



**REPUBLIC OF NAMIBIA**

**KEYNOTE ADDRESS BY  
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MINISTER OF URBAN AND RURAL DEVELOPMENT  
ON THE OCCASION OF  
THE PUBLIC SECTOR INTERNAL AUDITORS' CONFERENCE**

**30 SEPTEMBER**

**NIPAM,  
WINDHOEK**

The Executive Director of the Ministry of Urban and Rural Development  
 The Deputy Auditor General  
 The Executive Director of NIPAM  
 Chief Regional Officers, Managers and officials from Regional Councils  
 Chief Executive Officers, Managers and officials from Local Authorities  
 Invited guests and stakeholders  
 Members of the press  
 Ladies and gentlemen

It is a greatest honour and pleasure for me to be here today, to officiate at this occasion of the Public Sector Internal Auditors' Conference which is being held under the theme "*Does Accountability matter?*". I wish to commend the management of NIPAM and partners for initiating and hosting this event. The theme of Conference is relevant and the holding of the conference could not have come at the right, this year, which year has been coined the Year of Accountability of our President.

This question in the theme can only be better answered by looking at the essence of accountability. Indonesian academics Novita Sari, Imam Ghozali and Tarmizi Achmad define accountability as a concept in their discourse, titled "The effect of Internal Audit and Internal Control System on public accountability: The empirical study in Indonesia State Universities, published in the *International Journal of Civil Engineering and Technology*, that it is

[A] form of obligation to account for the success or failure of organisational mission implementation in achieving predetermined objectives and targets.

They further propound that accountability is attained through the presentation of comprehensive financial statements. Needles to state the role of internal auditors in realising adherence to proper accounting standards.

Director of ceremonies  
 Ladies and gentlemen

As a democracy and a Government for the people and by the people, the Namibian Government, at all levels of governance, is accountable to the sovereign, the citizenry. Good governance is integral to the eradication of poverty and realisation of sustainable economic growth and development, and requires a public administration system that is capable of initiating, managing and stimulating the desired development and change.

Accountability is one of the principles of good governance alongside other principles, namely the respect for the rule of law, transparency, responsiveness, inclusivity, equity, efficiency and effectiveness. Broadly speaking, good governance requires not only commitment from governmental institutions but also the involvement of the private sector and civil society organisations. They, too, need to be accountable to public institutions and other stakeholders.

Public accountability demands the government (its agencies and officials) to run government affairs in a transparent manner and to provide information and justify their decisions and actions to the public and those institutions that are tasked with accountability oversight.

Esteemed participants

Ladies and gentlemen

Accountability and effective or good governance are integral components of the governance architect in Namibia and are enshrined in all our national laws and policies, starting with the National Constitution. In Namibia, accountability is achieved through various channels. One of these is fiscal accountability, which is achieved by Offices, Ministries and Agencies (OMAs) accounting to the public and elected representatives in Parliament on how appropriated public resources are used in achieving the objectives as set out in Medium-Term Expenditure Frameworks of OMAs. The Office of Auditor General comes in to cause the auditing of OMAs and reports its findings to Parliament whereupon Parliament, through its Standing Committee on Public Accounts, seeks accountability from Accounting Officers.

There is also policy accountability through the mandatory development by OMAs of strategic and annual plans, which are aligned to National Development Plans. Ministers provide an account on set key performance indicators both to the Parliament and the President.

Director of proceedings

Ladies and gentlemen

Public accountability is expected at all levels of Government – Central, Regional and Local. Regional Councils and Local Authorities, as transmission belts and the tiers of government that are closest to the citizenry are required to display and be a mirror of the highest level of service delivery and accountability.

At the sub-national government levels, accountability is vested in the Councils and the Accounting Officers - the Chief Regional Officers in the case of a Regional Council and the Chief Executive Officer in the case of a local authority. The Councils are in turn accountable to the Minister and the public accountability oversight bodies, like the Office of the Auditor-General, among others.

From the annual audit reports done by the Auditor-General, public expenditure and financial management and controls at regional and local authority levels are not in order, for some of these institution continuously receive qualified audit opinions. For example, at a retreat that took place earlier this year, the Deputy Auditor General reported that according to the latest audits done, only 3 Regional Councils out of the 14 have unqualified audit opinions and none of the 57 local authorities managed to achieve this desired audits status. This state of affairs needs urgent improvement.

It has also been reported and, therefore, worrisome that recommended remedial measures are not implemented and reported shortcomings persist. The main audit findings are poor record keeping and management, non-existence of Fixed Asset Registers, poor stock control, poor budgetary control and improper revenue management just to mention the few.

Director of ceremonies

Ladies and gentlemen

There is a general recognition that internal audit if effectively implemented can be an important catalyst for improving an organisation's governance, risk management, legal compliance, internal control processes, performance and accountability. This role can however only achieve its desired outcomes if an enabling environment exists.

Above all, there must be a commitment to integrity and accountability throughout the organisation and especially with top setting the tone and leading by example. A supportive legal framework, operational systems and standards as well as qualified personnel are critical requirements.

Recognition and support from the top to the internal audit function cannot be over-emphasised. After all, the internal audit function is not a replacement of the oversight and accountability responsibilities of Councils and the

Accounting Officers, but serves as an important independent assurance and objective advice to them.

It is reported that even where the post and role of internal audit is provided for, such role is often not given the desired support and prominence in terms of filling and supporting its effective execution. In addition to internal auditors, Councils are further empowered to establish committees such as audit committees to advise them on the exercise of their powers and duties such as financial control and accountability. Again regrettably, few if any of the Regional Councils and local authorities have made use of such enabling legal provisions.

These are serious shortcomings that must be addressed as a matter of urgency.

Director of ceremonies

Ladies and gentlemen

As the line-Ministry, the Ministry of Urban and Rural Development, with the help and support of other oversight institutions such as the Ministry of Finance, the Auditor General and the Anti-Corruption Commission, will continue to demand accountability from Regional Councils and local authorities. We will equally continue to provide an enabling environment and support through capacity building in partnership with partners such as NIPAM.

I welcome this conference as an opportunity for us, as partners, to identify the challenges that are there and most importantly ways on how to strengthen internal audit and controls as critical ingredients for ensuring public accountability, effective governance and public service. I therefore look forward to an outcome that will lead to a visible improvement in the operational performance, financial management and control and accountability by Regional Councils and Local Authorities.

I wish you fruitful deliberations and I now declare this Conference officially opened. And I thank you.