NSFAF
Namibia Students Financial Assistance Fund



ANNUAL REPORT 2022/2023



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Operational, marketing, governance and financial information about the activities of the Namibia Students Financial Assistance Fund for the year 2022/2023

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NSFAF
Namibia Students Financial Assistance Fund



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PART A: GENERAL INFORMATION

Country of incorporation and domicile:	Namibia
Nature of business and principal activities:	NSFAF's principal activities include providing financial assistance in the form of loans and scholarships to eligible students at public and private accredited higher education institutions in Namibia and abroad.
Directors:	K/Awarab (Chairperson) T Munyika S Tjiuoro A Angula I Neema N Hamutumwa
Business Address:	746 Eros Road Eros Windhoek Namibia
Postal address:	P O Box 23053 Windhoek Namibia
Bankers:	Bank Windhoek Limited First National Bank of Namibia (FNB)
Auditors:	Office of the Auditor-General 123 Robert Mugabe Avenue Windhoek Namibia Private Bag 13299 Windhoek Namibia
Lawyers	Ellis Shilengudwa Inc. Frans Kwala & Co Kangueehi & Kavendjii Legal Practitioners Dr Weder, Kauta & Hoveka Inc.



FOREWORD & REPORTS

FOREWORD BY MINISTER OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATION



Hon. Dr. Itah Kandjii-Murangi

Minister of Higher Education, Technology and Innovation

It gives me great pleasure to present the Foreword to the Annual Report of the Namibia Students Financial Assistance Fund (NSFAF) for the period 2022/2023. NSFAF operates as a public enterprise in terms of Section 2(1)(c) of the Public Enterprise Act, 2019 (Act No. 1 of 2019, as per Section 42(4) of the same Act.

As outlined in Section 4 of the NSFAF Act, 2000 (Act No. 26 of 2000) the primary mandate of NSFAF is to provide financial assistance to Namibian students pursuing their education at approved Institutions of Higher learning (IHL). Furthermore, in accordance with Section 22(1), each public enterprise's Board is required to submit an annual report on its operations within six months after the end of each financial year to the relevant line minister. This annual report serves as evidence of NSFAF Board's adherence to the aforementioned section and provides a benchmark for evaluating the Fund's execution of its integrated strategic business plan and annual business and financial plan.

In particular, this report encompasses audited financial statements, the auditor's report on the financial statements, a comprehensive overview of the achievements, challenges, and significant developments experienced at the NSFAF during the period under review.

During the reporting period, the Board's tenure ended, prompting the re-appointment of its members for a two-year term, effective from 10 August 2022. With this re-appointment, the Board has been entrusted with the mandate to earnestly implement and realise the objectives outlined in Cabinet Directive No. 1st/09.02.21/001. The specifics of this Cabinet Directive encompass;

(a) Transferring or reintegrating the administration of the application and selection processes of the Fund into the Ministry of Higher Education, Technology and Innovation; and
(b) Transferring or reintegrating the administration of payment (financing and funding) and debt recovery processes into the Ministry of Finance (MoF) or a financial institution as may be identified by the MoF.

In meeting the task at hand, the Board swiftly undertook the development of the reintegration conceptual framework to establish the philosophical clarity of the project. The framework was jointly presented to and approved by the respective cabinet colleagues, Hon. Ipumbu Shiimi, and myself.

Furthermore, an interest amnesty on all NSFAF debts was announced by the President during the reporting period. The amnesty, spanning 12 months from 01 June 2022 up to 30 June 2023, aimed to provide relief by alleviating the financial burden faced by many NSFAF debtors in the wake of the COVID-19 pandemic. By waiving interest, the majority of debtors found themselves in a position to afford the repayment of their dues to NSFAF. As of the reporting point, a noticeable improvement in the recovery rate has been observed. Furthermore, in response to the announcement, the Board promptly formulated the modalities that served as a framework for the implementation of the amnesty. The expeditious handling of these two aforementioned projects by the Board is not only commendable but also indicative of its dedication and commitment to the intended policy direction aimed at securing the Fund's operational efficiency and long-term sustainability, among other objectives, in the education of Namibian manpower.

Despite the demanding nature and the pressure associated with the implementation of the two earlier-mentioned projects, the Fund did not neglect its core mandate of providing financial assistance to Namibian citizens to facilitate access to higher education. In this regard, the Board ensured that equity, transparency, and accountability remained fundamental principles guiding the operations of the NSFAF. Furthermore, the NSFAF Board made every effort to adhere to the Governance Agreement outlined in both the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), and the NSFAF Act, 2000 (Act No. 26 of 2000). This commitment contributed to upholding the highest standards of governance and fostering public trust and confidence in the Fund.

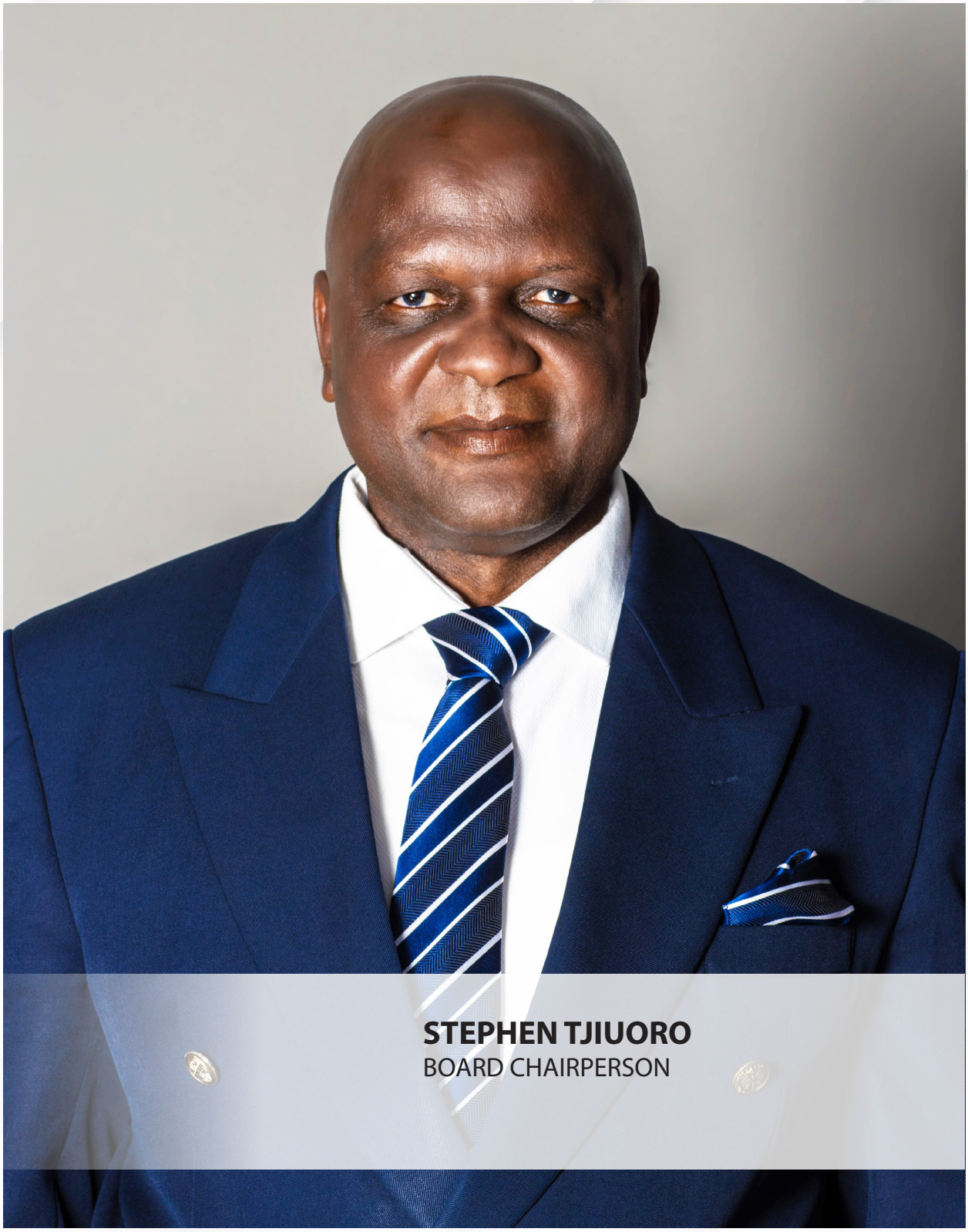
It is a shared and collective responsibility to ensure that every Namibian has equal access to educational opportunities, irrespective of their socio-economic background. NSFAF plays a pivotal role in realising this vision by providing financial assistance to students who need government support. As we progress, it is essential for all stakeholders to remain steadfast and reaffirm their commitment to fostering a society where every Namibian can prosper through education. I remain hopeful that the envisaged reintegration will help address the current challenges.

At this point, I extend my heartfelt gratitude to the NSFAF Board, management, staff, and all stakeholders for their enduring dedication to the realisation of NSFAF's mandate.



Honourable Dr Itah Kandjii-Murangi
Minister of Higher Education, Technology and Innovation

BOARD CHAIRPERSON'S REPORT



STEPHEN TJIUORO
BOARD CHAIRPERSON

I am pleased to present this report, an integral component of the Annual Report of the Namibia Students Financial Assistance Fund (NSFAF) for the period 2022/2023. Throughout this reporting period, NSFAF has made significant progress on both governance, strategic and operational fronts. This report focuses on aspects of governance and strategic delivery, while the Chief Executive Officer's overview, also part of this Annual Report, provides an operational outlook, covering achievements, challenges and opportunities.

Undoubtedly, the Board had been committed to discharging its fiduciary duties and oversight function, as reflected through various business processes. The results of this commitment are evident in the overall improvement in organisational efficiency, characterised by clarified strategic direction, policy certainty, demonstrated compliance, assured accountability, improved funding accessibility, heightened transparency and enhanced equity via means testing.

Specifically, the Board widened the accessibility net through the line ministry, by securing additional funds from Treasury to complement the initial budgetary allocation, ensuring that every eligible student had access to funding during the review period. Furthermore, the Board addressed delays in disbursing funds to the students and IHL by convincing the Government to approve a guarantee in favour of an overdraft facility from Standard Bank Namibia to NSFAF. Essentially, the overdraft facility served a dual purpose; enabling the funding of all eligible students and facilitating timely payments of students and their respective training institutions.

During the year under review, an interest amnesty was also implemented for the first time, covering all NSFAF debts. The amnesty waived the interest on all debts owed to the Fund for 12 months, effective 01 June 2022 to 30 June 2023. The Board was tasked with providing governance oversight over the amnesty's implementation process, and at the end of the amnesty period, the Fund recorded a notable increase in the amount recovered .

In addition, the Board has approved several policy interventions aimed at enhancing the Fund's operational and governance efficiency. Most of these policy interventions involved reviews rather than fresh developments. They included the review of the Recruitment and Selection Policy, Leave Policy, Finance Policy, and Investment Policy, amongst others. These policies serve as frameworks for managing various business processes of the Fund, with the goal of improving decision-making efficiency and effectiveness.

The reviews streamlined business processes and enhanced internal controls, transparency, fairness, and efficiency in the Fund's transactions. This improvement was evident both in practical terms and from the perspective of concerned stakeholders. Furthermore, these interventions have resulted in improved service delivery and reduced administrative burdens, enabling the Fund to focus more on its core mandate of providing financial assistance to students. Moreover, for the period under review, NSFAF implemented a robust stakeholder engagement strategy and plan aimed at fostering positive stakeholder relations and delivering an excellent customer experience.

To this end, the Fund through its management has actively engaged with the workforce, students, educational institutions, and other stakeholders to understand their expectations and strategically position itself to meet their respective needs.

Looking ahead, the Board is optimistic about the positive outlook for the next financial year as we embark on an exciting journey towards the reintegration of the NSFAF into the Ministry of Higher Education, Technology and Innovation, in accordance with the Cabinet Directive No. 1st/09.02.21/001. This directive reaffirms the Government's commitment to improving governance and operational efficiency in the administration of student funding. NSFAF will rise to the occasion and seize this opportunity to revamp and refocus the student funding agenda. In this context, on behalf of the NSFAF Board, I would like to extend our sincere appreciation to the Ministry of Higher Education, Technology, and Innovation for its continued support, guidance and stewardship in the execution of NSFAF's mandate. Similarly, the Ministry of Finance and Public Enterprises has been a valuable resource in this journey, and we are deeply grateful for their contributions.

Finally, I would like to express our heartfelt thanks to all NSFAF stakeholders, including our Secretariat, educational institutions, students, and the wider community for their unwavering support, constructive feedback, and shared commitment towards tertiary education. Coordinated collaboration and shared development pave the way for a prosperous Namibia.



Stephen Tjiuoro
Board Chairperson

ACTING CHIEF EXECUTIVE OFFICER'S OVERVIEW



I am privileged to present the Acting Chief Executive Officer's overview statement for the 2022/23 Namibia Students Financial Assistance Fund (NSFAF) Annual Report. This report reflects our continued commitment to advancing access to higher education and empowering Namibian students to fulfil their academic aspirations.

During the reporting period, NSFAF has remained committed to delivering on its objective of providing financial assistance to deserving students nationwide. Our goal is to ensure that no talented learner is deprived of an education due to financial constraints. I am proud to say that we have made significant progress in achieving this objective.

One of the key highlights of the year has been the successful implementation of various strategic initiatives aimed at enhancing NSFAF's operations and service delivery.

Achievements
2022/2023 Awards
The NSFAF has awarded financial assistance to 17,113 students for the academic year 2022/2023, an increase from the 14604 students awarded in the previous year. This achievement is a testament to our commitment to supporting the development of Namibia's human capital.

NSFAF plays a crucial role in providing financial assistance to students who would otherwise struggle to afford tertiary education. Our mission is to ensure that no deserving student is denied access to higher education due to financial constraints.

The Fund is proud of the impact that our funding has on the lives of thousands of Namibian students. By providing financial assistance, we are helping students achieve their educational goals and contributing to the development of our country's human capital.

However, it is important to note that the demand for funding continues to exceed the available resources. This highlights the need for continued support from our stakeholders to ensure that we can continue to provide financial assistance to as many deserving students as possible.

During the period under review, the awarding process was only completed in the third quarter of the financial year. The delay was primarily caused by the determination of excess funds to provide financial assistance to eligible applicants who could not be accommodated in the initial Treasury allocation.

Student Payments
While there has been an improvement in the disbursement of funds to both students and IHL, the delay in the awarding led to the delay in the payment process. Moreover, the Fund experienced a budget deficit at the end of the financial year due to the settlement of invoices submitted for payments from previous financial years. Despite this challenge, the Treasury agreed to a further allocation to address the shortage.

Improved Recovery Rate
During the reporting period, there was a significant improvement in funds recovered, totalling N$15.13 million compared to N$10.12 million in the previous fiscal year, representing a substantial increase in recoveries of 49.6%.

This remarkable increase directly resulted from improved strategies and enhanced collection efforts, marking a positive outcome for the Fund. It signifies improved financial performance and the ability to recoup more outstanding amounts.

Recovering funds can, however, be a complex and challenging process for various reasons, with one major challenge being the difficulties in locating individuals who have defaulted, impacting the Fund's ability to recover the funds owed.

Another significant challenge in the process of recovering funds involves legal and jurisdictional complexities. The Fund may need to navigate different legal systems to initiate legal proceedings and enforce recovery actions, which can entail lengthy legal processes and procedural hurdles.

Overall, the recovery of funds requires a thorough investigation, persistent effort, and expertise in overcoming various obstacles, such as locating responsible beneficiaries.

To address these challenges, we have implemented streamlined processes and technological advancements to improve efficiency and effectiveness. These efforts have allowed us to enhance the speed and accuracy of application processing, ensuring a smoother experience for our students.

Moreover, NSFAF has continued to foster strong partnerships with educational institutions, government entities, and private sector organisations. These collaborations have been instrumental in expanding the reach of our programmes, strengthening our financial resources, and promoting the holistic development of our students. Together, we are creating a vibrant ecosystem that nurtures and supports the future leaders of Namibia.

We acknowledge the challenges that persist in the higher education landscape, including limited resources, evolving student needs, and external economic factors. However, we remain resolute in our dedication to overcoming these obstacles and adapting to the changing educational landscape. We are committed to continuous improvement, innovation, and a student-centric approach in all our endeavours.

As we move forward, we will continue to enhance the transparency and accountability of our operations. We recognise the importance of good governance and strive to ensure that NSFAF remains a trusted and responsible steward of public resources. Our commitment to integrity and ethical conduct is unwavering, and we are dedicated to fostering a culture of accountability at all levels of the organisation.

Future outlook

Monthly non-tuition payments: As part of our ongoing efforts to enhance the support provided to our beneficiaries, NSFAF aims to implement monthly processing of non-tuition fees.

This initiative stems from our desire to ease the financial burden on students and ensure a more streamlined and efficient disbursement process. With the transition to monthly processing, beneficiaries will gain access to funds in a timelier manner, enabling them to promptly cover their non-tuition expenses without undue financial strain.

Funding Model: Furthermore, NSFAF recognises the importance of addressing fee disparity among tertiary institutions in Namibia. We understand that unequal fee structures can present significant challenges to students from economically disadvantaged backgrounds, limiting their access to higher education. To address this issue comprehensively, NSFAF is committed to conducting a comprehensive study on the existing Funding Model, which will:

- Assess the current fee structures and evaluate their impact on students from diverse socio-economic backgrounds. We aim to identify areas where fee disparities exist and explore potential strategies to promote fair and equitable access to higher education. NSFAF will collaborate with relevant stakeholders, including tertiary institutions and student representatives, to ensure a holistic and inclusive approach.
- Provide valuable insights and recommendations to guide our future policies and interventions. Our goal is to create a more equitable and accessible higher education system that enables all deserving students to pursue their educational aspirations.
- Address disparities, the anticipated outcome being to petition an increase in the annual Treasury allocation. Given the ever-increasing demand for financial assistance against meagre available resources, the Fund must strike a balance between these forces in its funding decisions.

NSFAF will, despite funding constraints, remain committed to enhancing the financial assistance offered and fostering a more inclusive higher education landscape in Namibia.

Appreciation

I would like to express my sincere gratitude to the NSFAF team for their unwavering dedication and hard work. Their passion for our mission and their commitment to student success are at the heart of everything we do. I would also like to extend my appreciation to our esteemed Board members, the Ministry of Higher Education, Technology and Innovation (MHETI), Institutions of Higher Learning (IHLs), and all stakeholders who have supported us on our journey.

In conclusion, I invite you to explore the pages of this Annual Report and witness the impact of NSFAF's work in transforming lives. Together, let us continue to unlock the potential of Namibian students, ensuring a brighter future for our nation.

Thank you.



Kennedy Kandume
Acting CEO, Namibia Students Financial Assistance Fund

NSFAF MANDATE, VISION, MISSION AND CORE VALUES

The mission statement of the Fund defines the fundamental purpose of NSFAF's co-existence. Our mission is:

"TO PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE NAMIBIANS FOR ACCESS TO VOCATIONAL AND HIGHER EDUCATION AND TRAINING."

A vision statement outlines the strategic direction of the Fund. Our Vision is

"TO BE A SUSTAINABLE INSTITUTION, EQUITABLY PROVIDING FINANCIAL ASSISTANCE TO CONTRIBUTE TO THE DEVELOPMENT OF NAMIBIA'S HUMAN CAPITAL."

The NSFAF core values define the acceptable standards that guide the conduct of employees within the Fund. Employees are expected to display behaviour that resonates with the Fund's core values. The core values and their meanings to NSFAF and associated slogans are highlighted below:

OUR CORE VALUES

EXCELLENCE
WE STRIVE FOR OUTSTANDING QUALITY IN THE EXECUTION OF OUR DUTIES AND RESPONSIBILITIES.
LET'S DO IT RIGHT!

ACCOUNTABILITY
WE ARE ACCOUNTABLE AND RESPONSIBLE FOR OUR ACTIONS.
WE OWN UP TO OUR ACTIONS!

EMPATHY
WE UNDERSTAND AND SHARE FEELINGS OF OUR TEAMMATES AND MOST IMPORTANTLY OUR CUSTOMERS.
WE CARE FOR ALL, BUT PRIORITISE THE NEEDY!

TEAMWORK
WE ARE COMMITTED TO A COMMON GOAL; WE BELIEVE AND SUPPORT EACH OTHER.
LET'S DO IT TOGETHER!

INTEGRITY
WE UPHOLD STRONG MORAL PRINCIPLES IN INTERACTING WITH OUR CUSTOMERS.
WE ARE PRINCIPLED IN OUR DEALINGS!

ORGANISATIONAL STRUCTURE
GOVERNANCE AND EXECUTIVE STRUCTURE



NSFAF BOARD MEMBERS



STEPHEN TJIUORO
BOARD CHAIRPERSON



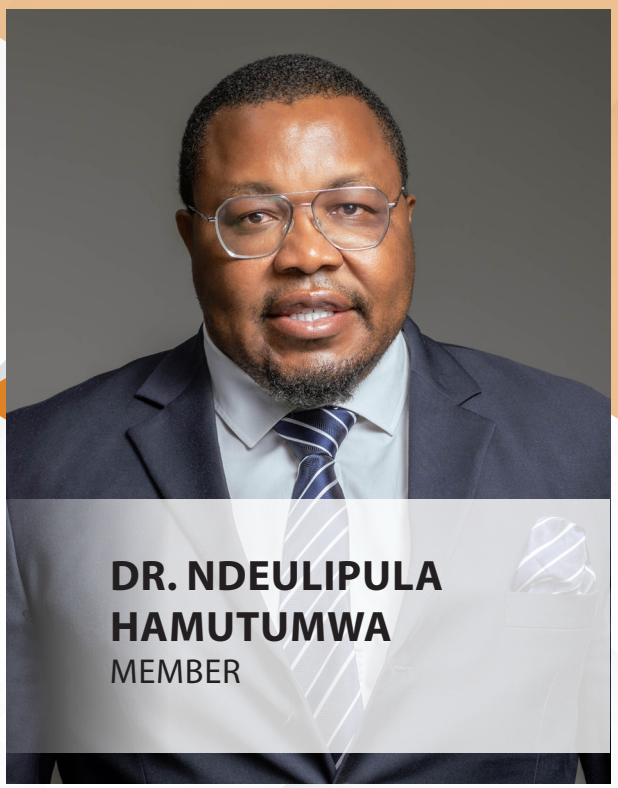
ADDA ANGULA
BOARD DEPUTY CHAIRPERSON



DR. ISAK NEEMA
MEMBER



TULIMEKE MUNYIKA
MEMBER



DR. NDEULIPULA HAMUTUMWA
MEMBER

EXECUTIVE MANAGEMENT



KENNEDY KANDUME
ACTING CEO



VETUMBUAVI URINAVI
CHIEF FINANCIAL OFFICER



HARRIS NTEMA
INTERNAL AUDITOR



FILLEMON WISE IMMANUEL
COMPANY SECRETARY



DAVID NATHINGE
ACTING SENIOR MANAGER:
OPERATIONS



GOVERNANCE & REGULATORY ENVIRONMENT

PART B: GOVERNANCE AND REGULATORY ENVIRONMENT

2.1. INRODUCTION

Ethics and integrity are crucial aspects of any organisation's operations, and NSFAF is no exception. This section of the annual report provides an overview of NSFAF's commitment to a high standard of ethics, promotion of a robust code of conduct, and effective management of conflicts of interest. Such contributes to the establishment of a value system for the organisation. By adhering to these principles, NSFAF aims to ensure transparency, accountability, fairness, and the responsible use of resources in the execution of its statutory mandate.

NSFAF subscribes to the principles of corporate governance provided for in NamCode and other pertinent governance codes on an "apply or explain basis". The said principles serve as the guiding framework for the institution's procedures, processes and systems. They form a barometer within which the Board and management make their governance and managerial decisions, respectively. In this regard, the Board of Directors is responsible for designing the institutional corporate governance architecture/ model, including defining the strategic direction and monitoring its implementation. On the other hand, the executive management ensures day-to-day administrative compliance with the established governance architecture and the pursuit of the set strategic direction.

The Board has developed a suitable Governance Framework /Model for NSFAF in line with the foregoing. This model complements the NSFAF Act, 2000 (Act No. 26 of 2000), the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019) and relevant Codes of Corporate Governance, providing governance principles and requirements. The framework encompasses several components: an Organisational Structure, a Strategic Plan, Board and Board Committee Charters, a Delegation Framework, and various operational policies. These governance tools provide respective and specific guidance in the day-to-day execution of the institutional mandate.

Upholding of the principles of corporate governance enables the Fund to achieve its strategic objectives, promote accountability, and create long-term value for its clients and shareholders. Additionally, a well-governed institution becomes an appealing destination for talented individuals and capital investment while enhancing its brand equity. Moreover, the Fund will experience increased efficiency as a result of well-defined, streamlined processes and procedures.

Code of Conduct:

NSFAF upholds a Code of Conduct that outlines the ethical standards expected from its employees, board members, and other stakeholders. The Code serves as a guide for decision-making and a reference point for acceptable behavior. Specifically, the Code underscores honesty, fairness, respect, and professionalism. Further, it also encompasses transparency, which concerns the provision of open communication channels, accurate, relevant and timely business reporting, and accountability, entailing responsible stewardship of funds and adherence to legal and regulatory requirements.

2.2. CONFLICTS OF INTEREST

NSFAF recognises that conflicts of interest can undermine trust and compromise decision-making in any set-up. To mitigate this risk, the organisation has implemented policies and procedures for identifying, disclosing and managing conflicts of interest. One of those policies is the Conflicts of Interest Management Policy. Also consistent with the above, employees and board members are required to disclose any actual or potential conflict of interest and recuse themselves from the decision-making processes where their personal interests are apparent and, therefore, could interfere with NSFAF's interests. The Conflicts of Interest Management Policy insulates the Fund against possible undue influence, impartiality, greed, abuse and misapplication, and contains the following principles:

(a) Disclosure and Review: In terms of this principle, both NSFAF employees and board members are enjoined to disclose any actual or potential conflicts of interest on their sides regularly. Designated individuals or committees review these disclosures to evaluate the extent of the conflict and determine the appropriate course of action.

(b) Mitigation Measures: In terms of this principle, when conflicts of interest arise, NSFAF implements mitigation measures to ensure fair decision-making. These measures may include removing conflicted individuals from discussions or decision-making processes, seeking independent advice, or restructuring responsibilities to minimise the impact of the risk associated with the conflict.

(c) Monitoring and Reporting: In terms of this principle, NSFAF maintains ongoing monitoring

and reporting mechanisms to ensure compliance with the Conflict of Interest Management Policy. Regular assessments are conducted to identify gaps or areas for improvement in managing conflicts of interest.

In light of the foregoing, it is clear that an ethical tone, a code of conduct, and the management of conflicts of interest process, are integral components of NSFAF's commitment to maintaining transparency, accountability, and fairness in its operations. Only through this, along with responsible financial resource management, will NSFAF be able to build and retain trust among stakeholders and ultimately fulfil its mandate.

2.3. BOARD MEETING ATTENDANCE SCHEDULE

NSFAF BOARD MEETINGS ATTENDANCE SCHEDULE 01 APRIL 2022 - 31 MARCH 2023 ANNUAL REPORT						
BOARD		**ATTENDANCE**				
Type of Meeting	Meeting Date	Mr. Stephen Tjiuoro (Board Chairperson	Ms. Adda Angula (Board Deputy Chairperson)	Dr. Isak Neema	Dr. Ndeulipula Hamutumwa	Ms. Tulimeke Munyika (Additional member)
Ordinary Board Meeting	25-Apr-2022	x	x	x	x	x
Ordinary Board Meeting	24-Aug-2022	x	x	x	x	x
Ordinary Board Meeting	24-Oct-2022	x	x	x	x	x
Ordinary Board Meeting	01-Nov-2022	x	-	x	x	x
Ordinary Board Meeting	03-Mar-2023	x	x	x	x	x
Extra-Ordinary Board Meeting	23-Mar-2023	x	-	x	x	-
HUMAN RESOURCES & FINANCE COMMITTEE		**ATTENDANCE**				
Type of Meeting	Meeting Date	Dr. Ndeulipula Hamutumwa (Committee Chairperson)	Ms. Tulimeke Munyika	Ms. Adda Angula		
Ordinary Committee Meeting	20-Jul-2022	x	x	x		
Ordinary Meeting	24-Oct-2022	x	-	x		
Ordinary Committee Meeting	21-Feb-2023	x	x	x		
AUDIT & RISK COMMITTEE		**ATTENDANCE**				
Type of Meeting	Meeting Date	Dr. Isak Neema (Committee Chairperson)	Dr. Ndeulipula Hamutumwa	Ms. Tulimeke Munyika		
Ordinary Meeting	19-Jul-2022	x	x	-		
Ordinary Meeting	19-Oct-2022	x	x	x		
Ordinary Meeting	17-Feb-2023	x	x	x		
STRATEGY & TRANSFORMATION COMMITTEE		**ATTENDANCE**				
Type of Meeting	Meeting Date	Ms. Adda Angula (Committee Chairperson	Dr. Isak Neema	Mr. Stephen Tjiuoro		
Ordinary Meeting	28-Jul-2022	x	x	x		
Ordinary Meeting	24-Oct-2022	x	x	x		
Ordinary Meeting	20-Feb-2023	x	x	x		

2.4 RISK MANAGEMENT

The Fund's Risk Register serves as the central repository for documenting, assessing, and prioritising risks, as well as recording mitigating strategies and control measures. This Register constitutes a significant component of the Fund's overall risk management process.

Risk information in the Fund's Risk Register is analysed and utilised to regularly report key risk profiles to the Board. During these meetings, the Board's Audit and Risk Committee reviews and challenges Senior Management concerning the risk mitigation plans to address the key and emerging risks identified within the Fund's risk management framework, policies, and operating environment.

NSFAF's Risk Management Framework and Policy is based on the principles and guidelines of ISO 31000: 2018 Risk Management Standard. This framework considers risks and opportunities within the Fund's business environment.

Thirteen material risks were identified in the reporting period that could significantly impact on the Fund's approved strategic plan and objectives. These are described in the table below.

TOP ENTERPRISE RISKS

KEY RISK	STRATEGIC OBJECTIVES	MITIGATION / TREATMENT	RISK EXPOSURE	TREND EFFECT
Financial Sustainability	Effective Debt Management	1. Increase recovery collection to N$25 million for the 2022/2023 financial year 2. Cost containment in overall operational budget of 5%	EXTREME	↔
Operations	Improve Operational Efficiency	1. Streamline business processes to effectively complete the Awards process by April each year 2. Streamline business processes to pay all that is due to students: a. for the first semester by end of June; and b. for the second semester before end of November 3. Monitor, evaluate and maintain un-matured loans	MODERATE	↓
Recovery and Default	Effective Debt Management	1. Increase recovery collection to N$25 million for the 2022/2023 financial year 2. Update and maintain a complete loan book	EXTREME	↔
Information Technology	Improve Operational Efficiency	1. Develop and maintain fit-for-purpose integrated systems 2. Implement enhanced Information Security measures	LOW	↓
Cybersecurity	Improve Operational Efficiency	1. Safeguard IT assets from cyberthreats	INSIGNIFICANT	↓
Reputational	Deliver Excellent Customer Experience	1. Improve customer experience 2. Implement and maintain a Stakeholder Engagement Plan 3. Develop and maintain a Brand Management Architecture	HIGH	↔
Financial Reporting	Effective Debt Management	1. Develop and implement a Financial Reporting Framework 2. Comply with the Financial Reporting Framework at all times	HIGH	↔
Strategic	Improve Organisational Culture and Performance	1. Develop and implement a Strategic Roadmap	INSIGNIFICANT	↔
Legal	Improve Operational Efficiency	1. Improve compliance to 80% in the 2022/2023 financial year	EXTREME	↔
Business Continuity	Improve Operational Efficiency	1. Maintain IT Services continuity programme/ framework 2. Develop and implement Succession Planning strategies for People and Processes	MODERATE	↔
Political	Improve Operational Efficiency	1. Ensuring certainty in the Policy/Legislative direction	HIGH	↔
Environmental	Improve Operational Efficiency	1. Develop and implement individual coping strategy in relation to pandemic outbreak and associated stress to avoid poor organisation performance 2. Establish and maintain the Safety, Health, and Environmental (SHE) programme	HIGH	↔
People	Improve Organisational Culture and Performance	1. Develop and implement a fit-for-purpose organisational structure 2. Embed a people-centric focus/leadership 3. Implement and maintain a performance driven culture	EXTREME	↔

Residual Risk Rating: Extreme High Moderate Low Insignificant

Trend: Risk exposure increased ↑ Risk exposure decreased ↓ Risk exposure remained the same ↔

The following events are worth noting in respect of some top enterprise risks and overall mitigations:

2.4.1 FINANCIAL SUSTAINABILITY

The total amount recovered for the financial year was N$15.131 million, which is 60% of the total target of N$25 million. The total cash operational costs were N$ 77 million.

This means that the financial sustainability position of the Fund is still not sufficient enough to cover operational expenditures. Therefore the institution will continue to rely mostly on Treasury funding in the foreseeable future.

2.4.2 RECOVERY AND DEFAULT

The recovery annual target of N$25 million was not achieved by the financial year-ended (31 March 2023). The total amount recovered for the 2022/2023 financial year stood at N$15.131 million, representing about 60% of the annual target. Moving into the 2023/2024 financial year, the Secretariat intends to intensify the litigation and blacklisting process.

The institution is continuing with the implementation of the recovery strategy interventions. The process of handing over the files of defaulters for litigation and blacklisting has commenced.

2.4.3 PEOPLE

The People risk is still negatively affected due to the following factors:

a. Attraction and retention – the inability to attract and retain requisite skills due to job insecurity. The attraction and retention of human resources in key positions is a challenge due to short-term employment terms/ contracts.
b. High vacancy (and resignation) rate leading to work overload and inefficiencies. Skeleton staff overseeing, managing, and serving multiple positions leading to staff burnout, and physical and mental health issues.

2.4.4 OPERATIONS

The positive trend in Operations risk is mainly attributed to the timely release of funds by the line Ministry and Ministry of Finance. This enabled the Fund to make payments efficiently to Institution of Higher Learning (IHL) (tuition fees) and students (non-tuition fees) for the financial year ended 31 March 2023. Furthermore, the un-matured study loans (i.e., active students) are now recorded and managed through the Loan Management System (LMS).

2.4.5 INFORMATION TECHNOLOGY

The development and implementation of key modules for payments, finance, and recovery functions have all been automated and completed in the Loan Management System (LMS). This intervention ensures a clear distinction between matured and un-matured study loans, and it will lead to continuous improvement in the financial reporting of the institution going forward.

2.4.6 CYBERSECURITY

The cybersecurity vulnerability assessment exercise was conducted and completed by an external IT consulting firm in February and March 2023. However, the findings of the cybersecurity assessment indicate that the Fund is exposed to some serious vulnerabilities which have negatively impacted the risk profile of this key risk after the financial year-end.

2.4.7 RISK MITIGATIONS/TREATMENTS – WAY FORWARD

a. Management will ensure that the mitigating strategies and actions are integrated into day-to-day business operations to achieve significant positive changes in the Fund's overall risk profile.

b. The integration of risk mitigating actions is facilitated by incorporating these mitigations/ treatments in the individual performance agreements of key risk owners (executives) and support teams. This process ensures that the action plans are not solely managed and executed by the key risk owners but by the entire team within a particular division/department.

c. To improve the implementation of the mitigation strategies, Divisional Risk Registers have been developed and rolled out to the various divisions. This allows for detailed mitigation measures to be easily tracked and monitored at an operational level.

2.5 INTERNAL AUDIT

A risk-based Internal Audit Plan is prepared annually by the Head of Internal Audit, recommended by the Audit and Risk Committee, and approved by the Board. The Annual Internal Audit Plan contains key information about the audit activities for the financial year and the Internal Audit resources (Audit team) responsible for executing the approved Internal Audit Plan.

During the period under review, the Internal Audit function issued final audit reports assessing the effectiveness of the Fund's internal control systems as "needs improvement". This indicates that specific management interventions are necessary to enhance the overall internal control environment and align it with business objectives.

A formal audit issue remediation and closure process is implemented as a monitoring tool to effectively address and mitigate risk and control issues identified and reported by both internal and external assurance service providers throughout the financial year.



FINANCIAL & OPERATIONAL HIGHLIGHTS

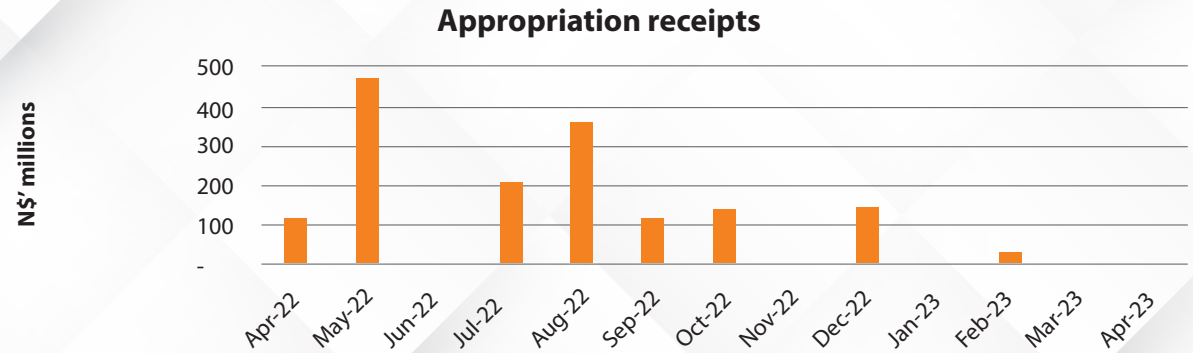
PART C: FINANCIAL AND OPERATIONAL HIGHLIGHTS

3.1 FINANCIAL HIGHLIGHTS

3.1.1 BUDGET PLANNING

The approved budget for the financial year ended 31 March 2023 amounted to N$1,632 billion. The student funding budget which accounts for 94% of our total budget amounted to N$1,527 billion, while the operational budget amounted to N$105 million.

The total appropriation from Treasury amounted to N$1,586 billion which was made up of an initial appropriation of N$1,409 billion plus an additional appropriation of N$177 million. The total appropriation was received with sufficient regularity allowing the Fund to disburse funds in a timely manner to loan beneficiaries. The graph below depicts the receipt of the appropriation throughout the year.



	Apr-22	May-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
Receipts (N$' Millions)	117	470	209	361	113	139	-	146	-	31	-	-

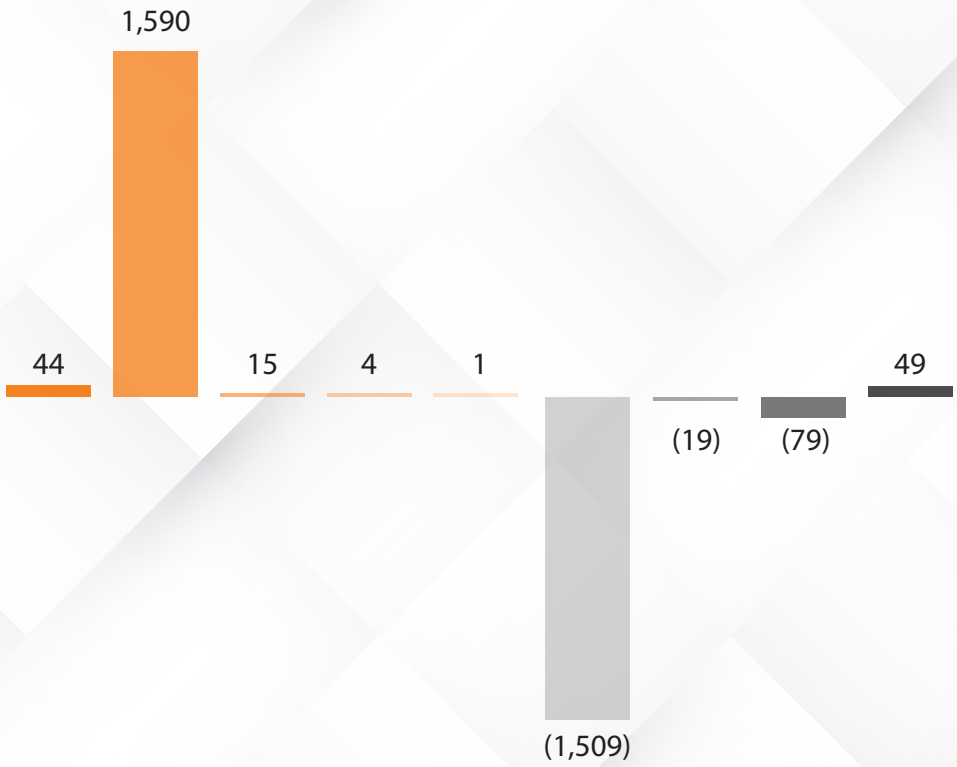
Due to the increasing number of student beneficiaries and the demand for higher education, the Fund addressed any shortfall in the current year's budget by utilising different sources of funds. These sources included the full utilisation of the overdraft facility, recoveries of previously awarded loans, interest earned on bank balances, and budget savings from the operational budget.

The number of students continuing their studies at IHL has increased by 12% year on year. This increase is driven by student loan reinstatements particularly for students at UNAM and NUST. Student loans are reinstated once they have passed and progressed following a previously repeated academic year.

The operational budget was N$105 million (compared to N$89 million in 2022), with only 94% of the budget (N$90,5 million) utilised during the reporting period; the remaining budget was allocated to student funding.
For the financial year under review, the Fund closed with N$49 million in cash and cash equivalents. This cash balance is reserved for student loan disbursements and operational costs prior to receipts from the 2023/2024 budget. The graph on the following page depicts the movement of cash flows during the year.

Cash flow management illustrates how cash was generated or received and how it was utilised. The operating activities that affected the cash inflows and outflows are reflected in the graph on the next page. The cash outflows cover student funding disbursements and operational costs for the day-to-day operational expenses.

Cash flow management (N$' millions)
1 April 2022 - 31 March 2023



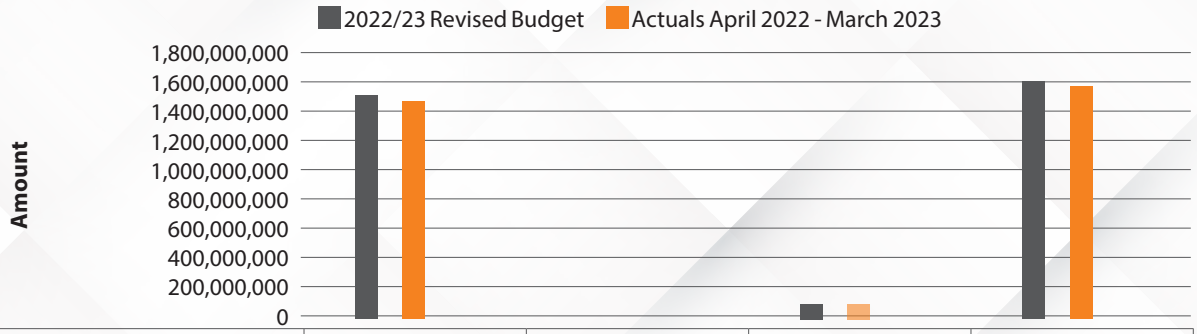
	Amounts (N$' Millions)
Opening bank balance 1 April 2022	44
Treasury subventions (inc. moge)	1,509
Recoveries	15
Interest Income	4
Other Income	1
Student funding disbursements	1,507
Interest paid	(19)
Cash paid to suppliers & employees	79
Closing bank balance 31 March 2023	49

3.1.2 BUDGET EXECUTION

The table on the following page displays the total expenditures incurred against the budget for both student funding and the operational budget. The operational budget closed with a budget execution rate of 94%, while the student funding budget closed with a budget execution rate of 99%. The overall budget execution rate for NSFAF is 99%.

The total student funding expenditure includes the disbursements of loans and grants, as well as the cost of flight tickets for students studying abroad.

2022/23 Budget Execution



	Student Funding	Flight tickets	Operational expenses	Total
2022/23 Revised Budget	1,509,316,491	1,200,000	104,485,510	1,615,002,001
Actuals April 2022 - March 2023	1,482,313,607	603,476	96,048,409	1,578,965,492
Execution rate	98%	50%	92%	98%

3.1.3. STUDENT FUNDING

Student funding disbursements closed with a positive variance of 2%. This was primarily caused by the non-payment of tuition fees for both continuing and new intakes due to incomplete documentation, which will be finalised in the 2023/2024 financial year. Additionally, the positive variance was due to the lower-than-budgeted new intake student numbers. The Fund had initially planned to award funding to 17,232 students; however only 14,938 students signed their contracts.

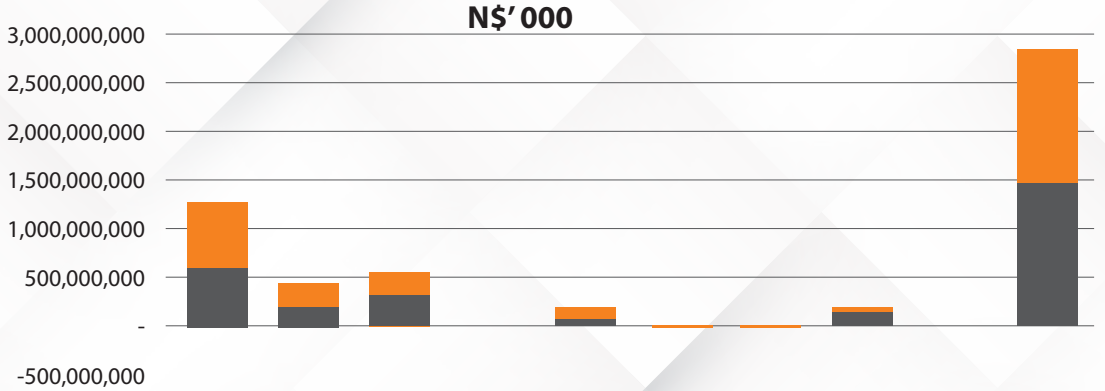
3.1.3.1. LOANS DISBURSED

There has been a 7% increase (N$ 90 million) in total loans disbursed year on year, as depicted in the graph below. This increase is particularly notable in loans disbursed to beneficiaries studying at the International University of Management (IUM), Vocational Training Centres (VTCs), Southern African Development Community (SADC) IHL, other local educational institutions, and Post Graduate studies, which increased by 26%, 42%,10%, 9%, and 154% respectively. A significant increase is observed in loans disbursed to local small institutions, with an increase of 154%. Meanwhile, the University of Namibia (UNAM), Namibia University of Science and Technology (NUST), and foreign student numbers reduced by 10%, 6% and 33% respectively.

The increase in loans disbursed during the year compared to the prior year can be attributed to several factors: (i) a conservative estimate of average tuition fees, especially for institutions like UNAM, NUST, and IUM, which receive the largest student funding allocation; (ii) a conservative estimate of the number of eligible continuing students, dropouts, and failure rates, which is observed across the board.

Overall, the Fund has made improvements in the disbursement of student funds during the year. However, the Fund continues to face cash flow challenges due to budget constraints from the Treasury. Despite these challenges, the Fund remained committed to disbursing funds to its beneficiaries during the year under review.

Distribution of Loans Disbursed N$' 000

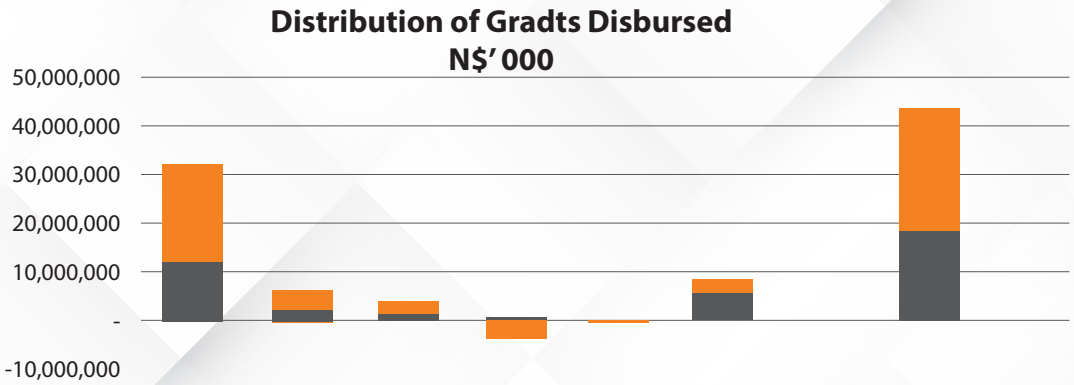


	UNAM	NUST	IUM	SADC	VTC	Foreign Student Loans	Post Graduates	Other	Covid Support	Total Loans
% Increase / Decrease	-10%	-6%	26%	42%	10%	-33%	9%	154%	100%	7%
2021/22	674,605	241,327	258,553	7,527,0	103,922	12,242	14,467	60,228	6,026	1,372,9
2022/23	609,517	226,221	325,110	10,699	114,471	8,147,1	15,733	153,286	-	1,463,1

3.1.3.2. GRANTS DISBURSED

The total grants disbursed declined by 21% to N$19 million compared to previous years' total grants disbursed of N$ 24 Million. Included in the previous years' grant expense is an amount of N$ 20.5 million for laptop subsidies and costs of N$1.1 million for the repatriation of students from Ukraine.

A significant decrease in the grants disbursed for UNAM, VTC, and IUM was observed among continuing students. This decrease is due to the last awarded grants being in 2017, as most students have since completed their studies.



	UNAM	NUST	IUM	VTC	Foreign Student Loans	Local Other	SADC	Total Grants
% Increase / Decrease	-43%	-51%	-40%	-118%	-37%	116%	100%	-21%
2021/22	20,094,88	3,192,769	1,319,290	-2,742,609	332,400	2,157,636	-	24,354,36
2022/23	11,382,09	1,570,968	788,960	485,324	209,700	4,667,661	21,538	19,126,24

The Fund administers the grants on behalf of the Ministry of Gender Equality, Poverty Eradication and Social Welfare. During the current year, the Fund received N$7.5 million in grants of which N$7.25 million was distributed to beneficiaries. These grants awarded are included in the total grant amounts reported above.

3.1.4. OPERATIONAL EXPENSES

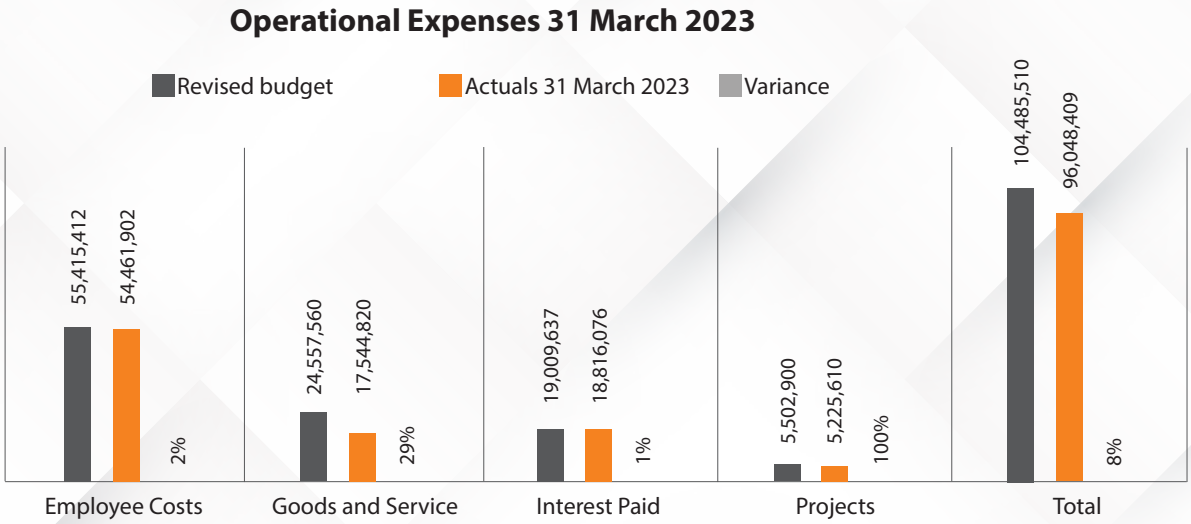
The Fund realised a positive variance against the budget for operational expenses, indicating an improvement in overall cost monitoring and control. Operational expenses consist of administrative expenses, goods and services procured, and finance costs. Variances noted on key operational cost items are outlined below:

i. Employee costs account for 53% of the operational budget. There was a 8% positive variance realised on employee costs. This was driven by the decision to freeze all vacant positions due to the impending reintegration of the Fund into the Ministry.

ii. Projects closed off with 100% spending on all planned projects during the year. There have been no delays in project implementation, resulting in proper project monitoring by the Fund.

iii. Procurement of goods and services closed off with a positive 29% variance. This is due to some goods and services not being procured during the year, non-replacement of assets, and minimal travelling by the Fund due to work commitments such as the recovery campaign, and implementation of the loan management system.

The graph below highlights the key operational expenses incurred during the year.



3.1.5. CREDIT LOSS MANAGEMENT

3.1.5.1. STUDENT LOANS

The student loans balance has increased in the current year to date with total disbursements of N$1,486 million, net recoveries of N$15,1 million, and a credit loss allowance of N$402 million.

The total credit loss allowance balance as at 31 March 2023 is N$7.9 billion, relating to matured non-paying debtors in the "blue book" (uncleaned loan book). Due to past challenges experienced by the Fund regarding a reliable loan book, the Fund still has a portion of its loan book (referred to as the "blue book") facing challenges with the completeness and accuracy of recorded debtor amounts, which affect the credit risk of these balances. This elevated credit risk is reflected in the credit loss allowance raised.

3.2 OPERATIONAL HIGHLIGHTS

3.2.1 FINANCIAL ASSISTANCE POLICY

The NSFAF is a government agency that provides financial assistance to Namibians, with a focus on developing human capital in priority fields of study that have a meaningful impact on national development, while addressing income inequality by giving preference to needy students. The NSFAF policy and procedures are designed to ensure that the funds are allocated fairly and efficiently, and that the recipients of the funds are able to use them to achieve their educational goals.

The NSFAF policy outlines the eligibility criteria for students who wish to apply for financial assistance. To be eligible, students must be Namibian citizens, enrolled in an accredited institution of higher education, and demonstrate financial need. The policy also outlines the types of financial assistance available, including loans, grants, and scholarships.

The NSFAF procedures provide detailed instructions for students who wish to apply for financial assistance. Students must complete an application form and provide supporting documentation, including individual or combined parental/spousal income, proof of registration, academic transcripts, amongst others. The procedures also outline the process for reviewing applications, awarding funds, and disbursing payments.

To ensure that the funds are used appropriately, the NSFAF policies and procedures also include guidelines for monitoring and evaluating the performance of the recipients. Recipients must maintain satisfactory academic performance and provide regular updates on their academic progress. NSFAF is also mandated to recover funds from debtors who have completed their studies or fail to meet their obligations.

Overall, policies and procedures are designed to ensure that Namibian students have access to the financial assistance they need to pursue higher education. By providing clear guidelines and procedures, the fund is able to allocate funds fairly and efficiently, and ensuring that the beneficiaries can use the funds to achieve their educational goals.

3.2.2 AWARD STATISTICS

During the year under review, the Fund continued to fulfill its objective by providing financial assistance to enable students to study or do research. Financial assistance was provided to students admitted at Institutions of Higher Learning and Vocational Education and Training.

The information provided below presents the awards statistics over a five-year period.

3.2.2.1 2022 AWARDS

During the 2022/2023 financial year, the Fund opened the application for financial assistance on the 18 January 2022 and closed it on 31 March 2022. The Fund experienced an increase in the number of applicants received, totalling 23,696. Seventy-two percent (72%), which is 17,109 of the applications received, were awarded financial assistance.

The table below compares the awards, with 99% going to students studying at local institutions and almost 1% for those studying outside the country.

Number of students awarded financial assistance at local and international institutions

Country	Number of awards	Total % of awards
Local	16,950	99.07%
SADC	101	0.59%
International	58	0.34%
Total	**17,109**	**100%**

3.2.2.2 OVERALL AWARDS

The data presented below provides information on financial assistance awarded to students over a five-year period. The number of students seeking financial assistance for their studies continues to grow. Over the five-year period, a total 70,246 students have benefited from the Fund.

The table below indicates that there has been an increase of 17.2% in new intakes awarded in 2022 compared to those awarded in 2021. Consistently, there are more students funded at the undergraduate level. Moreover, the number awarded at the vocational level continues to increase on an annual basis.

Total Awards (five-year statistics)

Academic Year	Vocational Education	Under-graduate	Postgraduate	Scholarships and Special Initiative	Grand Total	% Increase / decrease
2022	4,593	12,320	190	6	17,109	17.2%
2021	3,721	10,576	307	0	14,604	3%
2020	3,252	10,733	192	2	14,179	7.9%
2019	2,823	9,985	311	20	13,139	17%
2018	3,830	6,834	427	124	11,215	-27%
Grand Total	**18,220**	**50,451**	**1,427**	**152**	**70,246**	**18%**



3.2.2.3 AWARDS PER REGION

The table below presents statistics on the number of students awarded per region over the past five years, illustrating regional equity distribution. Overall, the Khomas Region has the highest number of students, while the Hardap Region has the lowest compared to the rest of the regions. These disparities align with the number of secondary schools and learners in each region.

Number of students awarded per region

Region	2018	2019	2020	2021	2022	TOTAL
Oshikoto	731	1,384	1,503	1,185	1,653	6,456
Oshana	1,081	1,893	1,883	1,633	2,069	8,559
Erongo	331	707	742	900	902	3,582
Otjozondjupa	169	498	575	603	795	2,640
Hardap	72	149	211	195	195	822
Zambezi	353	812	877	751	986	3,779
Kavango West	108	257	295	249	411	1,320
Kavango East	459	1,149	1,213	1,149	1,430	5,400
Omaheke	62	151	248	284	382	1,127
Ohangwena	820	1,599	1731	1,806	2,346	8,302
Omusati	886	2,073	2,142	1,852	2,171	9,124
//Kharas	135	300	390	344	385	1,554
Khomas	1,215	2,039	2,139	3,234	2,910	11,537
Kunene	58	117	219	419	468	1,281
VTC	3,830					3,830
Completed Grade 12 outside Namibia	5	11	11			27
Junior Diploma	349					349
Scholarships and Special Initiatives	124				6	130
Postgraduate	427					427
TOTAL	**11,215**	**13,139**	**14,179**	**14,604**	**17,109**	**70,246**

3.2.2.4 AWARDS PER FIELDS OF STUDY

Over the past five years (2018 to 2022), the field of Education, Training and Development has continued to attract the majority of students. Additionally, the increase in the number of students enrolled in vocational programmes has led to growth in both the fields of Business, Commerce and Management Studies, as well as Manufacturing, Engineering and Technology.

Number of undergraduates awarded per field of study at local IHLs

Field of Study	2018	2019	2020	2021	2022
Agriculture and Nature Conservation	338	221	315	300	347
Business, Commence and Management Studies	662	1,861	2,094	2,202	2,650
Communication Studies and Language	64	183	231	152	207
Culture and the Arts	80	7	240	17	174
Education, Training and Development	2,599	4,411	5,501	4,947	5,117
Health Sciences and Social Services	1,125	654	842	986	2,441
Human and Social Studies	809	389	112	467	479
Law, Military Science and Security	194	298	368	362	407
Manufacturing, Engineering and Technology	409	526	2,397	3,262	2,537

Physical Planning and Construction	55	41	677	297	1,325
Physical, Mathematical and Computer Sciences	412	1,134	785	1,117	1063
Services and Life Sciences	87	131	617	495	362
TOTAL #	**6,834**	**9,856**	**14,179**	**14,604**	**17,109**

2018 and 2019 excluded the numbers at postgraduate level as well as those awarded at the SADC and international institutions

3.2.2.5 BILATERAL OR MULTILATERAL SCHOLARSHIPS PER COUNTRY

Bilateral and Multilateral Scholarships are funding opportunities received from other governments, institutions, or organisations through bilateral/multilateral agreements, or initiated by the Fund to encourage students to pursue studies in various fields of study. Due to the COVID-19 pandemic which restricted travel, limited financial assistance was provided under this scheme.

Bilateral and multilateral scholarship awarded per country (2018 to 2022)

Year	China	Cuba	Hungary	Russia	Total
2022	0	0	6	0	6
2021	0	0	7	0	7
2020	0	0	2	0	2
2019	8	2	2	8	20
2018	8	2	0	0	10
TOTAL	**16**	**4**	**17**	**8**	**45**

3.2.3 STUDENT POPULATION

The demand for providing financial assistance to students at the various IHLs continues to grow over the years. During the period under review, the population of active beneficiaries stood at 41,130. This population consists of newly awarded students and active continuing students who have registered at the various IHLs for the academic year 2022 and were eligible for disbursements in the same period.

NSFAF student population over the past five years.

Year	2018	2019	2020	2021	2022
New Intakes	11,215	13,139	14,179	14,604	17,109
Continuing Students	22,890	21,371	21,881	23,651	24,021
Total Student Population	**34,105**	**34,510**	**36,060**	**38,255**	**41,130**

3.2.4 THE STUDENT WITH DISABILITY GRANT PROGRAMME

The UN Convention on the Rights of Persons with Disabilities calls for States to ensure equal access to primary and secondary education, tertiary education, vocational training, adult education and lifelong learning. Students with support needs are to receive appropriate support measures, and students who are visually impaired (blind), hearing impaired (deaf), and deaf-blind are to receive their education in the most appropriate modes of communication provided by teachers proficient in sign language and Braille. Education for people with disabilities must promote their participation in society, enhance their dignity and self- worth and foster the development of their personality, abilities, and creativity.

In fulfilment of the above, the Office of the Vice President, Department of Disability Affairs (OVP, DDA) and the NSFAF have agreed to establish and cooperate under a Student with Disability Grant's Programme (SWDGP), providing grants to eligible students to ensure access to tertiary and vocational training. The SWDGP was first piloted in the 2018/2019 financial year with a view to rolling it out in subsequent years.

The cooperation agreement entails that the DDA assesses the candidates eligible to receive funding and NSFAF assists with disbursements for the candidates' tuition fees, non-tuition fees, equipment, sign language interpretation, and any applicable agreed fees.

Since then, the DDA, which later merged into the Ministry of Gender, Equality, Poverty Eradication and Social Welfare (MoGEPESW) mobilised funds to support a Grant Scheme for students with disabilities, with the primary aim of mainstreaming disability into the economy.

The table below provides the statistics support provided to students in the various regions of Namibia from year 2019 to 2022.

SWDGP Awards per Region

Region	2019	2020	2021	2022	TOTAL
Oshikoto	4	6	9	12	31
Oshana	6	6	12	30	54
Erongo	2	4	5	5	16
Otjozondjupa	0	0	0	6	6
Hardap	1	2	2	2	7
Zambezi	2	6	7	9	24
Kavango West	2	7	9	12	30
Kavango East	7	6	12	15	40
Omaheke	1	1	3	5	10
Ohangwena	2	5	10	12	29
Omusati	8	9	9	11	37
//Kharas	0	1	0	1	2
Khomas	1	7	14	19	41
Kunene	1	5	6	10	22
TOTAL	**37**	**65**	**98**	**149**	**349**

3.3 SUSTAINABILITY

3.3.1 LOAN RECOVERY

Numerous factors influence the Fund's pursuit of sustainability; amongst them is the recovery of the money previously loaned to the beneficiaries. The recovery overview for the period under review is outlined in the next section.

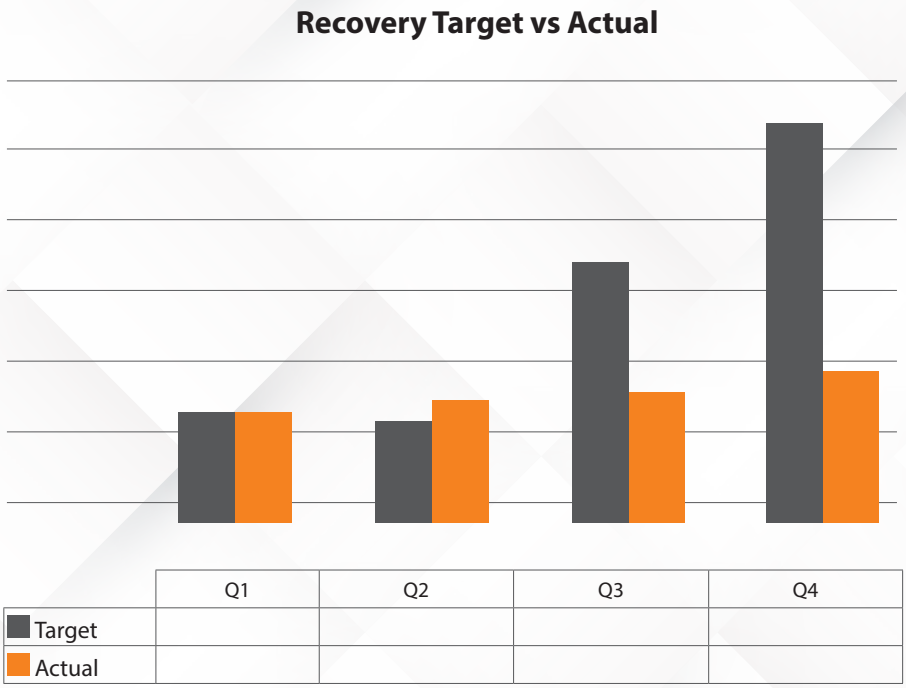
3.3.2 RECOVERY OVERVIEW

a) Amount recovered - 2022/2023 Financial Year

Around 01 April 2023, the Fund set an annual recovery target of N$25.3 million. However, at the end of the 2022/2023 financial year, the Fund only managed to recover N$15,131 million representing 60.5% of the recovery annual target. The net difference between the aforesaid amount and the amount previously recovered in the 2021/2022 financial year, which was N$10.115, is N$4.907 representing a 48.51% increase between the two financial years.

The annual recovery target was pursued by breaking it down into quarterly targets. In this regard, the Fund achieved its recovery target for quarter one by 100% and exceeded its second quarter recovery target by 119.7%. Meanwhile, it underperformed in terms of the third and fourth quarter targets, achieving only 50.3% and 38.2% respectively.

The graph below depicts the quarterly recovery target versus the quarterly recovered amount during the period under review.



However, despite a lower recovery in the fourth quarter of the 2022/2023 financial year, the average number of performing debtors has increased from 1,346 to 1,503, representing a 12% rise. Additionally, there was a 14.4% increase in the average number of active debtors who defaulted over the entire period under review.
The slowdown in economic growth, attributed to the economic recession experienced over the last three years, has resulted in a high unemployment rate, lower disposable income, and a higher cost of living in Namibia. These factors have significantly contributed to the challenges in achieving a higher recovery rate.

B) Implementation of Interest Amnesty
During period under review, His Excellency Dr. Hage Geingob, the President of the Republic of Namibia, announced a 12-month interest amnesty on all NSFAF debts, effective from 01 July 2022. The Fund implemented this interest amnesty through a high-level implementation modality approved by the Ministers of Higher Education, Training and Innovation, and Finance and Public Enterprises. As part of the amnesty, all historical interests were waived, and no interest was charged to any debtor during this period.

Although the 2022/2023 financial year witnessed a 48.51% increase in the recovered amounts compared to the previous financial year, this fell short of the anticipated recovery rate projected during the amnesty period. A significant portion of this increase can be attributed to the interest amnesty, In general, the Fund had anticipated a high turnover of recoveries due to the interest amnesty, but this did not materialise as expected.

C) Comprehensive Recovery Strategy
For the period under review the Fund had approved a comprehensive Recovery Strategy to guide its efforts in recovering outstanding debts. This Strategy includes various strategic initiatives aimed at improving the recovery rate and collection efficiency. These initiatives encompass blacklisting and pursuing litigation against defaulting debtors, implementing a loan management system and recovery tracing tools, employing tracing agents, promptly demanding repayments after the completion of studies or breach, improving the capability of the recovery team, exploring diverse repayment options, intensifying debt repayment awareness campaigns, and establishing partnerships with various stakeholders and employers to enhance the recovery rate.

The pursuit of some initiatives in the aforementioned Strategy contributed to maintaining the recovery rate as of 31 March 2023. However, it is important to note that blacklisting and litigation could only commence in February 2023, just two months before the end of the 2022/2023 financial year. In this short timeframe, approximately 351 defaulting debtors were successfully listed with the credit bureau (blacklisted) through Compuscan and were also handed over for litigation.

D) Recovery Landscape for the past five years

The table below depicts the amounts recovered in the past five financial years (from 2018/2019 to 2022/2023).

Year	Amount recovered (N$)	% increase / decrease	Active debtors	% increase/decrease in active debtors
2022/2023	15,131,450	48.51	1,503	26.73
2021/2022	10,115,297	134.32	1,186	119.63
2020/2021	4,316,930	15.97	540	1.89
2019/2020	3,627,619	13.90	530	-17.80
2018/2019	3,184,950	-23.40	646	-16.75

3.4 OPERATIONAL EXCELLENCE

3.4.1 ONLINE APPLICATIONS

The online application process has significantly improved the provision of financial assistance to Namibian students through the NSFAF. This platform has made it easier for students to access the loan application process from anywhere and at any time. The application process was streamlined by the Secretariat, ensuring efficiency for both the applicants and NSFAF application validation. As a result, transparency in the loan application process has been further enhanced, as applicants can track the progress of their applications and submit required documents online.





HUMAN RESOURCE MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

The year under review marked a transformative journey for the NSFAF. We firmly believe that our success is directly linked to the collective skills, knowledge and passion of our employees. As we strive for excellence in our operations the Human Capital division plays a pivotal role in ensuring that we attract, retain and develop the best talent. During the reporting period, NSFAF had a staff complement of 94 employees, with 61 being permanent staff members, 18 on fixed-term contracts, and 15 employed on a project basis.

4.2 KEY ACHIEVEMENTS

Several milestones have been achieved during the year, and some of our key achievements are reported in this section.

4.2.1 LEARNING AND GROWTH

During the year under review, our training efforts were driven by specific goals aligned with our strategic objectives. The table below provides an overview of the training initiatives encompassing various areas including leadership development, technical proficiency, and soft skills enhancement.

Training Initiative	Number of participants
Public Procurement Training	1
Sage 300 People Training Services	1
Leadership Development Programme	1
Executive Development Programme	1
Senior Management Development Programme	4
Debt Collection, Recovery, Negotiation and Credit Control Training	8
Certified Information Security Manager Training	1
Emotional Intelligence Training	7
Project Management Training	2
Public Speaking Presentation	3
Internal Auditors Conference	1
Employee Social Support / Counselling Intervention	2
Cyber Security Ethical Hacking Training	1
Total number of participants	**33**

As a demonstration of our dedication to employee development, we have allocated N$445,406.45 from our annual budget to training and development initiatives . In addition to staff development, the Fund also granted interest-free study loans to 29 staff members to cover tuition fees for fields of study directly related to their current job responsibilities and career progression.

The total amount invested in staff development programmes for the year under review was N$83,6109.39 .

4.2.2. INTERNAL PROCESS

In our pursuit of excellence and commitment to maintaining the highest governance standards, we have initiated policy reviews. These reviews are essential to ensure that we remain responsive to the changing business landscape, evolving regulations and industry best practices. To ensure inclusivity and the effectiveness of our policy review process, we actively sought input from various stakeholders. Policies that have been reviewed and approved by the Board are reported on in the Board Chairperson's Report.

4.3 FUTURE HUMAN CAPITAL INTERVENTIONS

As we reflect on the year under review, we remain committed to driving positive change and fostering an even more engaging and supportive work environment. In the upcoming year, we have planned several HR interventions that align with our strategic objectives. These interventions will further enhance our organisation's human capital management and employee experience.

Below are some of the future HR interventions we are excited to introduce:

- Implementation of training programmes in line with the training calendar.
- Employee survey and feedback mechanisms.
- Employee recognition programme.
- Implementation of change management programme.
- Implementation of employee engagement initiatives.





CORPORATE SERVICES

PART E: CORPORATE SERVICES

5.1 STAKEHOLDER ENGAGEMENT

During the period under review, the division implemented the Corporate Stakeholder Engagement Plan, a comprehensive tool for internal and external engagement activities of the Fund. These activities included meetings with student representative councils, student associations, various Institute of Higher Learning at corporate and student levels, as well as Offices, Ministries and Agencies (O/M/As). Additionally, the department continued to implement an educational outreach programme focused on increasing awareness, exposure and public knowledge about the Fund's products and services. This programme also provided opportunities for potential beneficiaries to apply for financial assistance.

The Fund continued to disseminate information to the public through various channels, including selected career fairs, trade fairs/exhibitions and consultations with O/M/As. Information sharing took place through emails, short message services, social media platforms, the website, television, and radio. The NSFAF website, with its student portal, played an important role in interacting with students, and social media platforms such as Facebook and Twitter provided access to information to a wide range of stakeholders. In addition, several media engagement initiatives included press releases and intensive recovery campaigns, which included raising awareness about the amnesty on waiving interest changed on loans.

Significant efforts were made to enhance and build strong and beneficial relationships with beneficiaries and stakeholders. This was demonstrated through the signing of Memorandums of Understating (MOUs) with IHLs and other agencies in line with the Fund's mandate. Much attention was directed towards maintaining sector stability, rebuilding relationships across the sector, and rebuilding trust in and improving the perception of the Fund's reputationin line with its mandate.

During the review period, the Fund conducted a satisfaction survey focused on potential, current and previously funded students . The survey resulted in a stakeholder satisfaction index rating of **82.34%**, surpassing the **70%** target set for the 2021/2022 financial year (with a baseline of 85%). The consistency of the index can be attributed to the establishment of a call centre, which is still in the process of being supported by the necessary systems and processes to guide customer service standards. Reputation management remains crucial in our business model for establishing the institutional brand personality.
In the future, the Fund intends to further enhance its focus on the customer orientation model and strategies to improve the satisfaction index rating scores, aiming to reach up to 100% of its envisioned target.

5.2 CUSTOMER SERVICES CENTRE

The Student Care Centre team attended to a total of 28,757 walk-in enquiries. On the Omnichannel, out of the 69, 900 enquiries received, the team managed to attend to and resolve 50,400 cases, with over 4,000 cases remaining active.

In terms of administrative duties, the team attended to 2,376 activities, which included 664 changes of award condition request/reviews, drafting 1,331 reactivation and confirmation letters, facilitating 275 payments, and processing 24 flight ticket requests. Additionally, the team processed 34 refund letters and 48 cancellation letters.

The implementation of an Omnichannel Contact Center System has brought a customer-centric approach to NSFAF, providing flexible communications without restricting our customers to one channel. This allows NSFAF to respond quickly to users' requests, complaints, and suggestions, providing a seamless, all-in-one contact centre solution and a superior customer experience.

This approach also provides better customer insight, as we can collect and unify customer data from disparate channels and measure the contribution of each channel to our overall goals. This allows us to identify areas that need improvement and take advantage of what is working well.

5.2.1. IMPLEMENTATION MILESTONE

With the implementation of the solution to date, a total number of 128,000 queries were received and channeled through the Omnichannel, of which 84,000 were successfully attended to, this. This represents an overall case resolution rate of 66%.

5.2.2. SERVICES CLOSER TO STUDENTS INITIATIVE

Students are now being able to receive assistance at UNAM, NUST and IUM. This initiative aims to bring our services closer to students. Discussions are at an advanced stage to engage other IHLs with the view of further expanding our services to students.

5.2.3. INTRODUCTION OF THE IVR AND RELATED IMPROVEMENTS

With the introduction of the Omnichannel, there was a need for the NSFAF to improve the handling of incoming calls and internal calls. We therefore introduced the IVR system to Improve data analytics, increase first contact resolution, enhance efficiency, and ultimately improve the customer experience. This will enable us to accurately measure customer satisfaction levels



CORPORATE SERVICES

PART F: INFORMATION AND TECHNOLOGY

6.1 INTRODUCTION

Information Technology (IT) initiatives at the Fund play a crucial role in NSFAF's operations, as they enable the Fund to efficiently manage its financing efforts and provide timely and accurate information to students and stakeholders.

6.2 INFORMATION TECHNOLOGY GOVERNANCE

Information Technology (IT) Governance refers to the set of policies, procedures, and practices that ensure the effective and efficient use of IT resources at NSFAF. It also ensures that the Fund's IT systems and processes are aligned with its strategic objectives and that the IT risks are managed effectively. During the year under review, the Fund made further investments towards improvements in IT to enhance organisational value and mitigate IT risks.

6.3 IMPLEMENTATION AND ENHANCEMENT OF INFORMATION TECHNOLOGY SYSTEMS

6.3.1 LOAN MANAGEMENT SYSTEM

Following the implementation of the payment module in the 2021/2022 financial year, the Fund has now completed the implementation of the recovery module during the period under review. This includes the migration process of debtors' records to the system for the establishment of the loan book. Moreover, the full implementation enables efficiency in payments and loan repayments, bank reconciliation, and interest calculations.

6.3.2 STUDENTS MANAGEMENT INFORMATION SYSTEM

The Fund continued to enhance the Students Management Information System (MIS) to improve the processes of application, validation and selection. The Student MIS enables online application, validation, generation of award letters and contracts, and the application status of the applicants.

6.3.3 ELECTRONIC DOCUMENT AND RECORDS MANAGEMENT SYSTEM

The Fund furthermore implemented the electronic document management system that aims to digitise all 140,000 physical student files in the Fund's possession since its inception. The document management system provides a centralised storage that enables efficient file sharing and collaboration. In addition, it enables the Fund to track and search documents efficiently. The scanning and indexing are continuing, with completion expected in the 2023/2024 financial year.

6.3.4 CYBERSECURITY

The Fund considers cybersecurity a vital control in protecting systems, networks, programmes, devices and data from cyber-attacks to achieve its information security confidentiality, integrity and availability. A Vulnerability Assessment and Penetration Testing was conducted, which recommended the development and implementation of the Cybersecurity Strategy, the implementation of the Cybersecurity Framework, the implementation of these user awareness programmes and other cybersecurity recommendations to protect the ICT Infrastructure and ICT users from internal and external threats. These recommendations will be implemented in the 2023/2024 financial year.





PART G: FINANCIAL INFORMATION



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2022 AND 2023



2022/2023 ANNUAL REPORT

DISCLAIMER ON THE FINANCIAL STATEMENTS INCLUDED IN THIS ANNUAL REPORT

PLEASE NOTE THAT THE ANNUAL FINANCIAL STATEMENTS ARE FOR THE FINANCIAL YEARS ENDING 31 MARCH 2022 AND 31 MARCH 2023 IN A COMBINED FORMAT. THE RELEVANT FINANCIAL INFORMATION FOR THIS ANNUAL REPORT IS FOR THE YEAR ENDED 31 MARCH 2023.

REPUBLIC OF NAMIBIA

TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibia Students Financial Assistance Fund for the financial years ended 31 March 2022 and 2023 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991(Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, April 2024

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND FOR THE FINANCIAL YEARS ENDED 31 MARCH 2022 AND 2023

1. QUALIFIED AUDIT OPINION

I have audited the financial statements of the Namibia Students Financial Assistance Fund for the financial years ended 31 March 2022 and 2023. These financial statement comprise the statement of financial position, statement of financial performance, statement of changes in equity, statement of cash flow for the years then ended, and a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Audit Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Namibia Students Financial Assistance Fund for the financial years ended 31 March 2022 and 2023 and its financial performance and their cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR QUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the audit report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to the audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. The Qualified Audit Opinion is expressed due to the following:

2.1 LOAN BOOK NOT AMORTIZED

In terms of IPSAS 41, paragraph 40 states that a financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) The financial asset held within business model which whose objective is to hold financial assets in order to collect contractual cash flow; and

(b) The contractual terms of the financial asset is to give rise on specific dates to the cash flows that are solely payments of principal and interest on the principal amounting outstanding.

The auditors noted that the funds loan book is not amortized during the financial period 2022 and 2023 under review. Recoveries earned were not allocated to the individual student loan balances in the loan book.
The recommendation was only being implemented from 1st July 2023, after amnesty was lifted

It is recommended that the Fund ensures that matured student loans are amortized properly to ensure that the loan book is properly presented and disclosed on the financial statements.

2.2 LOAN BOOK - EXCEL INVOICES FROM TERTIARY INSTITUTIONS

The auditors noted that NSFAF made a total payment amounting to N$ 241 327 788 (2022) and N$ 226 221 332 (2023) awarded to Namibia University of Science and Technology (NUST) using Excel invoices to settle student accounts. Auditors could not ascertain the completeness of the payments made to the local Tertiary institutions, as the student funding's are not supported by valid source documentation.

The auditors' recommendation from prior financial audit period was only implemented during the August 2022.

There is a high risk of management override of controls, as the data captured on the Excel invoice received can easily be manipulated. The lack of an audit trail may lead to potential risk for payment to fictitious students. It is recommended that the Fund should ensure that the respective tertiary institutions provide valid invoices for student payments.

Upon receipt of invoices from the various institutions, the listing of students should be verified against the award listing.

- An independent reconciliation should be performed at the Payments departments
- The first senior official should do the first review.
- The Payment manager should do the second review.
- The Head of the payment department should do the final approval.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming an audit opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters identified in respective of the financial statement for Namibia Students Financial Assistance Fund.

4. OTHER MATTERS

Attention is drawn on the following matter(s) that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the (NSFAF) in the financial statements. My opinion is not modified in respect of this matter. I am required to report that fact.

4.1 LOW REPAYMENT OF LOANS

The auditors noted that borrowers have not come forth to declare that they had ended their studies, had no job or income, and did not receive any form of government assistance. In the auditors view, the fund have done a little to enforce that recoveries department take appropriate measures to safeguard the integrity of the repayment plan

Despite the efforts made by the Fund to enforce repayment, they still experience low recovery from beneficiaries.

To maximize repayment of student loans or prompt borrowers to be more diligent about repaying their student debt.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (COMPLIANCE)

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 22 of the Public Enterprise Governance Act, 2019.

6. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legislation, and for such internal control as management deems it 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, management is responsible for assessing the Entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

7. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, 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 the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I 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 my 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 controls;

- 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 Entity's internal control;

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's 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 Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention to it in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Funds 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;

- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit;

- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards; and

- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SECTION B: AUDIT OF KEY PERFORMANCE INFORMATION

I conducted an audit on the performance information of the Namibia Students Financial Assistance Fund for the strategic periods 2023, consecutively with the audit of financial statements for the years ended 31 March 2023

DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND SCOPE

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable the Fund to achieve success in fulfilling its mandate and provide improvements in service delivery to the public.

The scoping of the key performance indicators was performed by looking at the high-level statements, which are indicated in the mandate of the Fund as provided for in its' Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide assurance whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the Fund to inform the Parliament, the public and other stakeholders about its strategic priorities, programs and projects.

AUDIT CRITERIA

The audit was mainly concentrated on two (2) criteria, namely:

Usefulness of reported performance information in terms of measurability and relevancy of indicators, as well as consistency of use of indicators throughout the period under review; and
Reliability of reported performance information in terms of whether the actual reported performance did occur and was reported accurately.

SUMMARY OF METHODS APPLIED

I reviewed the strategic plans for the strategic periods 2023 and comprised documentation review and interviews with senior and top management.

8. CONCLUSION ON SUBJECT MATTER

Due to limitation of scope on work done and results obtained I have not been able to obtain sufficient appropriate evidence to form a conclusion on the Key Performance Information of the Fund. Accordingly, I do not express a conclusion

9. ACKNOWLEDGEMENTS

The assistance and co-operation by the staff of the Namibia Students Financial Assistance Fund during the audit is appreciated.

WINDHOEK, April 2024

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Notes	2023	2022	2021
		N$	N$	N$
ASSETS				
Non-current assets		**4 360 583 282**	**3 278 682 392**	**5 447 491 735**
Property, plant and equipment	6	126 790 747	131 717 739	136 575 812
Financial Asset - Student Loans	8	4 233 792 535	3 146 964 653	5 310 915 923
Current assets		**78 928 265**	**90 926 072**	**91 639 748**
Cash and cash equivalents	13	49 865 635	44 077 659	76 059 034
Prepayments	7	1 588 829	1 919 153	347 021
Inventories	14	-	20 975 699	2 037 915
Loans to directors, managers and employees	15	1 415 881	1 282 221	1 329 508
Other receivables	8	26 057 920	22 671 340	11 866 270
Total assets		**4 439 511 547**	**3 369 608 464**	**5 539 131 483**
EQUITY AND LIABILITIES				
Equity		**4 188 825 510**	**3 075 972 559**	**5 367 471 319**
Accumulated surplus		4 188 825 510	3 075 972 559	5 367 471 319
Current Liabilities		**250 686 038**	**293 635 905**	**171 660 164**
Payables under exchange transactions		3 866 049	5 368 473	5 437 312
Provisions for Legal Fees	9	-	-	9 775 360
Payables under non-exchange transactions	10	8 501 995	48 995 416	41 541 444
Unspent conditional grants and receipts	11	887 078	3 576 554	3 637 336
Bank Loan Facility		237 430 916	235 695 462	111 268 712
Total Equity and Liabilities		**4 439 511 547**	**3 369 608 464**	**5 539 131 483**

ANNEXURE B

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 31 MARCH

	Notes	2023	2022	2021
		N$	N$	N$
Revenue				
Revenue from non-exchange transactions				
Transfer revenue		**1 592 191 476**	**1 370 060 782**	**1 230 898 465**
Transfers from government – treasury	2	1 585 602 000	1 366 000 000	1 223 679 000
Other transfer revenue - Disability Grant		6 589 476	4 060 782	2 893 085
Recoveries of Legacy Loans		-	-	4 326 380
Revenue from exchange transactions		**26 544 391**	**12 633 215**	**4 172 410**
Sale of goods	2	21 841 655	9 659 340	-
Sundry Income		153 366	41 552	210 000
Interest received – investment	2	4 003 826	2 932 323	3 962 410
Operating lease income		545 544	-	-
Total revenue		**1 618 735 867**	**1 382 693 997**	**1 235 070 875**
Expenses				
Interest paid		(18 816 075)	(13 906 250)	(1 197 146)
Depreciation expense		(5 722 018)	(5 614 298)	(6 014 334)
Impairment on Financial Asset	3	(397 677 410)	(651 237 774)	(123 512 145)
Impairment on Non-Current Assets	3	-	-	(93 816 410)
Employee costs	4	(52 656 707)	(50 753 849)	(46 614 427)
Fund Sitting Fees		(739 440)	(901 558)	(941 584)
Administrative expenses	5	(20 384 550)	(19 259 503)	(15 756 879)
Repairs and maintenance		(357 164)	(279 486)	(354 910)
Auditors remuneration		(561 301)	(328 602)	(40 250)
Student Grants		(40 799 551)	(34 162 906)	(160 955 538)
Student laptops subsidised		-	(29 520 886)	(9 660 000)
Total expenses		**(537 714 216)**	**(805 965 112)**	**(458 863 623)**
Surplus for the year		**1 081 021 651**	**576 728 885**	**776 207 252**

ANNEXURE C

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Accumulated Surplus	Total Equity
	N$	N$
Balance at 1 April 2021	**5 367 471 319**	**5 367 471 319**
Changes in net assets/equity		
Correction of error (note 1)	(2 868 227 645)	(2 868 227 645)
Surplus for the year	576 728 885	576 728 885
Total changes	(2 291 498 760)	(2 291 498 760)
Balance at 1 April 2022	**3 075 972 559**	**3 075 972 559**
Changes in net assets/equity		
Correction of error (note 1)	31 831 300	31 831 300
Surplus for the year	1 081 021 651	1 081 021 651
Total changes	1 112 852 951	1 112 852 951
Balance at 31 March 2023	**4 188 825 510**	**4 188 825 510**

ANNEXURE D

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
CASH FLOWS STATEMENT FOR THE YEARS ENDED 31 MARCH

	Notes	2023	2022	2021
		N$	N$	N$
Cash flows from operating activities				
Receipts		**1 605 332 360**	**1 380 156 849**	**1 231 108 466**
Government grants and subsidies	2	1 585 602 000	1 366 000 000	1 223 679 000
Grants – Disability		3 900 000	4 000 000	2 893 086
Recoveries from previously impaired loans		15 131 450	10 115 297	4 326 380
Other Income		698 910	41 552	210 000
Payments		**(1 583 929 708)**	**(1 524 820 900)**	**(1 434 822 489)**
For Student Awards		(1 506 850 273)	(1 447 423 433)	(1 346 982 084)
Suppliers and employees		(77 079 435)	(77 397 467)	(87 840 405)
Net cash flows from operating activities	12	**21 402 652**	**(144 664 051)**	**(203 714 023)**
Cash flows from investing activities				
Purchases of property, plant and equipment	6	(802 425)	(756 225)	(363 524)
Interest Income		4 003 826	2 932 323	3 962 410
Net cash flow from investing activities		**3 201 401**	**2 176 098**	**3 598 886**
Cash flow from financing activities				
Movement in bank loan facilities		(18 816 077)	110 506 578	111 268 712
Net cash flow from financing activities		**(18 816 077)**	**110 506 578**	**111 268 712**
Net increase/(decrease) in cash and cash equivalents		5 787 976	(31 981 375)	(88 846 425)
Cash and cash equivalents at the beginning of the year		44 077 659	76 059 034	164 905 459
Cash and cash equivalents at the end of the year	13	**49 865 635**	**44 077 659**	**76 059 034**

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Performance difference	Variance	Notes
	N$	N$	N$	N$	N$	%	
Revenue from non-exchange transactions							
Transfers from treasury – MHETI	1 554 602 000	31 000 000	1 585 602 000	1 585 602 000	-	-	
Other Transfers - MOGE	-	7 476 554	7 476 554	6 589 476	887 078	13%	
Recoveries from previously impaired loans	27 600 000	-	27 600 000	14 720 000	12 880 000	88%	17
Total revenue	**1 582 202 000**	**38 476 554**	**1 620 678 554**	**1 606 911 476**	**13 767 078**	1%	
Expenditure							
Student Funding Expenses	1 478 316 491	48 784 320	1 527 100 811	1 528 537 701	(1 436 890)	0%	
Employee costs	59 280 000	(4 553 000)	54 727 000	54 627 286	99 714	0%	
Staff related costs	3 216 612	(121 200)	3 095 412	1 773 614	1 321 798	75%	
Subscriptions	6 748 300	(1 133 907)	5 614 393	5 578 742	35 651	1%	
Bank Charges	1 100 000	-	1 100 000	688 856	411 144	60%	
S & T Secretariat	625 000	-	625 000	574 084	50 916	9%	
Utilities	1 346 000	310 000	1 656 000	1 514 193	141 807	9%	
Advertising and Promotions	1 650 160	(311 093)	1 339 067	794 002	545 065	69%	17
Internal Audit	300 000	-	300 000	-	300 000	0%	

ANNEXURE E

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Budget on Cash Basis (continued)

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Performance difference	Variance	Notes
	N$	N$	N$	N$	N$	%	
Expenditure (continued)							
Telephone Expenses	700 000	-	700 000	706 842	(6 842)	(0)	
Other Goods and Services	2 039 000	(867 000)	952 000	973 570	(21 570)	(0)	
Projects and Services	5 667 000	(164 100)	5 502 900	5 225 610	277 290	5%	
Office Equipment	150 000	-	150 000	47 239	102 761	218%	
Computer Equipment	750 000	-	750 000	755 186	(5 186)	(0)	
Legal Fees	3 600 000	-	3 600 000	1 618 950	1 981 050	122%	17
Fund Sitting and Related Fees	1 580 000	-	1 580 000	961 215	618 785	64%	
Consulting fees	635 000	-	635 000	161 497	473 503	293%	17
Printing and Stationery	2 050 000	(1 375 000)	675 000	664 126	10 874	2%	
Repairs and Maintenance	1 184 000	(200 000)	984 000	561 301	422 699	75%	
Security Costs	560 000	-	560 000	348 274	211 726	61%	
General Expenses	25 000	-	25 000	19 193	5 807	30%	
Insurance	1 250 000	(650 000)	600 000	420 927	179 073	43%	
Office refreshments	116 000	25 000	141 000	144 360	(3 360)	(0)	
Trade fairs	-	164 100	164 100	87 296	76 804	88%	
Interest paid	21 600 000	2 590 363	19 009 637	18 816 075	193 562	1%	
Total expenditure	**1 594 488 563**	**42 498 483**	**1 631 586 320**	**1 625 600 139**	**5 986 181**		
Deficit	**(12 286 563)**	**(4 021 929)**	**(10 907 766)**	**(18 688 663)**	**7 780 897**		

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2022 AND 2023

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards IPSAS's, issued by the International Public Sector Accounting Standards Fund. The entity adopted the accrual basis International Public Sector Accounting Standards IPSAS's on 01/04/2021, having previously prepared its annual financial statements on the IFRS for SME's.

IPSAS 33, 'First-time adoption of Accrual Basis International Public Sector Accounting Standards IPSAS's, allows a first-time adopter a period of up to three years to recognize and/or measure certain assets and/or liabilities.
In its transition to accrual basis IPSAS's, the entity took advantage of these transitional exemptions. As a result, it is unable to make and explicit an unreserved statement of compliance with accrual basis IPSAS's in preparing its transitional IPSAS financial statements for this reporting period. Certain disclosures and reconciliations are required to provide sufficient and relevant information.
The entity intends to fully comply with IPSAS's on 31/03/2024.
During this transition period, the annual financial statements will be known as 'First Transitional IPSAS Annual Financial Statements'.

1.1 Presentation currency

These annual financial statements are presented in Namibian Dollar, which is the functional currency of the entity.

1.2 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

1.2 Revenue from non-exchange transactions (continued)

Recognition of Government Grants

Revenue from non-exchange transactions with other government entities is measured at fair value and recognised on obtaining control of the asset (cash) if the transfer is free from conditions and it is probable that the economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, a grant liability is recognised instead of revenue.

1.3 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. The amount of revenue can be measured reliably;

It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;

The stage of completion of the transaction at the reporting date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest Income

Revenue arising from the use by others of entity assets yielding interest or similar distributions is recognised when:

It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably. Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

1.4 Property, plant and equipment (continued)

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

1.5 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
(a) the period of time over which an asset is expected to be used by the entity; or
(b) the number of production or similar units expected to be obtained from the asset by the entity.

Transitional provision
The amendments to IPSAS 21 (2016) shall be applied prospectively from the date of their application.

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').

It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors. It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses.

1.6 Financial instruments (continued)

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of IPSAS on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts.

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

Cash;

A residual interest of another entity; or a contractual right to:

Receive cash or another financial asset from another entity; or exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

A financial liability is any liability that is a contractual obligation to:

Deliver cash or another financial asset to another entity; or exchange financial assets or financial liabilities under conditions that are potentially unfavorable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and another price risk.

1.6 Financial instruments (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

Equity instruments or similar forms of unitised capital;

A formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or

A formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:"
The entity designates at fair value at initial recognition; or are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

1.7 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs at their fair value as at the date of acquisition. Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.8 Provisions and contingencies

Provisions are recognised when:

The entity has a present obligation as a result of a past event;

It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

1.9 Translation of foreign currencies, Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

1.10 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

1.10 Related parties (continued)

A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favorable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

1.11 Budget information

The annual budget is prepared on the accrual basis; that is, all planned costs and income are presented in a single statement to determine the needs of the fund.

As a result of the adoption of the accrual basis for budgeting purposed, there are no basis or timing differences that would require a reconciliation between the actual comparable amounts, and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line material items. The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2022 to 31/03/2023.

1.11 Budget information (continued)

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

1.12 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include: In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures.

Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant judgments include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 19 - Provisions.

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.13 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.15 Transitional exemptions and provisions

As the entity adopted the accrual basis IPSAS's for the first time on Thursday, 1 April 2021 and is making use of the transitional exemptions, details regarding the progress in fully adopting the accrual basis IPSAS's, are stated below.

Affecting fair presentation transitional exemptions utilised;

Transitional exemptions and provisions utilised that affect fair presentation and compliance with accrual basis IPSAS's in relation to assets, liabilities, revenue and/or expenses:

IPSAS 28: Financial Instrument: Presentation
IPSAS 29: Financial Instruments: Recognition and Measurement
IPSAS 30: Financial Instruments: Disclosure
IPSAS 41: Financial Instruments

The Fund has had an audit finding for the past seven (7) 2013 - 2021 years to which the Auditors were unable to establish the valuation of the loan book, which The financial asset (student debtors), resulted in the amortized cost of the financial asset is not fully compliant with the requirements of IPSAS.

The following highlights the work to be made towards recognizing, measuring, presenting and/or disclosing assets, liabilities revenue and/or expenses in accordance with the requirements of the applicable IPSAS, are as following;

1.15 Transitional exemptions and provisions (continued)

The entity intends to comply in full with the requirements of the applicable IPSAS on 31 March 2024. This will be achieved as follow.

Loan book valuation	Progress to be made	Year End
Loan Management System	The fund is implementing a loan management system. The (LMS) will assist to automate every stage of the student loan cycle, from application, closing and repayment of recoveries.	31 March 2023
Impairment – expected credit losses (ECL)	The fund will develop a comprehensive student debt management guidelines and procedures, which clearly indicates all the possible default events over the expected life of the financial asset.	31 March 2023
Matured and unmatured loan split	The fund to split the financial asset between matured loans and unmatured loans.	31 March 2024
Amortized cost	Upon full implementation of the activities listed below the fund will be able to value the loan at amortised cost = Initial amount less principal repayments plus or minus interest income (effective interest rate method) plus or minus loss allowances.	31 March 2024

All other assets, besides the financial asset mentioned above, have been measured, recognised and disclosed in accordance with the requirements of the applicable IPSAS.

1.16 Prior period error

Since the secretariat became independent, loans disbursed since 1997 - 2013 were not included in the Opening balances, on the financial statements. The process of re-instating the loans disbursed since the said period into the financial statements is ongoing, as data is verified to ensure accurate and complete records. The effect of the prior period error on the financial statements is summarized below:

	2023 N$	2022 N$
Increase or (decrease) in gross debtors	31 831 302	3 759 349 645
Increase in ECL allowance		(6 633 660 460)
Increase or (decrease) in equity	**31 831 302**	**(2 874 310 815)**

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2022 AND 2023

	2023	2022	2021
	N$	N$	N$
2. Revenue			
Sale of goods	21 841 655	9 659 340	-
Other income - Leasing of property	698 910	41 552	210 000
Interest received – investment	4 003 826	2 932 323	3 962 410
Transfers from treasury	1 585 602 000	1 366 000 000	1 223 679 000
Transfers from MOGE- Disability Grant	6 589 476	4 060 782	2 893 085
Revenue from previously impaired loans	-	-	4 326 380
	1 618 735 867	**1 382 693 997**	**1 235 070 875**
The amount included in revenue arising from exchanges of goods or services are as follows:			
Sale of goods	21 841 655	9 614 340	-
Sundry Income	698 910	41 552	210 000
Interest received - investment	4 003 826	2 932 323	3 962 410
3. Impairment of Financial Assets – Student loans			
ECL Allowance on student loans	397 677 410	651 237 774	123 512 145
Impairment on non – current assets	-	-	93 816 410
	397 677 410	**651 237 774**	**217 328 555**
4. Employee cost			
Employee related costs - Salaries	44 832 100	42 580 124	39 071 343
Employee related costs – Contributions to pensions and medical aids	6 942 817	7 385 396	7 230 231
Overtime payments	881 790	788 329	312 853
	52 656 707	**50 753 849**	**46 614 427**

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2022 AND 2023

5. Administrative Expenses

	2023	2022	2021
	N$	N$	N$
Advertising	474 002	756 954	1 441 459
Bank charges	688 856	480 438	926 246
Cleaning	462 120	583 370	460 755
Computer expenses	13 644	1 998 294	40 002
Consulting and professional fees	161 497	274 828	525 433
Consumables	2 673	4 168	1 489
Entertainment	213 411	37 846	269 639
Insurance	420 927	1 095 632	304 005
Lease rentals on operating lease	116 438	201 132	-
Legal Fees	1 618 950	3 116 269	2 810 741
Motor vehicle expenses	138 460	100 365	65 415
Postage and courier	222 695	51 060	19 506
Printing and stationery	664 128	740 911	1 230 414
Project maintenance costs	5 225 610	2 894 974	2 816 082
Penalties and Fines	3 444	-	-
Recovery Campaign	320 000	-	-
Security (Guarding of property)	348 274	327 728	315 106
Subscriptions and membership fees	5 578 742	3 256 548	2 247 517
Telephone and fax	1 181 019	1 155 084	1 026 205
Office Refreshments	144 360	78 198	19 539
General Expenses	19 193	31 425	7 684
Electricity and Water Municipal charges	935 635	589 333	451 895
Fund Other expenses	221 775	80 397	187 169
Trade Fairs	87 296	9 000	-60
Workshops and Conferences	-	120 688	13 390
Staff Welfare	112 631	112 135	40 312
Team building and year end expenses	149 024	184 889	62 776
S&T Secretariat	574 084	171 089	48 836
Staff Training	513 111	736 075	425 324
Sundry expenses	(614 998)	-	-
HR Recruitment	40 528	70 673	-
Unpaid rental deposits	347 021	-	-
	20 384 550	**19 259 503**	**15 756 879**

ANNEXURE E

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (Continued)

	2023			2022		
	N$			N$		
6. Property, plant and equipment						
	Cost / Valuation	**Accumulate depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulate depreciation**	**Carrying value**
Buildings	230 904 553	(107 319 850)	123 584 703	230 904 553	(102 812 201)	128 092 352
Furniture and fixtures	7 551 422	(5 796 926)	1 754 497	7 504 183	(4 971 400)	2 532 783
Motor vehicles	1 255 155	(1 255 155)	-	1 255 155	(1 255 155)	-
Office equipment	2 516 210	(2 464 125)	52 085	2 516 210	(2 442 268)	73 942
IT equipment	5 639 946	(4 240 484)	1 399 462	4 892 159	(3 873 497)	1 018 662
	247 867 286	**(121 076 540)**	**126 790 747**	**247 072 260**	**(115 354 521)**	**131 717 739**

Details of property

A register containing the information required by regulation 25(3) is available for inspection at the registered office of the fund.

Details of Property Valuation

The building was valued by the Valuator General Rudolf! Nanuseb, based on the income approach value, based on an active market of comparable office rental space within the Central Business District and Klein Windhoek areas. The most recent valuation was performed in September 2020.
An impairment loss amounting to N$ 93 816 410 was recognised on 31 March 2021 in respect of the building. The recoverable amount is based on Value in use, using the capitalization rate in perpetuity of 9%.

6. Property, plant and equipment (continued)

Reconciliation of Property, plant and equipment -2023

	Opening	Additions	Disposals	Depreciation	Total
Buildings	128 092 351	-	-	(4 507 648)	123 584 703
Furniture and fixtures	2 532 784	47 239	-	(825 527)	1 754 496
Office equipment	73 942	-	-	(21 856)	52 086
IT equipment	1 018 662	755 186	(7 399)	(366 987)	1 399 462
	131 717 739	**802 425**	**(7 399)**	**(5 722 018)**	**126 790 747**

Reconciliation of Property, plant and equipment -2022

	Opening	Additions	Disposals	Depreciation	Total
Buildings	132 600 000	-	-	(4 507 649)	128 092 351
Furniture and fixtures	3 362 317	42 680	-	(872 213)	2 532 784
Office equipment	29 077	74 865	-	(30 000)	73 942
IT equipment	584 418	638 680	-	(204 436)	1 018 662
	136 575 812	**756 225**	**-**	**(5 614 298)**	**131 717 739**

Reconciliation of Property, plant and equipment -2021

	Opening	Additions	Impairment loss	Depreciation	Total
Buildings	230 604 321	300 232	(93 816 410)	(4 488 143)	132 600 000
Furniture and fixtures	4 329 081	-	-	(966 764)	3 362 317
Motor vehicles	73 025	-	-	(73 025)	-
Office equipment	196 854	18 714	-	(186 491)	29 077
IT equipment	539 519	344 810	-	(299 911)	584 418
	235 742 800	**663 756**	**(93 816 410)**	**(6 014 334)**	**136 575 812**

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (Continued)

	2023	2022	2021
	N$	N$	N$
7. Prepayments			
Prepayments consist of rental deposits from old leases			
Prepayments rental deposits	-	347 021	347 021
Prepayments student payments	1 588 829	1 572 132	-
	1 588 829	**1 919 153**	**347 021**
8. Financial Asset - Student loans			
Opening Balance	11 037 576 815	5 905 824 781	4 670 703 333
Prior year balance reinstatement into the financial statements	11 793 041	3 759 349 645	-
Loans awarded	1 463 089 597	1 333 735 516	1 214 591 786
Student accruals	-	39 242 170	20 529 662
Other loans – laptops	31 222 655	9 540 000	-
Recoveries	(15 131 450)	(10 115 297)	-
Gross debtors	**12 528 550 658**	**11 037 576 815**	**5 905 824 781**
Credit loss allowance	(8 273 158 123)	(7 875 480 712)	(590 582 478)
Net debtors	**4 255 392 535**	**3 162 096 103**	**5 315 242 303**
Current	26 057 920	22 671 340	11 866 270
Non-current	4 233 792 535	3 146 964 653	5 310 915 923
	4 259 850 455	**3 169 635 993**	**5 322 782 193**
Financial Asset – Other receivables			
Mobile devices	4 457 920	7 539 890	7 539 890
Financial Asset - Other receivables	21 600 000	15 131 450	4 326 380
	26 057 920	**22 671 340**	**11 866 270**

The Fund inherited loan balances and financial commitments to continuing students whose loans were approved previously from the Ministry of Education upon becoming an independent Secretariat. These loans and commitments could not be measured reliably as there were no accurate and complete records received from the Ministry. The disbursements loans during the period have then been reinstated into the financial periods.

The total loan book as reported in the statements of financial statement is not an amortised balance yet. The total loan book consists of both students who have completed their studies and students who are still studying. The current loan recoveries from legacy loans is treated as revenue since the fund is still in the process of implementing a loan management system that will allow the capital loan amount be reduced by the interest income and the repayments.

8. Financial Asset - Student loans (continued)

Credit impaired financial assets

In recognising the credit risk on the financial assets, the Fund considered both quantitative and qualitative information that is supportable and reasonable. Out of more than 120,000 debtors awarded, only 1,400 are paying back their loans.

In particular the following information has been taken into account when assessing the credit default risk loss allowance;

i) The debtors are not economically active.
ii) Significant financial difficulty of the debtors due to loss of employment.
iii) Debtors who are unwilling to pay back their student loans despite recovery efforts by the Fund.
iii) High unemployment rates and difficult socio economic conditions in the country i.e. increasing inflation rate, interest rates.

The loans on the debtors book that have been outstanding for more than five (5) years, have been provided for at 90% of default risk, historically the Fund has experienced a low repayment from previously awarded debtors, which during the previous 5 years the Fund could recover just 0.1% of the total funds disbursed of the loan book.

Debtors who are currently studying and are left with less than two years before maturity of the debt have been provided for at 17.5% , taking into account the probability of default of 35% and loss given default of 50%, the assumptions taken into arriving at the loss allowance include the following;

i) The debtors are not economically active
ii) The debtors can be traced during their studying period
iii) The debtors are likely to be absorbed by the market after graduation due to possible future investment in the country such as the Green Hydrogen and the recent discovery in the Oil and Gas industries.

9. Provisions for Legal Fees

Reconciliation of provisions for legal fees – 2022

	Opening	Utilised during the year	Provision reversed during the year	Total Balance
Legal proceedings	9 775 360	(3 692 192)	6 083 168	-

Reconciliation of provisions for legal fees – 2021

	Opening	Utilised during the year	Total Balance
Legal proceedings	10 269 757	(494 397)	9 775 360

Other provision - Court Cases

A provision for the estimated costs of court cases of Hilya Nghiwete v Minister of Higher Education and NSFAF and Fig tree Hotel v High commission of Namibia to Botswana on behalf of NSFAF. The provision has been determined on the basis of a court case settlement and legal costs. Management further relies on the input from the Company Secretary for the cost estimations. The provision for legal fees has been reversed back to retained earnings as a prior year period error as it does not meet the definition of a liability.

10. Payables from non-exchange transactions

	2023	2022	2021
	N$	N$	N$
Student Funding Accruals	-	40 538 301	33 480 646
Payroll Accruals	8 501 995	8 457 115	8 060 798
	8 501 995	**48 995 416**	**41 541 444**

	2023	2022	2021
	N$	N$	N$

11. Unspent conditional grants and receipts

The unspent conditional grant relates to a disability grant received from the Ministry of Gender Equality, Poverty Eradication, Social Welfare and Disability Affairs. The grant is spent on 198 students both NSFAF beneficiaries.

Balance at the beginning of the year	3 576 554	3 637 336	2 000 000
Additions during the year	3 900 000	4 000 000	4 000 000
Income recognition during the year	(6 589 476)	(4 060 782)	(2 362 664)
	887 078	**3 576 554**	**3 637 336**

12. Cash used in operations

Surplus for the year	1 081 021 651	576 728 885	776 632 577
Adjustments for:			
Depreciation and Impairment	5 722 018	5 614 298	99 830 744
Interest received	(4 003 825)	(2 932 323)	(3 962 410)
Impairment on Student loans	397 677 410	651 237 774	123 512 145
Interest paid	18 816 075	13 920 171	-
Changes in working capital:			
Inventories	41 455 771	(40 576 573)	(2 037 915)
Other receivables from non-exchange transactions	2 948 308	47 288	(462 378)
Prepayments	330 324	(1 605 131)	33 650 000
Payables under non - exchange transactions	(41 674 652)	7 263 569	10 641 613
Student payments - loans awarded current year	(1 471 694 130)		
		(1 350 730 599)	(1 242 661 338)
Unspent conditional grants and receipts	(3 113 130)	60 782	1 637 336
Movements in provisions	(6 083 168)	(3 692 192)	(494 397)
Cash used in operations	**21 402 652**	**(144 664 051)**	**(203 714 023)**

	2023	2022	2021
	N$	N$	N$
13. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Cash on hand	1	1	1
Bank balances	49 865 634	44 077 658	76 059 033
	49 865 635	**44 077 659**	**76 059 034**
14. Inventories			
Finished goods - Mobile devices	-	462 915	2 037 915
Finished goods - Laptops	-	20 512 784	-
	-	**20 975 699**	**2 037 915**

15. Related parties

Line Ministry
Ministry of High Education, Training and Innovation (MHETI)
Directors
S. Tjiuoro (Chairperson)
A. Angula (Deputy Chairperson)
I. Neema
T.Munyika
N. Hamutumwa

Members of key management - Executive Committee
K. Kandume (Acting Chief Executive Officer)
V. Urinavi (Chief Financial Officer)
O. Hamwele (Chief Human Capital & Corporate Affairs)
D. Nathinge (Acting Senior Manager: Operations)
F. W Immanuel (Company Secretary)
H. Ntema (internal Auditor)

	2023	2022	2021
	N$	N$	N$

15. Related parties

Related party transactions

Key Management

Salaries	22 044 068	18 460 570	14 795 872

Key management salaries comprise of the members of EXCO and MANCO members. The prior year disclosure did not include MANCO members' salaries.

Grants from related parties

Ministry of Higher Education Training and Innovation (MHETI)	1 585 602 000	1 366 000 000	1 223 679 000

	Opening balance	Loans advanced	Closing balance
Key management – Study loans -2023	49 000	24 912	73 912

	Opening balance	Loans advanced	Closing balance
Key management – Study loans - 2022	16 903	32 097	49 000

Directors' emoluments (related parties continued)

S Tjiuoro (Chairperson)	140 432	166 325	185 724
A Angula(Deputy Chairperson)	156 809	138 886	133 766
N Hamutumwa	158 205	121 989	131 870
I Neema	153 808	154 550	152 429
T Munyika	130 186	171 446	188 308
K !Awarab (Chairperson) - Resigned March 2022	-	148 362	149 487
	739 440	**901 558**	**941 584**

	2023	2022	2021
	N$	N$	N$

16. Financial risk management (continued)

Financial instrument

Trade Debtors	4 259 850 455	3 169 635 993	5 322 782 193
	4 259 850 455	**3 169 635 993**	**5 322 782 193**

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk

The Fund has students who are pursuing studies abroad and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from currency translation.

The entity does not hedge foreign exchange fluctuations.

17. Budget differences

The budget and the accounting bases differ. The annual financial statements for the whole-of-government are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements differ from the budget, which is approved on the cash basis and which deals only actual cash.

Changes from the approved budget to the final budget.

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters.

17. Budget differences (continued)

Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements for the 2023 financial year:

Budget line item		Variance Amount N$	Variance Percentage	Explanation
17	Recoveries from previously impaired loans	12 880 000	88%	The Fund initiated a recovery campaign to collect at least N$ 25 million in the FY2023, however due to economic conditions; the Fund is still unable to increase its recovery efforts.
17	Advertising and Promotions	545 065	69%	Due to the Fund ensuring that it has an online presence to serve its clients and reduce carbon print, the Fund has managed to save on the operational budget.
17	Legal Fees	1 981 050	122%	The saving emanated from court cases being postponed due to administrative issues and a few legal assessments that were budgeted for in the current year, procurement was only finalised at the end of the financial year, and thus expenditure will be incurred in the next financial year.
17	Consulting Fees	473 503	293%	The Fund had budgeted for the predictive model on student funding budget, however due to the integration date set at 31 December 2023, the model was put on hold.



NSFAF

Namibia Students Financial Assistance Fund

CONTACT US

746 Eros Street
Windhoek, Namibia

Tel: +264 61 434 6000 / 434 6038
Fax +264 61 233 940

E: info@nsfaf.na / recovery@nsfaf.na
W: www.nsfaf.na