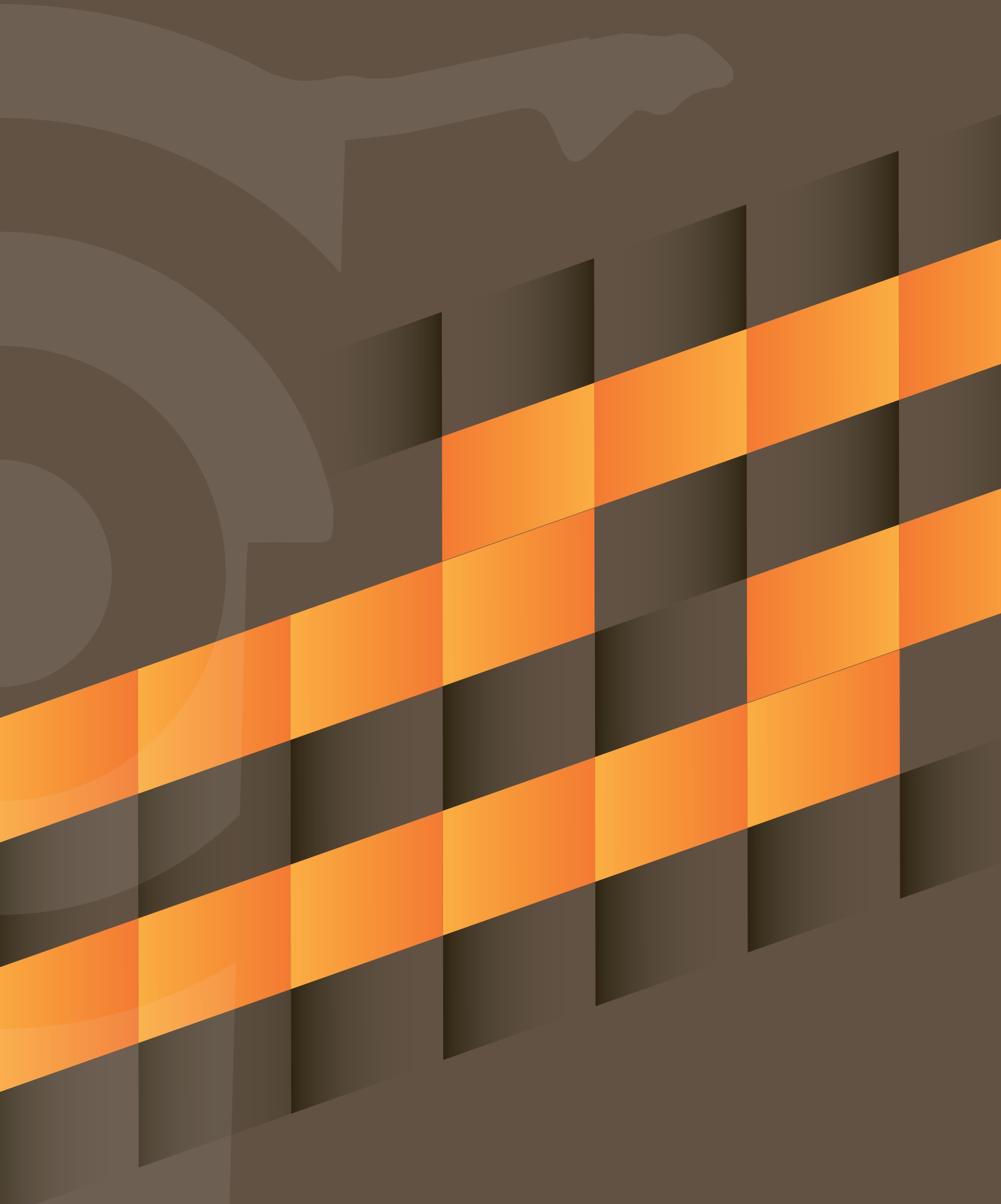


Procuring with Integrity

ANNUAL REPORT 2021/22





ANNUAL REPORT 2021/22

GENERAL INFORMATION

Country of Incorporation and Domicile	Namibia
Nature of Business and Principal	To conduct the bidding process on behalf of public entities
Board Members	<p>Mr. P.P. Swartz (Chairperson and Administrative Head)</p> <p>Ms. L. Ramakhutla (Deputy Chairperson and Deputy Administrative Head)</p> <p>Ms. J. !Garus-Oas</p> <p>Ms. E. Nghiidipaa</p> <p>Ms. H. Herman</p> <p>Mr. O.N.R. Nangolo</p> <p>Mr. E. P. Shilongo</p> <p>Mr. M. Kambulu</p> <p>Mr. A. Ngavetene</p>
Registered Office	Central Procurement Board of Namibia Erf 8161 Julius Nyerere Street, Southern Industry, Windhoek West, Namibia
Postal Address	P O Box 23650 Windhoek Namibia
Bankers	Bank Windhoek 3rd Floor, Capricorn House 119 Independence Avenue PO Box 15, Windhoek, Namibia Tel: +264 61 299 1480
Auditors	PKF-FCS Auditors 3 Kerby street P O Box 9779, Windhoek, Namibia Tel: +264 387800 Fax: +264 387801

ACRONYMS

ARC:	Audit and Risk Committee
ALI:	African Leadership Institute
BEC:	Bid Evaluation Committee
APP:	Annual Procurement Plans
BDs:	Bidding Documents
CIPS:	Chartered Institute of Procurement & Supply
CPBN:	Central Procurement Board of Namibia
DP:	Direct Procurement
FY:	Financial Year
HRC:	Human Resources Committee
IPP's:	Individual Procurement Plans
M&E:	Monitoring and Evaluation
MoF:	Ministry of Finance
NMC:	Namibia Medical Care
NCS:	Non-Consultancy Services
ONB:	Open National Bidding
OIB:	Open International Bidding
OMAs:	Offices, Ministries and Agencies
PPA:	Public Procurement Act
PPU:	Procurement Policy Unit
PPR:	Public Procurement Regulation
RB:	Restricted Bidding
SBD:	Standard Bidding Documents
TC:	Technical Committee
VET:	Vocational Education Training
VOs:	Variation Orders
RB:	Restricted Bidding
PEs:	Public Entities

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Mr P. P. Swartz
Chairperson

1 CHAIRPERSON'S REVIEW

1. CHAIRPERSON'S REVIEW

DEAR STAKEHOLDERS

I am pleased to present the Central Procurement Board of Namibia's (CPBN) annual report for the fiscal year 2021/2022. This marks the fifth consecutive year of issuing our annual report since our establishment in 2017. We take great pride in the fact that CPBN has consistently received unqualified audits over these five years. This achievement is a testament to our unwavering commitment to upholding the principles of good corporate governance, as both the Board and Management remain steadfast in their dedication to excellence.

Our continued adherence to robust institutional practices and systems underscores our commitment to transparency and accountability. The publication of our annual report serves not only as a compliance requirement but also as a platform through which the Board communicates its core business values, vision, mission, and accomplishments.

In the sections that follow, we outline CPBN's key strategic initiatives and their pivotal role in driving our success.

1.1 GOVERNANCE

The Board Members at CPBN places significant emphasis on the fundamental principles of corporate governance. Our unwavering commitment to transparency, accountability, and ethical conduct serves as the cornerstone of our operations, ensuring the protection of our stakeholders' interests. Throughout the reporting period, the composition of our board remained unchanged, reflecting stability and continuity in our leadership structure.

1.2 PUBLIC PROCUREMENT

It is imperative to highlight that in accordance with Section 8 of the Public Procurement Act (PPA) as amended, the primary objective of the Board is to oversee the bidding process on behalf of public entities for the award of contracts for procurement or disposal of assets that exceed the prescribed threshold.

In fulfilling this statutory obligation, the Board has made the following procurement decisions, as outlined in the table below, over the past three (3) financial years:

Public Procurement is a core function mandated by Section 8 of the Public Procurement Act (PPA), which outlines the principal objective of the Board. This objective entails overseeing the bidding process on behalf of public entities for the procurement or disposal of assets surpassing the specified threshold.

To adhere to this statutory obligation, the Board has diligently executed various procurement decisions over the past three (3) financial years, as illustrated in the table below:

1.2.1 Individual Procurement Plans (IPP's)

In the reporting period, the Board sanctioned eight (8) Individual Procurement Plans (IPPs), totaling N\$2,046,643,930. This marked a noteworthy surge of 61% compared to the previous financial year, which saw nine (9) IPPs valued at N\$794,159,457.

	2019/2020 (N\$)	2020/2021 (N\$)	2021/2022 (N\$)
Individual Procurement Plans (IPP)	5, 471, 870, 136	794, 159, 457	2,046,643,930
Number of Public Entities	9	9	8

1.2.2 Procurement Awards

Throughout the review period, there was a notable escalation both in the quantity and value of awarded procurement contracts. The total value of procurement contracts awarded amounted to N\$4,512,768,173, indicating a substantial increase compared to N\$2,983,861,939 awarded in the preceding financial year.

Procurement Method	2019/2020 (N\$)	2020/2021 (N\$)	2021/2022 (N\$)
Open Advertised Bidding	1, 086, 744, 649	1,953,805,157	1,024,509,075
Restricted Bidding	0	0	0
Direct Procurement (includes Entity to Entity)	982, 899, 272	1, 030, 056, 782	3,488,259,098
Total	2,069,643,921	2,983,861,939	4,512,768,173

1.2.3 Variation Orders, Price Increases and Contract Extensions

During the reporting period, the Board sanctioned price increases and variation orders totaling N\$28,053,716. Variation Orders, primarily utilized in the construction industry, entail alterations or modifications to the scope of works. Price increases may arise from factors such as statutory

adjustments or annual inflationary trends, resulting in an augmentation of the original contract price. Additionally, contract extensions were granted in cases where contractual provisions allowed for such extensions and all parties involved consented to the justifications and terms of such extensions.

Other Awards	2019/2020 (N\$)	2020/2021 (N\$)	2021/2022 (N\$)
Variation Orders	247, 009, 879	0	0
Price Increases	511, 869, 614	69, 492, 559	28,053,716
Contract Extensions	1, 015, 508, 231	889, 069, 108	568,191,170
Total	1,774,387,724	958,561,667	596,244,886

The Board is committed to reducing price increases, variation orders, and contract extensions during contract execution, emphasizing the importance of maintaining a competitive procurement process and preventing price manipulation. This commitment is reflected in the observed trends over the past three years, where there has been a decrease in both variation orders and price increases. Several factors contribute to this reduction, including:

- a) Improved project planning from both the Procuring Agent and the Public Entities (PE) has been instrumental in reducing variation orders and price increases. This includes the preparation of comprehensive standard bidding documents and proactive communication with potential bidders through pre-bid meetings, ensuring a clear understanding of the project's scope and requirements.
- b) Additionally, the implementation of comprehensive and well-defined contracts has fostered greater certainty and clarity regarding roles and responsibilities for contractors and service providers. This proactive approach minimizes the likelihood of disputes arising during project execution.
- c) Furthermore, robust performance monitoring and contract management practices by both the CPBN and the Public Entity have been pivotal. This proactive approach enables the identification of potential risks and issues early on, allowing for timely intervention and resolution before they escalate into significant modifications or variations. By addressing challenges promptly, both parties can mitigate disruptions and ensure the smooth progress of projects.

1.3 STAKEHOLDERS

Effective stakeholder engagement is a cornerstone of our organizational success, reflecting our commitment to transparency and accountability. Our stakeholders, including the media, public entities, general populace, and government, play a crucial role in shaping our operations and perception in society.

The Media serves as a vital conduit for information dissemination and public education, bridging the gap between our institution and the masses. We adopt a dual approach with the media, engaging them to foster positive relations while also utilizing their platform to enhance public and bidder understanding of procurement processes. This strategy not only benefits the Board by enhancing our image but also promotes greater transparency and awareness in procurement practices. During the reporting period, we hosted a media conference to update the public on procurement activities and facilitate interaction with our Administrative Head on procurement matters.

Public entities, as procurement mandate grantors, are key stakeholders, and we prioritize their satisfaction through timely communication and proactive engagement on procurement matters. Our commitment to meeting their needs ensures smooth collaboration and alignment of objectives, ultimately contributing to the success of our procurement initiatives.

1.4 OUTLOOK

Despite the notable growth reflected in the procurement statistics outlined above, CPBN remains committed to enhancing service delivery through collaborative efforts with stakeholders. Operating within a highly regulated environment, CPBN functions as a pivotal business process outsourcing entity for public entities. Central to the success of this service is the establishment of trust among public entities, bidders, and CPBN.

To bolster the organization's capacity to serve stakeholders effectively, the Board prioritizes several key areas, including business continuity, leadership development, information technology governance, risk management, and performance management. By strengthening these pillars, CPBN aims to streamline procurement processes,

enhance transparency, and ultimately elevate service delivery to the nation.

Through these strategic initiatives, CPBN endeavors to expedite procurement timelines, foster greater transparency, and optimize service delivery outcomes for the benefit of all stakeholders.

1.5 CONCLUSION

In reflecting on the journey of CPBN over the past years, it is evident that our commitment to service delivery and growth has remained unwavering. The substantial increase in both the number and value of procurement activities conducted over the past four years underscores our dedication to fostering long-term sustainable procurement practices.

I extend my heartfelt appreciation to the founding board for laying a solid foundation that has contributed immensely to CPBN's growth and success today. Their foresight and dedication have paved the way for the smooth transition and progress of the new board.

To my esteemed fellow board members, I extend sincere gratitude for your unwavering support and guidance. Your leadership has been instrumental in steering CPBN towards its goals, and I am grateful for the privilege of working alongside each of you. A special tribute is also due to the exceptional staff of CPBN, who serve as the heart and soul of our organization. Your dedication, creativity, and resilience have been instrumental in achieving our milestones this past year. Your passion and commitment, especially in navigating unprecedented challenges, have been truly inspiring.

I also wish to express gratitude to Honourable Ipumbu Shiimi, Minister of Finance and Public Enterprises, and the Executive Director of the Ministry of Finance, for their invaluable support and guidance. Clear communication and strategic direction have been instrumental in managing critical moments within our highly regulated environment. We deeply value your input and vision for CPBN and remain committed to realizing our shared goal of becoming a renowned public procurement organization that drives equitable and sustainable economic growth in Namibia.


2. OUR MANDATE

The Central Procurement Board of Namibia (CPBN) operates under the authority of the Public Procurement Act, 2015 (Act 15 of 2015) as amended, with the following key responsibilities:

- Conducting the bidding process on behalf of public entities for the award of contracts for procurement or disposal of assets exceeding the prescribed threshold.
- Entering contracts for procurement or disposal of assets either on its own behalf or on behalf of public entities awarded by the Board.
- Directing and supervising accounting officers in managing the implementation of procurement contracts awarded by the Board.



MISSION
Our mission is to implement a procurement system that operates in a competitive and transparent manner, ultimately realizing value for money in the best interest of all Namibians.



VISION
We envision becoming a dynamic and exemplary procurement and asset disposal body that contributes significantly to the achievement of Namibia’s development agenda.



VALUES

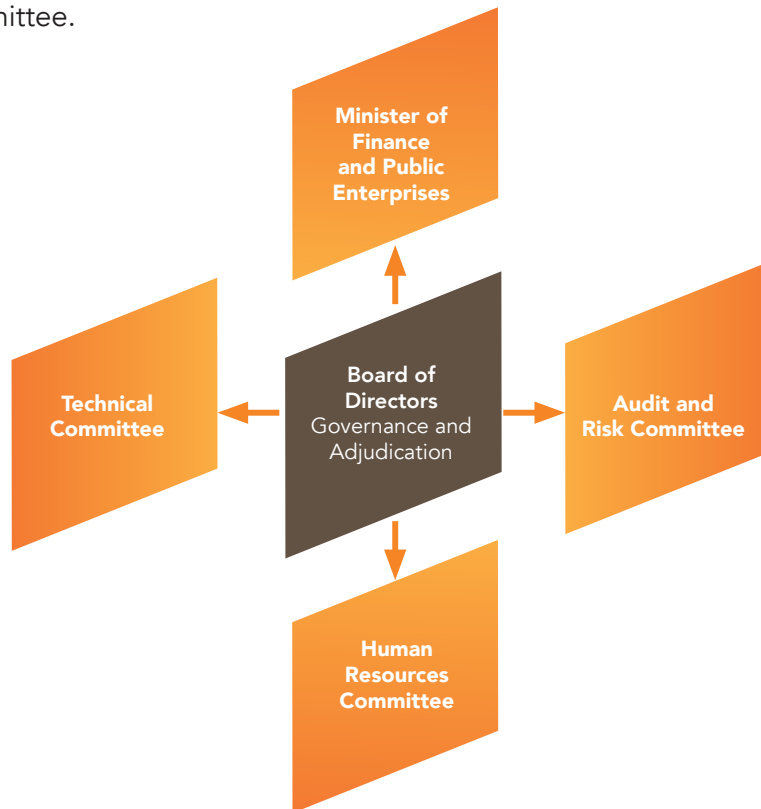
Core Value	Description
 Value for Money	In all our actions and decisions, we prioritize value for money by carefully considering costs, quality, and sustainability.
 Integrity	We adhere to the highest standards of integrity, conducting ourselves with trustworthiness, fairness, confidentiality, and honesty, in alignment with principles of good governance.
 Transparency	We are committed to transparency by ensuring openness and clarity throughout the entire procurement and disposal process.
 Accountability	We hold ourselves accountable for our actions and decisions, accepting responsibility for their outcomes.
 Responsiveness	Prioritize timely service delivery, striving to meet set standards efficiently and effectively.

3. CORPORATE GOVERNANCE

3.1 BOARD COMPOSITION

According to Section 11 of the Public Procurement Act (PPA), the Central Procurement Board of Namibia's (CPBN) board members are appointed by the Minister of Finance. There were no changes in the board composition during the period under review. The seven members appointed on March 1, 2021, for a three-year term continued to serve on the Board.

It's essential to recognize that the Board's structure encompasses both Governance and Adjudication functions. Additionally, it includes specialized committees such as the Technical, Human Resource, and Audit and Risk Committee.



The following table presents information on the directors who served on the CPBN board during the reporting period:

Name	Position
Mr. P.P. Swartz	Chairperson and Administrator
Ms. L. Ramakhutla	Deputy Chairperson and Deputy Administrative Head
Mr. A. Ngavetene	Independent Non-Executive Member
Ms. E. Nghiidipaa	Independent Non-Executive Member
O.N.R. Nangolo	Independent Non-Executive Member
Ms. H. Herman	Independent Non-Executive Member
Mr. E.P. Shilongo	Independent Non-Executive Member
Ms. J. Garus-Oas	Independent Non-Executive Member
Mr. M. Kambulu	Independent Non-Executive Member

CPBN CPBN BOARD MEMBERS

1 MARCH 2021 TO 31 MARCH 2022



Mr P.P. Swartz

Chairperson



Ms L. Ramakhutla

Deputy Chairperson



Ms J. !Garus-Oas

Independent Member



Ms E. Ngiidipaa

Independent Member



Ms H. Herman

Independent Member



Mr O.N.R. Nangolo

Independent Member



Mr E.P. Shilongo

Independent Member



Mr M. Kambulu

Independent Member



Mr A. Ngavetene

Independent Member

3.2 POWERS AND FUNCTIONS OF THE BOARD

(1) The powers and functions of the Board concerning the procurement or disposal of assets include, but are not limited to:

- Establishing appropriate internal procedures for the operations of the Board and ensuring compliance with them.
- Approving bidding documents and notices submitted to it by public entities.
- Inviting bids and initiating pre-qualification and post-qualification processes for procurements or disposal of assets.
- Receiving and publicly opening bids.
- Appointing individuals to serve as members of a bid evaluation committee of the Board, including representatives nominated by the relevant public entities.
- Overseeing the examination and evaluation of bids.

3.3 BOARD ATTENDANCE

Board Member	Adjudication Meetings	Governance Meetings	HRC Meetings	ARC Meetings	TC Meetings
Mr. P.P. Swartz	36/43	4/4	2/4	3/4	3/6
Ms. L. Ramakhutla	32/43	3/4	3/4	2/4	0/6
Ms. H. Herman	41/43	2/4	N/A	4/4	N/A
Ms. E. Nghiidipaa	42/43	3/4	N/A	N/A	6/6
Ms. J. !Garus-Oas	43/43	4/4	N/A	4/4	N/A
Mr. E.P. Shilongo	41/43	4/4	4/4	N/A	N/A
Mr. O.N.R. Nangolo	38/43	4/4	N/A	N/A	6/6
Mr. A. Ngavetene	40/43	4/4	4/4	N/A	N/A
Mr. M. Kambulu	42/43	4/4	N/A4	4/4	6/6
Total	43	4	4	4	6

3.4 GOVERNANCE MEETINGS REPORT

The Board is tasked with providing strategic direction to CPBN's management while refraining from interfering in the organization's daily operational activities. Throughout the reporting period, the Board convened four (4) governance meetings to address various strategic matters affecting the successful implementation of CPBN's mandate. These discussions yielded the following insights:

3.4.1 Organisational Efficiency

The Board expressed concern over the increasing number of Public Entities seeking exemptions from conducting procurement above their threshold through CPBN. This trend prompted a review of organizational efficiency, focusing on

adopting either an approval rate or turnaround time as a performance metric. This measurement, expressed as a percentage (the number of approvals versus the number of procurement matters handled by the Board), utilized the Board's procurement-related decisions as the basis for evaluation.

3.4.2 Management of Conflict of Interest

conflicts of interest is a fundamental principle of good governance in any organization. One of the primary aspects of conflict-of-interest management involves ensuring that decision-makers disclose any potential conflicts. Failure to disclose such conflicts can result in perceived biases and compromise the transparency and fairness of the decision-making process.

During the reporting period, a notable case involving conflict of interest highlighted the importance of proper management. This case was brought before the High Court of Namibia, which emphasized the necessity of disclosing conflicts of interest from the outset of any matter. The court’s ruling underscored that the involvement of a conflicted member could undermine the integrity of proceedings and decisions.

In response to this ruling, the Board recognized the urgency of reviewing CPBN’s conflict of interest policy. The aim of this review is to provide clear guidance on the appointment of evaluators, ensuring the safeguarding of the procurement process and its integrity.

3.4.3 Review and Development of Policies

The Board acknowledges the significance of a robust policy framework and the risks associated with its absence or lack of periodic review. A strong policy environment not only serves as a roadmap for daily operations but also ensures consistency and control within the organization. It provides essential guidance to decision-makers, streamlining internal processes, and ensuring alignment with organizational values and goals. Recognizing human resource constraints, the Board directed management to outsource the development of critical Human Resources Policies.

3.4.4 Strategic plan

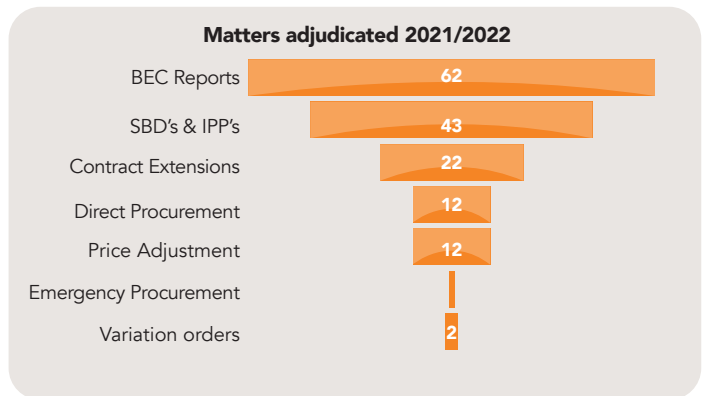
In the 2020/2021 financial year, the Board approved a five-year Integrated Strategic Business Plan (ISBP) for the period 2021/22-2025/26. This comprehensive plan, slated for implementation in the next financial year, encompasses six strategic objectives categorized under three key themes: Governance, Stakeholder Relations, and Public Procurement Excellence.

3.5 ADJUDICATION MEETINGS

Adjudication meetings, a cornerstone of the Board’s corporate governance framework, represent a significant portion of its functions. These meetings serve as forums for the Board to adjudicate on various procurement matters, covering a wide spectrum of issues. These include the review and approval of Standard Bidding Documents (SBDs), Individual Procurement Plans (IPPs), price increases, variance requests,

Bid Evaluation Committee (BEC) reports, reconsideration applications, and more.

Throughout the reporting period, the Board convened a total of forty-four (44) adjudication meetings, during which it deliberated over one hundred and fifty-four (154) procurement matters. The graph below provides a visual representation of the types of matters discussed and adjudicated by the Board during this period.



*Emergency Procurement:0

The aforementioned Board activities entail financial implications in the form of Directors’ Emoluments and Salaries, as outlined in the table below:

Member Name	Director’s Fees (N\$)	Salaries (N\$)
Mr. P Swartz	N/A	N\$1,714,800
Ms. L Ramakhutla	N/A	N\$1,483,763
Mr. E. Shilongo	465,987	N/A
Ms. H. Herman	487,442	N/A
Mr. O.N.R. Nangolo	-	N/A
Ms. J. Garus-Oas	498,179	N/A
Mr. M. Kambulu	535,054	N/A
Ms. E. Nghiidipaa	492,625	N/A
Mr. A. Ngavetene	485,047	N/A
Ms. L. Namoloh*	38,066	N/A
Grand Total	3,002,400	3,198,563

*Expert member for the Human Resources Committee only. On the other hand, Mr. Nangolo did not receive the emoluments as he is in the employ of public service.

4. CPBN OPERATIONS

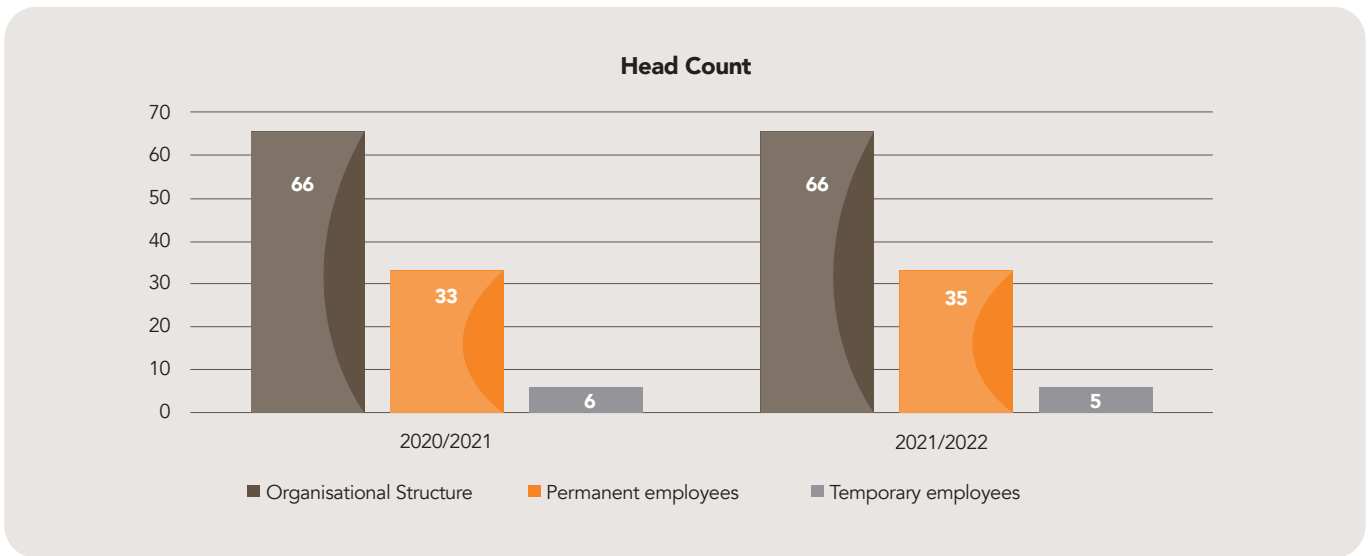
4.1 HUMAN CAPITAL

4.1.1 Organizational Structure

Throughout the reporting period, there was notable growth in CPBN's organizational structure. The permanent staff complement expanded from thirty-three (33) employees in the previous financial

year to thirty-five (35) employees. Concurrently, the number of temporary employees decreased from six (6) to five (5) during the same period. Overall, the total staff complement increased from thirty-nine (39) to forty (40) employees, reflecting CPBN's continued commitment to enhancing its operational capacity and efficiency.

Personnel Growth and Strength Comparative Analysis: 2020/2021 and 2021/2022



4.1.2 Staff turnover

The staff turnover remained satisfactory, with only one employee resigning during the reporting period.

4.1.3 Training and Development

In the year under review, CPBN initiated a partnership with the Chartered Institute of Procurement & Supply (CIPS), a global professional body dedicated to advancing the procurement and supply profession worldwide.

This partnership focuses on providing training to CPBN procurement staff members, aiming to enhance their professionalization in the procurement and supply chain domain. Additionally, the partnership aims to improve the skills of both procurement and support staff to bolster organizational and individual procurement performance. The professionalization program commenced in February 2022.

4.1.4 Enabling Policy Environment

During the reporting period, the Board approved the Internal Recruitment Policy, delineating the process for filling vacant positions within the organization within specified scales or grades. CPBN remains steadfast in its commitment to investing in employee development, aiding them in honing their skills and gaining valuable experience within the organization.

The Board asserts that employee remuneration should reflect their knowledge, technical expertise, skills, and industry benchmarks, ensuring equitable compensation for all qualified individuals. This principle extends to non-monetary incentives. Accordingly, the Board sanctioned a consultant specializing in remuneration to conduct a benchmarking exercise, aligning CPBN's remuneration practices with the goal of attracting and retaining top talent essential for fulfilling its mandate.

4.1.5 Employee Wellness

It is paramount to acknowledge that the Covid-19 pandemic continues to present risks to the health, safety, and operational continuity of employees, stakeholders, and the organization at large. To mitigate these risks, CPBN management established a dedicated Covid-19 task team responsible for implementing and reviewing Covid-19 guidelines, as well as disseminating pertinent information to staff and stakeholders.

Furthermore, management implemented a remote working strategy, allowing staff to operate from home on a rotational basis to ensure business continuity. CPBN also procured oxygen tanks and additional protective gear such as face masks to safeguard employees against the virus.

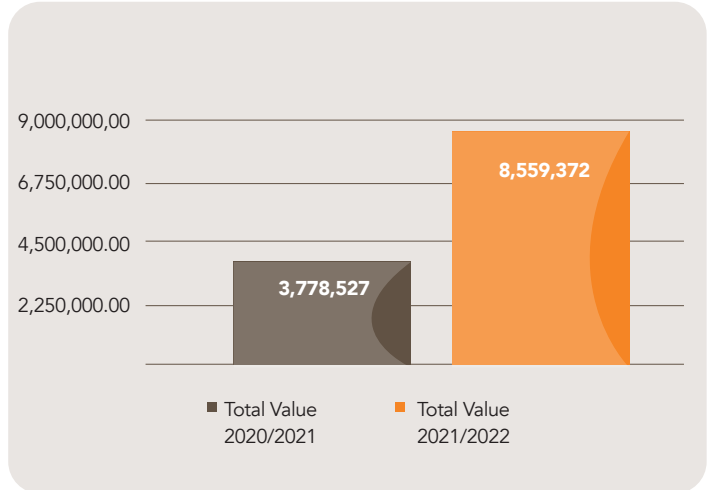
Vulnerable employees were provided with the option to work from home with full support from management. Since the onset of the pandemic, CPBN has invested N\$278,276 in various response measures in accordance with the organization’s response plan.

While CPBN does not mandate employee vaccinations, management reported a 38% vaccination rate among employees and will continue to encourage voluntary vaccination as part of its ongoing efforts to safeguard employee health and well-being.

4.2 INTERNAL PROCUREMENT MANAGEMENT UNIT

Procurement Management Unit (PMU) oversees CPBN’s internal procurement activities for self-consumption.

During the reporting period, procurement contracts totaling N\$8,559,372 were awarded, representing a significant increase from N\$3,778,527 awarded in the previous financial year. This increase is attributed to contracts awarded on a long-term basis.



The table below offers a comparative summary of procurement awards for the past two years:

Procurement Method	Total Value 2020/2021 (N\$)	Total Value 2021/2022 (N\$)
Small Value Procurement	580,211	341,342
Request for Sealed Quotation	689,010	4,183,502
Request for Proposal	824,320	198,803
Execution by Public Entities	535,306	26,920
Direct Procurement	1,101,630	3,808,805
Emergency Procurement	48,050	-
Total	3,778,527	8,559,372

The analysis indicates a notable increase in the award of procurement contracts through Request for Quotations and Direct Procurement compared to the previous financial year.

4.2.1 Cancelled Bids

A total of twenty-two (22) bids were cancelled during the reporting period under Section 54(1) of the PPA. The majority of cancellations were due to participating bidders submitting invalid mandatory documents.

4.3 FINANCIAL MANAGEMENT

REVENUE

4.3.1 Government Grant

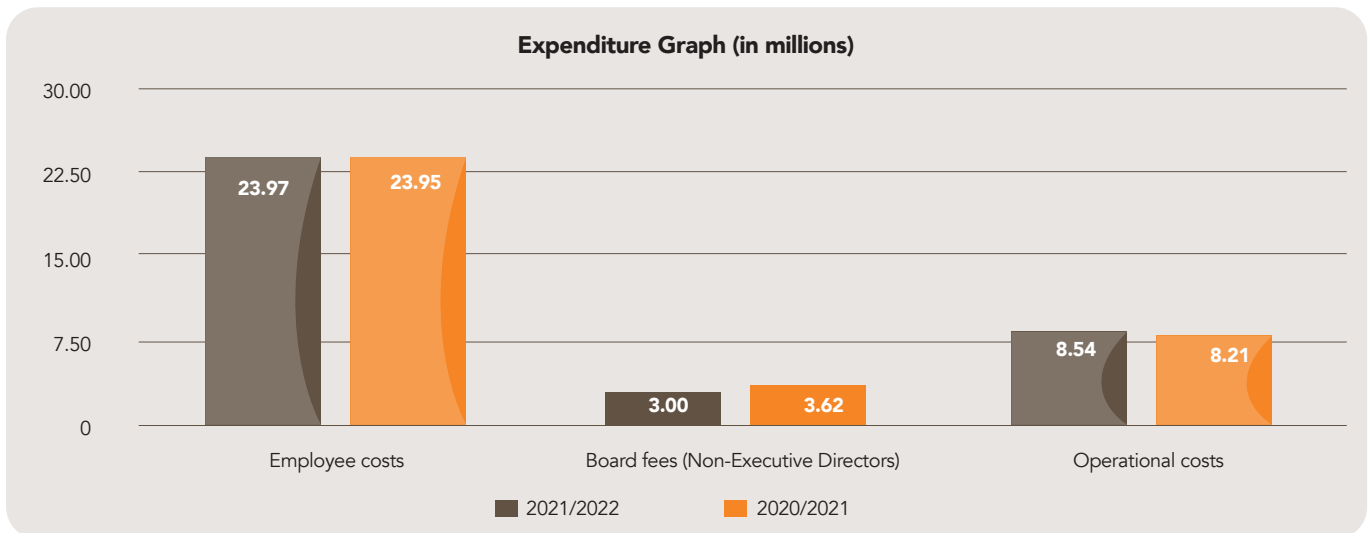
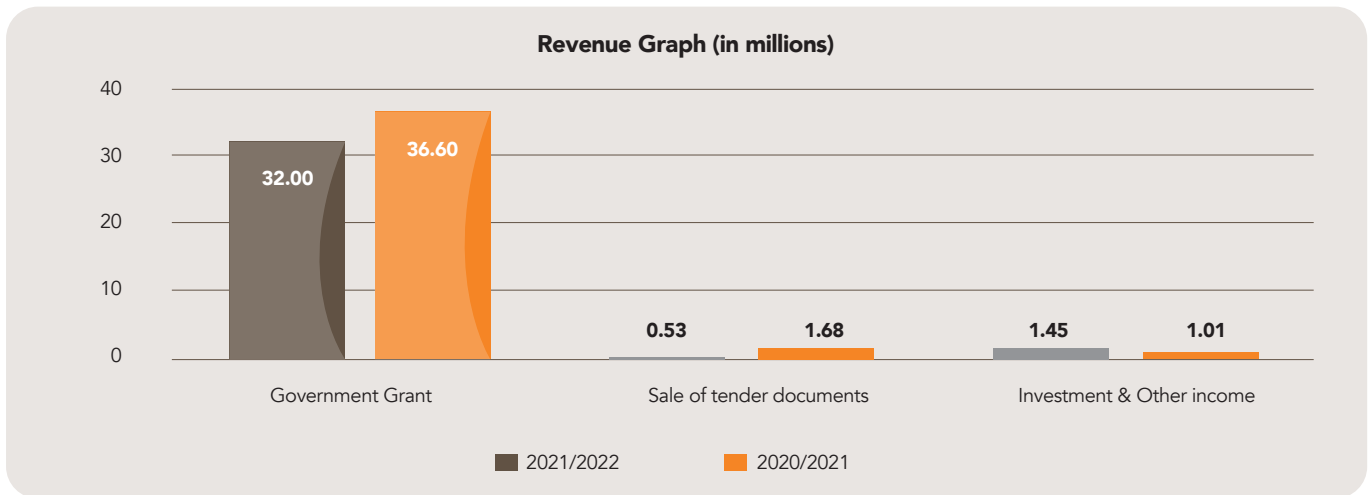
During the reporting period, CPBN received an annual government grant of N\$32 million, reflecting a 13% decrease from the previous year's appropriation of N\$36.6 million. Despite this reduction, the institution maintained its solvency and financial stability.

4.3.2 Sale of Bidding Documents

Revenue generated from the sale of bidding documents amounted to N\$527,400 during the reporting period, compared to N\$1,677,310 in the previous financial year. The revenue from the sale of bidding documents accounted for 2% of total revenue in 2021/22, down from 4% in 2020/21.

4.3.3 Investment & Other Income

Interest income in 2021/22 increased by 43% compared to the previous year, attributable to higher interest rates. The interest received as a percentage of the cash balance as of March 31, 2022, was 4%, up from 3% in the previous year. This increase in interest rates contributed to a higher return on investments, with the average repo rate in March 2022 at 4.25%, compared to an average of 3.10% in March 2021. Investment and other income constituted 4% of total revenue in 2021/22, compared to 3% in 2020/21.



4.3.4 Employee Costs

Employee costs rose from 67% in the previous financial year to 68% during the reporting period, attributed to a slight increase in the number of employees from 39 to 40.

4.3.5 Board Fees

Board fees accounted for 8% of total operating expenditures during the reporting period, representing a 18% decrease. A total number of 61 board meetings were recorded during the reporting period.

4.3.6 Operational Costs

General operational costs comprised 24% of total expenditures, increasing by 4% during the reporting period. Depreciation constituted the largest portion at 9% of total expenditures, covering depreciation on Property, Plant,

Equipment, and office leases. Training & Development accounted for 2%, while Auditors' remuneration (external and internal) amounted to 2%. The remaining costs were distributed at 1% and below.

4.3.7 Asset Growth

Total assets experienced a 7% increase from N\$44.6 million in the previous financial year to N\$47.8 million during the reporting period. Cash and cash equivalents totaled N\$34.3 million, reflecting a 14% decrease from the prior year.

Property, Plant, and Equipment amounted to N\$4.9 million, representing a 55% increase from the previous year. Right-of-use assets totaled N\$8.5 million, and Trade Receivables relating to prepaid insurance amounted to N\$47,330.

4.4 PUBLIC PROCUREMENT MANAGEMENT

The submission of Individual Procurement Plans (IPPs) and Bidding Documents (BD) to CPBN by public entities marks the initiation of the procurement process. These documents serve as comprehensive business cases for specific procurement requests, detailing project values, procurement methods, specifications, evaluation criteria, contract terms, and conditions, among other crucial elements. Below is the list of IPPs & BD approved by the Board during the reporting period.

4.4.1 Individual Procurement Plans

Item	Public Entity	Procurement matter	Amount (N\$)
1	Ministry of Health and Social Services (MoHSS)	Construction of the new Health Centre at Aussenkehr in the //Karas Region	61,100,209
2	Ministry of Health and Social Services (MoHSS)	Procurement of Supply and Delivery of Clinical Products for the Ministry of Health and Social Services	400,000,000
3	NAMCOR	The Construction of the External Firefighting System at Walvis Bay	58,000,000
4	City of Windhoek (CoW)	Procurement of Operations & Maintenance of Kuperberg and Hazardous Waste Disposal Sites	45,543,721
5	Ministry of Health and Social Services (MoHSS)	Procurement of Supply and Delivery of Pharmaceutical Products	1,400,000,000
6	Ministry of Gender Equality, Poverty Eradication and Social Welfare (MGEPEWSW)	Provision of Security Services for the MGEPEWSW for a period of thirty-six (36) months	23,000,000
7	Motor Vehicle Accident Fund (MVA Fund)	Procurement of Supply, Implementation and Commissioning of an Enterprise-Wide Data Management System (EWDMS) for Motor Vehicle Accident Fund (BD)	35,000,000
8	Namibia Civil Aviation Authority (NCAA)	Procurement of Billing Services for the Regulator and the Air Navigation Service Provider for a period of 8 years.	24,000,000
TOTAL VALUE (N\$)			2,046,643,930

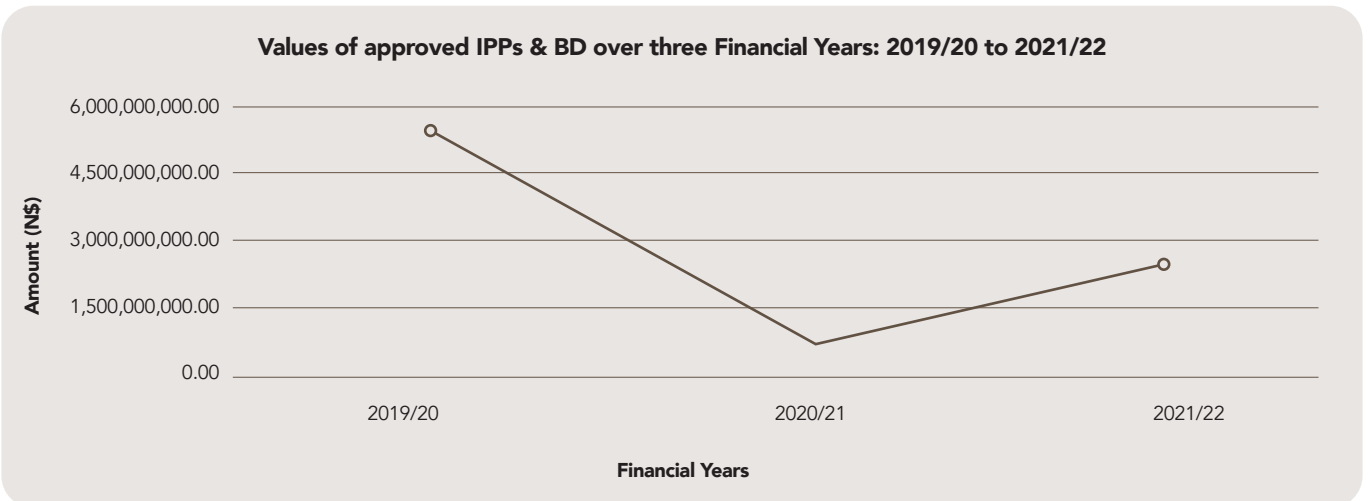
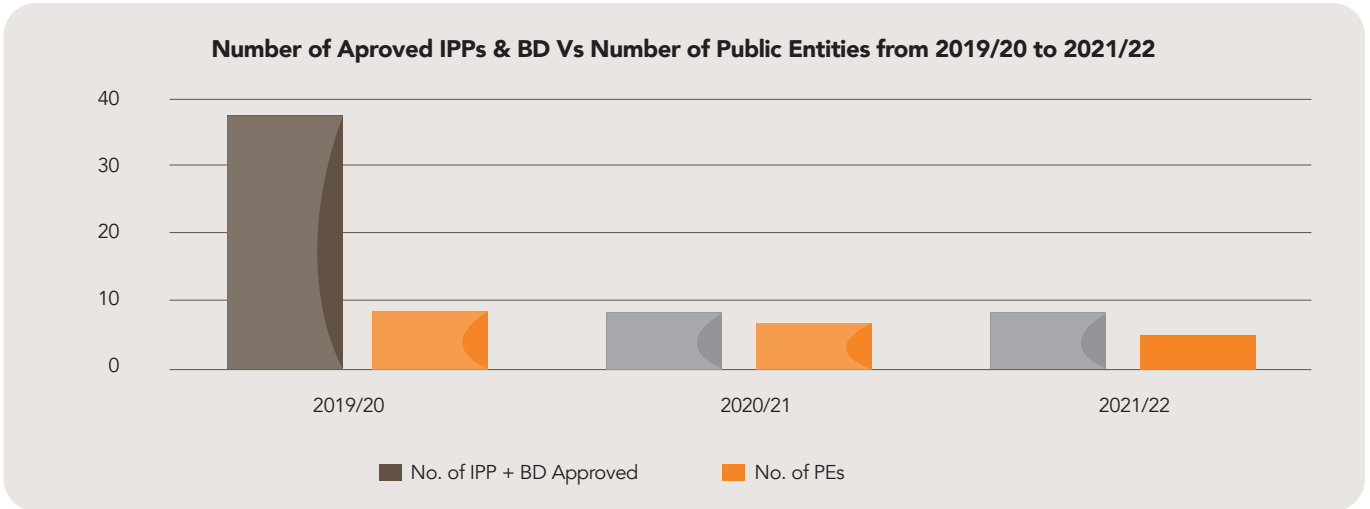
During the period under review, the Board approved eight (8) IPPs & BD totaling N\$2,046,643,930, representing a 20% decline in number compared to the previous financial year (FY) (2020/2021), where nine (9) IPPs & BD were approved, totaling N\$794,159,458. However, the current financial year shows a significant

61% increase in the value of IPP & BD, primarily attributable to high-value procurement by the Ministry of Health and Social Services (MoHSS) for pharmaceutical and clinical products. The table below provides a comparative analysis of the number and value of IPPs & BD approved over the past three Financial Years:

Item Description	Financial Year(s)		
	2019/20	2020/21	2021/22
Number of IPPs	38	9	8
Value of IPPs (N\$)	5,471,870,136	794,159,458	2,046,643,930
Number of Public Entities (PEs)	9	7	6

The graphs below illustrate a comparison of the number of approved IPPs & BD versus the number of public entities that procured through CPBN from the 2019/20 to 2021/22 Financial Years. Notably, there has been a decline in the number of public entities procuring through

CPBN, with a 33% decrease between the 2019/20 and 2021/22 Financial Years. This decline may be attributed to sluggish economic growth or public entities engaging in artificial division, despite such practices being prohibited under Section 65 of the Public Procurement Act, 15 of 2015 (PPA).



4.4.2 Revised Individual Procurement Plan(s)

While this procurement was initially approved during the 2018/19 financial year, it underwent revision (decrease) in its monetary value during the reporting period. This revision is attributed to a change in scope, resulting in a reduced cost estimate. The table below highlights the revised details:

Item No	Public Entity	Description	Initial IPP Value (N\$)	Revised Amount (N\$) and Financial Year	Revision Type
1	Ministry of Health and Social Services (MoHSS)	Supply and Delivery of Meals in accordance with Dietary needs for the Patients of MoHSS	596,448,000	485,582,303 (2021/22)	Decrease

4.4.3 Procurement Awards

The Public Procurement Amendment Act, 2022 (No.3 of 2022) introduced amendments to section 27 of the principal Act, expanding Open Advertised Bidding to include two methods: Open National Bidding (ONB) and Open International Bidding (OIB). Therefore, the following is a list of procurements awarded through ONB and OIB during the reporting period:

4.4.3.1 Open National Bidding (ONB)

Open National Bidding, outlined in Section 29 of the PPA as amended, serves as the default procurement method targeting Namibian or local bidders. Any deviation from this method requires a justification to be provided.

Item No.	Public Entity	Procurement matter	Awarded to	Contract Value (N\$)
1	Roads Authority	Periodic Maintenance on Gravel Roads: Re-Gravelling Contract in the Keetmanshoop Region (Contract: GRU KHP 01)	Adaptive Building Land Construction CC	95,916,074
2	Ministry of Education, Arts and Culture	Construction of a New Primary School at Mix Settlement, Brakwater in the Khomas Region- Phase 1	James and Young Trading Enterprises CC	56,647,200
3	Ministry of Education, Arts and Culture	Procurement of Upgrade and Extension of Oshikunde Combined School-Phase 2 in Oshikunde, Ohangwena Region.	ETN Technical Services CC	68,719,462
4	Ministry of Education, Arts and Culture	Construction of Hostels Nationwide: Pendukeni Ivula Ithana Secondary School in the Omusati Region.	NGC Investment CC JV Neu-Olulya Trading CC	44,823,933
5	NamPower	The Procurement of Sekelduin Indoor Substation Building	Nexus Building Contractor (Pty) Ltd	73,035,568
6	Ministry of Education, Arts and Culture	Construction of New Primary School in Swakopmund in the Erongo Region – Phase 1	ID Building Contractors CC	49,504,972
7	Ministry of Education, Arts and Culture	Construction of Otavi Primary School in Otavi	ID Building Contractors CC	51,166,020

Item No.	Public Entity	Procurement matter	Awarded to	Contract Value (N\$)
8	Ministry of Education, Arts and Culture	Procurement of Provision of Maize Meal Blending, Packaging and Transportation to Regional Distributor's Warehouses	New Success Investments CC	48,873,319
			Sash Trading and Earthworks CC	34,868,550
			Aishaa Investments CC	26,140,749
			Kaptau Consumables Supplies CC	66,921,850
			Alanson Trading Enterprises CC	11,354,631
Total Procurement Awards (ONB) N\$				627,972,328

4.4.3.2 Open International Bidding (OIB)

Open International Bidding (OIB) is governed by Section 30 of the PPA and can be utilized only if there is a rational justification that the goods or services are unavailable at a competitive price from more than one supplier in Namibia, and/or if there is no response to ONB. Below are the procurements awarded through OIB during the reporting period:

Item No.	Public Entity	Procurement matter	Awarded to	Contract Value (N\$)
1.	NamPower	Procurement of Design and Construction of the Kunene Omatando Substation	Sinohydro Cooperation Limited JV Adaptive Building Land Construction	340,808,287
2.	NamPower	The Provision of Technical Advisory and Project Management Services for the Otjikoto Biomass Power Station	Fichtner GmbH Co.KG, Lind Consulting Engineers, Pregon Consulting Engineers (Pty) Ltd	55,728,460
Total Value (N\$)				396,536,747

4.4.3.3 Direct Procurement (DP)

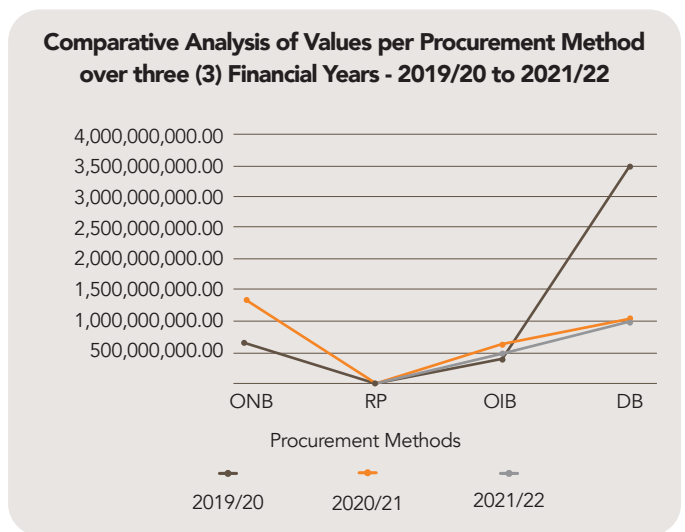
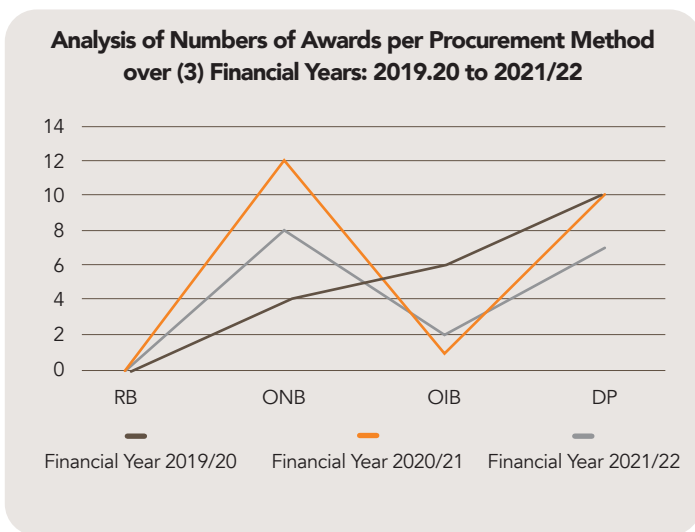
Section 36 of the PPA outlines provisions for Direct Procurement under the circumstances prescribed in subsections (2)(a) to (e). The following is a list of seven (7) direct procurements approved by the Board in the 2021/22 FY, with the majority (86%) originating from the MoHSS.

Item No.	Public Entity	Procurement matter	Month	Service Provider(s)	Contract Value (N\$)
1	Ministry of Health & Social Services	Authorization to Pay Subsidy to Lutheran Medical Services, Catholic Medical Services and Anglican Medical Services for 2021/22, 2022/2023 and 2023/2024 financial years.	May-21	Lutheran Medical Services, Catholic Medical Services & Anglican Medical Services	863,121,000
2	Ministry of Health & Social Services	Procurement of blood and blood services from Namibia Blood Transfusion Services (NAMBTS) for 2021/2022, 2022/2023 and 2023/2024 financial Years.	May-21	Namibia Blood Transfusion Services (NAMBTS)	309,090,000
3	Ministry of Health & Social Services	Procurement of medical Laboratory services from Namibia Institute of Pathology for 2021/2022, 2022/2023 and 2023/2024 financial Years.	May-21	Namibia Institute of Pathology (NIP)	1,545,450,000
4	Ministry of Health & Social Services	Procurement of services from City of Windhoek (CoW) for the period of 01 April 2021 to 31 March 2024	May-21	City of Windhoek	251,426,000
5	Ministry of Health & Social Services	Request to Directly Acquire Electricity Services from Sole Suppliers: Nored, Cenored, ErongoRed and Oshakati Premiere Electric the 2020/2021, 2022/2023 and 2023/2024 Financial Years	June-21	Nored, Cenored, ErongoRed and Oshakati Premiere Electric	397,975,000
6	Ministry of Finance	Procurement of Support and Maintenance of The Integrated Tax Administration System (ITAS)	June-21	Profile investments (Pty) Ltd and Beijing C&S-CA Software Technologies PO. Ltd	38,600,000

Item No.	Public Entity	Procurement matter	Month	Service Provider(s)	Contract Value (N\$)
7	Ministry of Health & Social Services	Request to directly acquire services related to training of students and staff of the Ministry of Health and Social Services for the 2021/2022 Financial Year	Jul-21	South Africa, Zambia, India, Cuba, Russia, University of Namibia, and International University of Management	82,597,098
Total Value (N\$)					3,488,259,098

The table below tabulates the comparative awards per procurement method in terms of numbers and values over three (3) FYs.

Procurement Methods	Financial Year					
	2019/20		2020/21		2021/22	
	No.	Value (N\$)	No.	Value (N\$)	No.	Value (N\$)
Opening National Bidding (ONB)	4	631,571,331	12	1,324,004,013	8	627,963,328
Restricted Bidding (RB)	0	0	0	0	0	0
Open International Bidding (OIB)	6	455,203,316	1	629,801,144	2	396,536,747
Direct Procurements (DP)	10	982,899,272	10	1,030,056,782	7	3,488,259,098



The table and Figure 3 illustrate an encouraging increasing trend in the first two (2) financial years, where the Open National Bidding (ONB) method has consistently led in both the number and value of procurements awarded to Namibians. The highest values were observed in the 2020/21 financial year. However, due to poor economic performance, the number of procurement awards to Namibians experienced a decline of approximately 33% in the 2021/22 financial year. Similarly, the value of procurement awards also decreased by 53% in the same financial year.

In contrast, Direct Procurement (DP) shows an increasing trend in the three (3) financial years in terms of value, primarily due to COVID-19-related procurements by the Ministry of Health and Social Services (MoHSS). The value of DP surged by 70% from the 2020/21 to 2021/22 financial years. However, in terms of procurement numbers, DP stabilized at ten (10) in the first two (2) financial years and experienced a drop in the 2021/22 financial year.

*Section 63(1)(b): "(b) any variation in a contract price causes the total contract amount to exceed by more than 15 percent."

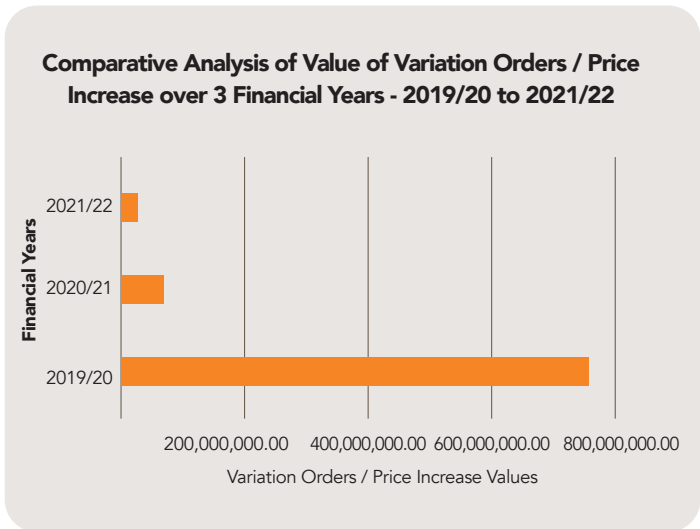
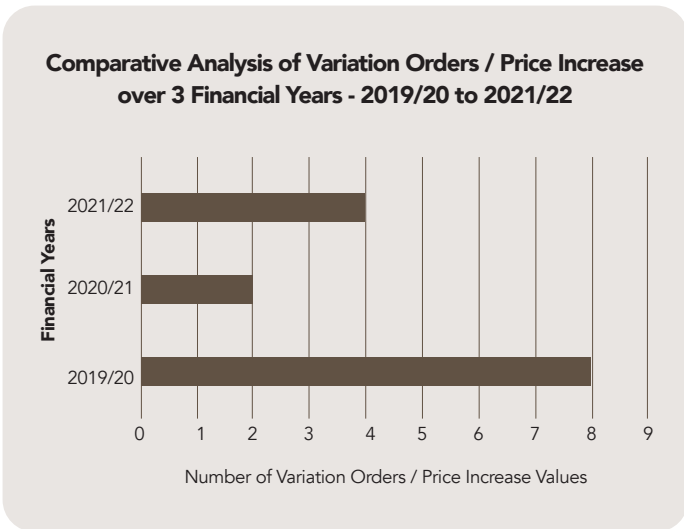
4.4.4 Variation Orders/Price Increases

There are instances that necessitate variation orders and price increases, typically due to changes in scope, such as an increase in scope, or statutory and/or inflationary-related adjustments. Variation orders and price increases are regulated primarily by the respective contract clauses, along with provisions in the Public Procurement Act (PPA), specifically Section 62 (3), 63 (b) and Section 56 (a) and (b) respectively. These adjustments occur during contract implementation when circumstances outlined in the contract occur and require approval from the Board. Below is the list of price increases approved by the Board during the reporting period.

*Section 62(3): "An amendment to the contract that increases the contract value by more than 15 percent requires fresh procurement proceedings, except where the amendment is effected for a reason specified in Section 36(2)(b) or (c).

Item No.	Public Entity	Procurement matter	Service Provider	Amount (N\$)
1	Ministry of Health and Social Services	Annual Price Increase for Contract A13-41/2013 (E1/13-3/2015): Rendering of Catering Services to the Ministry of Health and Social Services	Pamo Trading Enterprises cc, OKG Food Services, Kunene Catering Services, Nutrifood, Tulipamwe Catering Services, Independence Caterers, Seal Caterers, Cloud Trading Enterprises	4,788,825
2	Ministry of Works and Transport	Request for Price adjustment for Jacky-Self Help Investments for the Provision of Security Services to the Government Garage in Katima Mulilo	Jacky- Self Help Investments	71,130
3	Ministry of Works and Transport	Request for Price adjustment for Thato Security Services for the Provision of Security Services to the Government Garage in Keetmanshoop	Thato Security Services	47,838

4	Ministry of Health and Social Services	Request for Price Increase for the Contract of Supply and Delivery of Anti-Retroviral (ARV) Medication by Mylan Laboratories to the Ministry of Health and Social Services	Mylan Laboratories	23,145,923
Total Value of Variation Orders/Price Increase N\$				28,053,716



Graph/Figure 5 illustrates that half (50%) of the variation/price increases in 2019/20 were approved by the Board in 2021/22. This indicates an encouraging trend where more procurements are subjected to competitive processes. Similarly, the value of variations and price increases (Graph/Figure 6) saw a drastic decline of 91% from 2019/20 to 2020/21, and this trend continued in the 2021/22 financial year.

4.4.5 Contract Extensions

Contract extensions occur when current or existing contracts are not subjected to competitive bidding processes, either because the bidding process is underway or due to other justifications by the public entities. Below is the list of contract extensions approved by the Board during the reporting period

Item No.	Public Entity	Procurement matter	Service Provider	Amount (N\$)
1	City of Windhoek	Contract EDE 11010/2015: Operations and maintenance of the Kuperberg General and Hazardous Waste Disposal sites.	Brumar Construction cc	7,588,705
2	Ministry of Finance	Support and Maintenance of the Integrated Financial Management System (IFMS) of the Ministry of Finance: F1/17-6/2008.	Silnam Information Technology (PTY) Ltd	3,780, 000
3	Ministry of Finance	Payroll deduction management systems (PDMS) of the Ministry of Finance: MoF 01/11/02.	Avril Payment Solutions (PTY) Ltd	No Cost (**)

Item No.	Public Entity	Procurement matter	Service Provider	Amount (N\$)
4	Ministry of Finance	Tender F1/17-6/2009: Administration of Public service Medical Aid Scheme (PSEMAS) to the Ministry of Finance for the period of 1 July to 31 March 2022.	MetHealth Namibia	74,138,781
5	Ministry of Mines and Energy	Extension of Time and Notification for possible additional costs for National Oil Storage Facilities (The Project) In Walvis Bay.	CRB Joint Venture (China Harbour Engineering Company Ltd, Road Contractor Company & Babyface Civils)	87,500,000
6	Namibia Institute of Pathology Limited (NIP)	Request for Extension of Bio Dynamics (Pty) Ltd service level agreement for Roche Instruments for a period of twelve (12) months (01 August 2021 to 31 July 2022).	Bio Dynamics (Pty) Ltd	5,624,164
7	Ministry of Finance	Request for an Extension of Tender No. F1/17-6/2008 for the Support and maintenance of the Integrated Financial Management System (IFMS) of the Ministry of Finance for a period of twelve (12) months (From 01 October 2021 to 31 March 2023).	Silnam Information Technology (PTY) Ltd	11,340,000
8	Ministry of Finance	Request for an Extension of Tender No. MOF 01/11/02 for the Payroll Deduction Management System (PDMS) for the Ministry of Finance for a period of six (6) months (01 October 2021 to 31 March 2022).	Avril Payment Solution (Pty) Ltd	No Cost
9	Ministry of Health and Social Services	Request for Extension of Contract A13-41/2013 (E1/13-3/2015): Rendering of Catering Services to the Ministry of Health and Social Services for a period of six (6) months (01 October 2021 to 31 March 2022).	Pamo Trading Enterprises (Zambezi and Kavango Regions); OKG Food Services (Omaheke and Hardap Regions); Kunene Catering Services (Kunene Region); Nutrifood (Omusati Region); Tulipamwe Catering Services (Ohangwena and Oshikoto Regions); Independence Catering Services (Oshana Region); and Seal Catering (! Karas Region)	81,670,935

Item No.	Public Entity	Procurement matter	Service Provider	Amount (N\$)
10	Ministry of Health and Social Services	Request for Extension of Contract: Rendering of Catering Services to the Ministry of Health and Social Services (MoHSS)	Pamo Trading Enterprises; OKG Food Services; Kunene Catering Services; Nutrifood; Tulipamwe Catering Services; Independence Catering Services; Seal Catering	53,185,376
11	Ministry of Gender Equality, Poverty Eradication and Social Welfare	Request for Extension of Contract M333-2/2016: Rendering of Services to Government to effect Cash Payment of Basic State Grants and Allowances to Beneficiaries as from 01 December 2021 until 30 November 2022	Epupa Investment Technology (Pty) Ltd	98,518,416
12	City of Windhoek	Request for extension of contract EDE 11010/2015: Operations and Maintenance of the Kuperberg General and Hazardous Waste Disposal sites	Brumar Construction CC	4,336,400
13	Ministry of Gender Equality, Poverty Eradication and Social Welfare	Request for Extension of Contract for the Procurement of Food Parcels for the Food Bank from January 2022 to March 2022	Vuche Vuche CC; Namib Mills; Chakula Food Flavor; Elmondo Trading CC; Southern Choice Mills; Metro Namibia; Etunda Green Scheme Irrigation; Super Roller Mills; Inyangusha Trading CC; Gold Works Investments CC and Agri Mills	11,000,000
14	Ministry of Gender Equality, Poverty Eradication and Social Welfare	Request for Extension of Contract for the Procurement of Food Parcels for the Marginalized communities from January 2022 to March 2022	Vuche Vuche CC; Chakula Food Flavor; Elmondo Trading CC; Metro Namibia; Etunda Green Scheme Irrigation; Super Roller Mills; Inyangusha Trading CC; Agri Mills; Msipili Trading Enterprises; Manchester Trading CC; Bizeun Investment CC; T. Ehafo Store; Goal Maize; Eland Trading CC; Kandindimo Trading CC and Luhamoho Trading CC	20,000,000
15	*Namibia Institute of Pathology	Request for Extension of Contracts with Referral Laboratories for a period of twelve (12) months	National Health Laboratory, Neuberg Global Laboratories and Pathcare Namibia	*25,129,866

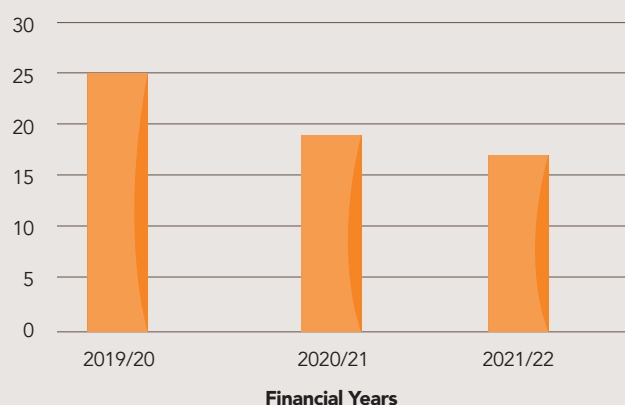
Item No.	Public Entity	Procurement matter	Service Provider	Amount (N\$)
16	Ministry of Finance	Request of Extension of the Tender F1/17-6/2009 for Administration of the Public Services Employees Medical Aid Scheme (PSEMAS) to the Ministry of Finance for a period of six months from 1 st April to 30 September 2022	Methealth Namibia	37,069,390
17	Ministry of Health and Social Services (MoHSS)	Request for an Extension of Contract A13-41/2013 (E1/13-3/2015), Rendering of Catering Services to the Ministry of Health and Social Services for the Period of Six (6) Months in Various Regions from 01 April 2022 up to 30 September 2022	Pamo Trading Enterprises CC; Nutri Food; Independence Caterers; Seal Caterers; Tulipamwe Catering Services; OKG Food Services; Kunene Catering services	47,309,137
TOTAL VALUE (N\$)				568,191,170

***Please note:** The actual amount approved by the Board is less than the figure depicted in the table above. However, the public entity reasoned that the contract amount cannot be separated for each company because the services were rendered collectively as the need arose.

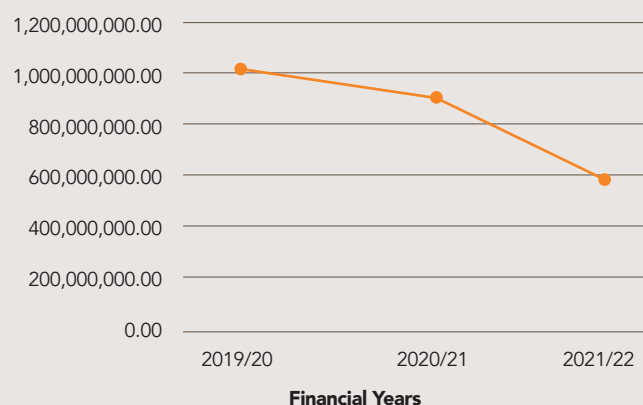
(**) This procurement is done at "no cost" to the Ministry of Finance (government), meaning that the service provider's costs are recouped from the party requiring the collections or deductions made from the payroll.

		Financial Year		
		2019/20	2020/21	2021/22
Number of Contract Extensions		25	19	17
Nationality of Beneficiaries	Namibian Firms	25	25	35
	Foreign Firms	0	1	1
Value (N\$)		1,015,508,231	889,069,108	568,191,170

Comparisons Analysis of the number of approved Contract extension over 3 Financial Years - 2019/20 to 2021/22



Comparisons Analysis of the value of approved Contract extension over 3 Financial Years - 2019/20 to 2021/22



Graph 7 illustrates a declining trend in the number of contract extensions requested by 11% during the 2021/22 financial year. In terms of the value of contract extensions (Graph 8), we similarly noted a sharp decline of 36% in the same period (with fewer contract extensions totaling seventeen (17)).

The "Number of Contract Extensions" refers to the nature of the contracts, while the actual number under each contract refers to the number of contractors whose contract has been extended.

4.4.6 Cancelled Bids

Bid cancellation is provided for in terms of Section 54 and 63 (1) (a) of the PPA. Below is the list of cancelled procurements and the reasons for such cancellations.

Item No	Public entity	Procurement matter	Procurement category	Month	IPP Value (N\$)	Reason for cancellation
1	NAMCOR	Procurement of Construction of the External Firefighting System at Walvis Bay	Works	01/07/2021	50,000,000	Bid Annulment for failure to provide performance security in accordance with ITB 40.2 read together with Section 55(7) (b) & Regulation 38(4).
2	Telecom	Procurement of the compilation, supply of print-ready directory, advertising space as well as development, maintaining of on-line directory and sale of the advertising space for a period of five (5) years	NCS	16/09/2021	64,137,640	All bids are non-responsive in terms Section (54)(1)(a)
3	Ministry of Education, Arts and Culture (MoEAC)	Procurement of Supply of Foodstuff to Government School Hostels	Goods	07/10/2021	3,571,443,397	All bids are non-responsive in terms of Section (54)(1)(a)
4	Ministry of Works and Transport (MWT)	The Upgrading of the Aus Luderitz Railway Line Phase 1: Construction of Sand Shelter Tunnel Between KM 294,100 and KM 295,748 including Railway Siding at Haalenberg	Works	17/03/2022	205,626,821	It is not economically viable to proceed with the bid in terms of Section 54(1) (f)

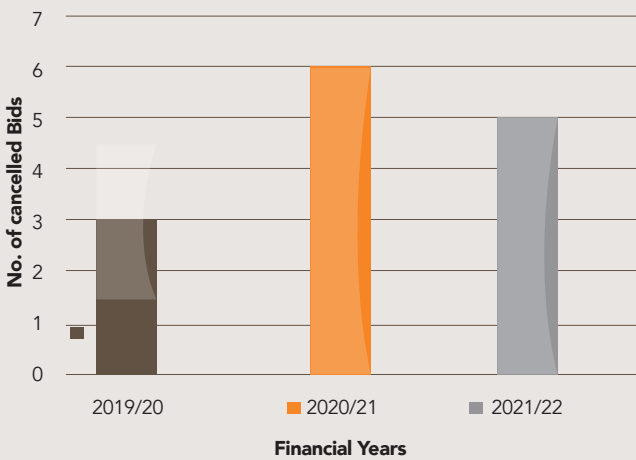
Item No	Public entity	Procurement matter	Procurement category	Month	IPP Value (N\$)	Reason for cancellation
5	NAMCOR	Procurement of the Construction of External Firefighting System at Walvis Bay	Works	24/03/2022	58,000,000	All bids are non-responsive in terms of Section 54(1)(a)
TOTAL VALUE (N\$)					3,949,207,857	

Comparative Analysis of Bids Cancelled over three (3) Financial Years 2019/20 to 2021/22

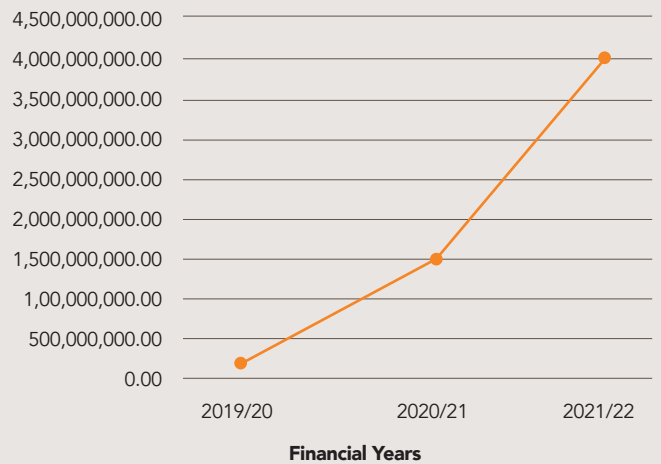
This analysis shows a gradual increase in the number of bids cancelled over the three financial years, indicating potential challenges or issues within the procurement process that need to be addressed.

	Financial Year		
	2019/20	2020/21	2021/22
Number of Bids Cancelled	3	6	5
Value (N\$)	312,991,764	1,458,225,850	3,949,207,857

Comparative Analysis of the number of Cancelled Bids from 2019/20 to 2021/22



Comparisons Analysis of the value of approved Contract extension over 3 Financial Years - 2019/20 to 2021/22



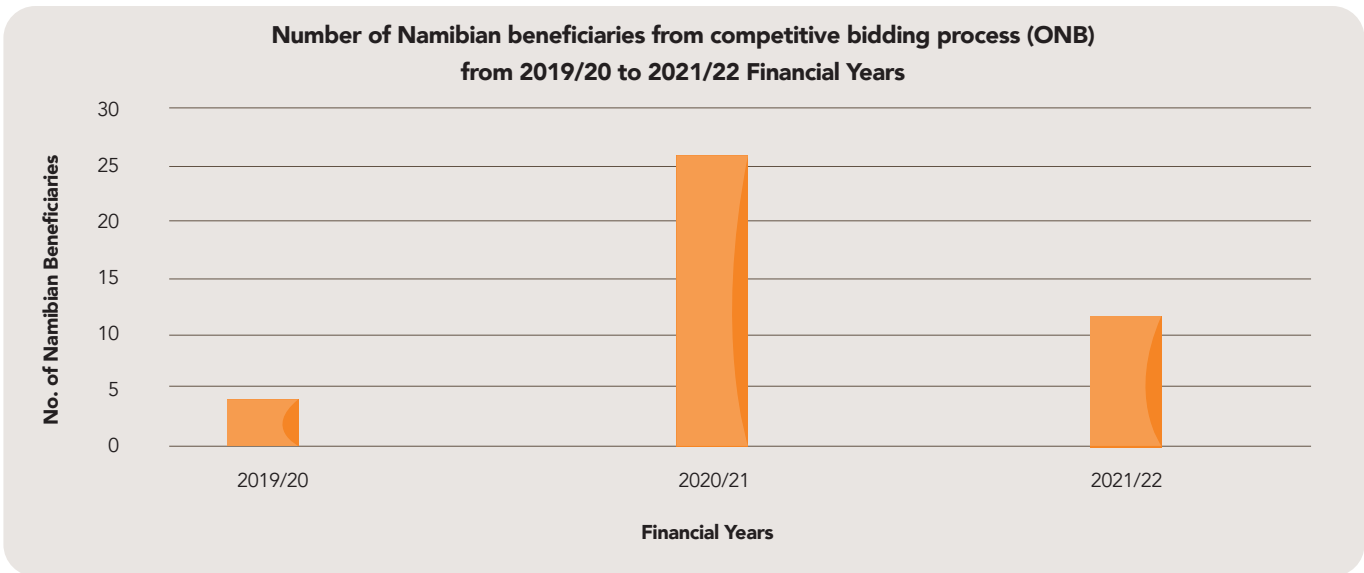
The number and value of cancellation in 2020/21 includes three (3) cancellations, two (2) withdrawals and one (1) annulment, thus, increasing the number and value of cancellation during that financial year. Above is the comparative analysis of bids cancelled over three (3) financial years from 2019/20 to 2021/22, considering the breakdown provided. This analysis takes into account the different types of cancellations and provides a clearer picture of the trends over the three financial years.

Summary of the comparative analysis of the number of Namibian companies awarded procurement contracts based on ONB awards over the three financial years 2019/20 to 2021/22:

- The graph illustrates the number of Namibian companies awarded procurement contracts through the Open National Bidding (ONB) method over the three financial years: 2019/20, 2020/21, and 2021/22.
- Each bar represents the total number of Namibian companies that successfully secured procurement contracts through ONB in each financial year.
- The purpose of this analysis is to evaluate

the effectiveness of the ONB method in empowering Namibian businesses, creating employment opportunities, and improving the standard of living in the country, as outlined in Section 2 of the Public Procurement Act (PPA).

- It is essential to note that one procurement award may lead to multiple contracts, especially due to the lot allocation system endorsed by the Board.
- By examining the trends depicted in the graph, stakeholders can assess the impact of procurement policies and regulations on local businesses and socio-economic development in Namibia.



4.5 LEGAL MATTERS

4.5.1 Review Panel

Summary of the legal matters pertaining to the Review Panel as outlined in Section 59(1) of the Public Procurement Act (PPA):

- Section 59(1) of the Public Procurement Act (PPA) permits bidders or suppliers to apply to the Review Panel for the review of decisions or actions taken by the Board or a public entity regarding the award of a procurement contract.
- During the period under review, a total of eleven (11) review applications were filed by aggrieved bidders seeking a review of procurement contract decisions or actions.
- The Review Panel serves as a mechanism for ensuring transparency and fairness in the procurement process by providing a platform for aggrieved parties to seek redress for perceived injustices or irregularities.
- The applications filed represent instances where bidders or suppliers felt that their rights may have been infringed upon, or where they believed that the procurement process was not conducted in accordance with the provisions of the PPA.
- The Review Panel plays a crucial role in upholding the principles of accountability, integrity, and transparency in public procurement practices, thereby promoting confidence in the procurement system among stakeholders.
- By reviewing and adjudicating on these applications, the Review Panel contributes to the overall effectiveness and credibility of the procurement process, ensuring that it remains equitable and compliant with legal requirements. This summary provides an overview of the legal matters concerning the Review Panel and its role in addressing grievances related to procurement contract decisions or actions.

Bid	Applicant	Respondent	Public Entity	Relief Sought	Hearing Date	Review Panel Order
W/ONB/ CPBN- 02/2020 (Tubusis Primary School)	Radial Truss Industries	Central Procurement Board of Namibia ("CPBN")	Ministry of Education, Arts & Culture	The Applicant sought an order reviewing and setting aside the decision of the CPBN to award the bid to the successful bidder and instead to award the bid to the Applicant.	20/05/ 2021	The Review Panel decided that the Board does not have the power to reconsider and to set aside its own decisions and therefore set aside the decisions taken by the Board, especially the Notice of Selection of Award of 16 October 2020. It corrected those decisions and then ordered the Board to continue with its award procedures in line with section 55(5) because there was no review application after the Notice of Selection for Award dated 16 October 2020.
NCS/ ONB/ CPBN- 05/2019 (Security Services)	Omle Security Services CC, Bertha Security CC & 3 Others	Central Procurement Board of Namibia ("CPBN")	Ministry of Health & Social Services	The Applicants sought an order reviewing and setting aside the decision of the CPBN to disqualify their bids.		The Review Panel dismissed the application of the applicant and confirmed the decision of the Board to disqualify the bidder. It further ordered that the Board should continue to finalize the procurement processes.
NCS/ ONB/ CPBN- 02/2020 (Security Services)	Shilimela Security Debt & Collection CC, Chief Nangolo Security Services CC & Windhoek Security Services CC	Central Procurement Board of Namibia ("CPBN")	Telecom Namibia	The Applicants sought an order reviewing the decision of the CPBN to disqualify their bids and referring the matter back for re- evaluation.	22/10/ 2021	The Review Panel ordered that the procurement proceedings should be terminated and started afresh because there was no bid as the validity period of the bids had expired.

Bid	Applicant	Respondent	Public Entity	Relief Sought	Hearing Date	Review Panel Order
W/OAB/CPBN-02/2021 (Otjiwaron-go GRU)	John Namushes-he Constructio-n & Investments CC; Kettu Trading Enterprises CC	Central Procurement Board of Namibia ("CPBN")	Roads Authority	The Applicants sought an order reviewing the decision of the CPBN to disqualify their bids and referring the matter back for re-evaluation.	21/12/2022	The Review Panel ruled that the CPBN's decision for selecting the First Respondent and Fourth Respondent contained in the Notice of Selection for Award dated 30 November 2021 should be set aside and that the Board should re-evaluate the bid in line with the law that requires that evaluations take place according to the requirements and methodologies of the bidding document.
W/OAB/CPBN-04/2021 (Mix Settlement Primary School)	Shatty Constructio-n CC	Central Procurement Board of Namibia ("CPBN")	Ministry of Education, Arts & Culture	The Applicant sought an order in terms of section 60(d) of the PPA directing the CPBN to act in compliance with the Act.	22/12/2021	The application of the Applicant is successful and at the same time the Review Panel ordered that: The Bid Evaluation Committee must evaluate the bids according to the criteria set out in its bidding document. Bidders who did not meet the criteria set out in the bidding document cannot proceed to the next stage.
W/OAB/CPBN-01/2021 (Keetmanshoop GRU)	Quiver Tree Investments One Three (Pty) Ltd	Central Procurement Board of Namibia ("CPBN")	Roads Authority	The Applicant sought an order reviewing and setting aside the decision of the CPBN to disqualify their bid and referring the matter back for re-evaluation.	18/01/2022	The Review Panel ordered that the Board's decision of selecting the 2 nd Respondent is set aside because the evaluation was not done in line with the provisions of the law. The Review Panel also instructed the Board to re-evaluate the Applicant's bid and include all other bids which were affected by the same error made by the Bid Evaluation Committee (BEC).

Bid	Applicant	Respondent	Public Entity	Relief Sought	Hearing Date	Review Panel Order
G/ONB/CPBN-03/2020 Maize Meal	Stream Two Properties CC, Degree Power Investments CC, Degrande Investment CC	Central Procurement Board of Namibia ("CPBN")	Ministry of Education, Arts & Culture	The Applicants sought an order reviewing and setting aside the decision of the CPBN to disqualify their bids and referring the matter back for re-evaluation.	27/01/2022	The Review Panel set aside the decision of the Board and referred the matter back so that the Board can determine whether there is conflict of interest between the three applicants and indicate the right reasons for disqualification of the three applicants and continue with award if conflict is found or re-evaluate if no conflict is found. The Board should do this within the bid validity period and if not, it should seek another bid validity extension with Bidders.
G/ONB/CPBN - 04/2020 (Protein, Sugar & Salt)	Stream Two Properties CC, Degree Power Investments CC, Degrande Investment CC	Central Procurement Board of Namibia ("CPBN")	Ministry of Education, Arts & Culture	The Applicants sought an order reviewing and setting aside the decision of the CPBN to disqualify their bids and referring the matter back for re-evaluation.	07/02/2023	The Review Panel set aside the decision of the CPBN contained in the Notice for Selection of Award. It further referred the matter back to the Board with the instruction that the bid evaluation committee and the Board must determine holistically if there is conflict of interest between the three Applicants. If a conflict of interest is found the CPBN may decide to disqualify the Applicants and provide reasons for doing so.
W/OAB/CPBN-07/2021: Pendukeni livulalithana Secondary School in the Omusati Region, Phase 1)	Oluzizi Engineering & Constructio-n	Central Procurement Board of Namibia ("CPBN")	Ministry of Education, Arts & Culture	The Applicant sought an order referring the matter back to the CPBN for re-evaluation.	15/03/2022	The Review Panel confirms the decision of the Board.

Bid	Applicant	Respondent	Public Entity	Relief Sought	Hearing Date	Review Panel Order
W/OAB/CPBN-08/2021 (Auskenker Health Centre)	Omatende Trading Enterprises CC; Ongoma Trading	Central Procurement Board of Namibia ("CPBN")	Ministry of Health & Social Services	The Applicants sought an order reviewing and setting aside the decision of the CPBN to disqualify their bids.	03/02/2023	The Review Panel set aside the decision of the CPBN as it is not in compliance with Section 51(4) that deals with bid opening procedures and Section 52(9) of the PPA that requires that every bid is evaluated according to the criteria and methodology set out in the bidding documents and the evaluated costs of each bid is compared with the evaluated cost of other bids to determine the most economically advantageous bid. It further ordered the Board to re-evaluate all bidders in accordance with Section 52(9) of the Act and must adhere to ITB 26.3, ITB15.3 and what is stated on the Letter of Bid of the bidding document.
W/OAB/CPBN-05/2021 (Onkumbula)	Kambwa Construction (Pty) Ltd	Central Procurement Board of Namibia ("CPBN")	Ministry of Education, Arts & Culture	The Applicant sought an order referring the matter back to the CPBN for re-evaluation.	18/03/2022	The Review Panel ordered that all responsive bidders be re-evaluated in line with the Instruction to Bidders (ITB) contained in the bidding document.

Understandably, the adjustments made by CPBN in response to the Review Panel Order and Stream Two matters have significantly impacted its reconsideration processes and bid evaluation procedures. Here's a summary of these adjustments:

- Compliance with Review Panel Order:** Following the Review Panel Order in the Radial Truss Industries matter, CPBN revised its reconsideration processes. The order clarified that CPBN does not possess the authority to review its own decisions. Consequently, CPBN now prohibits bidders from submitting reconsideration applications after the issuance of the Notice for Selection of Procurement Award. Instead, unsuccessful and aggrieved bidders are directed to submit review applications to the Review Panel as per Section 59 of the Act. This adjustment ensures compliance with the Review Panel Order and enhances transparency and fairness in the reconsideration process.

These adjustments signify CPBN's commitment to enhancing the integrity, transparency, and fairness of its procurement processes in alignment with legal requirements and best practices. By implementing these changes, CPBN aims to uphold the principles of accountability and impartiality while promoting trust and confidence among stakeholders.

4.5.2 High Court Cases

Under Section 59(4) of the PPA, any party seeking to contest a decision made by CPBN or a public entity must first pursue all internal remedies before initiating legal action in the High Court. During the reporting period, a total of nine (9) public procurement cases were brought before the High Court of Namibia, as outlined in the table below:

Case No	Applicant/ Plaintiff/ Appellant	Respondent/ Defendant	Public Entity	Relief Sought	Court Orders & Status	Comments
HC-MD-CIV-ACT- DEL-2020/02891	Pamo Trading Enterprises CC and Two Others	Tender Board of Namibia & Two Others	Ministry of Education Arts & Culture	Delictual claim for damages for the loss of profit in the amount of N\$ 143 573 715,00. They further claim the financial losses that they incurred and suffered because of their 'survey' expenses, which amounted to N\$ 35 220, as well as interest and costs.	The Applicants brought a claim for damages following the judgment of the Supreme Court in their favour. In the Supreme Court Appeal the court found that the tender was unreasonably cancelled. The Applicants issued a fresh summons in the High Court on 23 July 2020 claiming damages. In an interlocutory application the Court upheld exceptions raised on behalf of the Tender Board with costs. The Plaintiffs filed a Notice for Leave to Appeal to the Supreme Court against the Order and Judgment upholding the exception. The Notice to Appeal the Exception was filed on 17/12/2021 and leave to appeal was granted to the Applicants.	The matter is not finalized.

Case No	Applicant/ Plaintiff/ Appellant	Respondent/ Defendant	Public Entity	Relief Sought	Court Orders & Status	Comments
HC-MD-CIV-MOT- GEN-2021/00112	Sistemas Avanzados De Tecnologia, S.A. (SATEC)	Chairperson of the CPBN & 21 Others	Telecom Namibia	An order reviewing and setting aside the decision of the Review Panel to dismiss the applicant's review application. An order referring the Applicant's review application back to the Review Panel and ordering the CPBN to release the stage one bid evaluation results to the applicant for purposes of considering the applicants review application on the merits. An order directing the Review Panel to consider the merits of the review application and if the review application is successful that the Review Panel directs the CPBN to proceed to stage two of the bidding process by inviting those bidders who scored 80% or more in stage one of the bidding process to submit commercial proposals together with a varied technical proposal, if required. An order reviewing and setting aside and or correcting the decision of the CPBN to cancel the bidding process. An order interdicting and restraining the Minister of Finance to grant Telecom Namibia exemption to conduct direct procurement. Interdicting and restraining CPBN and Telecom from readvertising a bid.	The matter is undergoing judicial case management.	The matter is not finalized.
HC-MD-CIV-MOT- REV-2019/00496	Global Diamond Valuators (Pty) Ltd	Central Procurement Board of Namibia ("CPBN") & 13 Others	Ministry of Mines & Energy	An order reviewing and setting aside the decision to award the procurement contract.	The matter is undergoing judicial case management.	The matter is not finalized.

Case No	Applicant/ Plaintiff/ Appellant	Respondent/ Defendant	Public Entity	Relief Sought	Court Orders & Status	Comments
HC-MD-CIV-MOT-REV-2021/00422	Pamo Trading Enterprises CC	Central Procurement Board of Namibia ("CPBN") & 125 Others	Ministry of Education Arts & Culture	An order reviewing and setting aside the CPBN's decision to cancel the procurement process.	The matter is undergoing judicial case management.	The matter is not finalized.
HC-MD-CIV-MOT-GEN-2019/00432	ABB Namibia (Pty) Ltd	The Central Procurement Board of Namibia & 12 Others	Nampower	Review of the CPBN's decision and a suspension of the procurement contract.	The decisions rendered by the First Respondent dated 25 April 2019, 27 June 2019 and 18 September 2019, respectively, regarding the award of the Procurement of Designing, Manufacturing, Testing, Delivering, Installing and Commissioning of Power Transformers Contract No. G/OIB/CPBN-07/2018 to the Third Respondent, be and are hereby reviewed and set aside.	This matter concerns the bid commonly known as Transformer No. 7. The High Court delivered its judgment on 06 September 2021 wherein it held in favour of ABB. The court reviewed and set aside the CPBN's decision to award the procurement contract to Hyosung. In this judgment the court, as is in the Radial Truss Matter, takes issue with the reconsideration process adopted by the Board in terms of section 55(5) read with regulation 38. As it stands, the High Court has now ruled in two matters that the Board does not have the powers in terms of the provisions of the Act to reconsider its own decisions.

Case No	Applicant/ Plaintiff/ Appellant	Respondent/ Defendant	Public Entity	Relief Sought	Court Orders & Status	Comments
HC-MD-CIV-MOT- REV-2021/00262	Hetero Labs Ltd	Chairperson of CPBN & 4 Others	Ministry of Health & Social Services	Suspending the implementation of the award of the bid and the implementation of any contract that may have been concluded between the Respondents pending the determination of the review application in Part B.	The parties were in court on 16 July 2021 . The Applicant sought to postpone the hearing. The court refused to grant postponement and the matter was struck from the roll with costs for lack of urgency. The parties did not argue the substantive issues.	The matter is finalized.
HC-MD-CIV-MOT- GEN-2021/00255	Radial Truss Industries (Pty) Ltd	Chairperson of CPBN, The CPBN & 29 Others	Ministry of Education, Arts & Culture	Applicant sought a court order directing that it be issued with a letter of award, that it be issued with a procurement contract and that the contract be signed. Further that the CPBN be ordered to extend the bid validity for 60 days. The CPBN filed a counter application against Radial seeking the court to review and set aside the Review Panel's decision that the procurement contract must be awarded to Radial Truss as the CPBN does not have powers to reconsider its own decisions.	The matter was heard on 10 August 2021 and judgement returned on 24 August 2021. The High Court ordered the CPBN to implement the Review Panel Order by awarding the contract to Radial Truss. The High Court held that the CPBN does not have powers to review its own decisions, but that this power lies with the Review Panel.	The matter is finalized.
HC-MD-CIV-MOT- GEN-2021/00300	Namibia Protection Services (Pty) Ltd	The Chairperson of the CPBN & the CPBN	Ministry of Health & Social Services	Urgent application to compel the CPBN to make full disclosure to the applicant of all the financial information relevant to bid NCS/ONB/CPBN-05/2019, which financial information shall include each and every tendered unit price for each and every of the three years for each and every of the 13 lots, and for each and every bidder, including those bidders whose financial bids were not considered because they were disqualified.	The matter was heard on 30 July 2021. The Application was struck from the roll for lack of urgency. The Court directed Applicant to bring counter application in the Bertha Security urgent matter.	The matter is finalized.

Case No	Applicant/ Plaintiff/ Appellant	Respondent/ Defendant	Public Entity	Relief Sought	Court Orders & Status	Comments
HC-MD-CIV-MOT- REV-2021/00294	Bertha Security Services CC	The Review Panel, Chairperson of the CPBN, the CPBN & 82 Others	Ministry of Health & Social Services	<p>Review and setting aside the Review Panel decision of 09 July 2021. Restrain and interdict the CPBN and the MoHSS from implementing the Review Panel Order. Restrain and interdict successful bidders from executing work under the procurement contracts that were awarded. Remit matter back to the Review Panel for re-hearing or alternatively sent back to the CPBN for re-evaluation.</p> <p>In the same matter Namibia Protection Services (NPS) brought a counter application for the reviewing and setting aside of the Review Panel's decision and that the matter be remitted back to the CPBN for re-evaluation. NPS also seeks a declaratory order in respect of sections 51(4), 52(5) and 55(1) of the PPA. Further, that the Court compel the CPBN to provide NPS with respect to all 80 bidders, the name, and the total corrected amount of each bid alternatively the unit price of every bidder, for each and every of the three years and for each and every one of the 13 lots.</p>	<p>The matter was heard on 05 August 2021.</p> <p>On 09 August 2021 the court granted an interim interdict restraining and restricting the CPBN from implementing the Review Panel's decision (including the award and conclusion of contracts). The successful bidders were also restrained and interdicted from executing work under the procurement reference NCS/ONB/CPBN-05/2019.</p> <p>On 27 August 2021 the High Court struck the matter from the roll for lack of urgency.</p> <p>After the matter was struck from the roll for lack of urgency the Applicant proceeds with its review application in the ordinary course.</p>	The matter is finalized.

4.6 MONITORING AND EVALUATION

Aligned with the provisions of section 8(c), the Board oversees and guides accounting officers in the effective management of procurement contract implementation.

To operationalize this objective, the Monitoring and Evaluation (M&E) unit was established. The M&E unit is tasked with various responsibilities, including monitoring the implementation of procurement contracts awarded by the Board and providing quarterly progress reports on project implementation. This section provides an update on the progress of procurement contract implementation during the reporting period.

4.6.1 Progress with the Awards Implementations

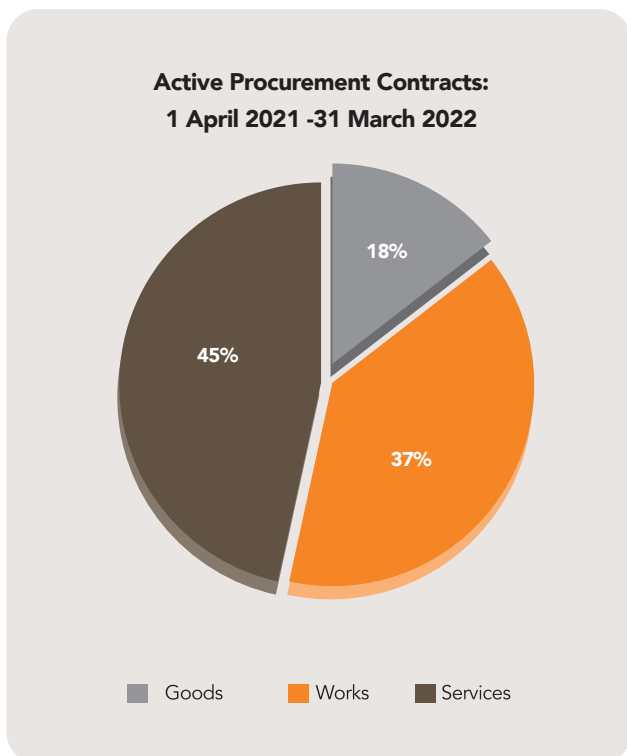
Throughout the reporting period, CPBN oversaw the implementation of forty-nine (49) active

procurement contracts categorized as follows: eighteen (18) for works, nine (9) for goods, and twenty-two (22) for services.

The chart below illustrates the percentage representation of active procurement awards. Additionally, the table on the right offers a comparative analysis of active contracts over the past two financial years (2020/2021 and 2021/2022).

The number of active contracts surged significantly from twenty-two (22) to forty-nine (49) contracts, indicating a remarkable 122% increase from the 2020/2021 to the 2021/2022 reporting period. A detailed analysis of the Monitoring and Evaluation (M&E) reports revealed the following:

Contracts Status	2020/2021	2021/2022
Total Active contracts in #	22	49
Value of Active Contracts in N\$	1,159,128,365	3,909,502,115
Completed Contracts in #	5	3
Value of completed Contracts in N\$	297,451,677	374,876,029



- **Exceeding Expectations:** Six (6) contracts, or 12.2% of the total, were reported to exceed expectations.
- **On Track:** Thirty-three (33) contracts, constituting 67.3% of the total, reported being on track with the execution of work.
- **Behind Schedule:** Four (4) contracts, representing 8.2% of the total, have fallen behind or are off track. Remedial actions are being implemented to steer these projects back on track.
- **New Contracts:** Five (5) contracts, accounting for 10.2% of the total, were less than 3 months into implementation and thus did not require reporting.

During the reporting period, the Board made a determination on one (1) procurement contract. It was established that there were sufficient grounds for CPBN to apply for the contractor’s debarment before the Review Panel. This action will be pursued in the new financial year.

4.6.2 Values of Active Procurement Contracts by Region

The table below provides a breakdown of the values of active procurement projects categorized by region and national level.

Region Of Operation	Sum Of Project Value (N\$)
Erongo	607,199,874
Hardap	85,172,198
Karas	21,865,404
Kavango East	29,158,224
Kavango West	35,561,068
Khomas	355,538,604
Kunene	443,904,559
Ohangwena	77,897,863
Omaheke	8,698,707
Omusati	151,651,762
Oshana	78,549,810
Oshikoto	72,401,500
Otjozondjupa	761,622,543
Zambezi	43,415,712
National	1,136,864,286
Grand Total	3,909,502,114

4.6.3 The Impact of Procurement Projects

Given the nature of CPBN's involvement in high-value procurements, the socio-economic impacts within the communities where these projects are executed are evident, particularly in terms of enhanced service delivery to beneficiaries and employment generation.

Communities, particularly in remote areas, have directly benefited from procurement projects. For instance, the construction of schools has facilitated access to education for children while also fostering employment opportunities for teachers. Similarly, the construction and upgrading of vocational training centers have provided youth with increased access to vocational education, allowing them to pursue careers in their preferred fields.

Throughout the reporting period, a total of two thousand seven hundred and eighty-four (2,784) employment opportunities were generated across various regions through construction projects, cleaning services, and security services. These projects typically span an implementation period of 18 to 36 months, thereby amplifying their economic impact over time.

4.6.4 Performance Monitoring

Table 1 below provides a detailed overview of the progress of specific contracts during the reporting period from 1 April 2021 to 30 March 2022.

#	Projects in Execution	Public Entity's Name	Contractor/Service Provider	Contractor/Service Provider Nationality	Commencement (Contract Signing Date/site handover)	Duration in days	Envisaged completion	Revised Completion	Total Budget / Contract Value	Actual Cost to date (Mill %)	Time Lapse in days	Expected completion Percentage	Average completion Percentage	Procurement Category	Comments
1	W/ONB/CPBN-07/2019:Construction of Kunene VTC	Namibia-Training Authority	Adaptive Building and Land Construction CC	Namibian	Sep-20	730	Sep-22	N/A	42,795,107.38	38,22 (89%)	566	78%	75%	Works	Site handover: 25/08/2020 Due to arithmetic error, the original Contract Sum of N\$42 459 788,00 has been amended to of N\$42 795 107,00. Actual cost incl. engineer's fees and costs. Actual cost incl. fees. Super structure is 100% complete. Due to delays arising from Electrical contractor the project did not meet its revised completion date of 21 June 2021, further revised to July 2022 In addition, due to town council incapacity and unachievable specifications to provide bulk services (water and electricity) the project remained incomplete. An additional funds of 4Mill is required from the client for the provision of bulk electricity.
2	W/RB/CPBN-01/2018:Upgrading/Expansion of Nakayale VTC	Namibia-Training Authority	Africa Civil Engineering CC JV China State Construction Engineering Corporation	Namibian JV Chimise	Apr-19	1191	Apr-21	Jul-22	37,780,312.33	49,40 (130%)	1070	90%	93%	Works	The contract is determined by the board meeting held on 30 Sept 2021 by Clause 57 of the GCC. The contractor is disputing the contract determination, an adjudicator is appointed through PA and the adjudication process is ongoing
3	W/ONB/CPBN-08/2019: Construction of Nkurenkuru VTC	Namibia-Training Authority	Neu-Olulya Trading CC	Namibian	Sep-20	730	Sep-22	N/A	35,561,067.67	13,93 (39%)	576	79%	10%	Works	Overall progress is behind schedule, Actual cost incl cost fees. Average completion % is at 30 November 2021. The contractor fails to meet the completion on time The centre could commence operation in January 2022 as initially planned because, Contractor will needed 6 more months to complete the work.
4	W/RB/CPBN-04/2018: Upgrading of Okakarara VTC	Namibia-Training Authority	Octagon Construction	Namibian	Apr-19	731	Apr-21	Jun-21	64,251,259.24	48,01 (75%)	1022	140%	81%	Works	Actual cost incl. fees at 30 November 2021. Project is practically complete, and a completion certificate was issued to the main Contractor, testing was done through the generator. To avoid other contractors claiming interests, other contractors are off site. The electrical Contractor defaulted; he could not complete the work on time and a termination letter has been issued by the PA and as soon as he vacate site a new sub-contractor will be appointed.
5	W/RB/CPBN-02/2018: Upgrading/Expansion of Valombola VTC	Namibia-Training Authority	Africa Civil Engineering CC JV China State Construction Engineering Corporation	Namibian JV Chimise	Apr-19	706	Apr-21	May-21	27,695,420.10	29,10 (105%)	1017	144%	99%	Works	Batch #1 &2 delivered, batch # 3 has also been delivered but damaged during transportation and offloading at Walvisbay port. Supplier completed repair work, one unit was delivered to site while the second awaits delivery. The rest of batch 3 are delivered, tested and commissioned just waiting for take over end of April 2022.
6	G/OIB/CPBN-04/2018: MANUFACTURING, DELIVERY, TESTING AND INSTALLATION OF POWER TRANSFORMERS AT BRAKWATER, RUBY,SWAKOPMUND & TARMARISK SUBSTATION	Nampower	Powermax Co.Ltd	Korea	Jan-20	829	Jan-21	Apr-22	107,029,877.00	62,92 (58.79%)	801	97%	98%	Goods	Delays experienced due to COVID 19 outbreak (material delivery & increased positive cases among employees) and there was a fire incident experienced at the manufacturing factories on the 7 March 21 causing damages to 5 of the 10 the units. Delivery schedule has been affected by the fire incident. 5 of the 10 units have since been delivered by end of December 2021 and the rest are expected to be delivered by April & August 2022.
7	G/OIB/CPBN-05/2018: MANUFACTURING, DELIVERY, TESTING AND INSTALLATION OF POWER TRANSFORMERS AT BRAKWATER	Nampower	SGB-SMIT Power Matla (PTY) Ltd	South African	Dec-19	973	Dec-20	Aug-22	89,895,000.00	66,08 (73.5%)	847	87%	86%	Goods	

#	Projects in Execution	Public Entity's Name	Contractor/Service Provider	Contractor/Service Provider Nationality	Commencement Date/site handover	Duration in days	Envisaged completion	Revised Completion	Total Budget / Contract Value	Actual Cost to date to Mil (%)	Time Lapse in days	Expected completion Percentage	Average completion Percentage	Procurement Category	Comments
8	G/OIB/CPBN-06/2018: MANUFACTURING, DELIVERY, TESTING AND INSTALLATION OF POWER TRANSFORMERS AT BRAKWATER & HARDAP SUBSTATION	Nampower	Hyosung Heavy Industries Corporation	Korea	Nov-19	826	Sep-20	Feb-22	77,017,766.00	73.16 (95%)	857	104%	99%	Goods	Hardap substation experienced delays in the installation and commissioning due to modifications required on site for fire protection which resulted in the need to procure some materials from overseas, completion is further pushed to May 2022 as a result.
9	G/OIB/CPBN-01/2019: PROCUREMENT OF DESIGN, MANUFACTURING, TESTING AND DELIVERING OF TWO MOBILE SUBSTATIONS	Nampower	ABB South Africa (PTY) LTD	South African	Jan-20	831	Jul-21	Apr-22	46,680,150.89	4.66 (10%)	801	96%	94%	Goods	Fire incident at the factory impacted both mobile substation transformers, causing 8 weeks delay in the delivery of transformers. Delivery is further delayed due to internal failure that occurred during the factory testing of the transformer. Expected completion moved to 30 April 2022.
10	W/OIB/CPBN-01/2019 ENGINEERING AND CONSTRUCTION (EPC) CONTRACTOR FOR THE OMBURU POWER PLANT	NamPower	Hopsol Africa (Pty) Ltd and Tutive Private Equity Ltd JV	Namibian	Jan-21	425	Nov-21	Mar-22	317,171,060.00	285.45 (90%)	427	100%	100%	Works	All testing and commissioning works have been completed and the plant has now entered the commercial operation phase. The plant will be operated by Nampower under the supervision of the contractor for two years during the Defect notification period (DNP)
11	Procurement Contract for the maintenance service of the electronic border management system	Ministry of Home Affairs and Immigration	Syntax Technologies	Namibian	May-19	1065	Mar-22	N/A	48,980,521.50	93%	1065	100%	92%	Services	The system is operational at twenty-five (25) ports/sites of entry/exit. Progress is calculated on time lapse.
12	Bureau services for the supply and Personalization of Driving License cards	Roads Authority	Business Connexion Namibia (Pty) Ltd JV Zidenty	Namibian JV South African	Mar-19	1798	Feb-24	N/A	111,083,076.62	17.14 (15%)	1126	63%	93%	Services	JV partner 2ID experience economic hardship as a result of COVID-19 and presented sale agreement to BCX Nam to take over all interest of the JV. Request for approval of Four Engineering Changes Proposal received by CPBN resulting from technological changes and change of ownership were approved by the Board on 29 March 2022.
13	NCS/ONB/CPBN-02/2018: Procurement of Government Diamond Valuers	Ministry of Mines & Energy	Gem Diamond Namibia (Pty) Ltd	Namibian	Sep-19	1796	Aug-24	N/A	480,000,000.00	36.03 (73.5)	942	52%	52%	Non-Consultancy Services	Actual cost to date percentage is against the budget for FY 2021/2022 (N\$ 49,000,000.00) of which paid by 31 March 2022 : N\$ 36,031,843.52. Average completion is calculate on time lapsed(31 months of 60 Months)
14	W/OIB/CPBN-06/2019: Reconstruction of canal section between Mahene Border post and Olushandja Dam: Part A (Olushandja Section)	NamWater	Radial Truss Industries Ltd JV Imperative Construction & Engineering CC	Namibian	Feb-21	467	May-22	N/A	41,575,067.49	16.13 (38%)	406	87%	87%	Works	Site handover : Feb 2021 Completion date revised to 31 May 2022, with the approval of 33 days EoT
15	Reconstruction of canal section between Mahene Border post and Olushandja Dam: Part B (Olushandja Section)	NamWater	Brunar Construction CC	Namibian	Feb-21	452	May-22	N/A	51,913,110.47	7.55 (14.5%)	406	90%	55%	Works	Work delayed for 87 calendar days due to the clearance of site for explosives, work resumed on 02 August 2021 and completion : The Contractor submitted a revised program of work indicating the completion date of 22 August 2022 pending approval of the client.
16	W/ONB/CPBN-04/2019: The Construction of a New Otuzemba Primary School in Opuwo, in the Kunene Region Phase 1	Ministry of Education, Art and Culture	Adaptive Building and Land Construction CC	Namibian	Aug-20	545	Feb-22	N/A	51,730,969.27	28.59 (63.6%)	493	90.5%	85%	Works	The Board approved the variation order to the value not exceeding N\$ 6,761,143.96 (Incl. VAT) this brings the total contract value to N\$ 51,730,969.27
17	NCS/ONB/CPBN-03/2019: The Provision of Cleaning Services to The Namibia University of Science and Technology	Namibia University of Science and Technology (NUST)	Adaptic Investment CC	Namibian	Nov-20	1094	Oct-23	N/A	8,367,561.00	3.25 (39%)	515	47.1%	47%	Non-Consultancy Services	Project commenced 1 November 2020. Average completion % is based on time lapsed & Actual expenditure is at 31 December 2021

#	Projects in Execution	Public Entity's Name	Contractor/Service Provider	Contractor/Service Provider Nationality	Commencement (Contract Signing Date/site handover)	Duration in days	Envisaged completion	Revised Completion	Total Budget / Contract Value	Actual Cost to date Mile (%)	Time Lapse in days	Expected completion Percentage	Average completion Percentage	Procurement Category	Comments
18	NCS/ONB/CPBN-03/2019: The Provision of Cleaning Services to The Namibia University of Science and Technology	Namibia University of Science and Technology (NUST)	LYP Investment CC	Namibian	Nov-20	1094	Oct-23	N/A	9,615,201.84	3.73 (39%)	515	47.1%	47%	Non-Consultancy Services	Project commenced 1 November 2020. Average completion % is calculated on time lapsed & Actual cost is at 31 December 2021
19	NCS/ONB/CPBN-01/2020 (LOT3) Procurement of rendering Security and Fidelity Trasito Services to the MOF	Ministry of Finance	Omeya Investment CC	Namibian	Nov-20	1094	Oct-23	N/A	4,842,011.52	1.88 (39.16%)	515	47.1%	47.0%	Non-Consultancy Services	Project Commenced 1 November 2020, average completion is calculated on time lapsed Actual cost as at 31 December 2021
20	NCS/ONB/CPBN-01/2020 (LOT2 & 4) Procurement of rendering Security and Fidelity Trasito Services to the MOF	Ministry of Finance	Omle Security Services CC	Namibian	Feb-21	1094	Jan-24	N/A	25,342,632.00	7.74 (30.5%)	423	38.7%	39%	Non-Consultancy Services	Project commenced 1 February 2021, average completion is calculated on time lapsed, Actual cost as at 31 December 2021
21	W/ONB/CPBN-01/2020 Northern Railway Extension Phase3 b/w Ondangwa and Ohakati: Construction of station Buildings and Civil Works	Ministry of Work and Transport	Tatian Trading Enterprises, Ongshue Investment JV	Namibian	May-21	730	May-23	N/A	40,600,826.65	8.29 (20%)	323	44.2%	35%	Works	Approved VO of N\$ 1,550,430.00 bringing the Contract Price to N\$ 40,600,826.65
22	NCS/ONB/CPBN-02/2019 (LOT 1 & 2) Provision of Security Guarding Services to NUST	Namibia University of Science and Technology (NUST)	PIS Security Services CC	Namibian	May-21	1095	Apr-24	N/A	28,303,698.29	6.16 (22%)	334	30.5%	31%	Non-Consultancy Services	Actual expenditures as at December 31, 2021 and average completion is calculated on time lapsed. PIS sent a letter on rate adjustments in sub-clause 16.3 of the Contract, seeking a price increase due to bid validity extensions at bidding process.
23	G/OIB/CPBN-01/2020: Design & Construction of Aua-Gerus 400KV Transmission line	Nampower	Power Line Africa (Pty) Ltd	Namibian	May-21	725	May-23	N/A	629,801,144.44	269.49 (42.8%)	315	43.4%	57%	Goods	Contractor indicated the cost of shipping materials has risen extensively since contract signing. An EOT claim was submitted, adjudicated within the limitation of the signed contract. 6 months extension was granted without additional time related cost. with the EOT granted the contractor is ahead of the program.
24	W/OIB/CPBN-03/2020 : Design & Construction of Kunene& Omatando Substations	Nampower	Sinohydro Corporation Limited and Adaptive Building Land Construction CC JV	Namibian JV Foreign Firm	Jun-21	609	Feb-23	N/A	340,808,287.00	15.66 (5%)	297	48.8%	55%	Works	The JV struggled to finalise the project team, delayed contracts with Subcontractors and communication barrier with a chinese contractor has been identified as a challenge
25	W/ONB/CPBN-09/2020: Construction of the Sekelduin Substation	Nampower	Nexus Building Contractor (Pty) Ltd	Namibian	Jul-21	565	Jan-23	N/A	64,524,112.97	23.23 (36%)	272	48.1%	41%	Works	Approved VO No.1 is N\$ 679,995.17 (excl. VAT) VO No.2 is N\$ 334,927.92 (excl. VAT) New contract Price: N\$ 64,524,112.97 (excl.VAT) VO #1 was due to hard rock being uncovered , prior to the construction phase soil compaction . VO #2: additional cost to install the CAT ladders during construction phase which was not part of the tendered BOQ
26	SC/RFP/CPBN-02/2020: Technical Advisory and Project Management Services for the Otjikoto Biomass Power Station	Nampower	1. Fichter GmbH & Co. KG 2. Lund Consulting Engineers CC 3.Pregon Consulting Engineers (Pty) Ltd	Namibian JV Foreign Firms	Jul-21	2185	Jun-27	N/A	55,728,460.00	6.82 (12%)	276	13%	9%	Consultancy Services	Project Commenced 06 July 2021, average completion is calculated on project time lapsed

#	Projects in Execution	Public Entity's Name	Contractor/Service Provider	Contractor/Service Provider Nationality	Commencement (Contract Signing Date/site hand-over)	Duration in days	Envisaged completion	Revised Completion	Total Budget / Contract Value	Actual Cost to date Mil (%)	Time Lapse in days	Expected completion Percentage	Average completion Percentage	Procurement Category	Comments
27	W/ONB/CPBN/04/2020:Periodic Maintenance of roads: re-gravelling contract in the Windhoek region: LOT 1	Roads Authority	Adaptive Building Land Construction C	Namibian	Aug-21	729	Aug-23	N/A	91,536,827.58	15.11 (16.5%)	227	31%	27%	Works	Water sources were a challenge along certain road sections as the yield of certain boreholes was not adequate for the planned production.
28	W/ONB/CPBN/04/2020:Periodic Maintenance of roads: re-gravelling contract in the Windhoek region: LOT 2	Roads Authority	Namibetcon (Pty) Ltd	Namibian	Jul-21	729	Jul-23	N/A	84,951,314.66	6.6 (7.8%)	280	38%	7%	Works	Average completion and actual cost at 31 December 2021, no report for the reporting period. Scarcity of construction water and Slow/Low production has been identified as challenges
29	G/OIB/CPBN-03/2020:Supply and Delivery of Anti-Retroviral Medicine (ARVS) Products (Nampharm (Pty) Ltd)	Ministry of Health and Social services	Africare Pharmaceuticals Namibia	Namibian	Jul-21	365	Jul-22	N/A	318,266,800.47	0.27 (75%)	281	77%	75%	Goods	The Supplier delivered all items ordered before or on the due date, putting their performance on delivery at 100%. However, due to the risk of expiry of products, the Ministry is ordering in lots as the demand goes up
30	G/OIB/CPBN-03/2020:Supply and Delivery of Anti-Retroviral Medicine (ARVS) Products (Africare Pharmaceuticals Namibia)	Ministry of Health and Social services	Nampharm (Pty) Ltd	Namibian	Jul-21	365	Jul-22	N/A	3,640,520.27	3.64 (100%)	281	77%	100%	Goods	Supplier managed to deliver 100% of the items ordered on the contract because all items were ordered at once.
31	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Khomas region-LOT 1	Ministry of Health and Social services	Vicmat Security Services CC	Namibian	Nov-21	1093	Oct-24	N/A	63,877,248.00	10.69 (16.7%)	150	14%	14%	Services	Contract signed 01 November 2021. average completion based on the time lapsed. Contract value revised from N\$ 63,885, 600.00 to N\$ 63,877,248.00
32	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in //Karas region- LOT 2	Ministry of Health and Social services	Ombandje Security Services CC	Namibian	Nov-21	1093	Oct-24	N/A	17,023,392.00	1.92 (11.3%)	150	14%	14%	Services	Contract Signed 13 October 2021 average completion based on the time lapsed. Contract Value revised from N\$ 36,574,120.00 to N\$ 17,023,392.00
33	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Hardap region- LOT 3	Ministry of Health and Social services	Windhoek Security Services CC	Namibian	Nov-21	1093	Oct-24	N/A	8,154,432.00	1.26 (15.5%)	150	14%	14%	Services	Contract Signed 14 September 2021, average completion based on the time lapsed.
34	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Otjozondupa region- LOT 5	Ministry of Health and Social services	Khatbasen Security Services CC	Namibian	Nov-21	1093	Oct-24	N/A	16,404,120.00	2.30 (14%)	150	14%	14%	Services	Contract Signed 13 October 2021 Contract Value revised from N\$ 16,676,040.00 to N\$ 16,404,120.00
35	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Oshikoto region-LOT 6	Ministry of Health and Social services	Premiere Investment No.25	Namibian	Nov-21	1093	Oct-24	N/A	16,673,040.00	2.43 (14.6%)	150	14%	14%	Services	Contract Signed 01 October 2021, average completion based on the time lapsed.
36	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Oshana region- LOT 7	Ministry of Health and Social services	Omeya Investment CC	Namibian	Nov-21	1093	Oct-24	N/A	10,253,563.20	2.52 (24.6%)	150	14%	14%	Services	Contract Signed 11 November 2021 average completion based on the time lapsed. Contract Value revised from N\$ 20,738,851.20 to N\$ 10,253,563.20
37	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Zambesi region- LOT 8	Ministry of Health and Social services	Independent Security Service CC	Namibian	Nov-21	1093	Oct-24	N/A	18,073,080.00	2.82 (15.6%)	150	14%	14%	Services	Contract Signed 10 November 2021 average completion based on the time lapsed. Contract Value revised from N\$ 35,553, 600.00 to N\$ 18,073,080.00
38	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Kavango East & West region- LOT 9	Ministry of Health and Social services	Mukwe Security Service CC	Namibian	Nov-21	1093	Oct-24	N/A	29,158,224.48	2.77 (9.5%)	150	14%	14%	Services	Contract Signed 11 October 2021 average completion based on the time lapsed. Contract value revised from N\$ 57, 360, 441.60 to N\$ 29,158,224.48
39	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Kunene region- LOT 10	Ministry of Health and Social services	Nelito Investment CC	Namibian	Nov-21	1093	Oct-24	N/A	15,331,330.08	2.07 (13.5%)	150	14%	14%	Services	Contract Signed 12 October 2021 average completion based on the time lapsed. Contract Value revised from N\$ 15, 582, 663.36 to N\$ 15,331,330.08
40	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Onahake region- LOT 11	Ministry of Health and Social services	Namibia Protection Services (Pty) Ltd	Namibian	Nov-21	1093	Oct-24	N/A	8,698,707.36	0.67 7.7%	150	14%	14%	Services	Contract Signed 25 October 2021 average completion based on the time lapsed. Contract Value revised from N\$ 9, 982, 123.20 to N\$ 8,698,707.36

#	Projects in Execution	Public Entity's Name	Contractor/Service Provider	Contractor/Service Provider Nationality	Commencement (Contract Signing Date/site hand-over)	Duration in days	Envisaged completion	Revised Completion	Total Budget / Contract Value	Actual Cost to date Mill (%)	Time Lapse in days	Expected completion Percentage	Average completion Percentage	Procurement Category	Comments
41	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Omusati region- LOT 12	Ministry of Health and Social services	Triple one Investment CC	Namibian	Nov-21	1093	Oct-24	N/A	20,383,272.00	2.45 (12%)	150	14%	14%	Services	Contract Signed 12 October 2021 average completion based on the time lapsed. Contract Value revised from N\$ 40, 098, 240.00 to 20,383,272.00
42	NCS/ONB/CPBN-05/2019: Rendering of Security Services to the Ministry of Health and Social Services in Oshana region- LOT 13	Ministry of Health and Social services	Shikuwile Trading CC	Namibian	Nov-21	1093	Oct-24	N/A	9,178,401.60	1.24 (13.5%)	150	14%	14%	Services	Contract Signed 15 September 2021 Average completion based on the time lapsed. Contract Value revised from N\$ 9, 328, 867.20 to N\$ 9,178,401.60
43	W/ONB/CPBN-02/2020: Upgrading, Renovations & Emergency Repairs to Tubuis Primary School- Phase 1	Ministry of Education, Arts and Culture	Radial Truss Industries (Pty) Ltd	Namibian	Feb-22	919	Aug-24	N/A	68,969,851.75	2.29 (3.32%)	139	15%		Works	Contract Signed: 12 November 2021 and site handover was done on 15 February 2022. During the period under review, Contractor had set up site office and commenced excavations of Block D1 and Block D2 which are the Boys' Hostels.
44	W/ONB/CPBN-08/2020: Construction of New Primary School at Swakopmund in the Erongo Region	Ministry of Education, Arts and Culture	LD Building Contractors CC	Namibian	May-22	700	Apr-24	N/A	49,504,972.04		113	16%		Works	Contract Signed : 08 December 2021, the site handover was delayed, only handover on 10 May 2022. The delays resulted from the finalization of the drawings from the initial site that become a residential area to the new site.
45	Tender No. F1/17-5/2011 Support and Maintenance for the Integrated Tax Administration System	Namibia Revenue Agency (NAMIRA)	Profile Investment PTY (LTD) JV Beijing CS & S-CA Software Technologies Co. LTD	Namibian JV Chinese	Feb-22	1093	Feb-25	N/A	49,500,000.00		34	3%		Services	Contract Signed 25 February 2022
46	W/OAB/CPBN-06/2021: Procurement of Upgrading and Extension of Oshikunde Combined School -Phase 2 in Oshikunde, Oshana Region	Ministry of Education, Arts and Culture	ETN Technical Services CC	Namibian	Mar-22	1003	Dec-24	N/A	68,719,461.77		9	1%		Works	Contract Signed: 22 March 2022
47	W/ONB/CPBN-07/2020: Procurement of construction of Otavi Primary School in Otavi, Otjozondjupa Region	Ministry of Education, Arts and Culture	LD Building Contractors CC	Namibian	Mar-22	547	Sep-23	N/A	51,166,019.58		3	1%		Works	Contract Signed: 28 March 2022

#	Legends	Description	Number of Contracts	% of Total Contracts
1	Exceeding Expectations:	Deviation of 0% acceptance	4	8.5%
2	On track:	Deviation of <10% acceptance	33	70.2%
3	Fallen behind/ Off Track:	Deviation of >10% but < 25%	4	8.5%
4	Less than 3 months into Contract implementation		5	10.6%
5	Contract Determined		1	2.1%
6	Not Reported		0	0.0%
			47	100.0%

4.6.5 Compliance Monitoring

During the reporting period, the Monitoring and Evaluation (M&E) unit conducted site visits to various locations, including:

- Kunene VTC
- Otuzemba Primary School
- Nakayale VTC
- Valombola VTC
- Okakarara VTC
- Water Canal section part A
- Water Canal section part B
- Nkurenkuru VTC
- Omburu Power Plant
- Sekeldiun Power station

The primary objectives of these visits were to:

- **Verify Progress Reports:** Validate the information provided in progress reports by Public Entities.
- **Track Progress:** Monitor the progress of projects and document any challenges encountered during implementation.
- **Ensure Compliance:** Ensure adherence and compliance with the terms and conditions outlined in the procurement contracts.

Challenges and Compliance Issues Identified:

- **Delays in Project Execution:** Some projects experienced delays in execution, leading to setbacks in overall progress.
- **Quality Control Concerns:** Instances of quality control issues were observed, highlighting the need for improved oversight and measures to maintain quality standards.

- **Resource Constraints:** Certain projects faced resource constraints, hindering progress and requiring additional support to overcome.
- **Contractual Compliance Breaches:** Compliance breaches were identified in some projects, necessitating corrective actions to align with contractual obligations.

Mitigating Measures Implemented:

- **Revised Timelines:** Efforts were made to revise project timelines and implement strategies to mitigate delays and accelerate progress.
- **Enhanced Quality Assurance:** Strengthened quality assurance protocols were introduced to address and prevent quality control concerns.
- **Resource Allocation:** Additional resources were allocated to projects facing constraints to facilitate smoother implementation.
- **Contractual Reviews:** Contracts were reviewed, and corrective actions were taken to address compliance breaches and ensure alignment with contract terms and conditions.

These measures were implemented to address challenges and ensure effective project management, quality assurance, and adherence to contractual obligations throughout the reporting period.

Compliance Issue identified	Remedial Actions/Recommended Actions
<p>A) The Public Entity's non-compliance with the General Conditions of Contract (GCC) Clause 7.1:</p> <p>The Contractor's invoice for additional work performed due to changes in the site has remained outstanding since November 2020, awaiting submission from the Public Entity (PE) to request approval from the Board.</p>	<p>The Board discussed the matter during its meeting on November 4, 2021, and decided to refer the issue of price increase back to the MoEAC in accordance with RESOLUTION-CPBN-10/39/2021. A revised submission was received from MoEAC on April 22, 2022, and deliberated during the board meeting on April 28, 2022. During this session, the Board resolved to approve the variation order, not exceeding N\$ 6,761,143 (Incl. VAT), thereby increasing the total contract value to N\$ 51,730,969.</p> <p>Following this approval, the Contractor's invoice was settled by the clients.</p>
<p>B) Non-compliance/Failure to Adhere to Section 138 of the Labour Act, 2007, and Section 50(2)(D) of the PPA, 2015.</p> <p>Domestic subcontractors are experiencing delays in payments, citing that they are only compensated for work completed. However, they encounter significant challenges as essential equipment necessary to enhance productivity is either unavailable or malfunctioning. Consequently, there are instances where subcontractors report to work only to find themselves idle due to the unavailability or breakdown of required equipment.</p>	<p>Letters were issued to the Contractors to reinforce and remind them of the Labour Clause outlined in the SBD, which states:</p> <p><i>"The rates of remuneration and other work conditions for employees of the contractor must not be less favorable than those established for work of the same nature within the relevant trade."</i></p> <p>Contractors were reminded and directed to adhere to the written commitment outlined in Section 138 of the Labour Act and Section 50(2)(D) of the PPA. Subsequently, documentary evidence of corrective measures, including the payment of salaries by the contractors, was received.</p>
<p>c) Non-Compliance with GCC 1.1 (dd): Failure to Handover Construction Site within Specified Timelines in the Contract.</p> <p>According to GCC 1.1 (dd), the intended starting date for the commencement of works was scheduled for seven (7) calendar days after contract signing.</p>	<p>The Ministry of Education, Art, and Culture (MoEAC), acting as the Employer, was duly informed to formally notify the Contractor in writing regarding the delays in site handover. These delays were attributed to the Consultant team's prolonged process in finalizing the drawings.</p> <p>Furthermore, the Employer was explicitly alerted to the fact that failure to hand over the site within the specified timeline constitutes a potential compensation event, as stipulated in Contract Clause 20.</p> <p>Subsequently, the site handover was completed on May 10, 2022.</p>

4.6.6 Procurement of Work: Goods and Material for works

All ten (10) projects visited during the reporting period demonstrated compliance with the practice of sourcing building materials locally. While most towns may not have all the necessary building materials, local procurement is predominantly observed, especially for items such as cement and bricks.

4.6.7 Payment to Contractors

There have been some complaints regarding delayed payments by public entities to the contractors. After the Project Manager certifies the work performed, it may take up to 30 days for certification, followed by an additional 30 days for payment by the public entity. It’s important to note that no interest on late payments is paid.

4.6.8 Challenges Encountered during Award Implementation and Proposed Solutions.

Challenges/Bottlenecks	Mitigation
<p>The implementation of the project, particularly its timelines, was significantly impacted by the outbreak of COVID-19. This effect was clearly reflected in the report provided by PE.</p> <p>Primarily, COVID-19 has resulted in delays in the delivery of power transformers, accessories, and other materials procured overseas, necessitating requests for extensions of delivery times.</p>	<p>The project requested an extension of time (EOT) to compensate for the time lost.</p>
<p>The Reconstruction of Canal sections between Mahenene Border Post and Olushandja Dam, Part B of Namwater experienced delays of 87 calendar days due to the clearance of the site for explosives.</p>	<p>NAMPOL has completed the site clearance, enabling the contractor to recommence work on August 2, 2021. An extension of time (EOT) totaling 89 days was granted to the contractor.</p>

4.7 STAKEHOLDERS ENGAGEMENT

4.7.1 Engagement with the media

Media engagement plays a crucial role in shaping public perception, disseminating information, and fostering transparency. Recognizing this, CPBN organized a media briefing during the reporting period to update various media outlets on its procurement activities during the 1st and 2nd quarters of the financial year. The event served as an opportunity for journalists to interact with CPBN’s Administrative Head, gaining insights into procurement matters and addressing any queries they had. This initiative aimed to promote transparency, enhance CPBN’s public image, and ensure accurate reporting on procurement activities.



ANNUAL FINANCIAL STATEMENTS



ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



Republic of Namibia



OFFICE OF THE AUDITOR-GENERAL

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9000

AUDIT COMPLIANCE CERTIFICATE

ON THE ACCOUNTS

OF THE CENTRAL PROCUREMENT BOARD OF NAMIBIA


FOR THE YEAR ENDED 31 MARCH 2022

The documentation as compiled by the firm PKF-FCS Auditors which is registered in terms of the Public Accountant's and Auditor's Act, 1951, who was appointed by the Central Procurement Board of Namibia, has been examined by Officials of the Office of the Auditor-General.

In terms of reference as agreed by Office of the Auditor-General and the Central Procurement Board of Namibia, I certify that the above-mentioned audit of the annual financial statements for the year ended 31 March 2022 has been carried out to my satisfaction.

WINDHOEK, March 2023




JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To conduct the bidding process on behalf of public entities
Board members	<p>Mr. P. P. Swartz (Executive Director) (Chairperson of the Board and Administrative Head of Central Procurement Board of Namibia)</p> <p>Ms. L. Ramakhutla (Executive Director) (Deputy Chairperson of the Board and Deputy Administrative Head of Central Procurement Board of Namibia)</p> <p>Ms. H. Herman (Independent Non-Executive Director) (Chairperson of Audit and Risk Committee - from 26 May 2021)</p> <p>Mr. E. P. Shilongo (Independent Non-Executive Director)</p> <p>Ms. J. !Garus-Oas (Independent Non-Executive Director)</p> <p>Ms. E. Nghiidipaa (Independent Non-Executive Director)</p> <p>Mr. O.N.R. Nangolo (Independent Non-Executive Director) (Chairperson of the Technical Committee - from 26 May 2021)</p> <p>Mr. M. Kambulu (Independent Non-Executive Director)</p> <p>Mr. A. Ngavetene (Independent Non-Executive Director) (Chairperson of Human Resource Committee - from 26 May 2021)</p>
Business address	Erf 8161, Southern Industry, Julius K Nyerere Street, Windhoek, Namibia
Postaladdress	P.O. Box 23650 Windhoek, Namibia
Bankers	Bank Windhoek
Auditors	PKF-FCS Auditors Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Ms. E. Shiponeni (BoardSecretary)

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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BOARD MEMBERS' RESPONSIBILITIES AND APPROVAL

The board members are required in terms of the Public Procurement Act 15 of 2015 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the board as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the board and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the board and all employees are required to maintain the highest ethical standards in ensuring the board's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the board is on identifying, assessing, managing and monitoring all known forms of risk across the board. While operating risk cannot be fully eliminated, the board endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.


The board members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board members have reviewed the board's cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the board has or had access to adequate resources to continue in operational existence for the foreseeable future.


The external auditors are responsible for independently auditing and reporting on the board's annual financial statements. The annual financial statements have been examined by the board's external auditors and their report is presented on pages 63 to 65.

The annual financial statements set out on pages 60 to 62 and pages 66 to 96, which have been prepared on the going concern basis, were approved by the board members on 9 December 2022 and were signed on their behalf by:


Approval of financial statements



Mr. A. Ngavatene: Board member



Ms. H. Herman: Board member



Ms. J. !Garus-Oas: Board member

BOARD MEMBERS' REPORT

The board members have pleasure in submitting their report on the annual financial statements of Central Procurement Board of Namibia for the year ended 31 March 2022.

1. INCORPORATION

The board was incorporated and brought into force with effect on 1 April 2017 by Government Gazette 46/2017 (GG6255).

The board is domiciled in Namibia where it is incorporated as a state owned enterprise under the Public Procurement Act 15 of 2015. The address of the registered office is set out on page 60.

2. NATURE OF BUSINESS

Central Procurement Board of Namibia was incorporated in Namibia with interests in the public procurement sector. The board operates in Namibia.

The principal objectives of the Central Procurement Board:

- to conduct the bidding process on behalf of public entities for the award of contracts for procurement or disposal of assets that exceed the threshold prescribed for public entities;
- to enter into contracts for procurement or disposal of assets on its own behalf or on behalf of public entities awarded by the Board;
- to direct and supervise accounting officers in managing the implementation of procurement contracts awarded by the Board.

There have been no material changes to the nature of the board's business from the prior year.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Public Procurement Act 15 of 2015. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the board are set out in these annual financial statements.

4. EVENTS AFTER THE REPORTING PERIOD

There is no immediate impact on the going concern assessment post Covid 19 pandemic application to the Central Procurement Board of Namibia at date of approval of these annual financial statements.

The board members are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. GOING CONCERN

The board members believe that the board has adequate financial resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis.

The board members have satisfied themselves that the board is in a sound financial position and able to meet its foreseeable cash requirements. The board are not aware of any material changes that may adversely impact the board. The board members are also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation which may affect the board.

BOARD MEMBERS' REPORT

6. BOARD MEMBERS

The board members in office at the date of this report are as follows:

Board members	Nationality	Changes
Mr. P. P. Swartz (Executive Director) (Chairperson of the Board and Administrative Head of Central Procurement Board of Namibia)	Namibian	End of term 31 March 2022
Ms. L. Ramakhutla (Executive Director) (Deputy Chairperson of the Board and Deputy Administrative Head of Central Procurement Board of Namibia)	Namibian	End of term 31 March 2022
Ms. H. Herman (Chairperson of the Audit and Risk Committee - from 26 May 2021) (Independent Non-Executive Director)	Namibian	
Mr. E. P. Shilongo (Independent Non-Executive Director)	Namibian	
Ms. J. !Garus-Oas (Independent Non-Executive Director)	Namibian	
Ms. E. Nghiidipaa (Independent Non-Executive Director)	Namibian	
Mr. O.N.R. Nangolo (Independent Non-Executive Director) (Chairperson of the Technical Committee - from 26 May 2021)		
Mr. M. Kambulu (Independent Non-Executive Director)	Namibian	
Mr. A. Ngavetene (Independent Non-Executive Director) (Chairperson of Human Resource Committee - from 26 May 2021)	Namibian	

BOARD MEMBERS' REPORT

CONTRACT TERMINATION OF BOARD MEMBERS

Board members	Cause of change	Date
Mr. P. P. Swartz (Executive Director) (Chairperson of the Board and Administrative Head of Central Procurement Board of Namibia)	End of term	31 March 2022
Ms. L. Ramakhutla (Executive Director) (Deputy Chairperson of the Board and Deputy Administrative Head of Central Procurement Board of Namibia)	End of term	31 March 2022

7. BOARD MEMBERS' INTERESTS IN CONTRACTS

During the financial year, no contracts were entered into which board members of the board had an interest and which significantly affected the business of the board.

8. LITIGATION STATEMENT

The board becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The board is currently involved in such an investigation, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

The current investigation relates to alleged irregularities pertaining to the recruitment of staff and overriding of contracts (refer to note 21 to the annual financial statements).

9. STATEMENT OF DISCLOSURE TO THE BOARD'S AUDITORS

With respect to each person who is a board member on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the board's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a board member to be aware of any relevant audit information and to establish that the board's auditors are aware of that information.

10. TERMS OF APPOINTMENT OF THE AUDITORS

PKF-FCS Auditors were appointed as the board's auditors for the 2018 financial year on 22 March 2019 in terms of a letter of acceptance of Bid in terms of Public Procurement Act 15 of 2015 (section 55) and continued its appointment for the 2022 financial year.

INDEPENDENT AUDITOR'S REPORT

To the Board of Central Procurement Board of Namibia

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Central Procurement Board of Namibia (the board) set out on pages 63 to 67 and on pages 71 to 105, which comprise the statement of financial position as at 31 March 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies and the Board members' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Central Procurement Board of Namibia as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Public Procurement Act 15 of 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the board in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to note 19 in the Annual Financial Statements. Prior to 31 March 2021 and prior to the approval of these Annual Financial Statements the Covid-19 Pandemic has resulted in the announcement by President Geingob that a compulsory, temporary and then national lockdown was required as the next step to help manage the virus spread. Central Procurement Board of Namibia was compelled to honour the presidents call to business to be closed for trading during this period and implemented a remote working policy. This is unlikely to have resulted in lost revenue for the period 27 March 2020 to 4 May 2020. We still consider a going concern basis for the preparation of the Annual Financial Statements appropriate as Central Procurement Board of Namibia at 31 March 2021 disclosed a stable financial result.

INDEPENDENT AUDITOR'S REPORT

To the Member of Central Procurement Board of Namibia

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Central Procurement Board of Namibia (the board) set out on pages 60 to 62 and on pages 66 to 94, which comprise the statement of financial position as at 31 March 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies and the board members' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Central Procurement Board of Namibia as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Public Procurement Act 15 of 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the board in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to note 18 in the Annual Financial Statements. Prior to 31 March 2022 and

prior to the approval of these Annual Financial Statements the Covid-19 Pandemic has resulted in the announcement by President Geingob that a compulsory, temporary and then national lockdown was required as the next step to help manage the virus spread. Central Procurement Board of Namibia was compelled to honor the presidents call to business to be closed for trading during this period and implemented a remote working policy. We still consider a going concern basis for the preparation of the Annual Financial Statements appropriate as Central Procurement Board of Namibia at 31 March 2022 disclosed a stable financial result.

Other Information

The board members are responsible for the other information. The other information comprises the information included in the document titled "Central Procurement Board of Namibia annual financial statements for the year ended 31 March 2022", which includes the supplementary information as set out on pages 95 to 96. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Annual Financial Statements

The board members are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Public Procurement Act

INDEPENDENT AUDITOR'S REPORT

15 of 2015, and for such internal control as the Board members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the board members are responsible for assessing the board'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 the board members either intend to liquidate the board or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 our 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 control.
- 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the board members' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF FCS Auditors
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: U Wolff
Partner

15 February 2023
Windhoek

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 N\$	2021 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	3	4,877,992	3,154,167
Right-of-use assets	4	8,513,834	1,605,094
		13,391,826	4,759,261
Current Assets			
Trade and other receivables	5	47,330	34,007
Cash and cash equivalents	6	34,344,266	39,838,955
		34,391,596	39,872,962
Total Assets		47,783,422	44,632,223
Equity and Liabilities			
Equity			
Retained income		35,450,820	36,983,107
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	8,601,893	1,850,919
Current Liabilities			
Trade and other payables	7	3,730,709	5,798,197
Total Liabilities		12,332,602	7,649,116
Total Equity and Liabilities		47,783,422	44,632,223

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2022 N\$	2021 N\$
Revenue	8	527,400	1,677,310
Other operating income	9	32,118,396	36,610,900
Other operating gains (losses)	11	(36,528)	(4,229)
Other operating expenses		(34,791,868)	(35,485,300)
Operating (deficit) surplus	10	(2,182,600)	2,798,681
Investment income	13	1,328,572	1,003,858
Finance costs	14	(678,259)	(291,341)
(Deficit) surplus for the year		(1,532,287)	3,511,198
Other comprehensive income		-	-
Total comprehensive (deficit) surplus for the year		(1,532,287)	3,511,198

STATEMENT OF CHANGES IN EQUITY

	Retained income N\$	Total equity N\$
Opening balance as previously reported	33,621,202	33,621,202
Adjustments		
Change in estimate-refer to note 20	(149,293)	(149,293)
Balance at 01 April 2020 as restated	33,471,909	33,471,909
Surplus for the year	3,511,198	3,511,198
Other comprehensive income	-	-
Total comprehensive surplus for the year	3,511,198	3,511,198
Balance at 01 April 2021	36,983,107	36,983,107
Deficit for the year	(1,532,287)	(1,532,287)
Other comprehensive income	-	-
Total comprehensive Deficit for the year	(1,532,287)	(1,532,287)
Balance at 31 March 2022	35,450,820	35,450,820

STATEMENT OF CASH FLOWS

	Notes	2022 N\$	2021 N\$
Cash flows from operating activities			
Cash receipts from customers		32,632,473	38,950,191
Cash paid to suppliers and employees		(33,778,722)	(31,201,473)
Cash (used in)/generated from operations	16	(1,146,249)	7,748,718
Interest income		1,328,572	1,003,858
Finance costs		(678,259)	(291,341)
Net cash from operating activities		(495,936)	8,461,235
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(2,451,600)	(3,130,173)
Right of use asset acquisition		(9,298,127)	-
Net cash from investing activities		(11,749,727)	(3,130,173)
Cash flows from financing activities			
Net movement on lease liabilities		6,750,974	(2,714,270)
Total cash movement for the year		(5,494,689)	2,616,792
Cash at the beginning of the year		39,838,955	37,222,163
Total cash at end of the year	6	34,344,266	39,838,955

ACCOUNTING POLICIES

Corporate information

Central Procurement Board of Namibia is a state owned enterprise incorporated and domiciled in Namibia.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Public Procurement Act 15 of 2015.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the board's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The board is party to leasing arrangements, as a lessee. The treatment of leasing transactions in the annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The board uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the board's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

Several assets and liabilities of the board are either measured at fair value or disclosure is made of their fair values.

Impairment testing

The board reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount

ACCOUNTING POLICIES

for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of office equipment and IT equipment are determined based on board replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the board holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the board, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits

associated with the expenditure will flow to the board and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the board. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straightline	5years
Motor vehicles	Straightline	5years
Office equipment	Straightline	5years
IT equipment	Straightline	3years
Computer software	Straightline	3years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

ACCOUNTING POLICIES

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the board are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the board, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss;

Financial liabilities:

- Amortised cost;

Note 19 Financial instruments and risk management presents the financial instruments held by the board based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales

are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the board are presented below:

TRADE AND OTHER RECEIVABLES

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the board's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the board becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 13).

ACCOUNTING POLICIES

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The board recognises a loss allowance for expected credit losses on trade and other receivables, excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The board measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The board makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic

conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 5.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 10).

Write off policy

The board writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the board recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 5) and the financial instruments and risk management note (note 19).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

TRADE AND OTHER PAYABLES

Classification

Trade and other payables (note 7), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

ACCOUNTING POLICIES

Recognition and measurement

They are recognised when the board becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 14).

Trade and other payables expose the board to liquidity risk and possibly to interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

DERECOGNITION

Financial assets

The board derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards

of ownership of the asset to another party. If the board neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the board recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the board retains substantially all the risks and rewards of ownership of a transferred financial asset, the board continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The board derecognises financial liabilities when, and only when, the board obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

RECLASSIFICATION

Financial assets

The board only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.5 LEASEHOLD PROPERTY

When the board holds property under a long term prepaid lease agreement, the lease is classified as a finance lease or an operating lease in accordance with the provisions of IAS 17 Leases. Refer to the accounting policy on leases. When these leases are classified as finance leases, the property is capitalised as leasehold property, and is depreciated over the lease term.

ACCOUNTING POLICIES

1.6 TAX

Tax expenses

The board is exempt from income tax.

1.7 LEASES

The board assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the board has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Board as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the board is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the board recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the board has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the board is a lessee are presented in note 4 Leases (board as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the board uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the board under residual value guarantees;
- the exercise price of purchase options, if the board is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the board is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

ACCOUNTING POLICIES

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

Interest charged on the lease liability is included in finance costs (note 14).

The board remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the board will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the board incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the board expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from

ACCOUNTING POLICIES

previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 IMPAIRMENT OF ASSETS

The board assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the board estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an

impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the board has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

ACCOUNTING POLICIES

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the board will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

1.12 Revenue from contracts with customers

The board recognises revenue from the following major sources:

- Sales of tender documents

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The board recognises revenue when it transfers control of a product or service to a customer.

Sales of tender documents

For sales of tender documents, revenue is recognised when control of the goods or service has transferred to the customer.

Revenue is recognised at a point in time for sales of tender documents.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the board has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	01 January 2021	The impact of the amendments is not material.
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2021	The impact of the amendments is not material.
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	01 January 2021	The impact of the amendments is not material.
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 January 2021	The impact of the amendments is not material.
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 39	01 January 2021	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The board has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the board's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	Unlikely there will be a material impact
Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	Unlikely there will be a material impact
Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Costor revaluation	Accumulat-ed depreci-ation	Carrying value	Costor revaluation	Accumulat-ed depreci-ation	Carrying value
Furniture and fixtures	1,716,204	(87,650)	1,628,554	6,609	(3,354)	3,255
Motor vehicles	1,357,528	(362,007)	995,521	1,357,528	(144,803)	1,212,725
Office equipment	454,186	(155,300)	298,886	308,741	(90,924)	217,817
IT equipment	2,169,623	(702,377)	1,467,246	2,135,408	(443,465)	1,691,943
Computer software	47,224	(34,538)	12,686	47,224	(18,797)	28,427
Leasehold improvements	504,793	(29,694)	475,099	-	-	-
Total	6,249,558	(1,371,566)	4,877,992	3,855,510	(701,343)	3,154,167

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	3,255	1,709,595	-	(84,296)	1,628,554
Motor vehicles	1,212,725	-	-	(217,204)	995,521
Office equipment	217,817	150,937	(3,268)	(66,600)	298,886
IT equipment	1,691,943	86,275	(33,260)	(277,712)	1,467,246
Computer software	28,427	-	-	(15,741)	12,686
Leasehold improvements	-	504,793	-	(29,694)	475,099
	3,154,167	2,451,600	(36,528)	(691,247)	4,877,992

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	4,577	-	-	(1,322)	3,255
Motor vehicles	-	1,357,528	-	(144,803)	1,212,725
Office equipment	119,250	137,621	-	(39,054)	217,817
IT equipment	239,544	1,635,024	(4,229)	(178,396)	1,691,943
Computer software	44,168	-	-	(15,741)	28,427
	407,539	3,130,173	(4,229)	(379,316)	3,154,167

Other information

The property, plant and equipment represents actual acquisitions. Assets received from the Ministry of Finance are not accounted for in the accounting records for the year ended 31 March 2020.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N\$	2021 N\$
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4. LEASES (COMPANY AS LESSEE)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	8,513,834	1,605,094
	<u>8,513,834</u>	<u>1,605,094</u>
Additions to right-of-use assets		
Buildings	9,045,948	-
	<u>9,045,948</u>	<u>-</u>

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 10), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	2,389,387	2,407,641
	<u>2,389,387</u>	<u>2,407,641</u>

Other disclosures

At 31 March 2022, the company is committed to N\$ 2,853,032 (2021: N\$ 1,850,920) for short-term leases. This differs from the portfolio of leases for which an expense was recognised in the current financial period, because of a 12 month lease agreement for 10 photocopier machines which was entered into in the last month of the financial period.

Lease liabilities

Lease liabilities have been included in the borrowings line item on the statement of financial position. The maturity analysis of lease liabilities is as follows:

Within one year	2,853,032	1,850,920
Two to five years	5,748,861	-
	8,601,893	1,850,920
Non-current liabilities	8,601,893	1,850,919

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N\$	2021 N\$
5. TRADE AND OTHER RECEIVABLES		
Staff loan	-	21,917
Non-financial instruments:		
Prepayments	47,330	12,090
Total trade and other receivables	47,330	34,007
Split between non-current and current portions		
Current assets	47,330	34,007
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	-	21,917
Non-financial instruments	47,330	12,090
	47,330	34,007
Exposure to credit risk		
Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if the customers fail to make payments as they fall due. As at year end, there are no trade debtors outstanding, therefore no credit risk exposure.		
There have been no significant changes in the credit risk management policies and processes since the prior reporting period.		
There has been no change in the estimation techniques or significant assumptions made during the current reporting period.		
Fair value of trade and other receivables		
The fair value of trade and other receivables approximates their carrying amounts.		
6. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	34,344,266	39,838,955
Credit quality of cash at bank and short term deposits, excluding cash on hand		
The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:		
Credit rating		
A1+	34,344,266	39,838,955

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N\$	2021 N\$
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EXPOSURE TO CURRENCY RISK

The company is not exposed to currency risk related to certain bank accounts as no accounts are denominated in a foreign currency.

Namibia Dollar amount

Namibia Dollar	34,344,266	39,838,955
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7. TRADE AND OTHER PAYABLES

Financial instruments:

Trade payables	1,222,055	2,339,670
Provision for leave pay	947,619	1,380,566
Provision for retirement gratuity	-	2,047,080
Accrued expenses: Staff PAYE	1,561,035	30,881
	3,730,709	5,798,197

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	3,730,709	5,798,197
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Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts

8. REVENUE

Revenue from contracts with customers

Sale of tender documents	527,400	1,677,310
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Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Sale of bidding documents

Sale of bidding documents	527,400	1,677,310
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Timing of revenue recognition

At a point in time

Sale of tender documents	527,400	1,677,310
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N\$	2021 N\$
9. OTHER OPERATING INCOME		
Other income - Sundry Income	118,396	10,900
Government grant	32,000,000	36,600,000
	32,118,396	36,610,900
10. OPERATING (LOSS) SURPLUS		
Operating (loss) surplus for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	599,909	160,232
Remuneration, other than to employees		
Annual report costs	144,530	100,027
Consulting and professional services	226,154	1,320,120
	370,684	1,420,147
Employee costs		
Salaries, wages, bonuses and other benefits	26,458,208	27,040,989
Termination benefits	511,770	528,388
Total employee costs	26,969,978	27,569,377
LEASES		
Operating lease charges		
Operating lease	83,116	36,800
Depreciation and amortisation		
Depreciation of property, plant and equipment	691,247	379,316
Depreciation of right-of-use assets	2,389,387	2,407,641
Total depreciation and amortisation	3,080,634	2,786,957

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	NOTES	2022 N\$	2021 N\$
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Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs		26,969,978	27,569,377
Lease expenses		83,116	36,800
Depreciation, amortisation and impairment		3,080,634	2,786,957
Other expenses		4,658,140	5,092,166
		34,791,868	35,485,300

11. OTHER OPERATING GAINS (LOSSES)

Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	3	(36,528)	(4,229)
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12. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

The following items are included within depreciation, amortisation and impairment losses:

Depreciation

Property, plant and equipment		691,247	379,316
Right-of-use assets		2,389,387	2,407,641
		3,080,634	2,786,957

13. INVESTMENT INCOME

INTEREST INCOME

Investments in financial assets:

Bank and other cash		1,328,572	1,003,858
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14. Finance costs

Lease liability		184,965	291,341
Lease liability-prior year adjustment		493,294	-
Total finance costs		678,259	291,341

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N\$	2021 N\$
15. TAXATION		
No provision has been made for 2022 tax as the board is exempt from taxation.		
16. CASH (USED IN)/GENERATED FROM OPERATIONS		
(Loss) surplus for the year	(1,532,287)	3,511,198
Adjustments for:		
Depreciation and amortisation	03,080,634	02,786,957
Losses on disposals of property, plant and equipment	36,528	4,229
Interest income	(1,328,572)	(1,003,858)
Finance costs	678,259	291,341
Changes in working capital:		
Trade and other receivables	(13,323)	661,981
Trade and other payables	(2,067,488)	1,496,870
	(1,146,249)	7,748,718

17. BOARD MEMBERS AND EXECUTIVE MANAGEMENT EMOLUMENTS

BOARD MEMBERS

2022

	Emoluments	Total
Ms. H. Herman (Independent Non-Executive Director) (Chairperson of Audit and Risk Committee - from 26 May 2021)	487,442	487,442
Mr. E. P. Shilongo (Independent Non-Executive Director)	465,987	465,987
Ms. J. !Garus-Oas (Independent Non-Executive Director)	498,179	498,179
Ms. E. Nghiidipaa (Independent Non-Executive Director)	492,625	492,625
Mr. M. Kambulu (Independent Non-Executive Director)	535,054	535,054
Mr. A. Ngavetene (Independent Non-Executive Director) (Chairperson of Human Resource Committee - from 26 May 2021)	485,047	485,047
Ms. A. L. Namoloh (Advisor: Human Resource Committee)	38,066	38,066
	3,002,400	3,002,400

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2021
N\$

17. BOARD MEMBERS AND EXECUTIVE MANAGEMENT EMOLUMENTS (CONTINUED)

2021

	Emoluments	Total
Ms. M. Nakale (Independent Non-Executive Director) (Chairperson for the Audit and Risk Committee - term ended 28 February 2021)	544,019	544,019
Mr. J. Muadinohamba (Independent Non-Executive Director)	495,329	495,329
Ms. H. Herman (Independent Non-Executive Director) as well (Independent Non-Executive Director) (Chairperson for Human Resource Committee - term ended 28 February 2021)	477,658	477,658
Mr. E.P. Shilongo (Independent Non-Executive Director)	528,304	528,304
Ms. M. Iyambo (Chairperson of the Technical Committee - term ended 28 February 2021)	547,074	547,074
Mr. H.C. Loftie-Eaton (Independent Non-Executive Director)	523,858	523,858
Mr. T. Ndove (Independent Non-Executive Director)	484,391	484,391
Ms. J. Garus-Oas (Independent Non-Executive Director)	4,789	4,789
Ms. E. Nghiidipaa (Independent Non-Executive Director)	4,789	4,789
Mr. M. Kambulu (Independent Non-Executive Director)	4,789	4,789
Mr. A. Ngavetene (Independent Non-Executive Director)	4,789	4,789
	3,619,789	3,619,789

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N\$	2021 N\$
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17. BOARD MEMBERS AND EXECUTIVE MANAGEMENT EMOLUMENTS (CONTINUED)

EXECUTIVE MANAGEMENT

2022

	Directors' fees	Total
Mr. P. P. Swartz (Executive Director) (Chairperson of the Board and Administrative Head of Central Procurement Board of Namibia)	1,714,800	1,714,800
Ms. L. Ramakhutla (Executive Director) (Deputy Chairperson of the Board and Deputy Administrative Head of Central Procurement Board of Namibia)	1,483,763	1,483,763
	3,198,563	3,198,563

2021

	Directors' fees	Total
Mr. P. P. Swartz (Executive Director) (Chairperson of the Board and Administrative Head of Central Procurement Board of Namibia)	1,714,800	1,714,800
Ms. L. Ramakhutla (Executive Director) (Deputy Chairperson of the Board and Deputy Administrative Head of Central Procurement Board of Namibia)	1,483,763	1,483,763
	3,198,563	3,198,563

Chairperson and Deputy Chairperson emoluments

	Mr. P. P. Swartz 2022	Mr. P. P. Swartz 2021	Ms. L. Ramakhutla 2022	Ms. L. Ramakhutla 2021
Basic earnings	1,500,000	1,500,000	1,300,000	1,300,000
2021 Motor vehicle allowance	214,800	214,800	183,763	183,763
	1,714,800	1,714,800	1,483,763	1,483,763

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. EVENTS AFTER THE REPORTING PERIOD

There is no immediate impact on the going concern assessment post covid 19 pandemic application to the Central Procurement Board of Namibia at the date of approval of these annual financial statements

The board has been operating effectively subsequent to the lock down and cancellation of the national state of emergency.

The board members are not aware of any other material event which occurred after the reporting date and up to the date of this report.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

2022

	Note (s)	Amortised cost	Total	Fair value
Cash and cash equivalents	6	34,344,266	34,344,266	34,344,266

2021

	Note (s)	Amortised cost	Total	Fair value
Trade and other receivables	5	21,917	21,917	21,917
Cash and cash equivalents	6	39,838,955	39,838,955	39,838,955
		39,860,872	39,860,872	39,860,872

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Leases	Total	Fairvalue
Trade and other payables	7	3,730,706	-	3,730,706	3,730,706
Finance lease obligations	4	-	8,601,893	8,601,893	8,601,893
		3,730,706	8,601,893	12,332,599	12,332,599

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	NOTES	2022 N\$	2021 N\$
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19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2021

	Note(s)	Amortised cost	Leases	Total	Fairvalue
Trade and other payables	7	5,798,194	-	5,798,194	5,798,194
Finance lease obligations	4	-	1,850,919	1,850,919	1,850,919
		5,798,194	1,850,919	7,649,113	7,649,113

GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and losses on financial assets

2022

Recognised in profit or loss:

		Amortised cost	Total
Interest income	13	1,328,572	1,328,572

2021

Recognised in profit or loss:

	Note (s)	Amortised cost	Total
Interest income	13	1,003,858	1,003,858

Capital risk management

The capital structure and gearing ratio of the company at the reporting date was as follows:

Lease liabilities	4	8,601,893	1,850,919
Trade and other payables	7	3,730,706	5,798,194
Total borrowings		12,332,599	7,649,113
Cash and cash equivalents	6	(34,344,266)	(39,838,955)
Net borrowings		(22,011,667)	(32,189,842)
Equity		35,450,822	36,983,109
Gearing ratio		(62)%	(87)%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

FINANCIAL RISK MANAGEMENT

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a

financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents. None of these exist at the moment and the related credit risk is assessed very low.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring.

The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the board through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

The maximum exposure to credit risk is presented in the table below:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other	5	47,330	-	47,330	34,007	-	34,007
receivables							
Cash and cash equivalents	6	34,344,266	-	34,344,266	39,838,955	-	39,838,955
		34,391,596	-	34,391,596	39,872,962	-	39,872,962

Liquidity risk

The Board is exposed to liquidity risk, which is the risk that the Board will encounter difficulties in meeting its obligations as they become due.

The Board manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through cash generated from operations and government grant received. The monetary value of government grant received to support effective and efficient operating activities of the Board is dependent on the annual budget allocation approved. The board members are aware of the liquidity risk associated to the reliance by the Board on government grants as income.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period. The current liquidity risk is assessed as very low.

Foreign currency risk

The board is not exposed to foreign currency risk.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for members.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Note	Average effective interest rate		Carrying amount	
	2022	2021	2022	2021

Assets

Trade and other receivables	5	-%	-%	47,330	34,007
Cash and cash equivalents	6	3.75%	5.00%	34,344,266	39,838,955
				34,391,596	39,872,962

Liabilities

Trade and other payables	7	-%	-%	3,730,709	5,798,197
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Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate	2022	2022	2021	2021
	Increase	Decrease	Increase	Decrease
Impact on surplus or (loss):				
Other 1% (2021:1%)	343,443	(434,443)	398,390	(398,390)

Price risk

The board is not exposed to any price risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20. CHANGE IN ESTIMATE

Lease agreement extension

The lease rental agreement initially signed with a termination date of 30 April 2021 was extended 1st to 31 July 2021 and thereafter to 30 November 2021 in order to provide the lessee with sufficient time to finalise arrangement to move to its new premises effective 1 December 2021. The extension agreement resulted in a decrease of monthly rental payments as well as extension of the lease terms. This is considered to represent a change in estimate and has been applied on a modified retrospective approach, whereby comparative figures are not restated. Cumulated adjustments to retained earnings have been recognised in retained earnings as set out in the table below at 1 April 2020.

Change in term IFRS 16 impact	As reported 31 March 2020	IFRS 16 change in estimate adjustments	As reported 1 April 2020
Right of use asset	2,715,574	1,297,160	4,012,734
IFRS 16 lease liability	(3,118,737)	(1,446,453)	(4,565,190)
Retained earnings	(33,621,202)	149,293	(33,471,909)
	(34,024,365)	-	(34,024,365)

21. CONTINGENCIES

Litigation and claims in the process relating to investigations on alleged irregularities to recruitment of staff and overriding of contracts were ongoing at the date of release and approval of the annual financial statements. The company's management consider the likelihood of the action against the company being successful as unlikely.

Management's estimate of the financial exposure (inclusive of costs and disbursements) amounts to approximately N\$ 900,000.

DETAILED INCOME STATEMENT

	NOTES	2022 N\$	2021 N\$
Revenue			
Sales of tender documents		527,400	1,677,310
Other operating income			
Other income-Sundry income		118,396	10,900
Government grant		32,000,000	36,600,000
	9	32,118,396	36,610,900
Other operating gains (losses)			
Losses on disposal of assets		(36,528)	(4,229)
Other operating expenses (Refer to page 98)			
		(34,791,868)	(35,485,300)
Operating (loss) surplus	10	(2,182,600)	2,798,681
Investment income	13	1,328,572	1,003,858
Finance costs	14	(678,259)	(291,341)
(Loss) surplus for the year		(1,532,287)	3,511,198

DETAILED INCOME STATEMENT

	NOTES	2022 N\$	2021 N\$
Other operating expenses			
Advertising		276,857	732,321
Annual report costs		144,530	100,027
Auditors remuneration - external and internal auditors	10	599,909	160,232
Bank charges		19,043	30,786
Bid Evaluation Committee fees		460,650	359,680
Cleaning		39,467	29,979
Conference and meeting fees		55,495	3,140
Consulting and professional fees		21,224	425,463
Consulting and professional fees - accounting		-	70,337
Consulting and professional fees - legal fees		204,930	824,320
Consumables		73,046	61,932
Corporate events		25,655	-
Depreciation		3,080,634	2,786,957
Employee costs		26,969,978	27,569,377
Insurance		(12,612)	154,193
Lease rentals on operating lease		83,116	36,800
Motor vehicle expenses		29,471	23,003
Municipal expenses		271,477	229,367
Office refreshments		11,674	12,421
Office relocation cost		43,350	41,679
Postage		440	432
Printing and stationery		376,131	416,281
Recruitment costs		-	4,440
Repairs and maintenance		28,952	1,570
Security		22,678	-
Small assets not capitalised		369,612	317,450
Software annual subscription and IT expenses		349,791	333,680
Stakeholder engagement costs		55,641	155,668
Subscriptions		76,340	46,099
Telephone and fax		326,881	366,340
Training		720,058	176,409
Travel - local		-	14,917
Year - end Function		67,450	-
		34,791,868	35,485,300

The supplementary information presented does not form part of the annual financial statements and is unaudited.



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