NIPAM

NAMIBIA INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT

NIPAM ANNUAL REPORT

2020/2021

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1 NIPAM PROFILE

1.1 Mandate

As per Section 2 (1) of the NIPAM Act (Act No. 10 of 2010), NIPAM's mandate comprises the following:

Training
To provide training or cause such training to be provided and conduct examinations or tests as a qualification for the appointment, promotion, or transfer of persons in or to the public service.

Consultancy
To serve as the official Government consultant who designs, evolves new systems and procedures as well as methods to prevent wastage and leakages so that the public service delivery is more efficient and effective when it comes to decision making and formulating reforms.

Operational Research
To investigate public administration and management challenges as well as problems and offer practical, implementable solutions that inform national policies on contemporary issues affecting the Government.

Capacity Evaluation
To study on a regular basis public institutions' capacity gaps in planning so as to determine the needs for expanded training programmes and other interventions.

1.2 NIPAM's Vision, Mission and Values

Vision

To be the premier vehicle for capacity development of the Namibian Public Service.

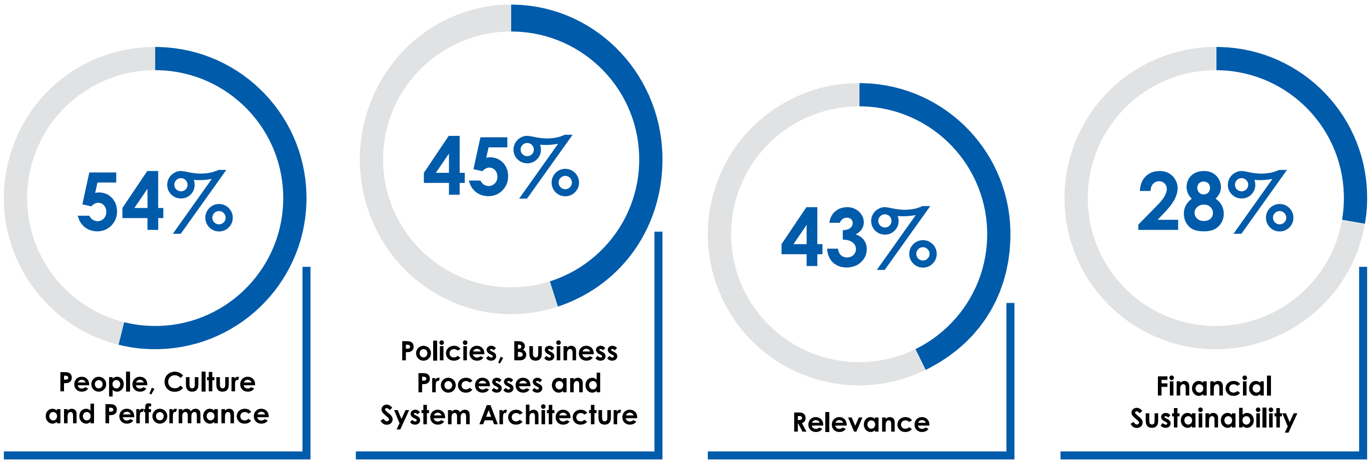
Mission

To develop the capacity of the Namibian Public Service.

Core Values

People-Centered	We put you at the heart of our business.
Empathy	We hear you. We feel you. We are here for you. And we want to see the world through your eyes.
Learning & Innovation	We will continuously evaluate and assess our processes and systems to provide innovative, quality services and practical interventions, programmes, and products to our clients.
Integrity	We will be professional, transparent, and adhere to moral values and ethical principles by exhibiting a high quality of an intuitive sense of honesty and truthfulness regarding the motivation of our actions.
Responsiveness	We will be flexible, accurate, and timely in meeting our customers' expectations.
Access	We will ensure that all our customers enjoy full access to the services they are entitled to.

2 EXECUTIVE SUMMARY



President Hage Geingob declared 2021 as the Year of Resilience. The unprecedented changes brought by the COVID-19 pandemic warrant organisations and their human capital to adapt and overcome the adversity confronting the nation. Resilience inter-alia requires commitment, agility, innovation, teamwork, a positive mindset, and concerted effort.

The performance of the Namibian Institute of Public Administration and Management (NIPAM) during the financial year 2020/21 resonates with President Geingob's call for resilience. NIPAM achieved an overall performance of 39% compared to 32% in the previous year, 2019/20. The performance of NIPAM was assessed through four key themes:

- People, Culture and Performance;
- Financial Sustainability;
- Policies, Business Processes and System Architecture; and
- Relevance.

The People, Culture and Performance theme performed at 54% compared to 58% in the previous year, whereas the Financial Sustainability scored 28% compared to 42 % in the preceding year. The Policies, Business Processes and System Architecture theme performed at 45% compared to 34% in the previous year, and the Relevance theme scored 43% compared to 13% in the preceding year.

The increased performance can be attributed to interventions undertaken in various critical areas. In collaboration with stakeholders, NIPAM succeeded in reviewing the curricula of three leadership training programmes, namely the Executive Development Programme (EDP), the Senior Management Development Programme (SMDP), and the Middle Management Development Programme (MMDP). The reviewed curricula have been submitted to the Namibian Qualification Authority (NQA) for consideration as a prerequisite for NIPAM's registration and accreditation as a service provider. Furthermore, collaboration has been initiated with the Singapore Civil Service College (SCSC) for a Training of Trainers (ToT) programme in fulfilment of the Cabinet decision of sourcing the services of SCSC to assist with the establishment, support and coordination of the proposed NIPAM Curricula to ensure the implementation of an effective public service transformation and skills transfer process. The ToT took place in June 2021. Besides, two new training programmes on Monitoring and Evaluation and Public Procurement were launched in collaboration with the National Planning Commission and the Ministry of Finance, respectively. The E-learning platform was revamped, and new courses were uploaded to increase participation and provide continuous learning considering the risks and limitations posed by the pandemic. Furthermore, training was provided online through video and web conferencing technologies. These technologies enable NIPAM to embrace and harness the digital capacity delivery mode in line with the 4th Industrial Revolution.

To address the adverse effect of COVID-19 on employees' morale and motivation, various team-building interventions were initiated. These included establishing social clubs, wherein inter alia achievements of individuals were celebrated to build the esprit de corps. Furthermore, an organisational climate survey was conducted to assess the behaviours and attitudes of the employees. The survey looked at six dimensions, such as, leadership, manager relationship, organisational citizenship behaviour, reward and recognition, interpersonal relationships and clients, capacity and values. The outcome of the climate survey showed that, on average, across all the six dimensions, 65% of the employees were engaged. In comparison to the results of 2015 Employee Engagement Survey depicted improved engagement levels and employee satisfaction.

NIPAM has identified Teamwork, Agility and Positive mindset (TAP) as three key behavioural and attitudinal characteristics to which the Institute shall ascribe to in 2021/22. The objective of TAP is to drive a clear set of ground rules & guiding principles underpinning actions, informing decision-making, and building a sense of community. As far as NIPAM's performance in governance and compliance areas is concerned, the Institute succeeded in having an unqualified audit from PricewaterhouseCooper (PwC) and ensured compliance to all the statutory obligations as outlined by various laws and by laws.

The financial sustainability of the Institute remains a matter of concern. During the financial year 2020/21, NIPAM realised 15% of the revenue targets. Such a low realisation can be attributed to the unrealistic targets with the current realities. The approved targets were based on certain critical assumptions, such as implementing the Human Resource Development (HRD) Policy Framework for Accelerated Service Delivery in the Public Service of Namibia, filling up all approved posts and a favourable economic climate. Unfortunately, the current realities crippled the validity of these assumptions.

Compared to the previous year, the revenue generation recorded a decline of 30%. This decline is attributed, directly and indirectly, to the COVID -19 pandemic. To curb the spread of the virus, restrictions were imposed, inter alia, on public gatherings, which adversely impacted the Institute's core revenue streams. Moreover, the pandemic curtailed the training expenditure space of the Offices, Ministries and Agencies (OMAs), thereby manifesting in low demand. To address the financial sustainability of the Institute, NIPAM has undertaken key interventions as mentioned above. Morover, the impact of these interventions on financial sustainability will be reflected with a time-lag. Furthermore, keeping in view the challenging economic climate, which is exacerbated by COVID-19, the Government of the Republic of Namibia, through a Cabinet Decision resolved to explore the possibility of merging and /or cooperation of NIPAM with the University of Namibia (UNAM) or Namibia University of Science and Technology (NUST) Business Schools as a measure to improve operational efficiency and enhance service delivery. A technical team under the chairmanship of the Ministry of Higher Education, Technology and Innovation has been constituted to develop the Terms of Reference for the merger and/or cooperation of NIPAM into UNAM and/or NUST Business Schools.

The financial year 2021/22 marks the culmination of the current five years Strategic Plan and Business Plan for 2017/18 – 2021/22. NIPAM has initiated the process of developing the Integrated Strategic Business Plan (ISBP) for the next five years. The ISBP 2022/23 - 2026/27 comes at a crucial juncture where the public service needs to be inculcated with the ethos of resilience coupled with attributes of dynamism that resonate with creating change agents.

NIPAM remains committed to fulfilling its mandate of strengthening and transforming the Namibian Public Service to become a catalyst of economic prosperity and development. NIPAM is aware that the adverse effects of the COVID -19 may continue and be further amplified in the financial year 2021/22.

However, NIPAM is more resolute than ever to use adversity for developing our strengths. During the financial year, 2021/22, NIPAM will embark on a strategy that consists of both strategic and operational interventions such as successful completion of accreditation and registration of NIPAM as a training provider, strengthening of the human resources capacity by filling up critical posts within the organisation and skill enhancement of the existing faculty, diversifying the areas of consultancy, diversification of the product offerings to meet the needs of the clients, bolstering E-learning/Online Initiative and ensuing a High Performance based culture.

3 GOVERNING STRUCTURE

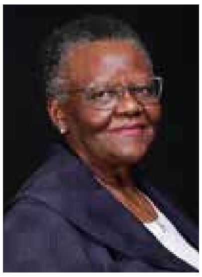
3.1 Portfolio Minister

Profile for the Prime Minister of the Republic of Namibia

The Right Honourable Saara Kuugongelwa-Amadhila, Prime Minister of the Republic of Namibia, is the portfolio Minister of the Namibia Institute of Public Administration and Management (NIPAM).

3.2 Governing Council Members

Dr. George Simataa
Chairperson
25/03/2015 to date



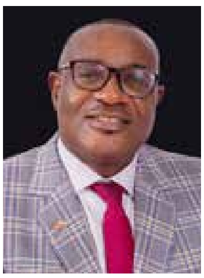
Dr. Nashilongo K Shivute
Vice-Chairperson
17/03/2016 to date

Prof. Martha Kandawa-Schulz
GC Member
01/07/2014 to 22/08/2020

Mr. Petrus Nevonga
GC Member
01/10/2016 to date

Mr. Theo Mberirua
GC Member
02/10/2019 to date

Mr. Randy Shigwele
GC Member
02/10/2019 to date



Hon. Walde Ndevashiya
GC Member
02/10/2019 to date

Ms. Heritha Muyoba
GC Member
01/12/2019 to date

Ms. Evelyn Zimba Naris
GC Member
01/12/2019 to date

Dr. Delvaline Mowes
GC Member
01/10/2020 to 30/09/2023

Ms. Maria Ndatiwelao Nangolo
GC Member (ex officio)
01/08/2018 to date

3.3 Training and Development Board

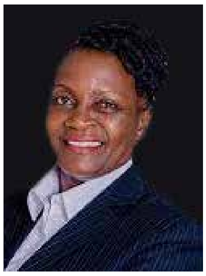
Ms. Maria Ndatiwelao Nangolo
Chairperson (ex officio)
01/08/2018 to date

Ms. Tuyakula Haipinge
TDB Member
01/02/2013 to 30/06/2020

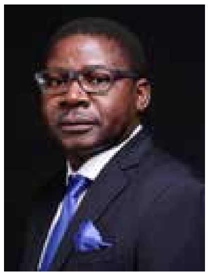
Prof. Martha Kandawa-Schulz
TDB Member
01/07/2014 to 22/08/2020

Mr. Jerry Beukes
TDB Member
01/11/2015 to 30/09/2020

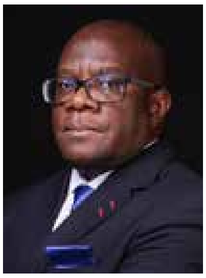
Prof. Charles Keyter
TDB Member (Co-opted)
03/03/2011 to 30/06/2020



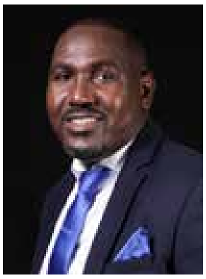
Ms. Asnath Kaperu
TDB Member
01/11/2017 to date



Dr. Butty Salom
TDB Member
31/05/2021 to date



Mr. Victor Kaulinge
TDB Member
01/10/2020 to date



Mr. Tobias Nambala
TDB Member
04/12/2020 to date

Dr. Delvaline Mowes
TDB Member
25/01/2021 to date

Mr. Beatus Amadhila
TDB Member
09/02/2021 to 31/05/2021

Dr. Heroldt Murangi
TDB Member (Co-opted)
01/10/2020 to date

3.4 Executive Management Committee

Ms. Maria Ndatiwelao Nangolo
Executive Director
01/08/2018 to date

Mr. Rahul Singh
Advisor/Head of Training
04/09/2019 to date

Mr. Beatus Amadhila
Director: Finance and Administration
01/12/2020 to 30/05/2021

4 MESSAGE BY CHAIRPERSON

The year 2020/21 has been challenging for each one of us. The COVID -19 pandemic has redefined human life. It has created a new normal to which people and organisations are getting accustomed. NIPAM operation in the financial year 2020/21 echoed such resilience. The mandate of NIPAM has become even more relevant to the existing order, which requires the public service to become resilient and deliver services effectively and efficiently.

In the financial year 2020/21, NIPAM embarked upon the journey of course accreditation. Synergies with key stakeholders were forged to develop new training programmes addressing critical gaps in the public service. The inculcation of best practices worldwide and their diffusion at large, efforts were initiated with International Management Development Institutes (MDIs). Innovation in the form of online learning was embraced to deliver on the mandate.

The morale and motivation of the employees are of utmost importance even more during the existing COVID –19 pandemic. NIPAM initiated a plethora of interventions to keep the morale and motivation of the employees high, ensuring a healthy and conducive work environment. The outcomes of the climate survey conducted during the Financial Year 2020/21 bears testimony to the above.

In preparation for the next financial year, the likelihood that COVID-19 will continue to impact the organisation, its employees and its operation. In the financial year under review, NIPAM has made significant strides in building and strengthening strategies that ensure adaptability and encourages innovation for future sustainability.

In the Financial Year 2021/22, NIPAM will prepare its next five-year Strategic Plan for 2022/23 – 2026/27. The Strategic Plan comes when the citizens look at the public servants with much-enhanced trust and expectation to deliver services. The preparation of the next five-year strategic plan provides an opportunity to analyse the past performance of NIPAM and providing future focus and direction.

We will continue with precision, dedication and teamwork, striving in being different and making a difference in the best interest of Namibia's public sector. The focus will remain to take stock of public service skills needs, which inter alia, are constantly influenced by the state of the economy, new best practices and innovative training methods that increase competence and boost human capital excellence.

DR. GEORGE SIMATAA
Chairperson

5 REMARKS BY THE EXECUTIVE DIRECTOR

It gives me immense pleasure to report back on NIPAM's operations during the year 2020/21. Despite being a challenging year, NIPAM performance registered an upward trend having attained an overall performance of 39%, an increase of 7% as compared to 32% registered in 2019/20.

During the period under review, NIPAM reviewed three of its training programmes, i.e. Executive Development Programme, Senior Management Development Programme and Middle Management Development Programme, with stakeholders. The review process was informed by the competencies required by the public services to address the current challenges to drive the National Development Goals as enumerated in Vision 2030, National Development Plan 5 and Harambee Prosperity Plan II. The reviewed programmes were submitted to Namibia Qualification Authority for accreditation and registration.

In addition, NIPAM launched two new training programmes on Monitoring and Evaluation (M&ER) and Public Procurement with the National Planning Commission and the Ministry of Finance, respectively. The 'Introductory Monitoring and Evaluation Practitioners' training course provides the public sector officials with an awareness and understanding of monitoring and evaluation theories, practices and instruments to enhance the current M&ER practices and to reinforce M&ER terminology, approaches, systems and reporting requirements as per Namibia's Integrated National Performance Framework. The 'Essential Procurement Management Practice Course' aimed to introduce participants to an integrated approach to procurement management and provide them upskill on the necessary competencies required to improve procurement in the Namibian context, and alignment with the Public Procurement Act 15 of 2015.

To ensure business continuity against challenges posed by COVID-19, NIPAM embraced technology-driven strategies to deliver on its mandate. The Institute made use of both synchronous and asynchronous modes of learning. The e-learning platform was revamped and strengthen with the uploading of new training programmes.

Maintaining high morale and motivation among the employees is a sine qua non for an organisation, even more so in the COVID-19 pandemic. NIPAM established social clubs to strengthen camaraderie among employees. Teamwork, Agility and Positive mindset (TAP) has been identified as three key behavioural and attitudinal characteristics to which the Institute shall ascribe in 2021/22. An organisational climate survey was conducted to assess the behaviours and attitudes of the employees. The survey yielded positive outcomes and provided some key critical areas for improvement.

During the reporting period, NIPAM succeeded in having an unqualified audit by PricewaterhouseCooper (PwC) and ensured compliance of all the statutory obligations as outlined by the NIPAM Act (Act No. 10 of 2010), Public Enterprises Governance Act (Act No. 1 of 2019) (PEGA).

2021/22 is an important year for NIPAM, as the Institute will be developing its Integrated Strategic Business Plan (ISBP) for the next five years (i.e. 2022/23 – 2026/27). This ISBP 2022/23 – 2026/27 will provide the future direction to the Institute, inter-alia, in terms of its vision and mission.

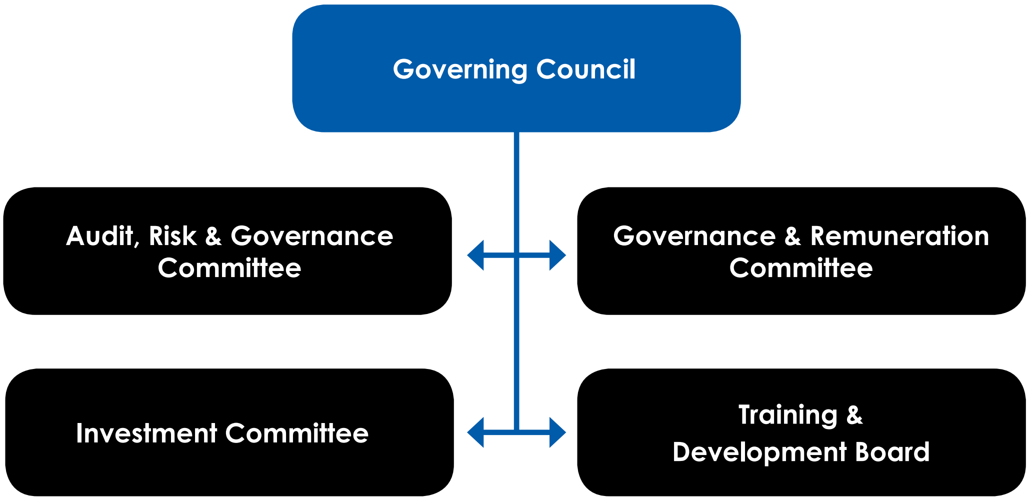
An efficient public service delivery system is a sine qua non towards attaining Vision 2030, objectives and aspirations. It inter-alia necessitate inculcation of various competencies and ethos in the public service. NIPAM, through its mandate, is and will be addressing these gaps in the competencies and ethos required for efficient and effective delivery of services.

Institute of Public Administration and Management
Executive Director

MS MARIA N. NANGOLO
Executive Director

6 GOVERNANCE REPORT

Corporate Governance Framework of NIPAM



As a public enterprise, NIPAM operates under the legal framework of the NIPAM Act, 2010 (Act No. 10 of 2010) and the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019). In fulfilling NIPAM objectives, the Governing Council is guided by the governance principles embedded in the King IV Report, NamCode and the principle of apply or explain.

6.1 Governance Structure

NIPAM's governance structure includes the Prime Minister, the Governing Council and its subcommittee, i.e., the Governance and Remuneration Committee, the Audit and Risk Governance Committee, the Investment Committee and the Training and Development Board.

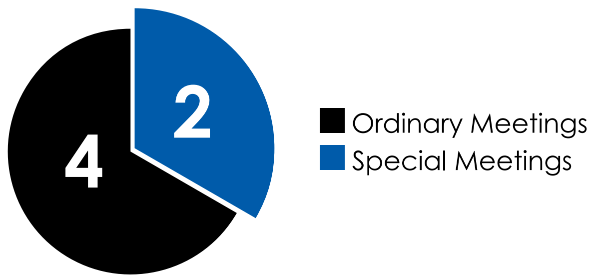
Governing Council

The Governing Council sets the overall strategic direction and oversees the affairs of the institution. Members of the Council are drawn from various institutions across the country; they provide their vision by drawing from their knowledge and expertise. The Governing Council is reinforced by boards and committees designed to serve various strategic areas of NIPAM on policy, institutional development and custodianship of NIPAM's overall assets. Committees operate under approved charters and perform the initial scrutiny and review of recommendations before consideration and final approval by the Council.

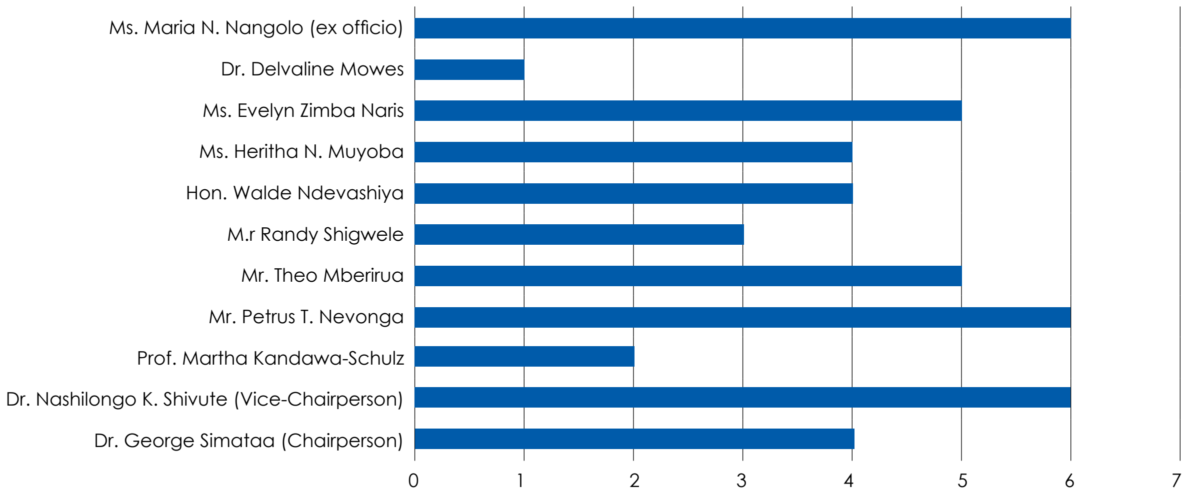
Membership and attendance of Governing Council meetings

Member whose term ended during the reporting period	Member whose term started during the reporting period
Prof Martha Kandawa-Schulz	Dr. Delvaline Mowes

Meetings



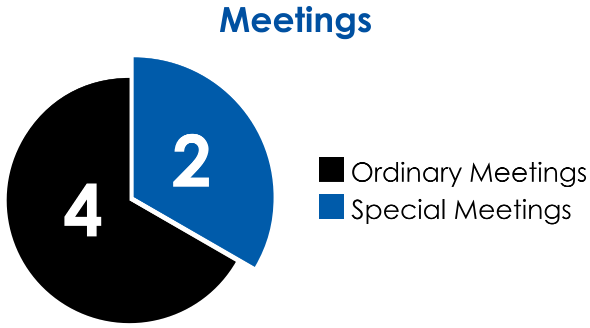
Attendance

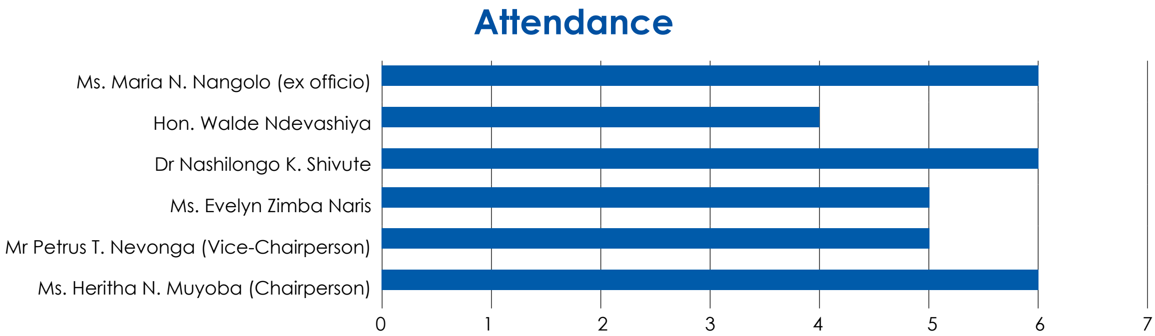


Governance and Remuneration Committee

The Committee reviews human resource policies and procedures and policy matters pertaining to the conditions of employment of all employees.

Membership and Attendance of Governance and Remuneration Committee meetings

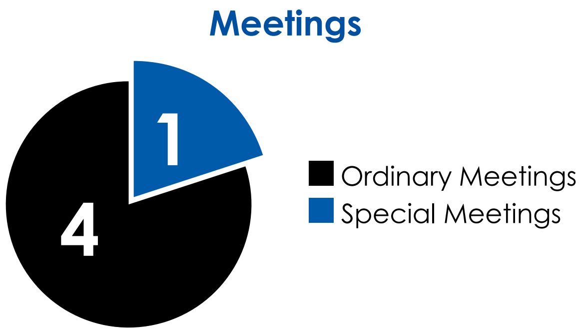


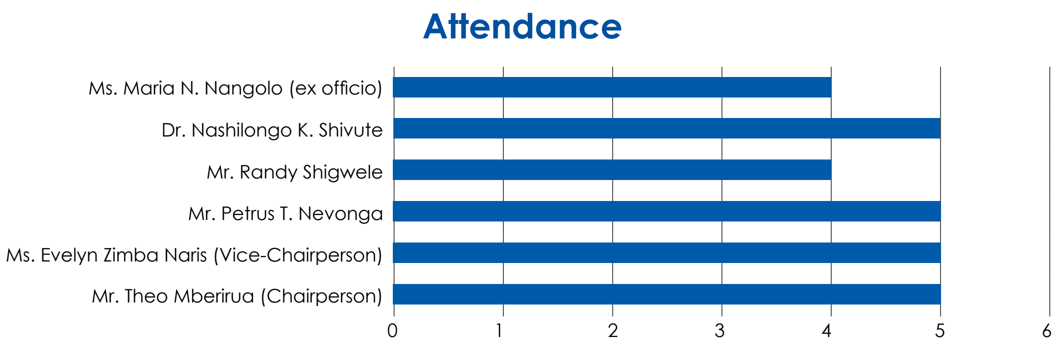


Audit and Risk Governance Committee

This Committee meets every quarter to monitor and evaluate processes, systems, and financial results of NIPAM and ensure that the Council fulfils its audit functions. The Committee is delegated to monitor NIPAM's financial reporting and internal control systems, review financial information, and the scope and activities of risk management programmes.

Membership and Attendance of Audit and Risk Governance Committee meetings





Investment Committee

The Committee assists the Governing Council to discharge its oversight responsibilities with regard to supervising, monitoring, and managing the investment of the NIPAM money on behalf of the Council. The Investment Committee is fully constituted as it's a statutory body in terms of PEGA, 2019. However, no meeting was convened during the period in review as NIPAM has no funds for investments.

Training and Development Board

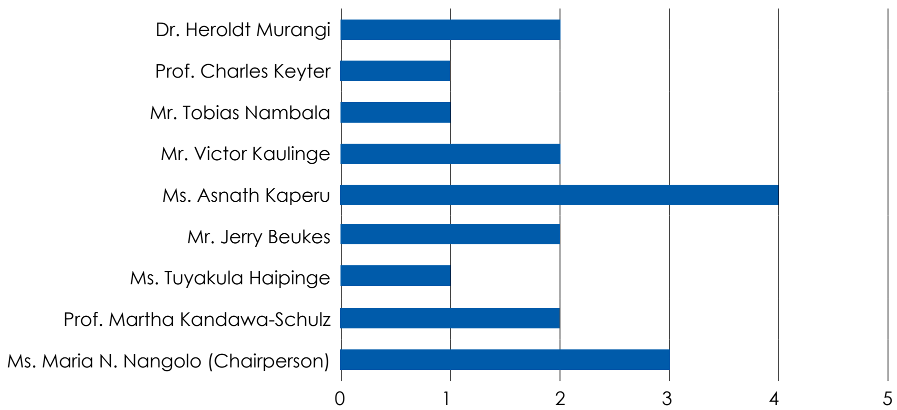
The Governing Council also appoints the Training and Development Board for a period of three years. As a technical arm of the Governing Council, the Training and Development Board's mandate is to oversee NIPAM's capacity building interventions, training programmes and courses, curriculum, assessments, accreditation, qualifications, research, and consultancy services. Moreover, the Training and Development Board exercises quality control on capacity building interventions and makes recommendations to the Council in connection with the institution's five-year strategic plan, annual business and financial plan, annual budget, and other matters that are referred to it by the Exco.

Member whose term ended during the reporting period	Member whose term started during the reporting period
Prof Martha Kandawa-Schulz	Dr. Delvaline Mowes
Ms. Tuyakula Haipinge	Mr. Victor Kaulinge
Mr. Jerry Beukes	Mr. Tobias Nambala
Prof Charles Keyter	Mr. Beatus Amadhila
	Dr. Heroldt Murangi

Membership and Attendance of Training and Development Board meetings

Meetings

Attendance



Renumeration

In terms of section 25 (1) of the NIPAM Act, 2010, the Prime Minister determines allowances payable to members of the Council, the Board, and any committee of the Council or the Board following section 18 of the Public Enterprises Governance Act, 2019 read together with the Ministry of Public Enterprises Issue Amendments to Government Notice No. 174 of 2010: Directives in relation to Remuneration Levels for Chief Executive Officers and Senior Managers and Annual Retainer Fees and Sitting Allowance for Board members.

During the period under review, an amount of N$ 750,211 in retainer fees and sitting allowances were paid to the Council, Committees, and Training and Development Board.

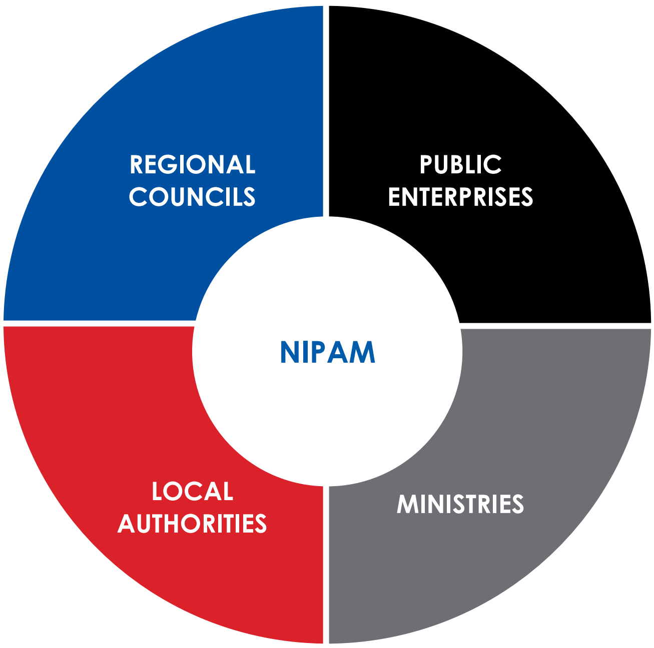
Summary of critical matters approved by the Council

The Council approved the following key issues:

- Audited Financial Statements and Accounts 2019/2020;
- Annual Report 2019/2020;
- Business and Financial Plan 2021/2022;
- Internal Audit Reports; and
- Performance Agreements of the Executive Director and Senior Management Staff.

7 CAPACITY BUILDING STRATEGY

NIPAM Stake Holders



NIPAM's mandate is to capacitate the public service through training, consultancy, operational research, and capacity evaluation. NIPAM has been established to provide a 'merit good' that meets the public sector's requirements to improve public service delivery and citizen satisfaction. NIPAM's strategy for capacity building is anchored in the objective of moulding the human capital through needs assessments to determine skills gaps and applying innovative processes and systems best suited for implementation by various public sector institutions.

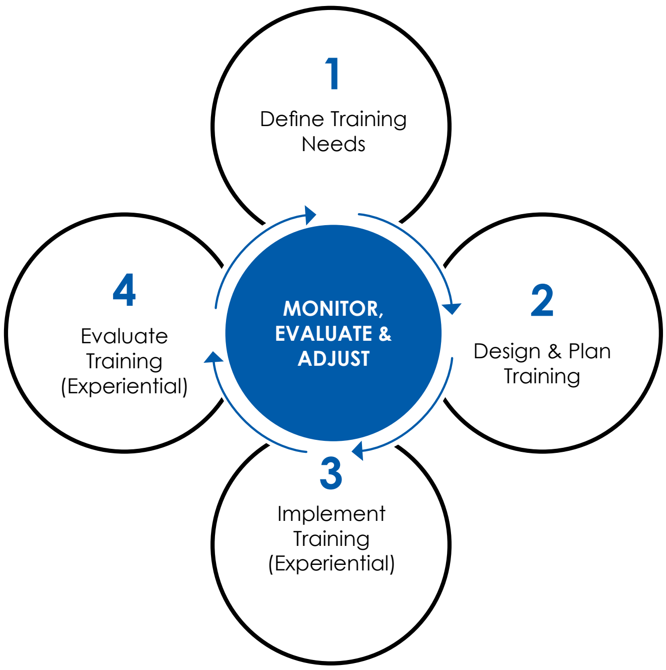
7.1 Training

NIPAM offerings are guided by the competencies framework, meeting the requirements of the public sector. These training exercises assist public servants with probation confirmation, promotion, and transfers. Training provided by NIPAM is to be delivered through experiential learning using practitioners. The training offered by NIPAM is made up of Leadership and Management Development and functional programmes. The Leadership and Management Development programmes consist of EDP, SMDP, MMDP, Supervisory Development Programme (SDP), and Foundation Programme (FP). To keep abreast with the latest developmental trends and ensure alignment to the Public Sector needs, NIPAM has reviewed the curricula of three Leadership and Management Development programmes, namely, EDP, SMDP, and MMDP and submitted the same to NQA for registration as qualifications and accreditation of the Institute as a service provider.

Furthermore, actions have been initiated with the SCSC for a ToT to fulfil the requirements of the Cabinet decision of sourcing the services of SCSC to assist with the establishment, support and coordination of the proposed NIPAM Curricula to ensure the implementation of an effective public service transformation and skills transfer process. The ToT is proposed to take place in June 2021. The participants who will attend the training will assist NIPAM with materials development and facilitation of its three qualifications.

In addition to Leadership and Management Development Programmes, NIPAM also offers functional programmes in various public administration areas. In the

Training Cycle

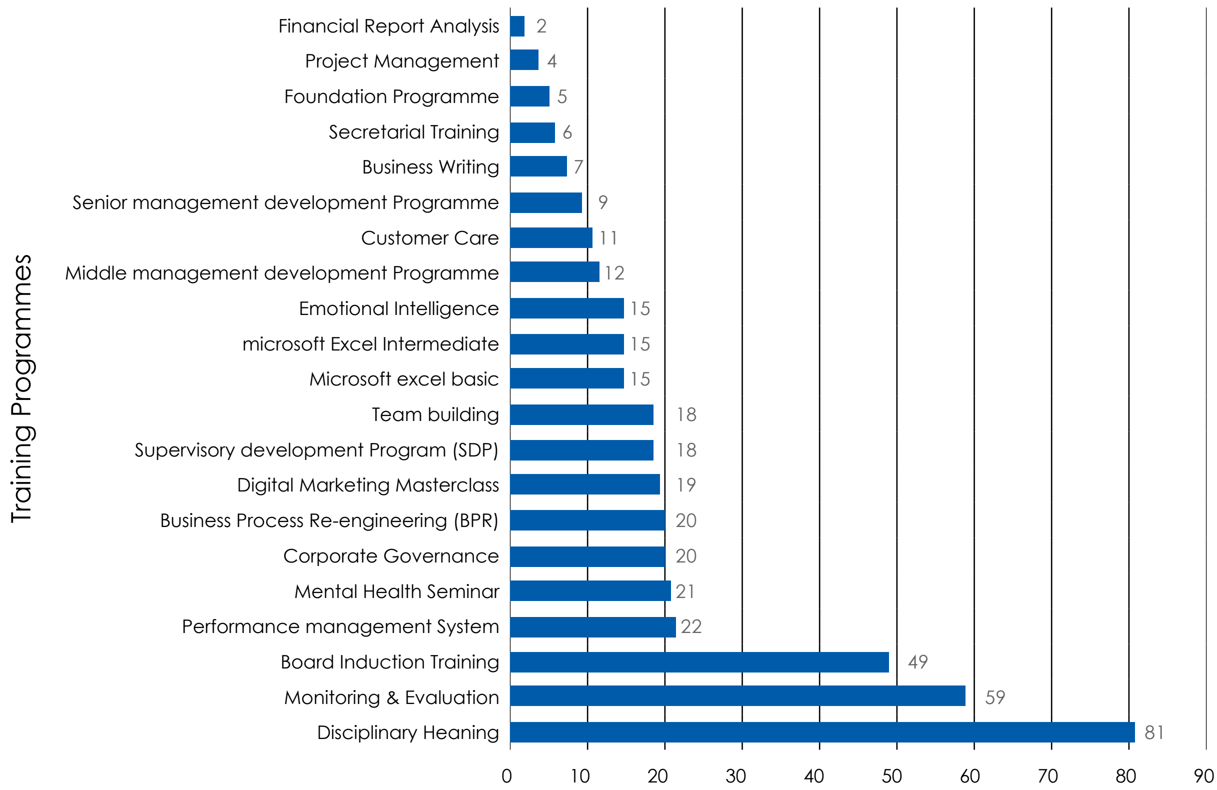


Financial Year 2020/21, two new functional programmes on Monitoring & Evaluation and Public Procurement were launched in collaboration with the National Planning Commission and Ministry of Finance, respectively.

In the Financial Year, 2020/21, NIPAM trained 428 (or 9%) participants (as per the table given below) against a target of 5,482 and generated an amount of N$ 2.3 million against a target of N$ 20.18 million. This performance can be attributed primarily to inconsistent targets and COVID -19 pandemic. To curb the spread of the virus, restrictions were imposed, inter alia, on public gatherings, which impacted the Institute's performance vis-à-vis participants and revenue targets. Furthermore, the pandemic curtailed the training expenditure space of OMAs, thereby manifesting in low demand.

Introductory Monitoring and Evaluation Practitioners training course provides the public sector officials with an awareness and understanding of monitoring and evaluation theories, practices and instruments to enhance the current M&ER practices and to reinforce M&ER terminology, approaches, systems and reporting requirements as per Namibia's Integrated National Performance Framework.

Essential Procurement Management Practice Course aimed to introduce participants to an integrated approach to procurement management and provide them with the necessary competencies required to improve procurement in the Namibian context, especially with implementing the Public Procurement Act 15 of 2015.



7.2 Consultancies

NIPAM offers a comprehensive range of consultancy services across the public sector. NIPAM provides consultancy services in the following areas:

- Strategic Planning
- Business Planning
- Business Process Re-Engineering
- Performance Management
- Team Building
- Mentor and Coaching
- Turnaround Strategy

In terms of revenue, consultancies generated N$ 377,448 during 2020/21 compared to N$ 1.06 million in the previous year. NIPAM completed/undertook the following four (4) consultancies during the review period. Check servicing below.

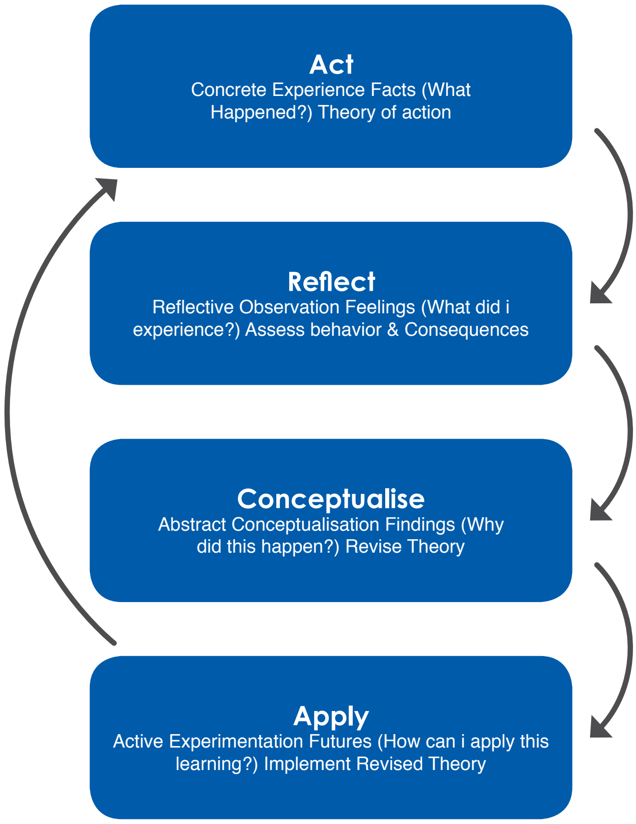
Fisheries Observer Agency project	Development of the integrated Business Plan (ISBP) 2019/20 - 2023/24
Namibia Competition Commission	Facilitated the development of integrated Strategic Bussiness Plan 2020/21 - 2024/25 and the 2020-2021 Annual Business and Financial Plan
Keetmanshoop Municipality	Project management on land Servicing
Namibia Fish Consumption Promotion Trust Project	Development of a comprehensive business plan for their Coral Reef Restaurant in Ongwediva

7.3 Operational Research

NIPAM's philosophy on capacity development is an organic process of growth and development involving experimentation and learning. NIPAM, through its capacity-building activities, embraced operational research, from theory to practice, from experimentation to ongoing learning, as a sustainable process-based approach to capacity development.

In the reporting period, NIPAM researched the transfer of knowledge at the workplace. This research investigated the transfer of the Business Writing Skills training to the workplace, amongst others, the use of knowledge and skills acquired during training in the workplace. The study employed a qualitative interpretative paradigm and a case study design to investigate the NIPAM Business Writing Skills course. The data for the study was generated using semi-structured interviews. The findings partly confirm the contextual and social nature of knowledge and writing. These findings have several implications for practice. Firstly, the need to learn more from the workplace because of the transfer problems and the contextual nature of some dimensions of knowledge. Secondly, the role played by the social dimensions of knowledge and skills needs to be clarified within organisations that are dominated by individualistic perspectives. This, in turn, supports the integration of new knowledge.

7.4 Capacity Evaluation



The capacity evaluation mandate is to collaborate with public and private entities in assessing their capacity in various areas of their operations to enhance competencies and institutional capacity to perform.

NIPAM's leadership has prioritised capacity evaluation and skills assessment as one of the most critical keys of Namibia's public service. During 2020/21, the following capacity evaluation projects were undertaken:

An evaluation to determine the critical thinking and knowledge creation skills needed at the workplace in government ministries. The target population was Learning and Development Officers (LDOs) from different OMAs. Although the overall results showed that individuals had the ability and skills to perform the tasks set forth in the survey, some responses identified training opportunities that NIPAM provides. For instance, NIPAM can develop a training plan based on an IT course that includes: video, picture, and audio presentations and courses related to critical thinking and problem-solving.

The second evaluation was directed at Regional Councillors and sought to determine their training needs based on three categories: Interpersonal Skills, Written Communication, and Language & Grammar. The results of this evaluation showed many skills that participants could learn and improve on. Training needs identified as a high priority include budgeting, conflict resolutions and mediation, formulating motions, preparing submission, and using cohesive devices.

Lastly, an evaluation of the core values of the Institute was undertaken to determine how they are expressed, implemented and strengthened. The result recommended that active research be undertaken to institutionalise the NIPAM values and cultivate a new culture.

7.5 Think Tank Initiatives

The Think Tank initiatives are an important medium that helps establish an advocacy platform for various individuals and scholars to share their views and commentary on topics emerging from the discourse in Namibia, regionally, and globally. In the Financial Year 2020/21, NIPAM hosted twelve (12) think tank initiatives through forums, webinars, public lectures, masterclasses and seminars. Three Learning & Development Officers (LDO) and One Internal Auditors Forums were organised by NIPAM. The LDO forums were held to discuss pertinent issues around providing relevant training in the public service. In contrast, the Internal Auditors Forum was held to discuss issues related to capacitating Internal Auditors in the public sector. In addition, during the period under review, five webinars on topics like returning the focus to developmental priorities in the 2020/21 national budget amidst the Covid-19 pandemic, customer service in times of Covid-19, how to deliver impactful customer service, working as a learning and unpacking NIPAM's 2021/22 training calendar were presented. Furthermore, a public lecture on "social media - liquid politics vs diluted democracy", a masterclass on "digital marketing", and a seminar on mental health were also organised by NIPAM.

8 MARKETING, CORPORATE COMMUNICATION AND STAKEHOLDER ENGAGEMENT

NIPAM's marketing, corporate communication, and stakeholder strategy focus on stimulating demand for capacity building services while maintaining and enhancing its brand and image. Various market sensitisation and stakeholder engagement activities took place congruent with the Institutional strategic objectives and operational targets.

8.1 Market Research

NIPAM conducted a research to determine the needs and preferences of its clients. The research was undertaken through a blended methodology, wherein focused groups were engaged, clients' training plans and requests were studied. The research was completed and informed NIPAM on the potential areas of product offering for 2021/22.

8.2 Marketing and Client Acquisition

NIPAM's marketing included promoting and circulating the capacity-building calendar to our clients through various mediums like forums, webinars, emails and advertisements in both print and social media. Business Development trips were undertaken covering five regional councils (Hardap, //Karas, Otjozondjupa, Kavango West and East, Zambezi Regions) and nine town councils in the Southern and North-Eastern Regions. The outreach yielded both positive impressions and impact on the clients resulting in strengthened relationships with the Regional Councils and Local Authorities.

8.3 Stakeholder Engagement

Social Media communications aided the coverage for stakeholder engagements. NIPAM utilises multiple social networks and new media, including but not limited to Facebook, Twitter, LinkedIn, quarterly newsletter, and the corporate website. NIPAM website has been instrumental in fostering all engagement and ensuring that personalised enquiries are instantly responded to. NIPAM's audience continues to filter positive impressions towards our identity and the services we provide.

9 CORPORATE SERVICES

NIPAM's corporate services form the backbone of its administrative responsibilities. It includes Finance & Administration, Audit, Risk & Compliance, Asset Management and Procurement and Human Resources activities.

9.1 Human Capital

The human capital function is responsible for maintaining a stable and competent workforce, providing professional support, and coordinating various human resource functions. These include recruitment, training and development, industrial relations, payroll, personnel administration, developing human resources policies, organisational development, wellness and counselling.

NIPAM Staff Complement

The current approved structure comprises of 107 positions. The permanent staff complement as of 31 March 2021 stood at thirty-seven (37), with a gender ratio of sixteen (16) males and twenty-one (21) females. At the end of the reporting period, eight (8) employees were on the Internship Program. Three appointments were made during the reporting period: Organisational Development Specialist, Human Capital Manager, and Director: Finance and Administration. Two (2) permanent staff resigned whereas one's five-year contract ended.

Affirmative Action (AA)

In compliance with the Affirmative Action Act (Act No. 29 of 1998), NIPAM submitted a progress report, which was subsequently approved.

Training and Employee Development

NIPAM recognises that employees are its most important asset. Its strategic objectives will primarily be realised through employees who possess relevant knowledge, skills, and requisite attitudes occasioned by appropriate training and development interventions.

Within the period under review, two (2) staff members received bursaries as per the provisions of the Employee Development Policy. On-the-job training is conducted daily through mentoring and coaching by managers and supervisors. Our internship program aims to address skills shortages and infuse talent into the Institution. Training on useful life assessment of assets, InDesign, Public Procurement Act and IT security were offered.

Climate Survey

To identify the right cultural fit, NIPAM undertook an organisational climate survey in 2020/2021. The survey looked at six dimensions, namely, leadership, manager relationship, organisational citizenship behaviour, reward & recognition, interpersonal relationships and clients, capacity & values. The outcome of the climate survey showed that, on average, across all the six dimensions, 65% of the employees were engaged, whereas 18% were disengaged. Further, 18% of the employees were in between (neither engaged nor disengaged). Comparing these results with the 2015 Employee Engagement Survey (25% engaged, 25% disengaged, and 50% in between) showed improved engagement levels and employee satisfaction. The results indicated that the staff members have high levels of pride in the NIPAM brand and a strong commitment to value-based behaviour. The survey results further indicated that the employees look to leadership for increased transparent communication and a culture that maintains and promotes a sense of excellence. Employees indicated that the Institution needs to prioritise and create platforms for innovation, encourage learning and development, and focus on employee recognition initiatives.

Teamwork, Agility and Positive mindset (TAP)

NIPAM shall ascribe to three key behavioural and attitudinal characteristics, i.e., Teamwork, Agility and Positive mindset (TAP). The objective of TAP is to drive a clear set of ground rules & guiding principles for decision-making, actions, and a sense of community in the year 2021. TAP will ensure that our people find alignment between their and NIPAM's values, creating a conducive work environment. The drivers to achieve TAP are action learning, team building, promoting the NIPAM brand, resilience, recognition, common understanding, and a proactive approach.

Recognition

A program was introduced to allow employees to recognise the contributions and behaviours of colleagues that display the TAP values. The informal recognition allows employees to appreciate the efforts of their colleagues by nominating and awarding certificates that are aligned with the TAP behavioural practices. The award recognises extraordinary contributions towards becoming a team player, fostering a culture of collaboration in the workplace, and committing to the NIPAM Brand.

Social Club

The social club was created to support, develop, improve and promote engagement, team building, friendship to sustain a conducive, productive, and enjoyable working environment. The social club organises farewell parties, funeral contributions, gift vouchers for long service, monthly celebrations of achievements, birthdays, and social events.

9.2 Asset Management and Procurement

This unit is in charge of overall management and maintenance of infrastructure, security, logistical arrangements, housekeeping and cleaning, assets, risk, transport and fleet, cafeteria/restaurant, procurement and venue hire.

Facilities and Infrastructure Management

There has been no new construction undertaken during the year under reporting. Regular maintenance of the facilities and building infrastructure was undertaken to provide a conducive working environment.

Venue Hire Management

NIPAM has state-of-the-art venues fully equipped with the latest technology of audio-visual and video conferencing equipment that befits and meets the demands of the new age digital age. NIPAM leases out its venues when not utilized for internal training interventions as a source of revenue stream. Despite the unprecedented situation resulting from the outbreak of COVID-19, the unit successfully hosted two-hundred and fifty-five (255) events and generated a revenue of N$ 1.21 million or 47% of the targeted N$ 2.57 million. Compared to the revenue generated in 2019/20 of N$ 1.24 million, the year under reporting witnessed a decline of 1.6%.

Tenders

NIPAM strives to adhere to and comply with the Public Procurement Act (Act No. 15 of 2015) in executing its procurement activities. Four (4) tenders from the approved procurement plan and ten (10) of operational activities were successfully awarded during the reporting year.

10 INFORMATION MANAGEMENT

The Information Technology Centre is responsible for providing Information Technology (IT) services to support the operations of the Institute in fulfilling its mandate. In addition, the centre provides auxiliary services and IT training to the other NIPAM business centres. The following activities were carried out during 2020/21:

Sustain Innovative Digital Learning

The E-learning platform is significant to NIPAM's digital learning strategy of creating a more dynamic and instructive learning environment. The E-learning platform was revamped, and new courses were uploaded to increase participation and provide continuous learning during the pandemic.

Bolster Capacity Intervention through Conferencing Technologies

NIPAM implemented flexible interventions to provide training and workshop online through video and web conferencing technologies. The implementation of video and web conferencing is part of the roadmap for the Institution to embrace and harness the digital capacity delivery mode in line with the 4th Industrial Revolution as cast out in the Harambee Prosperity Plan 2.

Business Operations Continuity and Support Services

NIPAM ensured business continuity during lockdowns. Mobile internet connectivity was provided to staff to allow remote access into the institution's operational support system through secure technologies. In addition, collaboration platforms were implemented for management and general staff to engage through online departmental meetings. The remarkable support services indicate the resilience to ensure that the Institute can continue to function through unpredictable conditions.

10.1 Learning Resource Centre Activities

The Learning Resource Centre (LRC) provides resources to support NIPAM's mandate. In 2020/21, the LRC developed a policy on Knowledge Management (KM). The purpose of the policy is to establish guidelines that create, manage, disseminate and share the NIPAM's intellectual capital assets and promote continuous learning and cultural exchanges. The KM policy is rooted in the mandate of NIPAM and the national strategic goal articulated in Vision 2030. Furthermore, it supports the newly launched Public Sector Innovation Policy strategy that promotes research and knowledge management. In the year under review, the LRC issued 150 books on loan. Currently, there are 170 registered borrowers, compared to 271 in 2019/20. In addition, 2020/21 also marked a significant event among library professionals. The Standing Conference of Eastern, Central and Southern African Library and Information Association (SCESAI) was organised from 8th – 11th February 2021. NIPAM LRC was part of the Conference. The theme of the Conference was: Inclusive libraries and information services towards achieving prosperity for sustainable development.

CONCLUSION

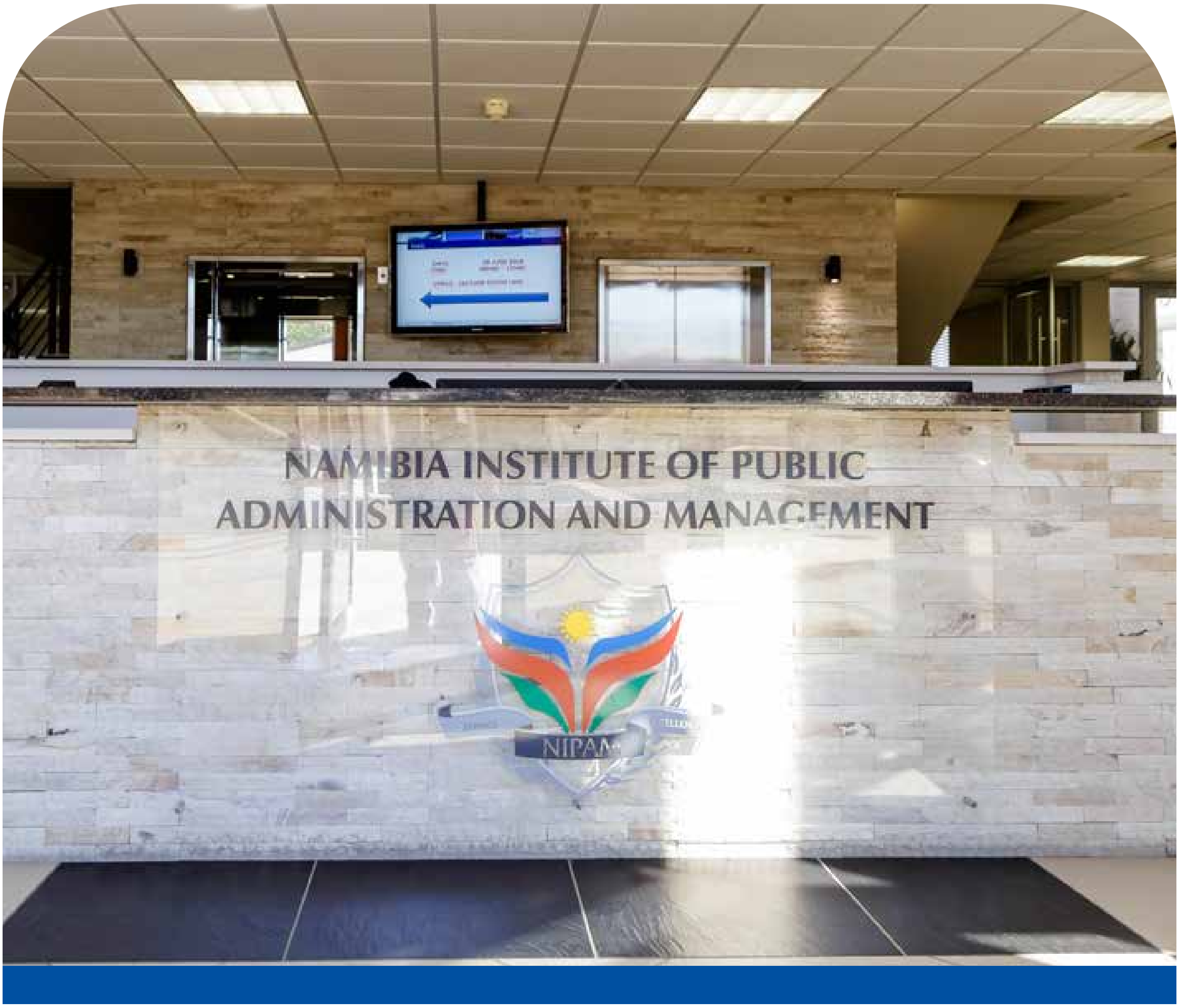
Despite facing challenging times, NIPAM is proud of its achievements during the period under review.

We are proud that NIPAM records an unqualified audit and adhere to the governance framework. Our resilience was best displayed through embarking on innovative and dynamic approaches to increasing outreach and engaging stakeholders.

We appreciate the continued support of all our stakeholders and social partners and look forward to working together to finalise the integrated strategic business plan. In the same vein, we are also optimistic about opportunities to strengthen our partnerships further to optimise our work.

NIPAM's leadership has prioritised capacity evaluation and skills assessment as one of the most critical keys of Namibia's public service. The year under review has seen us stimulating demand for NIPAM's capacity building services while maintaining and enhancing its brand and image.

To this end, our endeavour to attain accreditation and registration of NIPAM as a training provider will mark a significant achievement in terms of the targeted operational and strategic interventions.



FINANCIAL REPORT

NAMIBIA INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

General information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Established as a public institute for training, operational research, capacity evaluation and consultancy.
Governing Council members	Dr G. Simataa Dr N. K. Shivute Prof. M. Kandawa-Schulz Mr P. T Nevonga Mr T. Mberirua Mr R. Shigwele Hon. W. Ndevashiya Ms H. N Muyoba Ms E. Zimba Naris Dr D. Mowes
Registered office	14-30 Paul Nash Street Olympia Windhoek Namibia
Banker	First National Bank of Namibia Limited
Auditor	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Shikongo Law Chambers
Executive Director	Maria N. Nangolo

Contents

The reports and statements set out below comprise the annual financial statements presented to the Governing Council:

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

Governing council responsibilities and approval

The Governing Council are required in terms of the Namibia Institute of Public Administration and Management Act 10 of 2010 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 Institute 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 auditor is 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 Governing Council acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the Governing Council to meet these responsibilities, the Governing Council sets 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 Governing Council and all employees are required to maintain the highest ethical standards in ensuring the Governing Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Governing Council is 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 Governing Council has reviewed the Institute's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the Institute has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Institute's annual financial statements. The annual financial statements have been examined by the Institute's external auditor and the report is presented on pages 4 to 6.

The annual financial statements set out on page 8 to 35, which have been prepared on the going concern basis, were approved by the Governing Council.

Signed on behalf of the Governing Council by:

Director | **Director**

Windhoek

Date: 23/12/2021

CHAIRPERSON
NIPAM
GOVERNING COUNCIL

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Independent auditor's report

To the Members of Namibia Institute of Public Administration and Management

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Institute of Public Administration and Management (the Institute) as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Namibia Institute of Public Administration and Management's financial statements set out on pages 8 to 35 comprise:

- the directors' report for the year ended 31 March 2021;
- the statement of financial position as at 31 March 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Namibia Institute of Public Administration and Management Annual Financial Statements for the year ended 31 March 2021". The other information does not include the financial statements and our auditor's report thereon.

PricewaterhouseCoopers , Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T:+ 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com.na

Country Senior Partner: Chantell N Husselmann
Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Institute'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 directors' 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 Institute'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 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

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auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek
Date: 22 December 2021

Governing council report

The Governing Council has pleasure in submitting their report on the annual financial statements of Namibia Institute of Public Administration and Management for the year ended 31 March 2021.

1. Incorporation

The Institute was incorporated on 01 October 2010 and obtained its certificate to commence business on the same day.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. 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 Institute are set out in these annual financial statements.

3. Governing council

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

Governing Council members	*Position*	*Nationality*
Dr G. Simataa	Chairperson	Namibian
Dr N. K. Shivute	Vice-Chairperson	Namibian
Prof. M. Kandawa-Schulz		Namibian
Mr P. T Nevonga		Namibian
Mr T. Mberirua		Namibian
Mr R. Shigwele		Namibian
Hon. W. Ndevashiya		Namibian
Ms H. N Muyoba		Namibian
Ms E. Zimba Naris		Namibian
Dr D. Mowes		Namibian

4. Events after the reporting period

The Governing Council is not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

We draw attention to the fact that the institution incurred a loss of N$ (5,757,655) (2020: (N$ 10,885,149)) during the year ended 31 March 2021; and generated negative operating cash flow of N$ (3,925,148) (2020: N$ (10,559,177).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Governing Council has considered the impact of the COVID-19 pandemic and believes that the Institute 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 Governing Council has satisfied themselves that the Institute is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Governing Council is not aware of any new material changes that may adversely impact the Institute. The Governing Council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Governing Council.

Governing council report

6. Covid-19 impact

The COVID-19 pandemic has spread rapidly in 2020, with a significant number of cases recorded in Namibia. The pandemic, together with the measures taken by the Namibian government to contain the virus have negatively affected economic activity. In response thereto, NIPAM took a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff members (such as social distancing, protective equipment, sanitisers, and working from home on a rotational basis). The institute came up with a business continuity plan considering COVID19 impact which is constantly reviewed. Revenues targets were not realised during the year under review, and this is attributable to the economic downturns coupled with the impact of the COVID-19 pandemic. Debt recovery is an area of concern and management has identified measures to put in place to mitigate.

The institution will continue to follow the various government policies and regulations published from time to time and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardising the health of staff members.

7. Secretary

The company secretary is Shikongo Law Chambers with their address below:

Postal address:	P O Box 96350 Windhoek Namibia
Business address:	No: 4 Banting Street Windhoek West Windhoek Namibia

8. Auditor

PricewaterhouseCoopers continued in office as the auditor for the Institute for 2021.

Namibia Institute of Public Administration and Management

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 N$	2020 N$
Assets			
Non-Current Assets			
Property, plant and equipment	4	176,168,671	180,487,170
Intangible assets	5	301,780	582,182
		176,470,451	**181,069,352**
Current Assets			
Inventories	6	258,107	184,425
Trade and other receivables	7	8,058,325	10,298,087
Cash and cash equivalents	8	12,120,964	16,033,635
		20,437,396	**26,516,147**
Total Assets		**196,907,847**	**207,585,499**
Equity and Liabilities			
Equity			
Retained income		28,829,906	34,587,561
Liabilities			
Non-Current Liabilities			
Deferred income	9	162,303,267	164,643,274
Current Liabilities			
Trade and other payables	10	3,434,667	6,014,657
Deferred income	9	2,340,007	2,340,007
		5,774,674	**8,354,664**
Total Liabilities		**168,077,941**	**172,997,938**
Total Equity and Liabilities		**196,907,847**	**207,585,499**

Statement of Comprehensive Income

	Note(s)	2021 N$	2020 N$
Revenue	11	4,660,003	6,509,816
Other operating income	12	25,873,391	27,342,095
Other operating expenses		(36,543,645)	(45,410,502)
Operating loss	13	**(6,010,251)**	**(11,558,591)**
Interest income	14	252,596	673,442
Loss for the year		**(5,757,655)**	**(10,885,149)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(5,757,655)**	**(10,885,149)**

Statement of Changes in Equity

	Retained income N$	Total equity N$
Balance at 01 April 2019	**45,472,710**	**45,472,710**
Loss for the year	(10,885,149)	(10,885,149)
Other comprehensive income	-	-
Total comprehensive Loss for the year	**(10,885,149)**	**(10,885,149)**
Balance at 01 April 2020	**34,587,561**	**34,587,561**
Loss for the year	(5,757,655)	(5,757,655)
Other comprehensive income	-	-
Total comprehensive Loss for the year	**(5,757,655)**	**(5,757,655)**
Balance at 31 March 2021	**28,829,906**	**28,829,906**

Statement of Cash Flows

	Note(s)	2021 N$	2020 N$
Cash flows from operating activities			
Cash used in operations	15	(3,925,148)	(10,559,177)
Interest income		252,596	673,442
Net cash from operating activities		**(3,672,552)**	**(9,885,735)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(247,977)	(890,736)
Sale of property, plant and equipment	4	7,858	(1,900)
Purchase of other intangible assets	5	-	(398,422)
Net cash from investing activities		**(240,119)**	**(1,291,058)**
Total cash movement for the year		**(3,912,671)**	**(11,176,793)**
Cash at the beginning of the year		16,033,635	27,210,429
Total cash at end of the year	8	**12,120,964**	**16,033,636**

Accounting policies

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.

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 institute'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

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment testing

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

Useful lives and residual values 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 motor vehicles, furniture and computer equipment are determined based on institute 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.

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

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.

Accounting policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note .

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the institute 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 institute, 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 institute 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 institute. 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*
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	5 years
Cafeteria equipment	Straight line	5 years
Audio visual equipment	Straight line	5 years

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.

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.

1.3 Property, plant and equipment (continued)

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 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	***Useful life***
Patents, trademarks and other rights	5 years

1.5 Financial instruments

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

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

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Accounting policies

Financial instruments (continued)

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 3 Financial instruments and risk management presents the financial instruments held by the institute 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 institute 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 7).

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 institute'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 institute 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, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the institute 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.

Trade and other payables expose the institute to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Cash and cash equivalents

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

1.6 Leases

The Institute 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 Institute 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.

1.6 Leases (continued)

Institute 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 Institute is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Institute recognises the lease payments as an operating expense (note 13) 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 Institute has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Institute is a lessee are presented in note Leases (Institute 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 Institute 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 Institute under residual value guarantees;
- the exercise price of purchase options, if the Institute is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Institute 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.

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).

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).

The Institute 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 Institute 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);

1.6 Leases (continued)

- 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 Institute 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 Institute 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 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.

1.7 Impairment of assets

The institute 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 institute estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the institute also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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.

1.7 Impairment of assets (continued)

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.

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.

1.8 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.

1.9 Provisions and contingencies

Provisions are recognised when:
- the institute 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.

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.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:

1.9 Provisions and contingencies (continued)

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Institute 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.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.11 Revenue from contracts with customers

The Institute recognises revenue from the following major sources:

- Training fees - training fees is earned from leadership and management development programmes and functional courses.
- Consulting - consulting fees is earned from the following consulting services; strategic planning, business planning, business process re-engineering, performance management, team building, mentoring and coaching, turnaround strategy development, policy development and organisation development interventions.
- Cafeteria - cafeteria fees is earned from food and beverages consumed by clients.
- Hire of facilities - the income is earned for the use and hire of facilities.

Accounting policies

Revenue from contracts with customers (continued)

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

Revenue is also measured when the performance obligation of each stream is satisfied over time.

Interest received

Interest income is recognised using the effective interest rate method.

Notes to the annual financial statements

	2021 N$	2020 N$

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Institute 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: Amendments to IFRS 9, IAS 39 and IFRS 7	01 January 2020	Unlikely there will be a material impact
• Definition of a business - Amendments to IFRS 3	01 January 2020	Unlikely there will be a material impact
• Presentation of Financial Statements: Disclosure initiative	01 January 2020	Unlikely there will be a material impact
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective

The Institute has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Institute's accounting periods beginning on or after 01 April 2021 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
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 January 2021	Unlikely there will be a material impact
• COVID-19 - Related Rent Concessions - Amendment to IFRS 16	01 June 2020	Unlikely there will be a material impact

Notes to the annual financial statements

3. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	449,005	449,005	449,005
Cash and cash equivalents	8	12,120,964	12,120,964	12,120,964
		12,569,969	**12,569,969**	**12,569,969**

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	7	57,859	57,859	57,859
Cash and cash equivalents	8	16,033,636	16,033,636	16,033,636
		16,091,495	**16,091,495**	**16,091,495**

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	10	3,434,667	3,434,667	3,434,667

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	10	6,014,657	6,014,657	6,014,657

Notes to the annual financial statements

3. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	14	252,596	252,596

2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	14	673,442	673,442

Capital risk management

The Institute's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital.

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

Trade and other payables	10	3,434,667	6,014,657
Cash and cash equivalents	8	(12,120,964)	(16,033,635)
Net borrowings		**(8,686,297)**	**(10,018,978)**
Equity		28,829,904	34,587,559
Gearing ratio		(30)%	(29)%

3. Financial instruments and risk management (continued)

Financial risk management

Overview

The Institute is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk;
- Interest rate risk; and
- Market risk (currency risk, interest rate risk and price risk).

The institute is not exposed to the following risks from its use of financial instruments:
- Foreign exchange risk;
- Price risk; and

Credit risk

Credit risk is the risk of financial loss to the Institute if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade receivable consist of large numbers of customers, spread across diverse industries and geographical areas and ongoing credit evaluation is therefore performed.

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

Notes to the annual financial statements

3. Financial instruments and risk management (continued)

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	1,632,286	(1,476,788)	155,498	1,654,434	(1,630,989)	23,445
Cash and cash equivalents	8	12,120,964	-	12,120,964	19,605,935	-	19,605,935
		13,753,250	**(1,476,788)**	**12,276,462**	**21,260,369**	**(1,630,989)**	**19,629,380**

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

		Carrying amount
Current liabilities		
Trade and other payables		3,434,667

2020

		Carrying amount
Current liabilities		
Trade and other payables	10	6,014,657

Interest rate risk

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

The Institute 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 shareholders.

Price risk

The Institute is not exposed to commodity price risk.

Notes to the annual financial statements

4. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	12,572,000	-	12,572,000	12,572,000	-	12,572,000
Buildings	191,922,835	(30,190,597)	161,732,238	191,880,283	(26,343,331)	165,536,952
Furniture and fixtures	3,607,513	(2,866,301)	741,212	3,599,751	(2,586,418)	1,013,333
Motor vehicles	730,493	(730,493)	-	730,493	(708,433)	22,060
Office equipment	225,239	(208,687)	16,552	212,339	(199,917)	12,422
IT equipment	4,197,083	(3,238,841)	958,242	4,028,014	(2,907,067)	1,120,947
Cafeteria equipment	1,318,474	(1,318,474)	-	1,318,474	(1,318,474)	-
Audio visual equipment	2,915,698	(2,767,271)	148,427	2,915,698	(2,706,242)	209,456
Total	**217,489,335**	**(41,320,664)**	**176,168,671**	**217,257,052**	**(36,769,882)**	**180,487,170**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	12,572,000	-	-	-	12,572,000
Buildings	165,536,952	42,552	-	(3,847,266)	161,732,238
Furniture and fixtures	1,013,333	7,761	-	(279,882)	741,212
Motor vehicles	22,060	-	-	(22,060)	-
Office equipment	12,422	12,900	-	(8,770)	16,552
IT equipment	1,120,947	184,764	(7,858)	(339,611)	958,242
Audio visual equipment	209,456	-	-	(61,029)	148,427
	180,487,170	**247,977**	**(7,858)**	**(4,558,618)**	**176,168,671**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Land	12,572,000	-	-	-	12,572,000
Buildings	169,379,046	-	-	(3,842,094)	165,536,952
Furniture and fixtures	1,374,533	-	-	(361,200)	1,013,333
Motor vehicles	74,770	-	-	(52,710)	22,060
Office equipment	17,395	3,074	-	(8,047)	12,422
IT equipment	553,796	887,662	1,900	(322,411)	1,120,947
Audio visual equipment	270,586	-	-	(61,130)	209,456
	184,242,126	**890,736**	**1,900**	**(4,647,592)**	**180,487,170**

Land and buildings comprise Erf 14-30 Paul Nash Street, Olympia. The value of the land and buildings was determined by the Government of Namibia through the Ministry of Lands and Resettlement.

Notes to the annual financial statements

5. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	2,114,576	(1,812,796)	301,780	2,114,576	(1,532,394)	582,182

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	582,182	(280,402)	301,780

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	500,320	398,422	(316,560)	582,182

6. Inventories

Consumables	258,107	184,425

7. Trade and other receivables

Financial instruments:		
Trade receivables	1,632,286	1,654,433
Exepcted credit losses	(1,476,788)	(1,630,989)
Trade receivables at amortised cost	155,498	23,444
Other receivables	259,092	-
Staff loans	34,415	34,415
Non-financial instruments:		
VAT	7,609,320	10,240,228
Total trade and other receivables	**8,058,325**	**10,298,087**

Split between non-current and current portions

Current assets	8,058,325	10,298,087

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	449,005	51,359
Non-financial instruments	7,609,320	10,240,228
	8,058,325	**10,291,587**

7. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the Institute to credit risk, being the risk that the Institute will incur financial loss if customers fail to make payments as they fall due.

	2021	2021	2020	2020
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due: 82.03% (2020: 84.49%)	187,056	(69,622)	96,693	(81,694)
31 - 60 days past due: 85.53% (2020: 89.73%)	43,804	(23,654)	168,606	(151,294)
61 - 90 days past due: 95.86% (2020: 100.62%)	1,500	(1,036)	17,983	(18,095)
91 - 120 days past due: 97.11% (2020: 101.94%)	4,050	(3,222)	39,915	(40,691)
Defaulted: 100% (2019: 100%)	1,395,876	(1,379,254)	1,331,236	(1,339,215)
Total	**1,632,286**	**(1,476,788)**	**1,654,433**	**(1,630,989)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,570	42
Bank balances	15,312,512	19,605,893
Provision for SME Bank balance	(3,193,118)	(3,572,300)
	12,120,964	**16,033,635**

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		
First National Bank of Namibia Limited - Moody's Credit rating - Ba3	7,769,983	11,848,893
SME Bank	3,193,118	3,572,300
Namibia Post Limited	4,350,981	4,184,700
SME Bank - write off	(3,193,118)	(3,572,300)
	12,120,964	**16,033,593**

* Although Namibia Post Limited is not rated, it has no history of default.

Namibia Post Limited is the national postal entity backed by The Government of the Republic of Namibia.

Notes to the annual financial statements

	2021 N$	2020 N$

9. Deferred income

Deferred income comprises of grants received from government that relates to the purchase or construction or otherwise acquisition of property, plant and equipment. These grants are released to the statement of comprehensive income on a systematic basis.

	2021 N$	2020 N$
Non-current liabilities	162,303,267	164,643,274
Current liabilities	2,340,007	2,340,007
	164,643,274	**166,983,281**

	2021 N$	2020 N$
Land	12,572,000	12,572,000
Buildings	113,228,000	113,228,000
Furniture and fittings	1,799,854	1,792,093
Computer and equipment	1,438,332	1,253,568
Cafeteria equipment	1,318,474	1,318,474
Office equipment	121,029	108,130
Audio visual	1,853,315	1,853,315
	132,331,004	132,125,580
Deferred income released	(29,038,208)	(28,789,687)
	103,292,796	**103,335,893**

	2021 N$	2020 N$
Phase 2 construction	67,778,877	67,778,877
Deferred income released	(6,222,975)	(4,131,489)
	61,555,902	**63,647,388**

10. Trade and other payables

	2021 N$	2020 N$
Financial instruments:		
Trade payables	1,408,797	2,523,886
Other payables	(81,955)	929,576
Accrued leave pay	2,099,812	2,208,641
Other payroll accruals	1,513	293,676
Non-financial instruments:		
Amounts received in advance	6,500	58,878
	3,434,667	**6,014,657**

Fair value of trade and other payables

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

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 N$	2020 N$
11. Revenue			
Revenue from contracts with customers			
Training fees		2,304,766	3,893,692
Consulting		377,448	966,513
Cafeteria		755,928	343,791
Hire of facilities		1,221,861	1,236,056
Other revenue		-	69,764
		4,660,003	**6,509,816**

Disaggregation of revenue from contracts with customers

The Institute disaggregates revenue from customers as follows:

		2021 N$	2020 N$
Rendering of services			
Services revenue		2,304,766	3,893,692
Other income			
Consulting		377,448	966,513
Other revenue			
Cafeteria		755,928	343,791
Hire of facilities		1,221,861	1,236,056
Miscellaneous other revenue		-	69,764
		1,977,789	**1,649,611**
Total revenue from contracts with customers		**4,660,003**	**6,509,816**
Timing of revenue recognition			
At a point in time			
Rendering of services		(1,977,789)	(1,579,847)
Other revenue		-	(69,764)
		(1,977,789)	**(1,649,611)**
Over time			
Rendering of services		(2,682,214)	(4,860,205)
Total revenue from contracts with customers		**(4,660,003)**	**(6,509,816)**

12. Other operating income

		2021 N$	2020 N$
Deferred income released		2,340,007	3,842,095
Government grants		23,000,000	23,500,000
Other income		533,384	-
		25,873,391	**27,342,095**

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 N$	2020 N$

13. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

	2021 N$	2020 N$
Auditor's remuneration - external		
Audit fees	220,500	463,767
Auditor's remuneration - internal	**440,510**	**406,170**
Remuneration, other than to employees		
Consulting and professional services	611,488	1,632,219
Employee costs		
Salaries, wages, bonuses and other benefits	22,125,700	24,890,572
Retirement benefit plans: defined contribution expense	1,831,851	1,888,792
Total employee costs	**23,957,551**	**26,779,364**
Depreciation and amortisation		
Depreciation of property, plant and equipment	4,558,618	4,647,592
Amortisation of intangible assets	280,402	316,560
Total depreciation and amortisation	**4,839,020**	**4,964,152**

Expenses by nature

The total operating expenses are analysed by nature as follows:

	2021 N$	2020 N$
Employee costs	23,957,551	29,811,718
Depreciation and amortisation	4,839,020	4,964,152
Governing council and committees fees	750,211	659,474
Utilities	1,786,441	1,885,916
Telecomunication costs	977,496	913,195
Bad debts	-	565,175
Consulting and professional fees	729,435	1,632,219
Resource pool	262,985	410,296
Other expenses	3,223,884	4,568,357
	36,527,023	**45,410,502**

14. Investment income

	2021 N$	2020 N$
Interest income		
Investments in financial assets:		
Bank and other cash	252,596	673,442

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 N$	2020 N$

15. Cash used in operations

	2021	2020
Loss for the year	(5,757,655)	(10,885,149)
Adjustments for:		
Depreciation and amortisation	4,839,020	4,964,152
Interest income	(252,596)	(673,442)
Expected credit loss	154,201	(151,938)
Changes in working capital:		
Inventories	(73,682)	19,769
Trade and other receivables	2,085,561	(133,981)
Trade and other payables	(2,579,990)	143,507
Deferred income	(2,340,007)	(3,842,095)
	(3,925,148)	**(10,559,177)**

16. Governing council fees

Non-executive

2021

	Governing Council fees	Total
Governing Council fees	750,211	750,211

2020

	Governing Council fees	Total
Governing Council fees	659,474	659,474

17. Related parties

Relationships	
Governing Council members	Refer to Governing Council's Report
Significant Stakekholder	Government of the Republic of Namibia

Related party balances

Deferred income - donated assets	2021	2020
Grant received	(164,643,274)	(166,983,281)
Deferred income - released	(2,340,007)	(3,842,095)

Related party transactions

Other operating income	2021	2020
Grant received	(23,000,000)	(23,500,000)

For Governing council fees refer to note 16.

Detailed Income Statement

	Note(s)	2021 N$	2020 N$
Revenue			
Training fees		2,304,766	3,893,692
Consulting		377,448	966,513
Miscellaneous other revenue		-	69,764
Cafeteria		755,928	343,791
Hire of facilities		1,221,861	1,236,056
	11	**4,660,003**	**6,509,816**
Cost of sales			
Opening stock		(184,425)	(204,194)
Purchases		(73,682)	19,769
Closing stock		258,107	184,425
		-	**-**
Other operating income			
Deferred income released		2,340,007	3,842,095
Government grants		23,000,000	23,500,000
Bad debts recovered		533,384	-
	12	**25,873,391**	**27,342,095**
Expenses (Refer to page 37)		**(36,543,645)**	**(45,410,502)**
Operating loss	13	**(6,010,251)**	**(11,558,591)**
Investment income	14	252,596	673,442
Loss for the year		**(5,757,655)**	**(10,885,149)**

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

Detailed Income Statement

	Note(s)	2021 N$	2020 N$
Other operating expenses			
Advertising		(289,885)	(608,971)
Amortisation		(280,402)	(316,560)
Auditors remuneration - external auditors	13	(220,500)	(463,767)
Auditors remuneration - internal audit	13	(440,510)	(406,170)
Bad debts		-	(151,938)
Bank charges		(31,475)	(35,196)
Cleaning		(148,488)	(100,253)
Computer expenses		(317,454)	(802,247)
Consulting and professional fees		(611,488)	(1,632,219)
Depreciation		(4,558,618)	(4,647,592)
Employee costs		(23,957,551)	(29,811,718)
Entertainment		(49,575)	(49,892)
Governing Council and Committees fees		(750,211)	(659,474)
Fines and penalties		-	(46,795)
Flowers		-	(4,100)
Hire		(141,497)	(212,697)
Conferencing Services		(380,674)	(692,328)
Insurance		(277,283)	(302,684)
Motor vehicle expenses		(210,005)	(358,639)
Municipal expenses		(1,947,022)	(1,885,916)
Placement fees		-	267
Postage		(8,950)	(9,582)
Printing and stationery		(77,052)	(207,737)
Resource Pool		(260,165)	(410,296)
Repairs and maintenance		(312,404)	(300,998)
Security		(14,470)	(13,269)
Staff welfare		(93,992)	(245,532)
Subscriptions		(69,855)	(38,080)
Telephone and fax		(1,079,009)	(913,195)
Training		-	(33,196)
Travel - local		(15,110)	(49,728)
		(36,543,645)	**(45,410,502)**

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