



REPUBLIC OF NAMIBIA

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MINISTRY OF JUSTICE

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09 February 2021

### **PRESS RELEASE**

1. The Ministry of Justice is aware of the investigation conducted by the Internal Audit Division of the Ministry of Finance and had numerous consultations with the MoF during the course of the investigation. We have seen the draft report, which was supposed to be confidential and we regret that this report was leaked to the media prior to the investigation being concluded.

Nonetheless, the draft report was discussed during a meeting held with the Ministry of Finance on 24 November 2020 and again during January 2021. Several mistakes and misrepresentations were identified during these consultations. Following the two meetings and the further information that was provided, it was generally accepted that the report would be corrected and modified to reflect the true state of affairs in respect of the alleged findings in the report, some of which was grossly unfair towards some members of staff at the Ministry. It is therefore most unfortunate that the report was leaked and now has become public with those inaccuracies.

2. Be that as it may, the Ministry of Justice has a principle stance and has always cooperated with any investigating authority or institution. When required we avail ourselves for interviews and will always provide the necessary documentation such as proof of any claims, payments, etc.

This has always been our *modus operandi* and this is how we will continue to operate in our effort to enhance transparency, accountability and integrity at our ministry.

3. Any official who is suspected of any fraudulent activity, negligence or disregard for process and policy is duly investigated and charged in accordance with the relevant policy, legal or institutional process.
4. Following allegations of irregularities the Ministry of Finance, Internal Audit Division instituted an investigation into the alleged irregularities as previously (and quite extensively) reported in the media during 2019/20. This investigation was permitted in terms of Section 14 of the State Finance Act, 1990. A draft report was shared with the Ministry of Justice in November 2020 for their feedback.
5. In response to the specific questions by the Namibian Newspaper: Not all officials are permitted to work on the Integrated Financial Management System (Accounts Payable), but only those working in the Finance Division - Accounts Payable and Procurement Sub-division and who have access codes/passwords to work on the system.
6. These officials (from any O/M/A) may request codes for new suppliers which is processed on the IFMS and the **Ministry of Finance creates and approves these requests based on the supporting documentation provided**. An individual staff member is not permitted to request to be loaded on the system as a supplier. This is done only by the Ministry of Finance, based on the documents provided.
7. The Ministry of Justice confirms that one of the staff members who worked in the Finance Division, Mr. J. Baisako is currently trial awaiting after he was arrested for alleged fraudulent payments to fictitious suppliers. This staff member, Mr. J. Baisako is no longer in the employment of the Ministry of Justice.
8. As for three of the other officials: Ms. M. Groenemeyer, Mr. D. van Rooyen (retired) and Mr. Elifas Simon (currently employed elsewhere) - they did not create codes for suppliers, but were loaded on the system as suppliers to effect approved payments to a supplier. These payments were investigated previously and the Anti-Corruption Commission also reported on the matter. No fraudulent activity was found to have been committed and confirmation of receipt of payments in exchange for software bought for the Ministry, was confirmed. The staff members did not personally benefit and there was no prejudice to the Ministry as it was a *quid pro quo* arrangement between the Ministry and the supplier.
9. One person cited in the preliminary report, F. Kahambundu, is not employed by the Ministry of Justice and is not known to the Ministry.

10. Another staff member, Ms. G. Pickering, who is cited to have received payments in the amount of N\$11 282.35, was lawfully refunded for expenses incurred out of her own pocket on behalf of the Ministry, which the Ministry was responsible for. Proof of expenditure of all claims is required when the claim is submitted and all documentation was submitted to the Ministry of Finance. No claim is paid out without all supporting documents and necessary approvals being submitted to the Ministry of Justice as well as the Ministry of Finance. This method of refund is used by all O/M/A's as confirmed by the Ministry of Finance as there is no other method of refunding staff members. Many government officials are loaded on the system as suppliers for such refunds. The system does not allow such refunds to be made on the Payroll since there is no code to affect these refund payments and the vote account codes are only for salaries and allowances as well as for the DSA system (this module only deals with daily subsistence allowances of staff members).
  
11. The IMFS is operated and created by the Ministry of Finance, which is the custodian of the system. Line Ministries do not have any access to amend any operating procedures on the system. Loopholes on the system were identified and brought to the attention of the Ministry of Finance.

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