

REPUBLIC OF NAMIBIA



**RESPONSE TO HONOURABLE JAN J. VAN WYK OF PDM OF
NAMIBIA**

BY

**HON. FRANS KAPOFI, MINISTER OF DEFENCE AND
VETERANS AFFAIRS**

10 March 2022

NATIONAL ASSEMBLY

Honourable Speaker, Honourable Members, I rise to provide responses to questions from Honourable van Wyk on matters pertaining to the Defence Force Foundation in the Ministry of Defence and Veterans Affairs. I would like to firstly thank the Honourable Member for seeking clarity from us on these matters.

I will begin by addressing a misconception in your introductory narrative where you state that there is “no provision made for the auditing of the financial statements of the Defence Force Foundation as it is regarded as Private as indicated by the office of the Auditor General.” Perhaps the office of the Auditor General considered the fact that this foundation is not State controlled, hence it being regarded as “private”.

The fact is, the General Regulations relating to the Namibia Defence Force, Regulation 170 (1-3) of the Defence Act Section 72 (1) (d-e), make provision for the auditing of the books of account of the DFF. Be informed therefore Honourable Member that this foundation is audited annually by a private auditing firm registered with the Public Accountants and Auditors Board, and proof to this effect is available.

With regard to your first question which is two pronged, there were Six (06) Trading Institutions, Clubs and Messes which existed in terms of Section 87 (2) with the proclamation of Defence Act, Act 1 of 2002. These are:

- 1) Mile 4 (Pty) Ltd
- 2) Mile 4 Holiday Resort
- 3) Ministry of Defence Fund
- 4) Army Fund & Institution
- 5) Military School Fund & Institution
- 6) Army Battle School Fund & Institution

Forty more Trading Institutions, Clubs and Messes were established after the enactment of the Defence Act.

The Honourable Mr. van Wyk wanted to know, how many tenders were awarded by the Ministry through the Defence Force Foundation over the past 15 years, and what amounts are involved?

No tender has been awarded by the ministry through the DFF to any individual, company or any government institution over the past 15 years.

As to how the tender process at the DFF works; should the DFF require a specific service to be provided, the tendering process is open to any company or individual, and Bids of Expression of Interest are solicited. However, should one of the sections within

the ministry have the capability to provide such a needed service, tendering would not be required.

In response to your fourth question Honourable Member, it would have been of great assistance to both yourself and ourselves had you chosen a period in which we would provide you figures of the funds that have been generated over that period. However, our financial statements are readily available for your perusal.

And, as to how members from ranks lower than that of Captain have benefited; the principal aim of the Fund is the enhancement of the welfare and benefits of all members of the NDF and their families through some products such as;

- a. the establishment of messes such as canteens in the bases,
- b. recreational facilities for the promotion of sport activities and by extension the promotion of a healthy life style,
- c. A Regimental Fund aimed at assisting members with loans.
- d. Twenty-Five percent (25%) discount on accommodation and trade offered to all members at the DFF Trading Institutions, Clubs and Messes,
- e. And, a Social Welfare and Emergency Fund Grant for the assistance of members with medical and other unexpected emergencies

Finally, Honourable van Wyk, the foundation is equipped with financial accounting systems such as the Defence Force Foundation Members' Contributions Disbursement System and the Pastel Sage 100 Evolution System. These are systems in place to address possible corrupt practices and thus ensure proper management of the foundations' financial resources. Other measures are monthly, quarterly and annual stock taking, quarterly financial reports and Annual Audited Financial Statements by the external auditors as prescribed by Regulation 163,167 and 170 of the General Regulations relating to the Namibian Defence Force.

Additionally, the DFF has structures in place where the above-mentioned reports are presented as prescribed by Regulation 153 and 154 of the General Regulations relating to the Namibian Defence Force. The structures are as follows;

- a. The Defence Force Foundation Annual General Meeting which is the highest decision making body.
- b. Board of Trustees for the Defence Force Foundation.
- c. Board of Directors for the Trading Institutions.
- d. Controlling Authorities and Clubs Committees at Services, Formations and Units level.

Conclusion

Once again, I thank you Honourable Member for the questions. I remain available to provide further clarity on these matters should such be required.