number of sub-divisions and amounts considered as unauthorised expenditure, because of the differences between various General Ledger reports, which was also reported to the Ministry of Finance on 31 March 2018, of which no action was taken.
6. The Ministry of Defence did not agree with the finding of the auditor with regard to donations. The vehicles and equipment received as a donation, valued at N\$ 1 372 998.10 from the German Armed Forces Technical Advisory Group (GAFTAG), was reported during the 2015/2016 financial year, and of which treasury approval was granted on 11 February 2016 and was attached as Annex E to the response of the Ministry of Defence dated 06 April 2018.
7. However, the Ministry of Defence admitted that 1 x Toyota Quantum Minibus valued at N\$ 378 735.51, and 1 x Tractor Loader Backhoe Bell 315 SK 4x4 of which the value is unknown, was not included in the Treasury Authorization request and also not reported which was an oversight.
8. The Ministry of Defence did not explain any failure to spend any amount allocated for projects as reported in the newspaper. However, the Ministry's execution rate for projects under review stood at 96.1%.
9. In conclusion, all the audit findings as addressed in this statement was exhaustively interrogated and disputed during the audit exit meeting held at the Ministry of Defence's Headquarters on Friday, 27 July 2018 between senior staff members of the Office of the Auditor-General and the Ministry of Defence. The auditor agreed to some errors and stated that it was too late to withdraw the statements hence the audit report was presented in Parliament without changes.
10. I thank you.


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25 SEP 2018
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