



**NSI INTEGRATED  
ANNUAL REPORT**  
**2017 / 2018**



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# EXECUTIVE SUMMARY

The Namibian Standards Institution serves as Namibia's only National Standards Body (NSB), National Metrology Institute (NMI), Legal Metrology Authority and Certification Body responsible for coordinating all trade-related standardisation and quality assurance activities in the country. It is a young and dynamic institution, which was established in 2007 under the terms of the Standards Act (Act No. 18 of 2005) and started operations in January 2008. The NSI's primary aim is to facilitate the development of national standards for application and use in business, government and consumer protection. The NSI provides conformity assessment services (which are testing, inspection, certification and metrology) for selected products and services to assist manufacturers with consumer protection as well as accessing local and global markets.

## NSI Functions:

- Manage and coordinate the implementation of the National Quality Policy.
- Develop Namibian Standards to meet industry needs.
- Train industry on relevant standards, e.g. ISO 9001: 2015 Quality Management System.
- Provide certification services to the industry, which is an attestation that requirements of specific standards are fulfilled, e.g. ISO 9001 and ISO 22001.
- Provide food and water testing services.
- Inspect vessels, land-based factories and cold storage facilities based on the requirements of the Hazard Analysis Critical Control Point (HACCP) food safety compliance.
- The NSI's Fishery Inspectorate division is recognised by the EU Food and Veterinary Office (DG-SANCO) as the competent authority to exercise official controls and product certification on fishery products destined for the EU market.
- Calibrate and verify services for relevant industries (dealing with pre-packed goods) and measuring scales.
- Administer the Trade Metrology Act 2005 and its amendments.
- Represent Namibia at regional and international standardisation, conformity assessment (inspection, testing and certification) and metrology activities.

## The NSI's strategic goals as stipulated in the Strategic Plan 2017/2021 are as follows:

- Contribute to trade facilitation of products and services by providing competent conformity assessment services.
- Increase participation and access to the national standardisation process and services.
- Promote standards as enablers for business expansion and the improvement of consumer understanding and confidence.
- Provide measurement traceability to international standards.

In line with the NSI's mission to promote standardisation of products for the safety of consumers, protection of the environment, improved access to global markets, and consistency with the government's national priorities, the NSI supports industries to ensure economic stability and market competitiveness by providing standardisation and conformity assessments services which are internationally recognised, with the aim of improving the quality of life of all citizens.

In close partnership and collaboration with the government and its agencies as well as the private sector, the NSI has achieved the following milestones during the period under review:

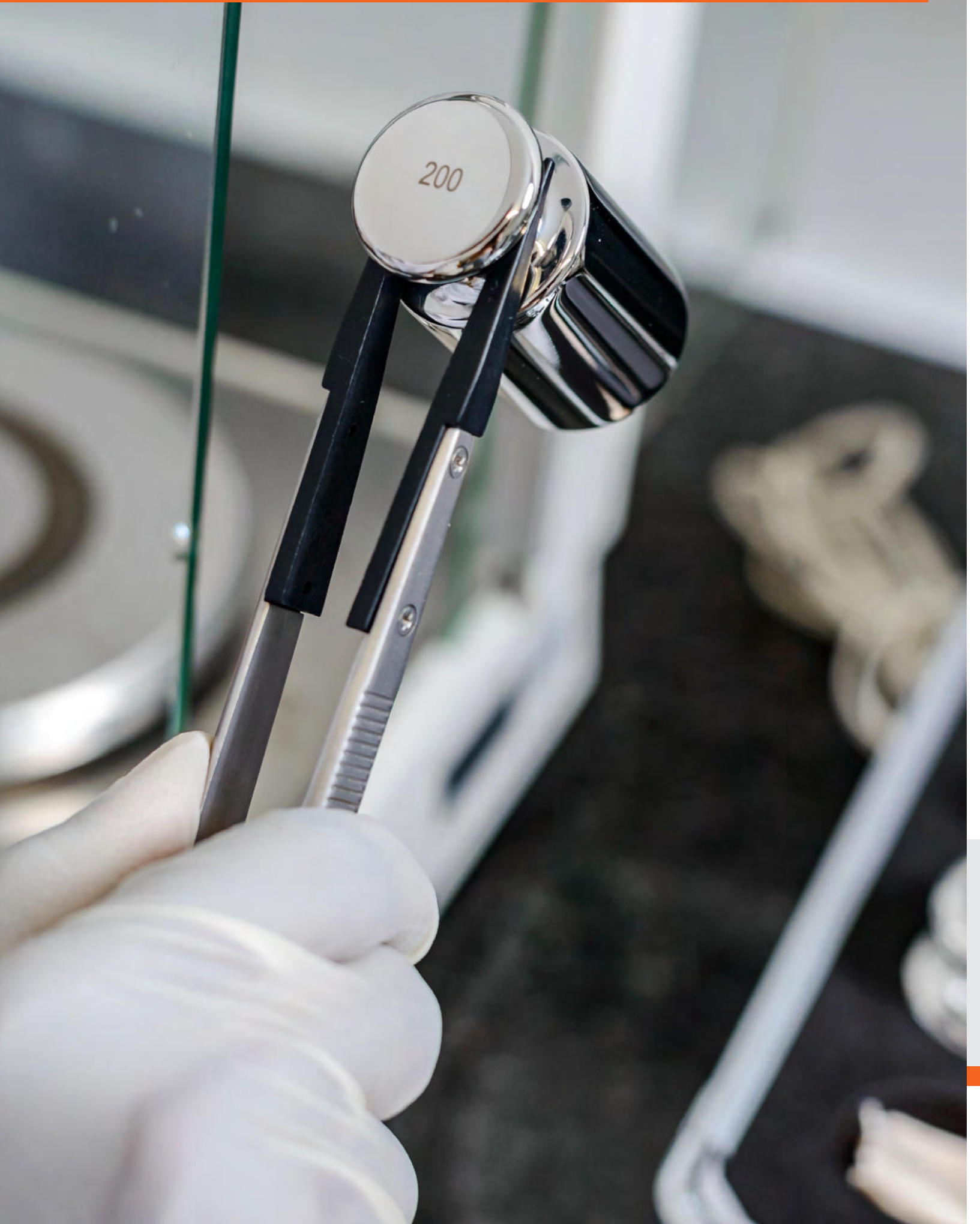
- Increase NSI income by 64% from the previous financial year of 24% of the total income. An increase of 40% contribution which is an indication that the NSI is moving towards lessening its dependency on government funds.
- Operational expenditure within the budget with at least 1% savings, a positive indication of good financial management.
- Labour-cost ratio against total expenditure is 67% of total operating costs during the period under review compared to 68% in the 2016/2017 financial year. Keeping staff complement within a sustainable operational environment by doing more with the manpower resources the NSI has.
- A 78% customer satisfaction rating compared to 68% in the 2016/2017 financial year.
- Obtain re-accreditation of scopes for metrology and testing services, which is indicative of the NSI's commitment to quality assurance by ensuring continuous development of staff skills and capacity-building.
- Expansion of Testing Centres' service offerings to the fishing industry and other agricultural industries, such as the poultry sector.

- Launching of the Standards Training centre to provide training on standards to the industry.
- The annual hosting of World Standards Day, National Quality Awards and World Metrology Day to promote a culture of quality in the industry, as well as raising awareness to consumers on NSI's functions.

The NSI's Integrated Annual Report provides an overview of the results and performance of the NSI and its activities, in collaboration with key stakeholders during the period 1 April 2017 to 31 March 2018. These results are significant as the NSI moves towards the realisation of its strategic goals as set out in the Strategic Plan of 2017-2021. Despite difficult and uncertain economic conditions for two consecutive years, the NSI will continue to pursue initiatives to strengthen its capacity to meet its mandate.



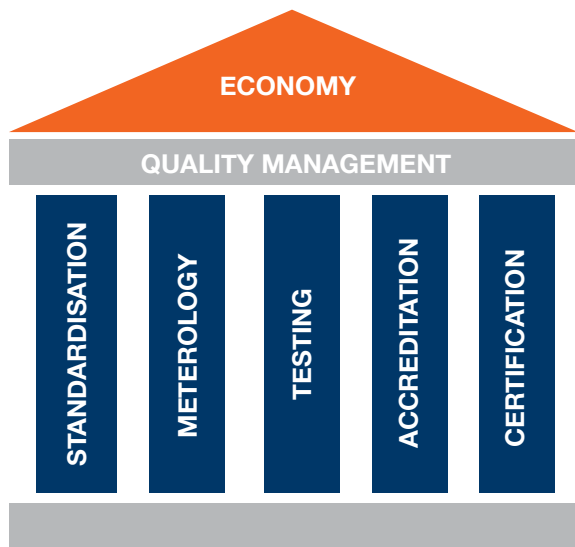
# SECTION A: OUR STRATEGIC ROADMAP



# INTRODUCTION

The NSI is tasked with the development of standards and conformity assessment that are integral to Namibia's national and international development. Conformity assessment, accreditation, metrology, and standards, are all components of a country's National Quality Infrastructure (NQI) and play a part in the integrated technical mix that is necessary for Namibia to be able to trade successfully, both bilaterally and within the multilateral trading system.

## National Quality Infrastructure

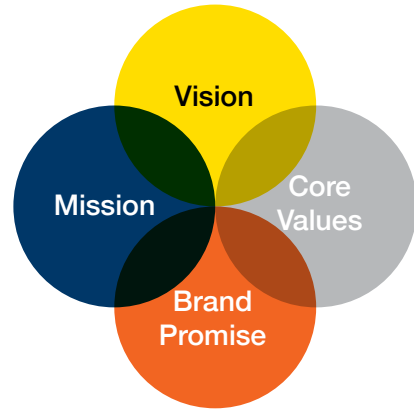


The National Quality Policy (NQP) was adopted by the cabinet on 1 June 1999, and through this, the government recognised the need to establish a National Standards Body (NSB) to coordinate and manage the implementation of the policy. The creation of an NSB ensures and strengthens the national sovereignty of decisions over production and quality of goods and service, which led to the operationalisation of the Namibian Standards Institution (NSI).

The overall objectives of the NQP are as follows:

- To continually improve the quality of life through quality products and services.
- To improve national productivity through enhanced resource utilisation in all sectors.
- To provide better health and safety of consumers, and protection of the environment.
- To enhance national export performance through quality and productivity improvement.
- To support MSMEs in improving quality, productivity and cost-effective service delivery.

## Our Corporate Values



### Vision:







To be recognised as the centre of excellence for standardisation in Namibia.

### Mission:

Promoting standardisation of products for the safety of the consumers, protection of the environment and improved access to global markets.

### Core Values:

The organisational values of the NSI are important building blocks to guide employees in fulfilling the business goals.

-  Stakeholder and customer centricity
-  Responsiveness
-  Integrity and ethics
-  Respect for people
-  Excellence and quality
-  Accountability

### Brand Promise:

- Creating peace of mind

## Our Strategic Pillars

The NSI's strategic pillars that support annual business planning are as follows:

Pillar 1: To ensure prudent financial management

Pillar 2: To secure and extend avenues of funding

Pillar 3: To increase consumer awareness

Pillar 4: To strengthen stakeholder relationships

Pillar 5: To ensure sound corporate governance and risk management

Pillar 6: To improve operational efficiencies

Pillar 7: To build a performance culture.

## CUSTOMER SERVICE EXCELLENCE

The NSI's Customer Service Charter aims to demonstrate the NSI's commitment towards internal and external customers with regard to service delivery. The Charter provides a framework on how the NSI deals with customer relations.

The NSI is committed to:

- Responding to all stakeholder and customer requests within the specified timeframe,
- Providing fast and efficient service within an agreed timeframe of the original request, i.e. the selling of standards or provision of certification, inspection, testing or metrology services,
- Satisfying current and potential stakeholders with quality service and product delivery,
- Providing all stakeholders, whether individuals or organisations, with information within an agreed upon timeframe of the original request,
- Conducting all its certification, inspection, testing and metrology services in line with its documented procedures to ensure the quality and reliability of results,
- Ensuring creditors are paid within thirty (30) days from invoice, and
- Ensuring that all stakeholders and customers that need assistance or information, receive the attention they deserve.

## COMMUNICATION AND STAKEHOLDER ENGAGEMENT

As a public enterprise, the NSI aims to promote a positive image through ensuring sound stakeholder relations, delivering excellent service to all customers, promoting good corporate citizenship and enhancing its corporate image. Ensuring sound stakeholder relations requires proactive stakeholder management. Therefore, effective stakeholder management states that the NSI should strategically manage its relationships with various internal and external stakeholder groups.

The NSI engages with relevant stakeholders for the following reasons:

- To ensure that the NSI is viewed as the preferred employer of choice by ensuring that everyone who works in and visits the NSI is kept well-informed.
- To raise our profile by actively promoting our services as well as communicating and celebrating success.
- To enhance the understanding of stakeholder needs and establishing more open communication channels.
- To improve working relationships and changing perceptions for the better.

### Key Stakeholders

NO.	STAKEHOLDER GROUP	HOW AND WHY WE ENGAGE
1.	Legislative and executive authority: -Ministry of Industrialisation, Trade and SME Development (MITSMED) -Ministry of Public Enterprises	<ul style="list-style-type: none"><li>• Quarterly reporting and feedback sessions</li></ul>
2.	NSI Management Technical Committees	<ul style="list-style-type: none"><li>• Establishment and coordination of Management Technical Committees</li><li>• Development of Namibian standards</li></ul>

3.	Employees	Management meetings, divisional meetings and union consultative forums.
4.	Regulators	Bilateral agreements to support the regulatory requirements.
5.	International and regional standards development bodies (ISO, IEC, BIPM, OIML, SADCSTAN, ARSO)	<ul style="list-style-type: none"> <li>• Participation in committees of mutual interest.</li> <li>• Represents Namibia on international and regional standardization and conformity assessment functions.</li> </ul>
6.	Industry associations and customers	Participation in management technical committees and annual industry meetings.
7.	Education and research institutions	Support the standards development and conformity assessment knowledge base, and assist in the introduction of the quality concepts in the curricula.
8.	The media, consumers and the general public	Provision of relevant information, through scheduling interviews, media conferences and responses to enquiries.
9.	Suppliers	Through tender advertisements and requests for quotations in compliance to appropriate procurement regulations

## HEALTH AND SAFETY

The Management of the NSI is committed to provide a safe, secured and hygienic working environment to all employees and its stakeholders. To this effect, the NSI shall provide resources needed to develop programmes for the Health, Safety and Security of the employees and its stakeholders.

The NSI will establish oversight; advisory and compliance programmes for implementation and monitoring to ensure legal implications that have bearing on health, safety and security of employees and its stakeholders are adhered to. The applicable Health and Safety Regulations and relevant NSI Policies and Procedures, will be adhered to in establishing the criteria to assist in compliance activities and programmes.

### Health and Safety Principles:

The NSI will strive to continuously improve the health and safety of its employees by adhering to the following principles:

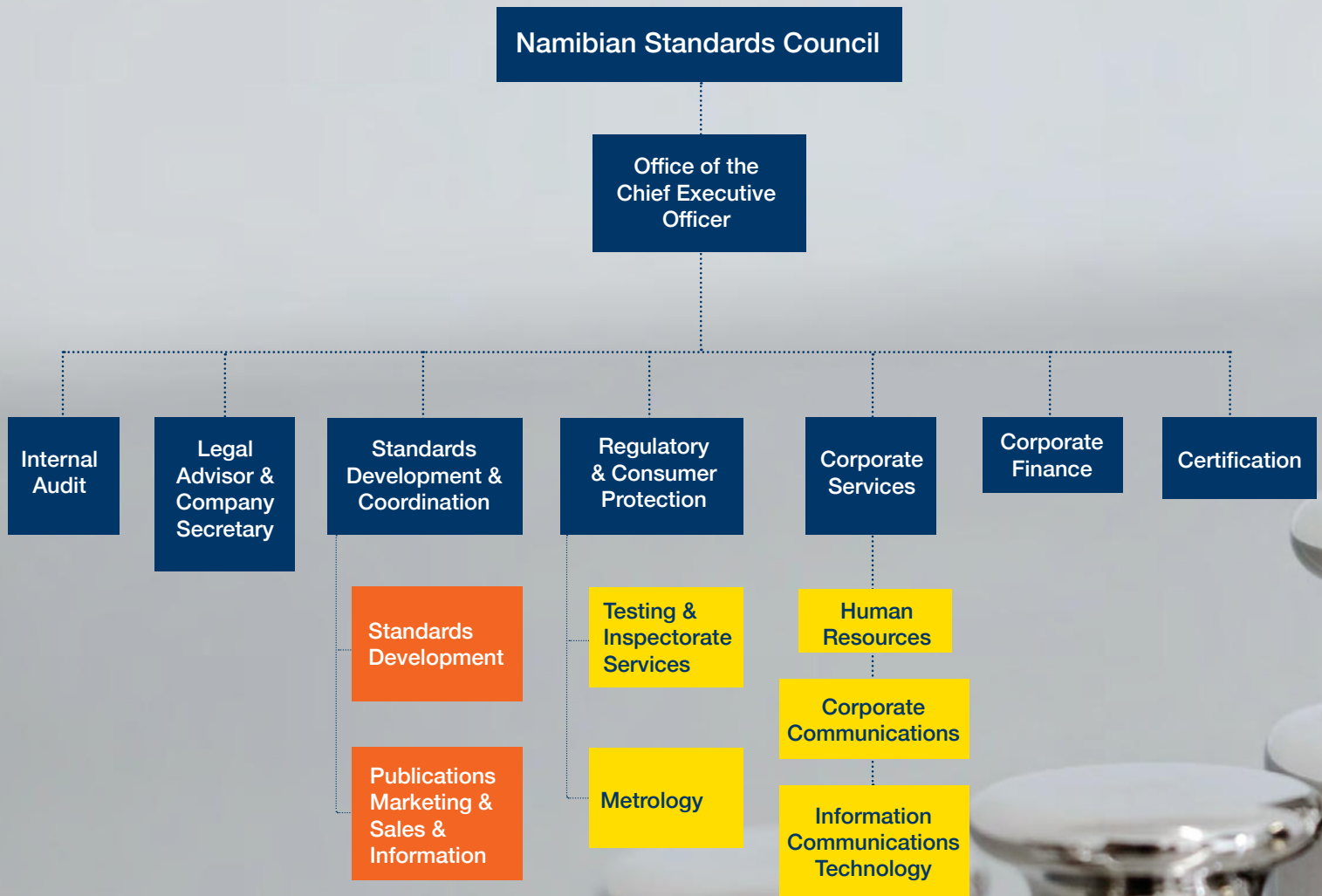
- Developing and improving programmes and procedures to ensure compliance with applicable laws and regulations.
- Ensuring that employees are properly trained and provided with appropriate safety and emergency equipment, where applicable.
- Taking appropriate action to correct hazards or conditions that endanger health and safety of the employees and put in place measures to prevent recurrence.
- Considering safety and environmental factors in all operating decisions including planning and acquisition.
- Engaging in sound recycling practices and exploring feasible opportunities to minimize the amount and toxicity of waste generated.
- Using energy effectively throughout all operations.

## TRAINING AND DEVELOPMENT

- The NSI recognises that its employees are the most important assets through which its vision, mission and strategic objectives can be realised. It is thus the NSI's intention to establish a learning organisation through appropriate training and development interventions such as competency- based (functional); general (non-functional) and qualification-based interventions. To ensure that employees possess appropriate skills, knowledge and the requisite attitudes.
- The NSI further recognises the right of each employee to self-development and encourages employees to upgrade their knowledge and skill levels on a continuous basis, so as to enhance individual performance set to impact on the success of the NSI as a whole.
- Therefore, the NSI attaches considerable importance to capacity building and commits itself to providing employees with opportunities to develop through training and development interventions.

# SECTION B: GOVERNANCE AND MANAGEMENT STRUCTURE

## ORGANISATIONAL STRUCTURE





# Namibian Standards Council Members

## Outgoing Members



Mr Edwin Beukes



Ms Phortune  
Karongee



Mr Thomas  
Nashixwa



Mr Michael  
Gawaseb



Ms Asteria  
Nasheya



Dr Moses  
Maurihungirire



Mr Tileinge  
Andima

## Incoming members



Dr Penny  
Hiwilepo van-Hal



Mr Milton  
Shaanika Louw



Mr Frederik  
Botes



Mr John Ali Ipinge



Ms Rosalinda Katjivena



Mr Axel Tibinyane



Ms Ainna Vilengi Kaundu

## Senior Management Team



**Mrs Chie Wasserfall**  
Chief Executive Officer



**Mr Michael Mbamba**  
Chief Financial Officer



**Ms Millicent Kapitako**  
Internal Auditor



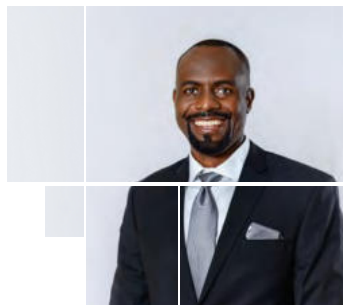
**Ms Cynthia Anyanwu**  
Legal Advisor and Company Secretary



**Mrs Rosy Jacobs**  
GM: Corporate Services



**Ms Cecilia Hinda**  
GM: Regulatory and Consumer Protection



**Mr Jekonia Haufiku**  
GM: Standards Development and  
Coordination



**Mrs Lorna Shikongo-Kuvare**  
GM: Certification

# SECTION C: OPERATIONAL REPORT 2018

A portrait of a woman with dark hair pulled back, wearing a patterned top with green and orange floral designs. She is looking directly at the camera with a slight smile. The background is a plain, light-colored wall. The image is framed by a dark blue header at the top and a yellow footer at the bottom.

Statement from the  
**CHAIRPERSON**

The NSI is one of the key performance indicators of the country's National Quality Infrastructure (NQI). The National Quality Infrastructure is a combination of initiatives, institutions, organisations, activities and people. It includes a national quality policy and institutions to implement it, a regulatory framework, quality service providers, enterprises, as well as customers and consumers. This further provides the conceptual framework for the definition and implementation of technical rules and regulations.

The World Trade Organisation (WTO) strongly encourages its members and governments to make use of relevant international standards where possible as a basis for regulations. This is a precursor for fair trade as standards are developed through scientific research and expert collaboration and consensus. Governments are further encouraged to make use of recognised or accredited conformity assessment bodies that offer testing, inspections and calibration services to ensure the specific product, process, or system fulfils set requirements. This ultimately protects consumers and creates peace of mind for the business community.

The period under review saw the finalisation of the African Continental Free Trade Agreement (AfCFTA), which will provide Namibia with a market currently valued at N\$ 50 trillion. While this presents many benefits for the country, Namibia needs to be cognizant of the threats to ensuring quality products are produced for the local market and for import and export purposes. The AfCFTA may expose the country to substandard products entering the Namibian market and therefore, the NSI and other key stakeholders in the government and the private sector need to collaborate in the implementation of the National Quality Policy (NQP) and the technical regulatory framework.

One of NSI's objectives is to promote standardisation and quality assurance in the industry, commerce and the public sector of Namibia, with the aim of improving product quality, industrial efficiency and productivity, and promoting trade to achieve optimum benefits for the Namibian public.

The Namibian economy has been under financial pressure for a number of years and this places continued pressure on the NSI to fulfil its mandate. However, despite these tough times, the NSI has managed to maintain accreditation status of the Metrology Laboratory for Mass and Volume, and the Testing and Inspection Centre Laboratories operating in Windhoek, Walvis Bay and Lüderitz, and further continues to represent Namibia at regional and international platforms to advance Namibia's interests in standardisation and conformity assessment activities.

The terms of the following Council members namely; Mr Thomas Nashixwa, Ms Phortune Karongee, Mr Michael Gawaseb, Dr Moses Maurihungirire, Ms Asteria Nasheya, and Mr Tileinge Andima ended on 31 July 2017. Therefore, new Council members were appointed on 1 August 2017. I would like to express my appreciation to the former Council members for their continuous hard work, guidance and dedication to the work of the NSI. It has been a pleasure to work with you. At the same time, I would also like to welcome the new Council members on board, namely Mr John Ipinge, Ms Rosa Katjivena, Ms Ainna Vilengi Kaundu, MR MILTON SHAANIKA LOUW, Dr Penny Hiwilepo-van Hal, Mr Axel Tibinyane and Mr Frederik Botes. I am thrilled to be re-appointed as the NSC Chairperson for another term and certainly welcome fresh ideas and ways of improvement that you will provide to ensure the NSI continues to uphold good corporate governance principles.

I would like to express my profound appreciation for the support from the former Minister of Industrialisation, Trade and SME Development, Hon. Immanuel Ngatjizeko and his team. I would further like to welcome the Minister Hon. Tjekero Tweya who re-joined MITSMED in February 2018; we look forward to working with you. I would also like to thank the NSI staff under the firm leadership of the CEO, Ms Chie Wasserfall and the management for their diligent work during the period under review.

I thank you.

Prof. Martha Kandawa-Schulz

# REPORT BY THE CHIEF EXECUTIVE OFFICER



The Namibian Standards Institution (NSI) is a growing and dynamic institution that is governed by focused Council members and dedicated, competent and professional staff that have worked considerably hard during this challenging financial year.

The NSI has recorded an increase in its income with a percentage of growth that is the highest in the recorded history of the NSI's existence so far. Despite adhering to strict financial discipline and substantial cost savings, our drive to be more commercial has supported the achievement of the goals we set for ourselves during the year under review.

### PEOPLE ARE KEY

At the NSI, we value our employees' needs and therefore we continuously implement policies and strategies geared towards the empowerment of employees to ensure a healthy and productive staff. Our main focus is always maintaining our unrelenting efforts to promote health, safety and security wherever we work. Hence, the appointment of a Health and Safety Officer was one of the key appointments made to drive the initiatives as contained in our Health, Safety and Security Policy. The NSI operates under eight interrelated dimensions of wellness and these are occupational, emotional, spiritual, environmental, financial, physical, social and intellectual. Therefore, during the period under review, we focused our activities on financial management and general health screenings for all staff. Also, as generally observed throughout the world, we participate in the World Aids Day commemoration.

The NSI continues to implement its Performance Management Systems throughout the organisation to ensure employees work with a performance-based approach. In addition, we have implemented the Training and Development Policy to cater for the training needs of employees. We work on the premise that training development enhances performance.

During the period under review, two new managers joined the Standards Development and Coordination (SDC) Department. I would like to welcome on board Mr Jekonia Haufiku as the General Manager: Standards Development and Coordination and Mr Melchior Ambunda as the Manager: Standards Development. Their combined experience in the areas of business management, standards development and quality assurance will greatly improve success of the Department going forward.

### DRIVE FOR EFFICIENCY

The confidence in product and process performance is awarded through third-party evaluation and recognition of competency to the international standards. Since the NSI's existence, it has maintained such recognition through accreditation. I wish to commend the Management for ensuring that the NSI's laboratories for

Metrology, Testing and Inspection Centres operating in Windhoek, Walvis Bay and Lüderitz continue to maintain their accreditation status.

Specifically, in the Metrology Division, the five-year re-accreditation of the relevant scopes was obtained; yet another milestone which without the commitment of our staff would not have been possible. The NSI's accreditation is an attestation that we have the skills and competencies required in carrying out our mandate.

The Testing and Inspection Centres have continuously increased their service portfolio by offering new services to the industry for water samples, fish and fishery products and the testing of poultry. The laboratory was further been appointed as a contractor for the Central Veterinary Laboratory of the Ministry of Agriculture, Water and Forestry, in order to assist the laboratory with their testing needs.

The growth in the sales of standards and the provision of training of standards to the industry, more specifically on ISO 9001:2015, has also been a turning point towards becoming more sustainable, especially from the standards development perspective.

The Annual National Quality Awards was held in Namibia with the aim to recognise, encourage and honour individuals, industries and enterprises, and the service sector that performs excellently on quality. I wish to congratulate the winners of this award as you represent Namibia at SADC level. I wish to encourage businesses, large, medium and small to continue participating in these events in order to contribute to a culture of quality in your businesses and operations.

Our Certification Body was assessed by SADC Accreditation Services (SADCAS) and the assessment team was recommended for accreditation, for the certification of Quality Management System (QMS) to ISO 9001:2008 for the scope food products, beverages and tobacco. The Certification Department has further transitioned to offer Quality Management System (QMS) certification against the requirement of ISO 9001:2015, which replaced ISO 9001:2008; a commendable achievement indeed.

### MANAGEMENT OF RISK ENHANCES OPERATIONS

An Organisation-wide Risk Assessment was conducted during the reporting period to ensure that risks associated with the new Strategic Plan will be mitigated and that the risk management report was presented to the Council. The report provides an overview of the institution's risk environment and highlights the major risks that the NSI is exposed to. A year-on-year comparison of key risks demonstrates that the NSI has made reasonable progress in implementing risk mitigating factors, thus reducing the likelihood of risks.

During the same period, a Business Continuity Policy

(BCP) was approved by the Namibian Standards Council and therefore we expect the introduction and implementation of an enhancement on our policies and practices in the new financial year 2018/2019 to ensure the NSI's continuous operation.

#### STAKEHOLDER ENGAGEMENT

Collaboration and cooperation with relevant stakeholders are essential if not critical to our operations. The NSI continues to implement the Stakeholder Engagement Plan initiated in 2015. During the period under review, the NSI engaged a number of ministries and agencies that have mutual interests and also to market the NSI's services. The engagements are important to understanding government regulatory needs and the ways in which the NSI can assist in the area of standardisation and conformity assessment.

The NSI held regular meetings and feedback sessions with employees and relevant ministries, such as Ministry of Environment and Tourism, Ministry of Health and Social Services, Ministry of Fisheries and Marine Resources, Ministry of Mines and Energy, Ministry of Agriculture, Water and Forestry and the Electricity Control Board.

#### OUR CUSTOMERS' FEEDBACK

The NSI assesses the satisfaction levels of its customers on an annual basis. It is commendable that the NSI received an overall satisfaction rating of 78%, which surpasses our target of 75% and which is a substantial improvement from the 68% of the previous financial year. This is a testimony of our commitment to continuously improve our service delivery. I would like to thank the NSI staff for conducting business in a professional and friendly manner, and upholding the NSI's core values.

#### STRATEGIES MOVING FORWARD

With key areas of the operations delivering and continuously improving on expected results, the NSI has a good momentum. From 2018 onward, we will continue to expand our service portfolios to cater to the unserved industry sectors, with the goal in providing the best conformity assessment customer experience. We will focus on obtaining new accreditations of scopes, such as time and pressure in the field of metrology, amongst others.

The year under review was yet again full of surprises and challenges. However, this did not deter us to set ambitious yet realistic goals and pave a clear path for the years ahead. We are confident that the year 2018 will be another year of progress in becoming the centre of excellence in standardisation and conformity assessment.

#### WORKING TOGETHER AS A TEAM

The NSI is well-positioned to achieve its targets and its vision. This could not have occurred without the staff working together as a team and accepting the challenges placed on them. I am profoundly grateful for the support of my executive team and each member of this institution, and thankful for their continuous commitment and dedication. Many thanks to the NSC members, both the outgoing and incoming, and our line ministries for their continued guidance and support. This harmonious relationship and the drive to work together builds the path for this institution to reach far greater heights.

I thank you.

*Chie Wasserfall*



*We value our employees' needs and therefore we continuously implement policies and strategies geared towards the empowerment of employees to ensure a healthy and productive workforce.*





# SECTION C: OPERATIONAL REPORT 2017/2018



# GOVERNANCE AND LEGAL COMPLIANCE

## Introduction

The Legal Advisor and Company Secretary (LACS) Department consists of the Legal Advisor who also serves as the Company Secretary and an Executive Assistant. The main functions of the department are providing legal services to the NSI and legal and company secretarial services to the Namibian Standards Council (NSC). It is also responsible for ensuring that the NSI and its NSC comply with the governance and legal requirements as stipulated in the relevant legislation.

In ensuring compliance with the Standards Act 18 of 2005, Trade Metrology Act of 1973 and its amendment, as well as implementing good governance practices, the King III Report and the NamCode are important guides, while the Public Enterprises Governance Amendment Act (Act No. 8 of 2015) and its amendments are applicable to the NSI as it is one of Namibia's public enterprises.

The department provides company secretarial services to the NSC and its four subcommittees: Finance, Risk Management and Audit Committee (FRAC); Tender Committee (NSC TC); Human Resources and Remuneration Committee (HRRC) and Nominations Committee (NSC NC).

The Legal Advisor and Company Secretary is responsible for arranging and facilitating all council meetings. All minutes of meetings are compiled, circulated and filed in accordance with good corporate governance requirements.

The NSC has identified means of assessing the effectiveness of the performance of the Council Members in terms of their performance agreements through bi-annual Council members' self-assessment questionnaires. These assessments are based in principal on common expectations, commitment and understanding and adherence to the principles of good governance

### NSC Quarterly Meetings

During the period under review, the NSC convened eight meetings, of which one was a Special Meeting.

### NSC Finance, Risk Management and Audit Committee (FRAC) meetings

During the period under review, the FRAC met three times to assist the NSC in matters relating to the budget preparation, expenditure control and financial reporting, and risk management, ensuring compliance with established policies, plans and procedures; in addition to safeguarding ethical conduct, assets, and maintenance of sound and adequate internal control systems.

### NSC Human Resources and Remuneration Committee (HRRC) Meetings

The HRRC met once to assist the NSC with regard to policy matters related to human resources such as remuneration, succession planning, performance management and ensuring compliance with the affirmative action policy.

### NSC Tender Committee Meetings

The Tender Committee met once to brief the NSC on all active tenders, provide capital outlay required to complete the projects at hand and make appropriate recommendations to the NSC on the purchase and/or disposal of NSI assets.

*The terms of the following Council members namely: Mr Thomas Nashixwa, Ms Phortune Karongee, Mr Michael Gaweseb, Dr Moses Maurihungirire, Ms Asteria Nasheya, and Mr Tileinge Andima ended on 31 July 2017. Therefore, new Council members were appointed on 1 August 2017.*

## NAMIBIAN STANDARDS COUNCIL (NSC) AND COMMITTEE MEETINGS ATTENDANCE PERIOD 1 APRIL 2017- 31 MARCH 2018

TABLE 1: FORMER NSC MEMBERS' NSC ATTENDANCE PERIOD 1 April 2017 - 31 July 2017

MEETING DATE	PROF MARTHA KANDAWA-SCHULZ	MR EDWIN BEUKES	MR THOMAS NASHIXWA	MS PHORTUNE KARONGEE	MR MICHAEL GAWASEB	DR MOSES MAURIHUNGIRIRE	MRS ASTERIA NASHEYA	MR TILEINGE ANDIMA
22 MAY 2017	✓	✓	✓	N/A	✓	N/A	✓	N/A
31 MAY 2017	✓	✓	✓	✓	✓	N/A	N/A	✓

TABLE 2: FORMER NSC MEMBERS' FINANCE, RISK MANAGEMENT AND AUDIT COMMITTEE ATTENDANCE

MEETING DATE	MR EDWIN BEUKES	MS PHORTUNE KARONGEE	MR MICHAEL GAWASEB	DR MOSES MAURIHUNGIRIRE
19 MAY 2017	✓	✓	✓	N/A

TABLE 3: NEWLY APPOINTED NSC MEMBERS PERIOD 1 AUGUST 2017 – 31 MARCH 2018

MEETING DATE	PROF MARTHA KANDAWA-SCHULZ	MR JOHN ALI IPINGE	MRS ROSA KATJIVENA PHORTUNE KARONGEE	MR AXEL TIBINYANE	MS AINNA VILENGI KAUNDU	MR MILTON SHAANIKA LOUW	DR PENNY HIWILEPO-VAN HAL	MR FREDERIK BOTES
17 NOV 2017	✓	✓	✓	✓	✓	✓	✓	✓
26 FEB 2017	✓	✓	✓	✓	✓	✓	N/A	✓

TABLE 4: NEWLY APPOINTED NSC SPECIAL MEETINGS MEMBERS

MEETING DATE	PROF MARTHA KANDAWA-SCHULZ	MR JOHN ALI IPINGE	MRS ROSA KATJIVENA PHORTUNE KARONGEE	MR AXEL TIBINYANE	MS AINNA VILENGI KAUNDU	MR MILTON SHAANIKA LOUW	DR PENNY HIWILEPO-VAN HAL	MR FREDERIK BOTES
22 MAR 2017	✓	✓	✓	✓	✓	✓	N/A	✓

TABLE 5: NEWLY APPOINTED FINANCE, RISK MANAGEMENT AND AUDIT COMMITTEE MEMBERS

MEETING DATE	MR JOHN ALI IPINGE	MR MILTON SHAANIKA LOUW	MR AXEL TIBINYANE	MRS ROSA KATJIVENA
30 OCT 2017	✓	✓	N/A	✓
12 FEB 2017	✓	✓	✓	✓

TABLE 6: NEWLY APPOINTED HUMAN RESOURCES REMUNERATION COMMITTEE MEMBERS

MEETING DATE	MS AINNA VILENGI KAUNDU	MR FREDERIK BOTES	MR AXEL TIBINYANE	DR PENNY HIWILEPO-VAN HAL
25 OCT 2017	✓	✓	N/A	✓

TABLE 7: NEWLY APPOINTED TENDER COMMITTEE MEMBERS

MEETING DATE	MRS. ROSA KATJIVENA	MS. AINNA VILENGI KAUNDU	DR. PENNY HIWILEPO-VAN HAL	PROF. MARTHA KANDAWA-SCHULZ
26 OCT 2017	✓	✓	N/A	✓

# INTERNAL AUDIT AND RISK MANAGEMENT

## Introduction

The Internal Auditor (IA), who also functions as the Chief Audit Executive, is tasked with the evaluation of the governance and risk management, and for contributing towards the improvement of risk management. In addition, the IA ensures the compliance with the internal control processes.

The Internal Audit (IA) Department provides an independent, objective assurance and consulting service designed to add value and improve the organisation's operations. It continues to operate independently by reporting to the Finance, Risk and Audit Committee (FRAC) being the Chief Audit Executive, and administratively to the Chief Executive Officer (CEO). As the Chief Audit Executive, the IA provides advisory services, on a wide range of issues on an ad-hoc basis, including policy and procedure design, internal controls, risk management and corporate governance.

The NSI's internal control environment is generally sound. The department operates on the NSC-approved Internal Audit Plan, which focuses on the high-risk areas within the institution. A number of internal audits had been conducted during the reporting period and the results were reported to the respective department heads, the CEO and the NSC. Even though there are areas that require improvement, such as compliance with policies and procedures, the IA is of the opinion that the NSI's internal control environment is generally effective.

The following audits were conducted during the period under review:

- Revenue
- Insurance
- Certification
- Health and Safety
- Accounts Receivable
- Leave
- Corporate Governance

## Business Continuity

During the year under review, a Business Continuity Policy (BCP) was approved by the NSC. As a result, business continuity plans will be crafted for all critical areas and thereafter will be introduced and implemented.

## Risk Management

An Organisation-wide Risk Assessment was conducted during the reporting period to ensure alignment of the risks with the Strategic Plan 2017/2021 and as such, the Risk Management Reports were submitted to FRAC and subsequently to the NSC. The reports provided an overview of the institution's risk environment and portrayed the top risks facing the institution. A year-on-year comparison of key risks demonstrates that the NSI has made reasonable progress in implementing risk-mitigating factors, thus reducing the likelihood of risks materialising. The institution's risk environment was rated medium-to-high, meaning that the institution is prone to risks that can cause the following:

- Reputational damage
- Legal consequences
- Financial losses
- Operational inefficiencies
- Non-attainment of strategic objectives, and
- Inability to effectively fulfil its mandate.

Ongoing risk management monitoring, however, shows that the institution has the means to manage these risks effectively, but going forward, strict accountability will have to be enforced. All of the institution's risks are maintained on the Risk Register. Risk measuring and monitoring are carried out on a continuous basis.

## Continuous Implementation of the Whistle-Blower Policy

The NSI is required to prevent fraudulent and corrupt activities before they occur by encouraging a culture where its employees and stakeholders continuously behave honourably and promote integrity in their dealings with or on behalf of the institution.

*During the period under review, the NSI established a partnership and cooperative relationship with PWC in the fight against fraud and corruption by encouraging the reporting of alleged fraud and corrupt activities through its Tip-Offs Anonymous Fraud Hotline (0800 401 543).*

Anti-fraud and corruption campaigns are conducted throughout the institution using posters and presentations to create awareness and foster whistle-blowing. Fraud cases are reported through the hotline and a register for cases of alleged fraud and corruption is maintained. The department investigates these cases and decides on the necessary action to be taken (e.g. instituting disciplinary action, civil recovery, criminal prosecution, etc.).

During its meetings, FRAC concluded that records can be relied on for the preparation of financial statements, based on the information and explanations given by the NSI management and IA and through discussions with the external auditors, internal accounting controls, and the system and process of risk management and compliance.



## CORPORATE SERVICES

The Corporate Services Department is responsible for the functions relating to Human Resources Management; ICT Management; Corporate Communications and Strategic Partnerships.

### Human Resources

Human Resource Management (HRM) is a function that is designed to maximise employee performance in accordance with the NSI's strategic objectives. HRM is primarily concerned with how people are managed within the institution, focusing on policies and systems. It is responsible for a number of activities, including employee recruitment, training and development, performance management, and remuneration (e.g. pay and benefits systems). It also deals with industrial relations, ensuring balanced institutional practices between relevant legislation (e.g. labour law) and matters arising from collective bargaining.

### Levels of Employment

The NSI has a total staff complement of one hundred and thirty-four (134) as of 31 March 2018, of which one hundred and twenty-eight (128) are permanent employees while six (6) are on a 5-year contract (being the CEO and senior management employees which are governed by the PE Governance Act).

Executive Directors:	Chief Executive Officer (F-Band)
Senior Management:	General Managers and Chief Financial Officer (E-Band)
Middle Management:	All D1 to D5
Specialised/Skilled/Senior Supervisors:	All C4 and C5
Skilled staff:	All C1 to C3
Semi-skilled staff:	All B-Band
Unskilled staff:	All A-Band

### Employment Equity

The NSI continued to comply with the requirements of the Affirmative Action (Employment) Act, 1998 (No. 29 of 1998). In this regard, the institution ensured that all its policies and practices were aligned to affirmative action requirements and guidelines. Therefore, the Affirmative Action and Employment Equity Commission duly awarded the NSI with a certificate of compliance for 2017.

### Implementation of Wellness Programme

The NSI operates under eight dimensions of wellness, which are occupational, emotional, spiritual, environmental, financial, physical, social and intellectual and each of these dimensions are interrelated. Therefore, during the period under review, the department focused on financial management and general health screenings. As part of the commemoration

of World Aids Day, the department coordinated and conducted screens for employees and invited a speaker who was HIV positive to speak about the common stigma associated with people with HIV/AIDs.

### Challenges

A number of HR-related policies were approved during the period under review, although the full implementation of these policies remains a challenge due to the unavailability of financial resources to carry out the implementation plans.

## Information and Communication Technology

The Information and Communication Technology (ICT) Division deals with the effective and efficient use of ICT within the NSI. The ICT Section assists the business units in harnessing ICT to implement the mandate of the institution. The mission of the ICT Unit is to provide state-of-the-art ICT facilities and applications through appropriate research and procurement procedures, with the capacity and flexibility to satisfy the current and future ICT service needs of the NSI.

The Division hosts the following systems for the NSI:

- Virtual Environment (Hyper-V Platform) - MS Exchange, AD, Kaspersky Security Centre
- Microsoft SQL Server
- NSI Inspectorate Ledger Application
- Firewall security.

In support of the business units, the following activities were conducted:

- Implementation of the LIMS ( Laboratory Information Management System)
- Roll out and update of antivirus to all branches;
- Ongoing replacement of old and outdated PC's;
- Continuous implementation of online backup systems; and
- Staff awareness on the ICT Policy and the use of IT.

### Implementation of the Laboratory Information Management Systems. (LIMS)

The Laboratory Information Management System (LIMS) manages all aspects of data in the laboratory from the test results to the sample information, which reduces the time spent on administrative tasks. It is in this regard that the NSI embarked on the installation and implementation of such a system.

The regulatory and accreditation requirements demand that laboratories should demonstrate the validity of their results, which means that keeping track of analyst training records, instrument calibration records, reagent efficacy, sample genealogy, various approval procedures and a host of other information supporting these results should be easily accessible. The system further ensures the security of information and the comprehensive audit trails must be kept to record each event in the life of a sample and its associated information.

During 2017, the ICT Section rolled out the Kaspersky Antivirus Installation Project to all the NSI branches.



This project ensured the protection of the computers, laptops and servers from virus, malware and worm attacks. It is also continuously updating the antivirus to ensure that the internal network security is not compromised.

In addition, it continuously replaces old computers; their lifespan had expired and as a result, eliminated the use of old and slow performing computers, thereby enhancing the efficiency of staff. The regular backups on files, systems and email are critical to addressing disruption of the NSI's operations in cases of unseen circumstances. A cloud backup solution that copies data and files from the NSI's hosted server into a cloud was implemented in 2016 and is an ongoing process.

# Corporate Communications

The Corporate Communications Section is responsible for the NSI's corporate communication, public and media relations, special events and promotions. It develops, manages and executes the NSI's communication, branding and promotional strategies and activities.

Furthermore, it establishes and maintains effective channels of communication, mutual understanding, acceptance and cooperation between the NSI and its internal and external stakeholders.

## Planned Activities

The section recognises the need to further create awareness of the NSI brand and promote its services through paid advertising and publicity. To this effect, publicity activities were arranged for the NSI's CEO and management to advocate the benefits of the NSI's services.

The following activities were conducted during the reporting period:

- Stakeholder engagement and promotional activities
- Promotion of World Standards Day and World Metrology Day
- Implementation of the Customer Service Charter
- Annual Customer Satisfaction Survey 2017 Results
- NSI social media activity
- Corporate Social Responsibility.

## Stakeholder engagement and Promotional Activities

The NSI as a public enterprise aims to promote a positive image through ensuring sound stakeholder relations, delivering excellent service to all customers, promoting good corporate citizenship and enhancing corporate image. Ensuring sound stakeholder relations requires proactive stakeholder management.



During the period under review, the NSI met with a number of ministries and agencies to foster good relationships first and foremost, but more importantly, to ascertain their needs and offer the NSI's services where applicable. It held regular engagements and feedback sessions with employees as well as meetings with key stakeholders.

### Participation in exhibitions and Trade Fairs

Different avenues were pursued to bring the NSI services closer to Namibians, such as participation in exhibitions and trade fairs. With this, it ensures that the general public has a better understanding of the NSI's activities and at the same time, emphasises the importance and contribution of standardisation, metrology and conformity assessments to the Namibian economy.

### Promotion of World Standards Day and World Metrology Day

The World Standards Day and the World Metrology Day are two of the NSI's most important annual events. As part of the NSI's celebration, the NSI took on a number of activities to raise awareness about the importance of standards and metrology targeting businesses, government ministries and its agencies and the general public.

Further activities involved Namibian print and electronic media about the World Standards Day and World Metrology Day celebrations. The NSI's appearance in television interviews on NBC's popular breakfast show, Good Morning Namibia, on the prime time evening business programme, Business Today, as well as on NBC's Afrikaans radio services had been instrumental in furthering awareness of the NSI's role in terms of trade and consumer protection.



## Implementation of the Customer Service Charter

The NSI firmly believes that customers are the core of the NSI's business and therefore developed an implementation plan to execute the Customer Service Charter.

The implementation plan was based on 4 key parameters, namely:

- To develop customer service principles and procedures for all branches;
- To train staff on customer service principles and procedures;
- To project professionalism and teamwork by acquiring corporate wear for staff;
- To conduct the Annual Customer Satisfaction Survey.

The section undertook training and information sharing sessions with all branches to ensure that all staff are aware of the requirements of the charter but more importantly, to inculcate a culture of customer service in line with the Harambee Prosperity Plan's (HPP) requirements of ensuring good citizen satisfaction ratings.

## Annual Customer Satisfaction Survey 2017 Results

The Annual Customer Satisfaction Survey was initiated and developed in September 2015 which comprises of 8 questions/dimensions both qualitative and quantitative research methods, assessing areas such as professionalism and responsiveness of NSI staff, quality of service and, understanding future needs of customers.

The overall purpose of the survey is to assess the general satisfaction levels of the NSI's customers and to ascertain common concerns and needs. The outcome of the survey is shared with the various business units for corrective actions to be implemented to improve service delivery. This further cements our commitment towards meeting the NSI's strategic objectives of 80% overall satisfaction by the year 2021 and aligning ourselves with our core value of responsiveness to stakeholders.

The NSI's target for the period under review, was to achieve a 75% satisfaction rating from its customer, however, due to initiatives addressing customer concerns and needs, the achievement of 78% satisfaction rating is a testimony of the NSI's commitment towards becoming a centre of excellence.

### Overall Customer Satisfaction Survey Results:

*78% respondents satisfied with NSI service*

*79% of respondents satisfied with NSI's professional behaviour*

*83% of respondents said that NSI understood their questions and concerns*

*44% of respondents not satisfied with NSI responsiveness to questions and concerns*

*69% of respondents satisfied with NSI in terms of relevance of information, easy navigation and appealing design and layout*

*84% would recommend NSI to colleagues within their industry.*

## Social Media Activity

Social media has become a growing affordable platform used by businesses to inform stakeholders of their activities and the NSI has made use of such platforms as well. The overall strategy of using social media is to ensure that the target audience is aware of the NSI's services and also address customer concerns in a timely manner. In addition, we aim to make use of social media to increase traffic to the website and inform the target audience of any media releases, events, promotions and announcements. Since the establishment of the NSI Facebook page in February 2016, the number of followers and engagement has grown considerably.

## **Corporate Social Responsibility**

### **Employee Engagement**

One of the NSI's strategic objectives is to partner and collaborate with key stakeholders not only to promote its services but to honour our role in the society.

The NSI employees were involved in the achievement of raising funds to support the Cancer Apple Project of Bank Windhoek, which is one of the biggest national fundraising projects in Namibia. The project aims to create awareness about cancer and educate Namibians to protect themselves against this illness.

The NSI further conducts social events to engage employees on an informal platform through participating in sporting fun days and staff social gatherings.

### **Challenges**

Marketing and Communications activities require significant financial resources and more often, during economic difficulties, it receives reduced budgetary consideration. Therefore the NSI continues to carry out smart marketing activities through the use of social media and strategic partnerships with business associations, such as Team Namibia and the Construction Industries Federation, while prioritising spending to ensure greater impact and awareness.

# STANDARDS DEVELOPMENT AND COORDINATION

## Introduction

One of the core functions of the NSI is to facilitate the development and adoption of standards in accordance with the World Trade Organisation (WTO) Agreement requirements as laid down in Annex 3: Code of Good Practice in the Development of Standards and as guided by the International Organisation for Standardisation (ISO) processes.

Through the Standards Development and Coordination Department, the NSI continuously promotes Namibian standards (NAMS) and other international standards in addressing Namibian needs for standards. It is to be recognised that the development of standards involves huge collective efforts from participating industry experts and interested stakeholders. Standards, particularly national standards, must meet national priorities and therefore, their development includes conducting extensive consultations with various stakeholders from industry experts, academia, government representatives, consumer groups and interested private sectors, individuals and organisations.

To fulfil the NSI's mandate as outlined in the Standards Act, 2005 (Act No. 18 of 2005), the department has been allocated the responsibility to execute the following functions:

- Oversee and manage the establishment of NSI Management's Technical Committees
- Develop and publish national standards. NSI has access to a number of international and regional standards that can be adopted or referenced in the national standards
- Training of selected standards to the industry
- Provide relevant trade-related information to manufacturers and exporters
- Manage the WTO/TBT Notification and Enquiry Point
- Provide and sell standards
- Coordinate the implementation of the National Quality Policy.

## Highlights

- Recorded a sale of one hundred and eighty-six (186) standards to the value of N\$ 240 157.78
- The successful hosting of the World Standards Day and National Quality Awards in October
- Establishment of Standards Training Unit
- Offered first training sessions to the medical and beverage sectors on ISO 9001 and ISO 22000
- Increase in the number of South African Standards (SANS) being adopted as Namibian Standards.



## NSI Management Technical Committees and Subcommittees

A management technical committee is a group of interested parties and experts that are nominated to develop standards for Namibia. International best practice requires that the industry and other relevant stakeholders actively participate in the standards development. Since the NSI's inception in 2008, the NSI's management established 12 management technical committees and 2 subcommittees, which are listed in the table below:

Table 8 NSI committees:

No.	NSI MTC	Title of the NSI Management Technical Committee
1	NSI MTC 1	MTC on Renewable Energy
2	NSI MTC 2	MTC on Quality Management Systems (QMS)
3	NSI MTC 3	MTC on Food Safety Management Systems (FSMS)
	<b>Subcommittee 1</b>	<b>Subcommittee on Water</b>
4	NSI MTC 4	National Electro-technical Committee (NaEC)
5	NSI MTC 5	MTC on Environmental Management Systems (EMS)
6	NSI MTC 6	MTC on Construction, Cement and Concrete Technologies
7	NSI MTC 7	MTC on Halaal Products
8	NSI MTC 8	MTC on Occupational Health and Safety Management (OHSAS)
9	NSI MTC 9	MTC on Metrology (Measurement Standards)
10	NSI MTC 10	MTC on Roads Construction, Vehicle and Road Safety
11	NSI MTC 11	MTC on Hospitality Infrastructure and Tourism
12	NSI MTC 12	MTC on Design of Dry Sanitation Facilities and Systems in Rural Areas and Informal Settlements
	<i>Subcommittee No. 1</i>	<i>Subcommittee for the Development and Adoption of Namibian Standards on the Requirements for Above fuel storage Tanks</i>
	<i>Subcommittee No. 2</i>	<i>Subcommittee on Meat and Agricultural Products</i>

## Planned Projects

During the period under review, the department embarked on the following initiatives:

- Attachment of Standards Officers to respective Growth at Home Strategy activities to identify standardisation needs of SMEs and provide relevant expertise in the field of standards development and training;
- Formalisation of the National Electro-Technical Committee (NaEC) of which nominations from different ministries were solicited for the purpose of a collective direct industry participation in the electrical, electronics and IT-related standardisation activities; and
- Drafting of the National Standardisation Strategy (NSS), of which request for assistance was forwarded to key partners to ensure that Namibia will have nationally focused activities in standards development.

## Commemoration of The World Standards Day

The World Standards Day introduced by the International Organisation for Standardisation (ISO) on 14 October 1970, commemorates the formation of the ISO in 1947. The International Electro-technical Commission (IEC) joined the celebration of World Standards Day in 1988 and the International Telecommunication Union (ITU) in 1993.

The aim of World Standards Day is to raise awareness on the importance of global standardisation within the world economy and to promote its role in helping to meet the needs of business, industry, government and consumers worldwide.

In Namibia, World Standards Day was commemorated on 12 October 2017 under the theme “Standards Make Cities Smarter”. The theme reflects how standards can be used to ensure that there is sufficient fresh water, universal access to cleaner energy, the ability to travel efficiently from one point to another, and a sense of safety and security.

## Commemoration of National Quality Awards

The National Quality Awards are held annually in Namibia and around the world with the aim of recognising, encouraging and honouring those individuals, industries and enterprises (including the service sector), that demonstrate quality principles being applied in the conduct of their businesses. The quality awards are aimed at promoting, developing and inculcating a quality culture amongst all Namibians as contained in the NQP document.

The National Quality Awards recognised and rewarded Namibian businesses, large, medium or small in 5 different categories which are:

1. Company of the Year Award
2. Product of the Year Award
3. Service of the Year Award
4. Exporter of the Year Award (large enterprises only)
5. Quality Individual Award

The selected winners automatically qualified to participate in the lucrative SADC Region Quality Awards held in March 2018.

## Participation in International and Regional Standardisation Activities

The department coordinates the regional and international standardisation activities and facilitates correspondence on these matters with internal as well as external stakeholders. In addition to representing Namibia both in the regional and international standardisation activities, the NSI also deals with queries on matters relating to standardisation activities, being the WTO enquiry and notification point.

The NSI, through its various Management Technical Committees, serves as National Mirror Committee for the following ISO and ARSO Technical Committees and have voted for all ballots received during the period under review:

- ISO/ TC 176 on Quality Management and Quality Assurance
- ISO/TC 34 on Food Products
- ISO/TC 71/SC 5 on Concrete, Reinforcement Concrete and Pre-stressed Concrete
- ISO/TC 242 on Energy Management
- ISO/TC 283 on Occupational Health and Safety Management System
- ISO/TC 207 on Environmental Management

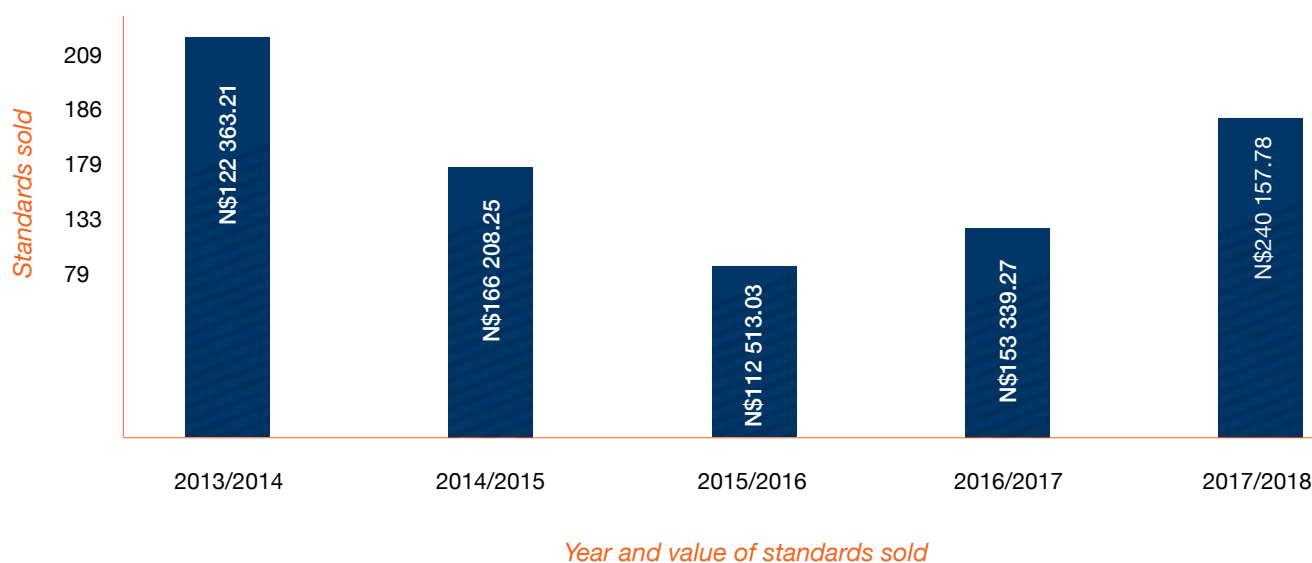
## Publications, Marketing, Sales and Information

The Publications, Marketing, Sales and Information Section, is tasked with the publication of Namibian Standards (NAMS). Furthermore, it is responsible for the promotion, selling and sharing of information on standards and trade-related matters.

### Marketing and Sales

The NSI has sold one hundred and eighty-six (186) standards during the period under review, which represents a 29% increase year-on-year.

Figure 1. Number of standards sold



### Staff Competence/ Training Development

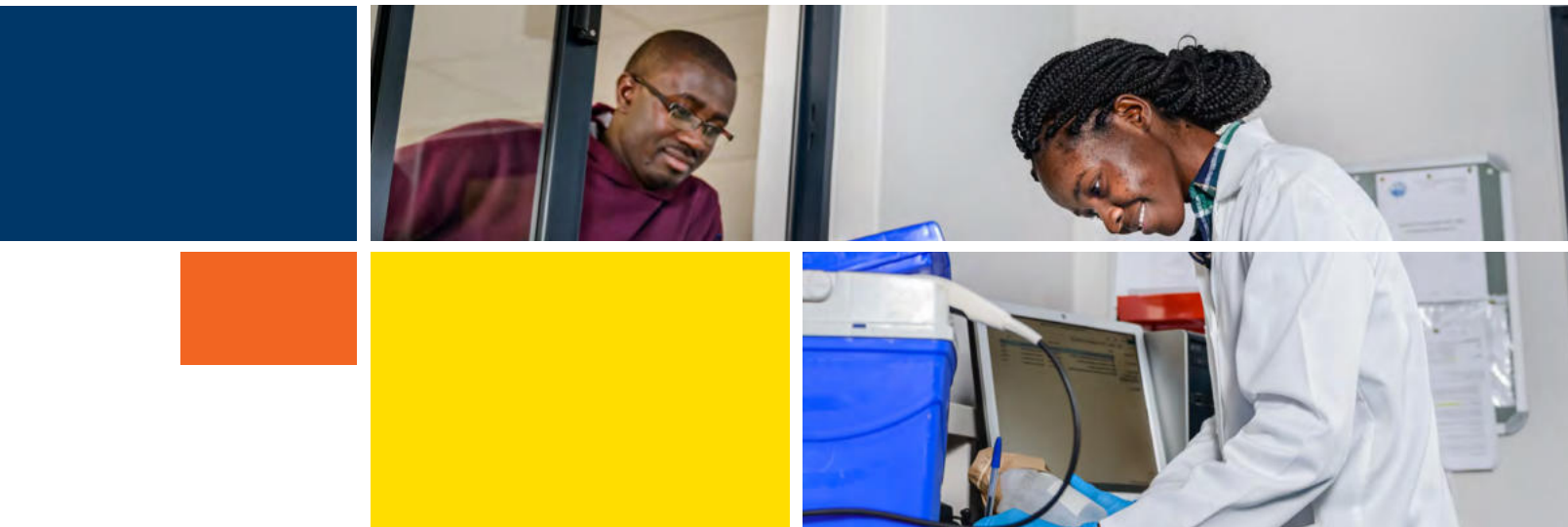
- Three Standards Officers took part in the Train the Trainers workshop which was offered by the SADC Cooperation in Standardisation (SADCSTAN). The training is aimed at raising awareness and increasing the participation of consumers, trade and manufacturing associations on how to get involved the work of SADCSTAN. It further sensitises regulatory bodies or institutions within SADC.
- Two Standards Officers from the NSI and other Regional Standards Body members were trained on the application of project management in standards development through ISO.
- The active participation of the Management Technical Committee members is critical to the department's operations, therefore the department held a breakfast meeting with MTC members to have a better understanding of the standards development process and to share experiences amongst members.
- ISO offered a training course on IT for ISO User Administrators which aimed to provide trainees with knowledge and skills to manage the task required of Member Body User Administrators as well as the management of people's roles in ISO Technical Committees, Subcommittees, and Working Groups in the ISO Global Directory, including the setup and management of National Mirror Committees. This training was successfully conducted in Windhoek, with the NSI being the coordinator. The workshop was attended by other member body users from Kenya, Mozambique, Tanzania, South Africa, Gabon, DRC and Botswana.

### Challenges

The lack of national understanding and appreciation of standards and the apparent failure of stakeholders to distinguish between standards and technical regulations poses a major challenge. This is exacerbated by the fact that the regulatory framework within the country is not properly instituted and regulatory functions are fragmented.

Namibia needs to establish national priorities of standardisation needs and therefore the development of a National Standardisation Strategy (NSS) cannot be over-emphasised. A well laid down strategy will pave the way to a more concerted and focused effort in standardisation activities in the country, which will ultimately lead towards speeding up the industrialisation initiatives as put forward by the Government of Namibia.

# REGULATORY AND CONSUMER PROTECTION



## TESTING SERVICES

### Introduction

The Testing Centre, operating in Walvis Bay's Light Industrial area, has positioned itself as a laboratory of repute by means of its professional staff, the commissioning of advanced analytical and highly sensitive equipment, and the use of competent operators. The NSI Testing Laboratory staff complement consists of a Laboratory Manager, a Quality Assurance Officer, 19 technical personnel as well as administrative and support staff. In 2017/18, testing scope has grown tremendously in order to meet the increased demand for testing services from industry and regulatory authorities.

During the period under review, the Testing Centre continued to provide quality analytical services to its internal and external customers thereby maintaining its regulatory programmes, meeting of export requirements and the attainment of NSI's strategic objectives. It has the technical resources and expertise to provide analytical services over a wide range of sample types required by its customers and according to regulatory requirements.

These services include microbiological and chemical analyses on fish and fishery products, shellfish, dairy products, meat and meat products, environmental surveillance samples, such as swabs and air quality plates, potable water, sea water, ice and effluent water.

The Testing Centre has continuously strived to expand its revenue base through the provision of services to a broader customer base. New methods were developed and current methods expanded to include a wider range of sample types, e.g. meat, poultry and ready-to-eat foods.

During the financial year 2017/2018, investment into the expanded scopes yielded positive results which were evident through the increase, not only in food sample numbers, but also an increase in the number of different customers submitting samples from different food industries.

### Testing Centre Construction Project

During the period under review, construction on the Testing Centre continued in order to ensure vital improvements to the building that are required to support the technical test work and make the building safer. An upgrade to the central air conditioning system was done, the fume extraction systems in chemistry was upgraded, and construction work of Phase II of the Testing and Inspection Centre is progressing despite financial constraints. The construction project included rectifying the deficiencies identified from Phase 1 and the construction of the boundary, walls, garages, generator room, and supply of generator, supply of PABX and Telephone Boardroom Communication System and furniture for the Testing Centre. The deficiencies identified in phase I of construction were rectified. Most of the targeted works were completed.

### Microbiology Laboratory

The Microbiology Laboratory experienced an increase in the volume of samples submitted and processed, as well as the total number of tests done as compared to the three previous financial years as reflected in Figure 2 and Figure 3 below. During the 2017 financial year, a total of 8,033 samples were received and tested for a total number of 23,279 test parameters. The growth in the volume of test work is attributed to an expansion of testing scope in terms of different types of food samples.

Furthermore, the Testing Centre expanded its accreditation scopes to include poultry, meat and ready-to-eat food and thus, food samples increased more than 100% from 1,242 samples in the 2016/2017 financial year to 2,741 in the 2017/2018 financial year. The largest components of microbiology samples submitted for testing continued to be swab samples at 36.4%, food contributed to 32.3% and water 28.4% respectively of the total number of samples tested. Environmental samples, such as air quality plates, form a small portion of the total tests and have remained stable in volume from 255 samples submitted for testing to 228 samples in the 2016/2017 and the 2017/2018 financial years respectively.

Figure 2: An Illustration of the growth in microbiology volume of work in terms of the number of tests parameters done over the past four financial years.

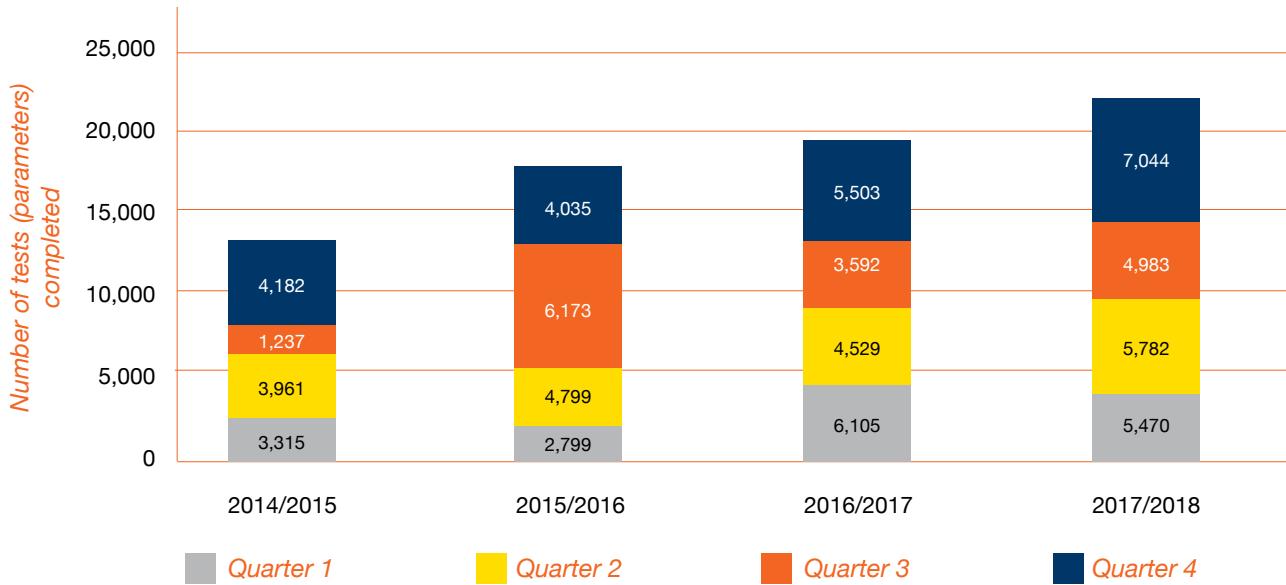
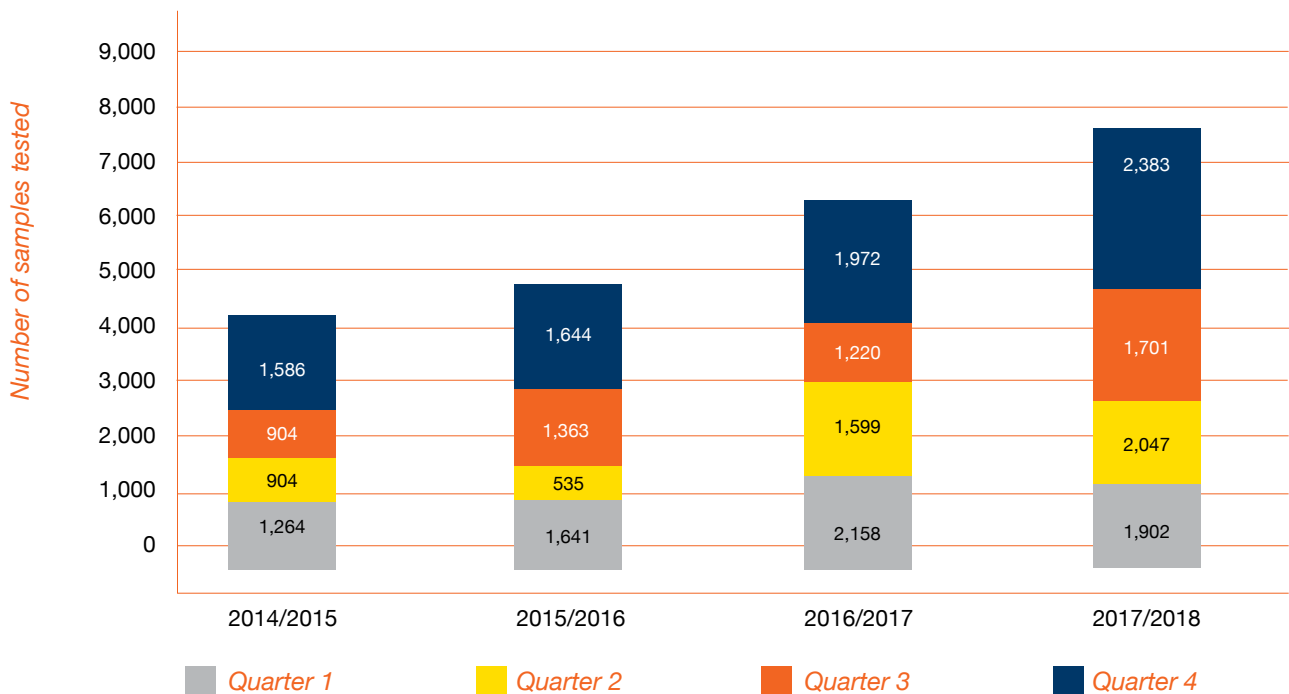


Figure 3: An Illustration of the growth in microbiology volume of work in terms of the number of samples received and analyzed over the past four financial years.”



In the same period, the Microbiology Laboratory was officially acknowledged as a subcontractor laboratory by the Ministry of Agriculture, Water and Forestry (MAWF) and, consequently, the approval was granted to the Walvis Bay State Veterinarian to use the NSI as the official test laboratory for import poultry samples.

## Chemistry Laboratory

The NSI Testing Centre Chemistry Laboratory continued to provide high-quality analytical testing services through its heavy metal and biotoxins tests to the NSI Inspectorate, the fishing industry as well as the shellfish industry. Provision of new services in terms of histamine and the lipophilic toxin testing significantly boosted the income of the Chemistry Laboratory.

Figure 4: Work volume movement within Chemistry Section illustrated in terms of total number of test parameters done in 2017/2018.

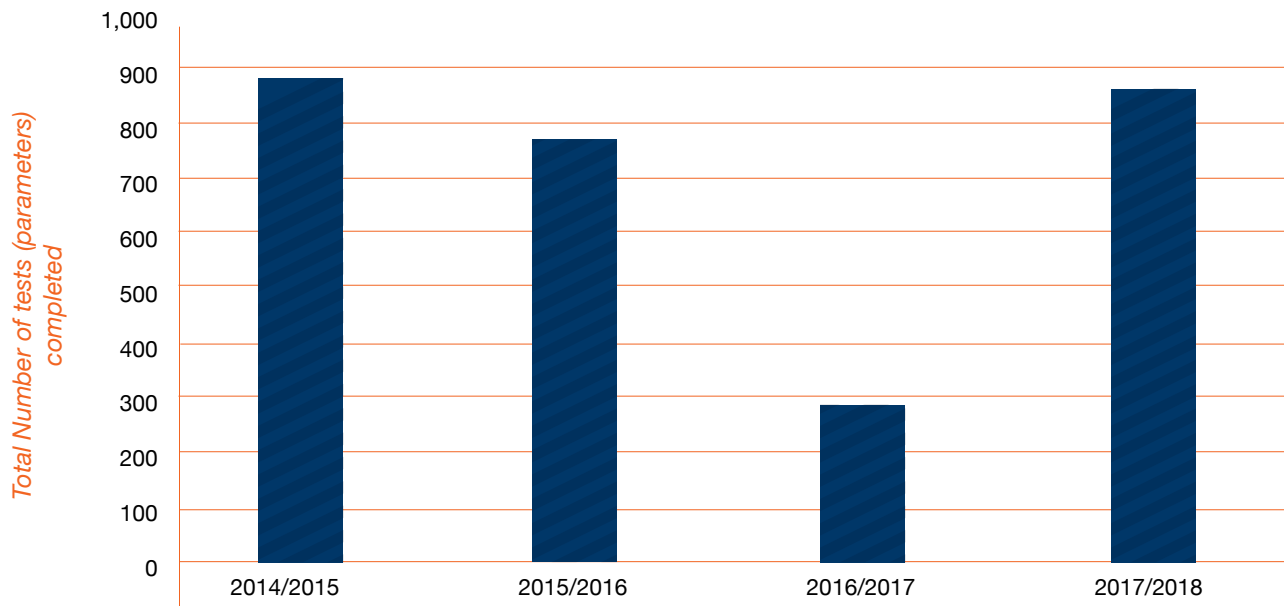
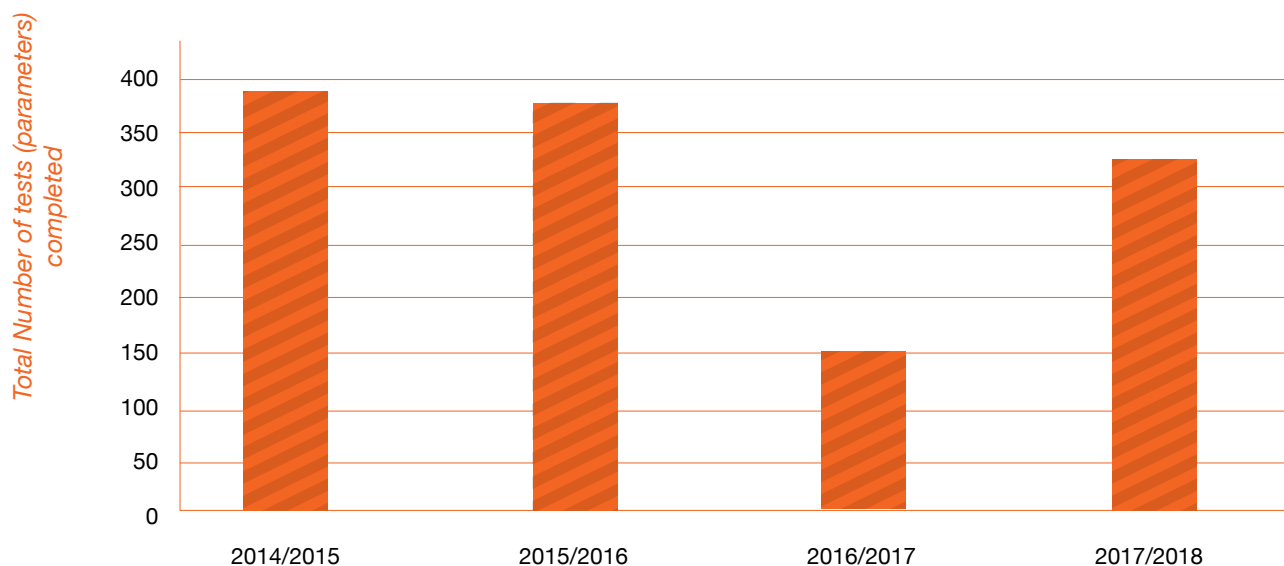


Figure 5: Work volume movement within Chemistry Section illustrated in terms of total number of samples analysed in 2017/2018.



*In addition, the Chemistry Section continued to implement new methods during the period under review and made available in March 2018 to customers the test methods for lipophilic toxins testing; basic water chemistry methods including pH, and conductivity/total dissolved solids and turbidity and histamine for fishing products.*

## International Recognition

The confidence in product and process performance is awarded through third party evaluation and recognition of competency to the international standard ISO/IEC 17025:2005, which is the competency requirement for testing laboratories. The Testing Centre continues to operate in accordance with a well-documented Quality Management System based on ISO/IEC 17025:2005 and is accredited by the South African National Accreditation Services (SANAS) against that standard for key analytical procedures since May 2011 (facility number T0449). With this therefore, the laboratory's results enjoy international recognition and acceptability. The maintenance of this accreditation status requires a surveillance visit after every 18 months by an assessment team from the accreditation body in this case SANAS.

In order to maintain international recognition, laboratories are re-evaluated every 18 months by the accreditation body in order to ensure continued technical competence, compliance with requirements and to check that standards of operation is maintained. In this regard, the Testing Centre was assessed in November 2017 for re-evaluation by a SANAS accreditation team, and was granted continued accreditation after the 2-day assessment. In order to meet the growing needs of the customers, the Testing Centre has since the initial accreditation continually grown its scope of accreditation each year.

To ensure continued provision of accredited analytical services to customers, the laboratory has, since 2010, continuously developed its staff to attain technical proficiency as technical signatories (personnel declared by the laboratory as technically competent to issue accredited results and confirmed by SANAS). The continued development of technical signatory capacity ensures efficient processing and reporting of sample results, in line with the growth of the testing scope as well as the increase in sample volumes processed by the Laboratory. During 2017 financial year, the number of technical signatories was maintained as in the previous financial year.

## Training and Staff Competence/Development



The NSI is a knowledge-based institution, thus investment in human capital is vital to ensure the laboratory remains current on technical matters and in accordance with international best practices to be able to meet the growing demands of the industry.

The Testing Centre recruits graduates from the country's tertiary institutions and as such, the NSI invests heavily in the development of young, talented Namibians. The laboratory has achieved its goals through rigorous on-the-job training to develop skills, by utilising technical experts to conduct in-house training, specialised training and practical attachment at institutions of excellence elsewhere.

During the period under review, the staff participated in numerous capacity-building activities covering new method development and practical method validation for microbiology through on-site training by a regional expert.

Laboratory assistants perform a vital function in the laboratory, preparing the laboratory environment, reagents and bacterial culture media and assisting analysts during testing. The in-house training program of the NSI Testing Centre develops Grade 12 graduates to be fully functional in the capacity of laboratory assistants, and when funds permit, the practical on the job training.

## Graduate Development Programme

During the year 2017, the NSI Testing Centre hosted two microbiology graduate trainees from the University of Namibia. The NSI is committed to social responsibility and giving back to the Namibian economy in terms of development of graduates for the career market. It is a win-win situation as the graduate candidates build up experience in food, water and environmental microbiology—vital skills needed for the job market.

In addition to the graduate programme, the NSI signed a Memorandum of Understanding (MoU) with the University of Namibia and through the MoU, the NSI agreed to host four UNAM students per year for practical attachment sessions of three weeks and, as such, the NSI successfully hosted four students in the Microbiology Laboratory.

## Development Cooperation Partner Projects

As part of its strategic initiatives, the NSI cooperates with Development Cooperation Partners (DCP) to build both the Institution's capacity as well as develop its human capital. During the period under review, the Testing Centre participated in four DCP projects, namely the International Atomic Energy Agency (IAEA) Regional African Project, RAF5067 and RAF5078, United Nations Industrial Development Organisation (UNIDO) "Trade Capacity-building for Exports in Namibia SAP ID: 100204," and the ACP-EU TBT Programme.

The IAEA country project described as "NAM9006: Strengthening the Regulatory Capacity and Analytical Capabilities of the Regulatory Authority" through the Ministry of Health and Social Services (MoHSS) is aimed at the development and expansion of the scope of heavy metal testing on Foods (fishery products). This is to include arsenic as well as strengthening the technical capacity of the current scope for lead, cadmium and mercury. This project was initiated in January 2018 by a site visit of the project technical officer from IAEA. Through this project, the NSI benefits from the acquisition of equipment and training.

The IAEA African Regional Project RAF5078 was initiated in 2016 and the Testing Centre re-confirmed commitment to the Food Safety Network of Laboratories through continued participation as a regional member in the RAF5078 project. The new project, RAF5078 seeks to build on RAF5067, in addressing the remaining technical issues facing the various laboratories (such as reference materials, PTs, enhancing analytical techniques etc.), and increase participation as well as expand networking between laboratories.

As a member of the Food Safety Network of Africa and a member of the laboratories participating in the IAEA AFRA Project, the NSI acts as host centre for scientific visits for analysts from other African countries. An analyst from the Ministry of Agriculture, Agriculture Research Institute of

Mozambique was hosted for fellowship on microbiological testing and quality assurance techniques at the NSI Testing Centre for two weeks during February 2018.

## Accommodation and Environment

The Testing Centre is hosted in a well-designed laboratory facility that has adequate space allowing for the future growth and expansion of testing activities. Accommodation and environment are the critical competencies stipulated in ISO/IEC 17025 to produce accurate results. As such, the laboratory environmental conditions are strictly monitored on an on-going basis to ensure suitability for testing activities. There were no problems experienced within the laboratory environment and accommodation during the period under review due to diligent preventative maintenance actions by the laboratory team.

## Customer Service

Customer service remains a top priority for the NSI Testing Centre, and on-going engagement with customers, both internal and external through contract review sessions, ensures that customer requirements are met. A customer satisfaction survey was conducted during December 2017 and the survey results are used to continually improve services. The survey showed that the NSI Testing Centre is rated by its customers to be ranking between "satisfied" and "very satisfied" with an average score of 3.59 on a scale of 1.00 (poor) to 4.00 (very satisfied). The comparison between previous year's and the 2017/2018 financial year's feedback showed that the Testing Centre has steadily improved its service provision over the last three years by ensuring that corrective actions raised are addressed.



# FISHERY INSPECTORATE SERVICES

## Fish and Fishery Products Inspection

The Inspectorate Division provides a number of regulatory services for customers in Walvis Bay, Lüderitz and at Meatco's canning factory in Windhoek, which is in line with the NSI's mandate of ensuring food safety and control of regulated products. It has adopted a quality management system to ensure its operations run smoothly and optimally. The quality management system is designed as per ISO/IEC 17020:2012 and consists of a quality manual, procedures and guide documents.

In carrying out their work, the inspectors are required to always use the manuals, procedures and guides as references. The daily use of the procedures is compulsory, while the manual and guides are mostly for reference purposes.

The key responsibility of the division is to conduct compulsory inspection against set requirements, such as:

- Compulsory product and manufacturing process specifications as applicable in Namibia;
- Minimum requirements of certain importing countries or trade blocks such as the European Union (EU);
- Minimum international requirements e.g. Codex Alimentarius code of practice, where applicable; and
- Customer-specific requirements.

The inspection function involves the monitoring of processing facilities to ensure the health and safety of the consumers and the examination of the following fish and fishery products:

- Frozen Finfish, Marine Molluscs and Frozen Crustaceans (lobster, langoustines, crabs, shrimps/prawns);
- Chilled fresh fish prior to export;
- Pouched and canned meat products;
- Canned fish, marine molluscs and crustaceans; and
- Salted fish, mostly salted snoek.

It is also key in issuing export health guarantees/attestations on products and food safety systems, in-depth inspections of factory and freezer vessels, land-based fishing factories as well as fish and meat canneries based on HACCP principles. The health attestation on export consignment is a requirement of most trading partners and can only be issued when both product safety as well as food safety system is compliant with requirements.

In addition, the NSI Inspectorate is responsible for the maintenance and regular updating of the list of establishments; (land-based factories, factory and freezer vessels) approved for export to EU member states. It further inspects a number of ice and refrigerated-seawater (RSW) vessels supplying raw materials to land-based establishments by regularly conducting inspections for compliance.

The main products subjected to regulatory controls include:

- Fresh/chilled fish – Hake (*Merluccius* spp) and Longfin Tuna (*Thunnus alalunga*);
- Frozen fish - Hake, Tuna (Long fin, Yellow fin, Skipjack, Big eye Tuna), Sword fish, Marlin, Shark (Blue and Mako), Monk (*Lophius* spp), Kingklip (*Genypterus* spp), Squid (*Loligo* and *Todarodes* spp), Rock lobsters, Crabs.
- Canned fish – Sardines in tomato or chili sauce, pickled or curried Hake and Horse Mackerel in vegetable oil, tomato or chili sauce and curry sauce;
- Canned meat, mainly corned meat, meat loaf and chicken loaf; and
- Salted snoek.



## Aquaculture

The Namibian Molluscan Shellfish Sanitation Monitoring and Control Programme was developed by the Ministry of Fisheries and Marine Resources (MFMR). In this regard, the Inspectorate assists the MFMR with the implementation of the Shellfish Model Sanitation Programme through regular sampling of sea water and product sampling (shellfish) for laboratory testing for the presence of heavy metals, biotoxins, microbiological contamination (i.e. Ecoli and Salmonella). This programme monitors for all types of regulatory contamination related to shellfish to ensure they are fit for human consumption.

The NSI remains committed to the implementation of this programme as well as gaining access to the EU market for its molluscan shellfish. In collaboration with the MFMR, the draft Shellfish Sanitation Monitoring Regulations under the Aquaculture Act 2002 (Act no.18 of 2002) is set to be in the final draft stage. While the regulations are yet to be finalised, the NSI continues with shellfish monitoring (sampling) to ensure compliance with the programme, which includes the following tests and frequencies:

- ASP, once a month per growing area;
- DSP, every second week per growing area;
- PSP, every second week per growing area;
- Heavy metals (Lead, Cadmium and Mercury); and
- PCBs and PAH (tested once a year).

As agreed between the NSI and the MFMR, the MFMR continues to monitor the prevalence of phytoplankton as an early warning system for possible blooming of harmful algae associated with toxicity of marine aquaculture products. When there is an occurrence of biotoxins above regulatory limit in products detected during monitoring testing, the MFMR issues an order for closure of production areas for harvesting and marketing until such a time that laboratory test results conducted by the NSI reveal that the toxic event is over.

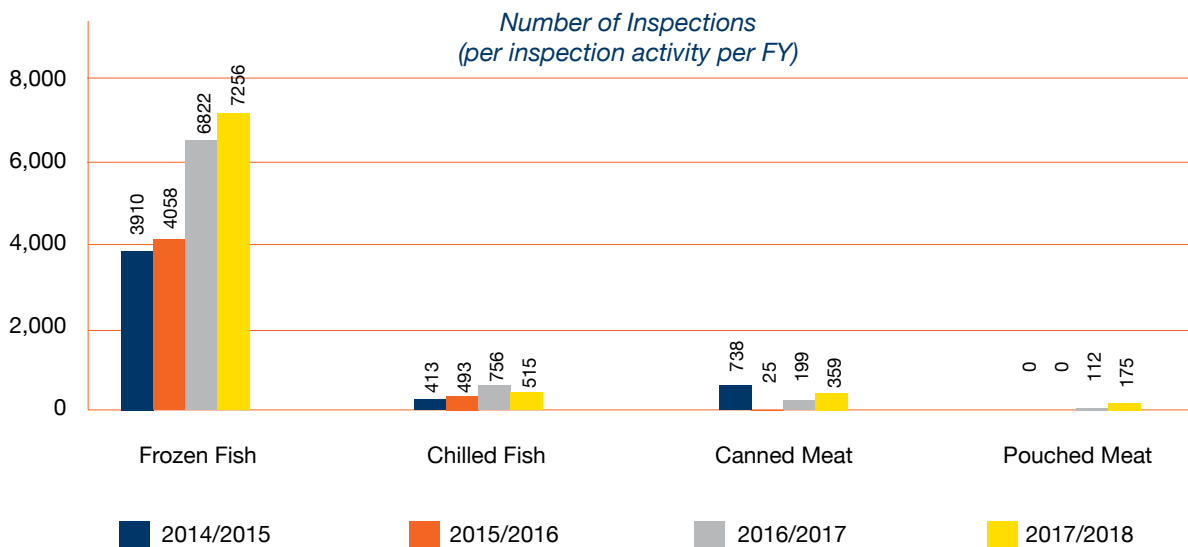
## Quality Management System

The NSI Fishery Inspectorate Quality Management System is guided by the following quality policy objectives:

- Maintain competent staff at all times;
- Reduce the number of major non-conformances raised through internal audits and those raised through external audits by 50% every year;
- Provide services to customers within turnaround time, 90% of the time;
- 100% maintenance of accreditation to ISO/IEC 17020:2012 and existing technical signatories for the accreditation cycle;
- Aim for zero unaddressed customer complaints per year; and
- Use calibrated and verified measuring equipment at all times.

All Inspectorate staff are obliged to observe confidentiality and the impartiality and are required to sign a declaration to that effect annually. The staff members are urged to declare any conflict of interest that may be a risk to impartiality.

**Figure 6: Volume of work Inspections 2014 to 2017**



The number of inspections and the volume of regulated products have increased over time for frozen and chilled fish products. The increase in frozen and chilled fish inspections is also attributed to new players in the industry from new quota allocations as well as inspections of horse mackerel products destined for export to Mozambique and other African markets.

Canned fishery products have decreased over time, primarily due to the current moratorium on sardine quota allocation and this evidently contributed to the significant reduction in canned fish inspection activities. The quota for canned fish has been halted for three years due to the vulnerability of sardine, which need more time for the stock to recover. However, more frozen sardine is being imported to keep up with the demand for canned fish.

The division currently monitors the following establishments and vessels where raw materials and final products are originating:

**Table 9: Establishments and vessels being monitored by the NSI**

PRODUCT	NUMBER	DESCRIPTION
Frozen fish land based factories	18	Mostly white fish and by-catches
Chilled fish land based factories	1	Fresh whole round fish for export
Cold store facilities	4	Storage facilities only
Canned fish land based factories	3	Canned sardine
Canned meat land based factories	2	Corned meat, meat loaf, chicken loaf and pouched tripe
Factory vessels	30	Mostly white fish, monk and crabs and by-catches
Freezer vessels	24	Mostly large pelagic and horse mackerel
Ice vessels	63	Wet fish for further processing
Refrigerated sea water vessels (RSW)	8	Fish in refrigerated sea water



## Infrastructure

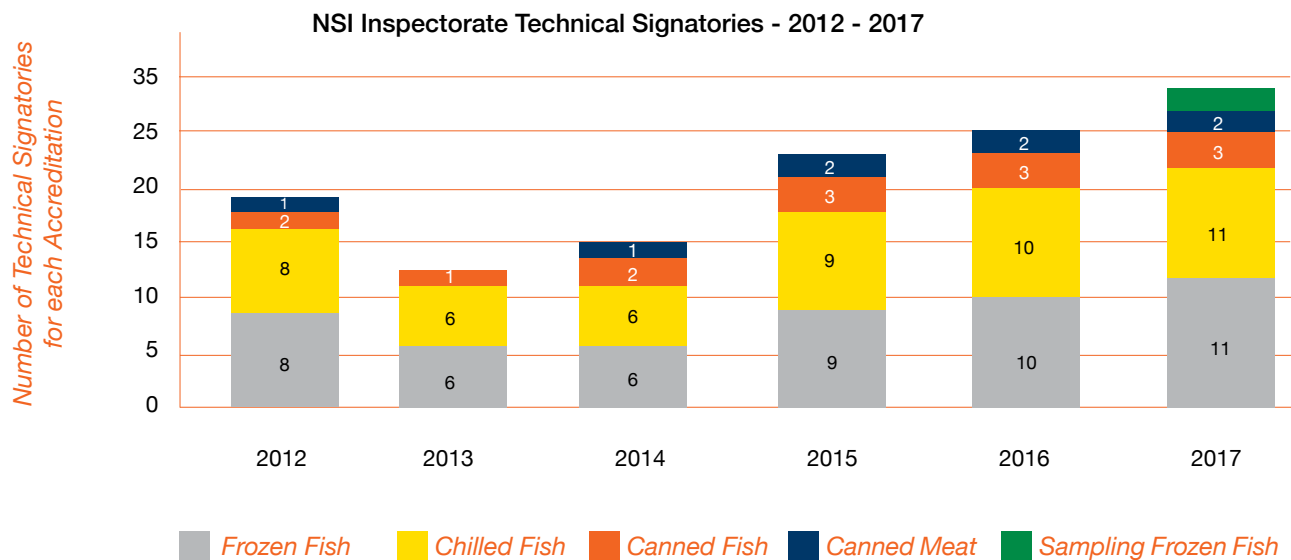
The NSI, through the support of MITSMED, has embarked on the construction of a new and state-of-the-art facility in the new Light Industrial Area in Walvis Bay to house the Inspectorate division. The facility will consist of modern fit-for-purpose laboratories, adequate office space and staff amenities. Lock-up garages for vehicles have already been completed and are in use. The project is expected to be completed in mid-2019.

## Capacity Building

The division continues to offer capacity-building opportunities for inspectors in order for them to conduct audits for Hazard Analysis and Critical Control Point (HACCP) compliance, other FSMS audits for both land-based facilities and vessels to ensure food safety and consumer protection. HACCP compliance by fish processing plants and fishing vessels is a pre-requisite for export to EU member states, which requires compliance to EU regulations such as EC 852/2004, 853/2004, EC 854/2004 and 178/2002, among others.

Training is essential to ensure that the inspectors have in-depth knowledge of product specifications and be kept abreast with latest development in the regulatory environment. An in-house sensory training is conducted every second year to ensure inspectors are able to smell and identify different type of smells and intensity. The division continuously mentors junior staff for capacity development.

Figure 7: The number of work inspections 2014-2017



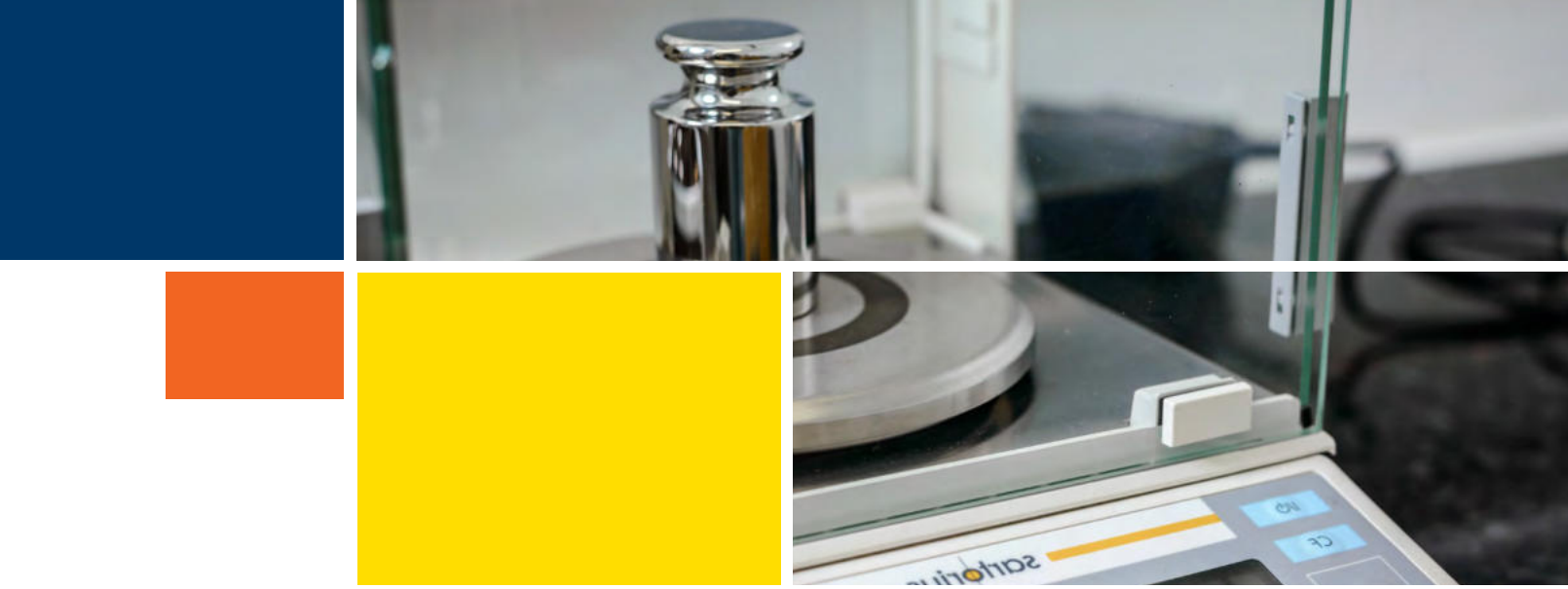
Since initial accreditation, the division has been maintaining sufficient number of technical signatories within a pool of competent inspectors, whose competence is widely recognised. This recognition is as a result of a third party accreditation to the ISO/IEC 17020:2012 issued by the South African National Accreditation body (SANAS). Figure 7 depicts a steady growth in the number of technical signatories added to the schedule of accreditation. The technical signatories are subjected to a third party assessment of their subject-specific knowledge, soundness in professional judgment, as well as their practical skills before they are recognised.

## Cooperation with Inspection Bodies INIP of Mozambique and NRCS of South Africa

A Memorandum of Understanding (MoU) with the National Fish Inspection Institute of the Republic of Mozambique (INIP) was signed together with the NSI, under Protocol No. 5 of the Cooperation Agreement between the governments of the Republic of Namibia and the Republic of Mozambique. Under this Agreement, the Mozambique fish and fisheries competent authority which came into effect on 1 March 2015 after a grace period of almost two years recognised the NSI as the competent authority which allowed exporters to comply with the new control regime for exporters to Mozambique

### Challenges

- At its current facility, the division is experiencing limitation in the space to accommodate the growing number of staff and scope expansion. However, this matter will be addressed when the new building currently under construction will be completed.
- The increase in export products requires sufficient staff within the division to cater for such increase as well as the recent introduction of horse mackerel inspection and the proposed inspection of imported pilchard for canning.
- The unavailability of Namibian National Standards and some Technical Regulations to use as a basis for regulatory work pose a big challenge in carrying out the division's responsibility. This however will soon be addressed when the relevant standards and regulations be made available as planned towards the end of the year 2018.
- Lack of a clear legislative framework for regulatory functions, e.g. Standards Act, 2005 (Act No. 18 of 2005), is not adequately covering regulatory functions of the division and there are no sufficient regulations to support full implementation and enforcement of the Act. In addition, due to the lack of import control and market surveillance control mechanisms, there is a high risk that the domestic market could easily become the dumping ground for sub-standard an
- The current overlapping jurisdictions among inspection agencies and between national and local regulators are creating grey areas e.g. some exported fish are still certified by the Ministry of Health and Social Services. One of the key objectives of the engagements conducted by the NSI is to seek agreement in this regard.



## METROLOGY

Metrology, a science of precision and accurate measurements is an integral component of the National Quality Infrastructure as centre of the national measurement system.

The Metrology Division serves the functions of both National Metrology Institute (NMI) and that of a National Legal Metrology Authority with the sole impetus of alleviating technical barriers to trade and therefore facilitating world trade. The functions of the NMI are performed by the Scientific and Industrial Metrology Section, while the administration and enforcement of the Trade Metrology Act No. 77 of 1973, as amended, and are performed by the Legal Metrology Section as the National Legal Metrology Authority.

Both sections, Scientific and Industrial Metrology and Legal Metrology, perform these responsibilities respectively as outlined below:

The Scientific and Industrial Metrology Section is responsible for:

- The development and maintenance of Namibia's National Measurement Standards achieved through participating in international Key Comparisons in order to ensure the accuracy, traceability, and international recognition of our national measurement;
- Ensuring the accuracy and measurement traceability of national measurement systems to international system of Units (SI);
- Implementing the International Committee of weights and measures mutual recognition agreement (CIPM-MRA); and
- Disseminating measurement traceability to industry through calibration services in order to facilitate the practice of accurate and precise measurements and quality assurance.

The Legal Metrology Section is responsible for:

- Pattern/type evaluation approval of measuring instruments used for prescribed purposes;
- Initial and periodic verification of measuring instruments used for prescribed purposes including trading, collections tolls, fine, rates and taxes;
- The inspection of pre-packed goods;
- Evaluation, registration and control of instrument mechanics;
- E-mark scheme;
- Regulation of all measuring instruments used in the Safety of Life at Sea (SOLAS); and
- Implementation of adopted harmonised technical recommendation associated with trade prescribed instruments.

### International Membership and Participation

<b>International</b>	<b>GENERAL CONFERENCE ON WEIGHTS AND MEASURES (CGPM)</b>	<b>Associate Member</b>
	International Organisation for Legal Metrology	Corresponding Member
Regional	Intra-Africa Metrology System (AFRIMETS)	Principal Member
Sub-regional	SADC Cooperation in Measurement Traceability (SADCMET)	Member
	SADC Cooperation in Legal Metrology (SADCMEL)	Member

## Implementation of the International Committee of Weights and Measures Mutual Recognition Agreement (CIPM-MRA)

The CIPM-MRA provides for international mutual recognition of National Measurement Standards, Calibration and Measurement Certificates issued by signatory National Metrology Institutes (NMIs).

The Metrology Division substantiates its technical competence through participation in inter-laboratory comparisons (ILCs) that are linked to the International Bureau of Weights and Measures (BIPM) key comparisons. The membership of Namibia to the BIPM provides an international platform under which the country publishes its Calibration Measurement Capabilities (CMCs) in the BIPM Key Comparison Data Base Quality System by the Intra-Africa Metrology System (AFRIMETS) and the Joint Committee of the Regional Metrology Organisations. Through its membership, the Metrology Division participates in the harmonisation of legal, scientific and industrial metrology activities and the participation and planning of activities that support the publication of CMCs.

During the period under review, the Metrology Laboratory participated in the AFRIMETS.T-S 2 inter-laboratory comparison of Platinum Resistance Thermometer calibrations over the range as detailed below:

- Pilot: Consultant for PTB project on CMCs
- Reference Lab: NMISA
- Participants: NMISA-South Africa, NIS-Egypt, LCAE/CME-Tunisia LPEE-LNM-Morocco GSB, Ghana IQM-Burkina Faso.

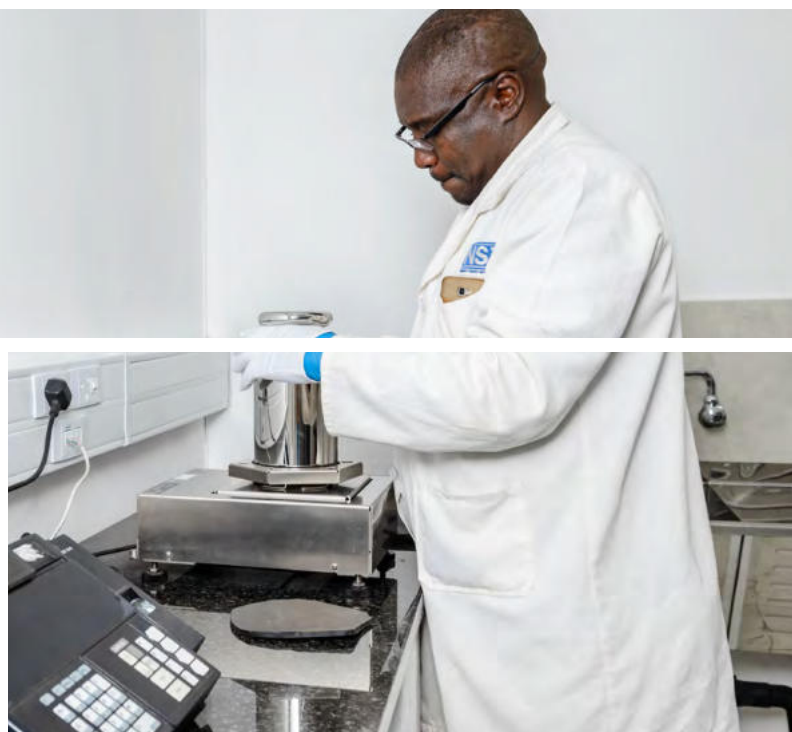
The Metrology staff are active members of the various AFRIMETS Technical Committees: Legal, Temperature, Mass and related (including Volume), Length Metrology and Quality Systems.

### Scientific and Industrial Metrology: Calibration Services

The Metrology Laboratories for mass and volume are accredited by SADCAS in accordance to the following schedules of accreditation under SADCAS facility numbers CAL-8 002 and CAL-09-003 for mass Volume respectively:

During the period under review, the laboratory underwent a rigorous assessment for re-accreditation by SADCAS in March 2018 and was granted re-accreditation marking a new accreditation cycle ending in February 2023.

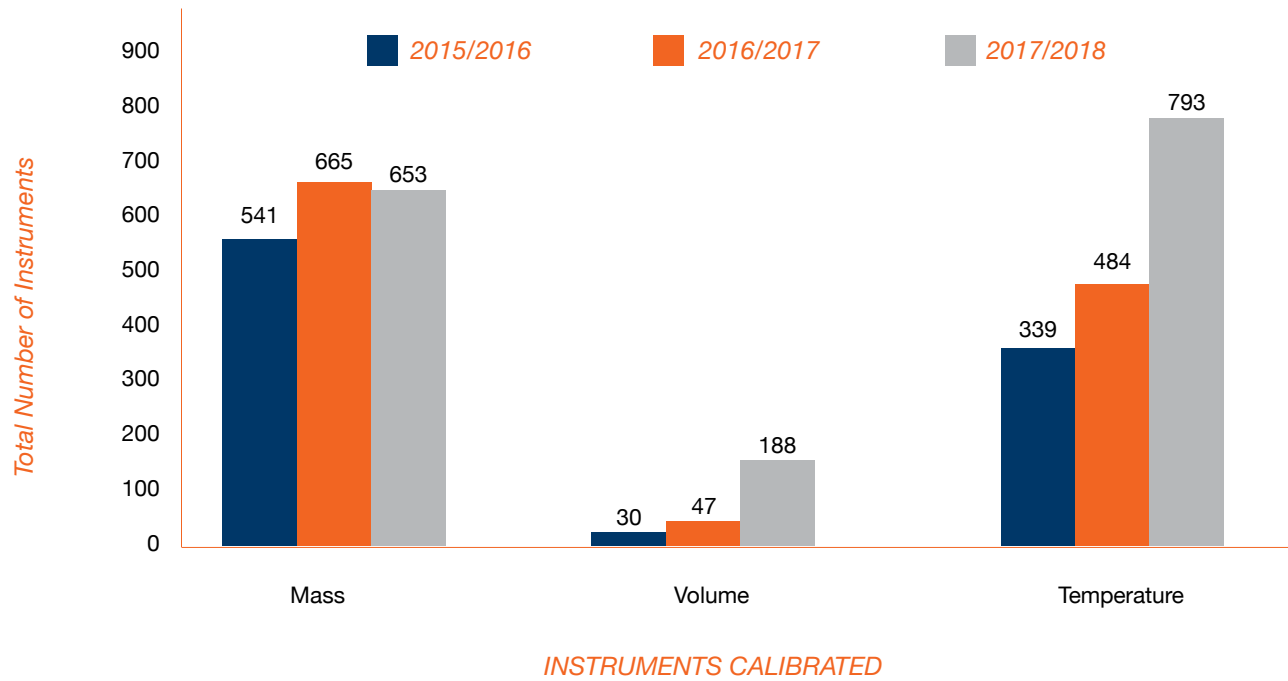
Apart from mass and volume metrology, the laboratory offers calibration services in the field of temperature metrology as well. Although the temperature calibration service has not been accredited, the period under review saw the full capacitation of the laboratory with equipment and training through the UNIDO Trade capacity-building project for exports in Namibia.



### Calibration Services Statistics as Per Metrology Field

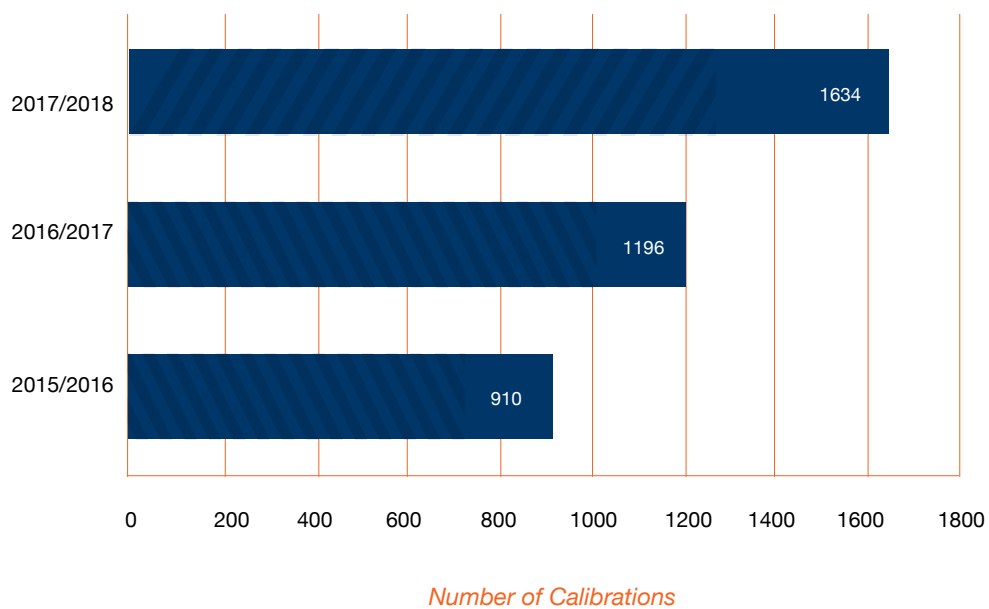
The number of instruments calibrated during the 2017-2018 financial year as compared to the two preceding years are presented below:

Figure 8: Number of calibrated instruments from 2015 to 2017



The figure below depicts the total work volume for the Scientific and Industrial Metrology Division during the 2017-2018 financial year as compared to the 2 preceding years.

Figure 9: Growth in Work Volume per Annum



## Legal Metrology

The functions carried out by the Legal Metrology Section under The Trade Metrology Act (Act No. 77 of 1973, as amended in 2005) and its regulations, provide for the verification of measuring instruments used for prescribed purposes, type approval inspection of pre-packed goods, registration and supervision of Trade Mechanics, verification of instruments used for SOLAS as well as E-Mark, as a voluntary self-regulating scheme. The services are performed primarily to ensure accuracy and adequacy of the function of the instruments used for trade, as well as consumer protection.

**Table 10: Legal Metrology Services Statistics**

Services	Quarter 1: 2017/2018	Quarter 2: 2017/2018	Quarter 3: 2017/2018	Quarter 4: 2017/2018	Total 2017/2018 (01 Apr 16- 31 Mar 18)
	(01 April to 30 June 2017)	01 July to 30 Sept (2017)	01 Oct - 31 Dec (2017)	01 Jan - 31 Mar (2018)	
Verification: Weights	293	111	132	202	738
Verification: Scales	80	146	261	40	527
Verification: Weighbridges	9	0	8	18	35
Verification: LFDs	315	318	267	816	1716
Verification: Volume Measures	5	7	0	1	13
Type Approval: Instruments	0	0	1	0	1
Inspection: Pre-packaged Products & E-mark					
Registered Mechanics	2	4	6	0	
<b>TOTAL</b>	<b>704</b>	<b>586</b>	<b>675</b>	<b>1077</b>	<b>3030</b>

### Registration of Mechanics

The mechanics employed by the user or owner of the instruments are required by regulations of the Trade Metrology Act to be registered at the NSI before they can undertake repairs, calibration and maintenance of measuring instruments used for prescribed purposes. To this effect, the Metrology Division successfully conducted training on the verification of Liquid Fuel Dispensers (LFDs) and weighing instruments to mechanics who applied for registration.

### Inspection of Pre-Packed Goods

Inspection of pre-packed goods offered for sale was undertaken during the period under review. Inspectors performed inspections at a number of facilities in combination with an annual verification programme. The dominant issue in implementing this program is the geographical vastness of the country, and therefore implementation is challenged by resource availability.

## Comparisons and CMC Publishing

The rigorous process of comparisons leading to CMC publications provides a reliable technical basis for the acceptance of results provided through conformity assessment activities (and certificates issued) in Namibia, for the purpose of international trade with other countries, particularly those that are signatory to the CIPM-MRA. This is a significant contribution towards eliminating technical barriers to trade (TBT), as obligated under the World Trade Organisation Technical Barriers to Trade (WTO/TBT) Agreement and the SADC TBT Annex of the SADC Protocol on trade.

The Metrology Division and its Quality System was approved by the AFRIMETS since 2016 for the publication of Mass CMCs at F1 level of accuracy. Following this approval and the publication of the AFRIMETS.M.M-S6 supplementary comparison in 2017, the division submitted the technical CMC file for review by the regional community as well as the international community. To date, the CMCs have been accepted by the regional community as well as other Regional Metrology Organisations (RMOs). This review is at an advanced stage of the process.

**Table 11: NSI's Calibration and Measurement**

Quantity	Instrument or Artefact	Minimum Value	Maximum Value	Units	Value	Units	Coverage Factor	Level of Confidence
Mass	Mass standards	1	5000	mg	20	µg	2	95%
Mass	Mass standards	10	10	g	30	µg	2	95%
Mass	Mass standards	20	50	g	40	µg	2	95%
Mass	Mass standards	100	200	g	200	µg	2	95%
Mass	Mass standards	500	2000	g	2	mg	2	95%
Mass	Mass standards	5000	5000	g	7	mg	2	95%
Mass	Mass standards	10000	20000	g	30	mg	2	95%

## Quality Assurance

The NSI Metrology Laboratory implements and complies with the requirements of ISO/IEC 17025:2005, ISO/IEC 17020:2012 as well NAMS/SANS 10378:2018 Management Systems. The department has a Quality Assurance Section that oversees the implementation of Quality Systems for both Scientific and Industrial Metrology as well as Legal Metrology. Having the Quality Assurance Section in place, the department has achieved re-accreditation of the Mass and Volume Laboratories which marks the beginning of the new 5-year cycle after having been accredited for the past five years.

**Table 12: NSI Technical Signatories as per Cal-8 002 and Cal-9 003**

Metrologist	Status	Metrology Field
Mr Victor Mundembe	Technical Signatory	Mass & Volume
Mr Simasiku Matali	Technical Signatory	Mass & Volume
Mr Sarel Sankwasa	Technical Signatory	Mass & Volume
Mr George Mabakeng	Technical Signatory	Mass
Mr Leevi Sakeus	Technical Signatory and Nominated Rep	Mass

## Metrology Management Technical Committee (TC 9)

The NSI Management's Technical Committee on Metrology (mTC9) was established to develop/adopt Namibian Standards relating to metrology. The standards are published in the Technical Regulations for use by the public and also for referencing purposes. The primary role of the Metrology Division is to provide technical inputs as measurement experts and to chair meetings of this technical committee.

During the period under review, the following standards were adopted by MTC9:

- NAMS/SANS 10378:2018 General requirements for the competence of verification laboratories;
- NAMS/ISO 80000-1:2018 Quantities and Units Part 1: General;
- NAMS/SANS 1795-0:2017 Road Traffic Law Enforcement Part 0: General Requirement
- NAMS/SANS 1795-1:2017 Road Traffic Law Enforcement Part 1: Laser speed measuring equipment;
- NAMS/SANS 1795-3:2017 Road Traffic Law Enforcement Part 3: Distance-over time speed measuring equipment (fixed distance/variable time);
- NAMS/SANS 1795-4:2017 Road Traffic Law Enforcement Part 4: Distance-over time speed measuring equipment (variable distance/variable time); and
- NAMS/SANS 1795-5:2017 Road Traffic Law Enforcement Part 5: Data capturing and recording devices for road traffic law enforcement.

(NAMS/SANS 1795-2:2018 Road Traffic Law Enforcement Part 2: Radar speed measuring equipment is in the pipeline to be adopted and is currently in the public enquiry stage).

## Training and Staff Competence/Development

NSI Metrology continues to ensure staff competence through its capacity-building programme with the support from DCPs. The NSI staff were trained in the following areas during the period under review:

- In November, a staff member participated in the Capacity-building and Knowledge Transfer (CBKT) training organised by the BIPM in Paris, France.
- From 26 February to 2 March 2018, one staff member participated in the Laboratory Management Course organised by MiChem in Walvis Bay.
- Two staff members participated in the OIML Certification Course hosted by AFRIMETS Legal Metrology School in Nairobi, Kenya.

## World Metrology Day Commemoration

20 May is World Metrology Day, commemorating the anniversary of the signing of the 1875 Metre Convention. This treaty provides the basis for a worldwide coherent measurement system that underpins scientific discovery and innovation, industrial manufacturing and international trade, as well as the improvement of the quality of life and the protection of the global environment.

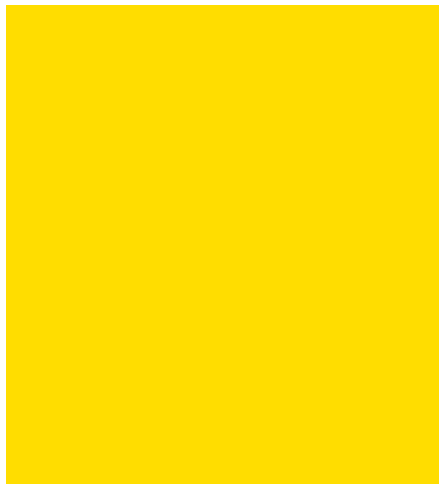
The theme chosen for 2017 is 'Measurements for Transport'. This theme was chosen because transport plays a key role in the modern world. We not only move ourselves, but also the food we eat, the clothes we wear, the goods we use and rely on, as well as the raw materials they are made from. Doing so safely, efficiently and with minimal environmental impact requires an astonishing range of measurements.

To commemorate the day, the NSI hosted a breakfast meeting in July 2017, targeted at senior government officials responsible for policy creation, decision-making and support for quality metrology infrastructure. Speakers were invited to share experiences from the National Metrology Institute of South Africa (NMISA) and the National Regulator for Compulsory Specifications (NRCS).

## Challenges

Since the provision of legal metrology services requires a well-adopted and defined legal framework, the department continues to experience the following challenges:

- Inability to fully implement the Metrology Amendment Act of 2005 as the notification for the commencement has not been published/gazetted.
- Although the Metrology Bill has been approved by the Cabinet Committee on Legislation (CCL) in principle, it is yet to be tabled for discussion in Parliament.
- Reduced budgetary allocation to the operations of the department has put limitations on the rollout of metrology services, particularly the full implementation of legal metrology services.



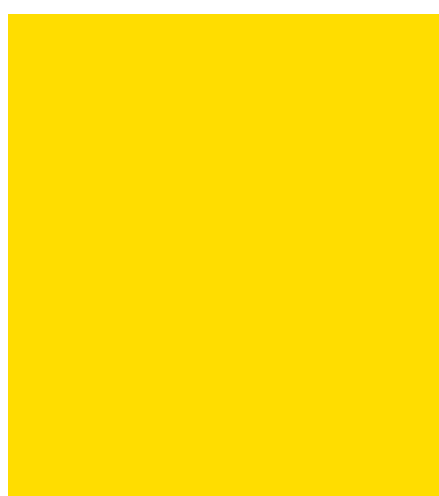
## CERTIFICATION

The department operates as Certification Body (CB) in accordance with the requirements of the ISO/IEC 17021 and ISO/IEC 17065 Standards. These standards specify the requirements for certification bodies providing certification services for management systems and products, respectively. The certification services offered are a third party assessment of whether an organisation's management system meets the requirements specified by applicable management system standards (e.g. ISO 9001, ISO 22000 and SANS 10330), or whether products meet the requirements of specific product standards.

Namibian goods and services, which meet the requirements of the applicable Namibian and international standards, are awarded a Certificate of Conformity, bearing a specific and applicable NSI Certification Mark of Conformity. The awarded mark conveys to the consumers that a product and services have been found to meet the requirements of the specific and applicable standards and the processes assessed meet the requirements of the specific and applicable standard.

### Highlights

- The CB was assessed by SADC Accreditation Services (SADCAS) during the period 21-29 August 2017 and the assessment team recommended accreditation of the certification of the Quality Management System (QMS) to ISO 9001:2008 for the scope food products, beverages and tobacco, subject to the effective clearance of findings raised within the agreed timescale.
- Confirmation of auditor competence with an Auditor Registration Body for both Quality Management System and Food Safety Management System.
- Appointment of the CB by the Ministry of Industrialisation, Trade and SME Development (MITSMED) as the implementation authority for enforcing compliance of cement products with the requirements of NAMS/EN 197-1:
- CB personnel confirmed as ISO/IEC 17021 SADCAS Technical Assessors.
- Transition to offer Quality Management System (QMS) Certification against the requirement of ISO 9001:2015.



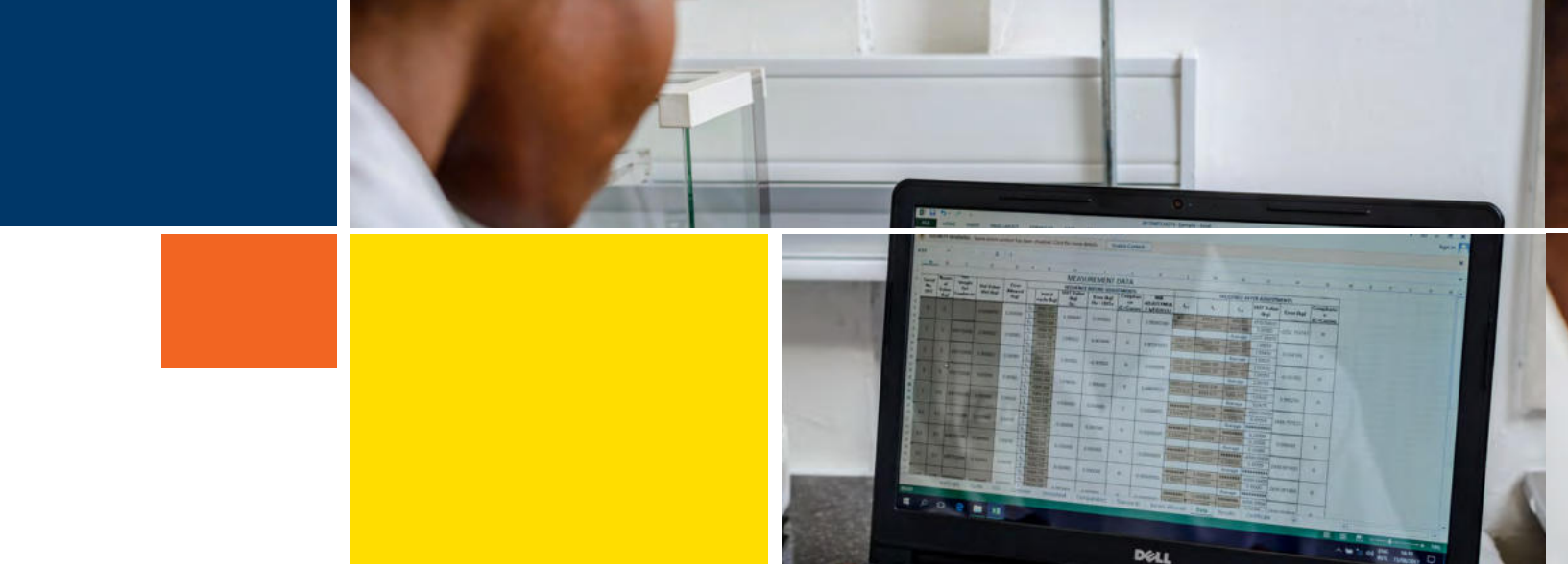
### Planned Activities (FY2018/19)

- Complete competency evaluation of auditors for Quality Management System (QMS) with the Southern African Auditor and Training Certification Authority (SAATCA).
- Implementation of the FSSC 22000 Certification Scheme leading to the registration of the CB and subsequently conducts FSSC 22000 Audits.
- Recognition of the CB with the Botswana Bureau of Standards (BOBS) under the Standards (Import Inspection) Recognition Scheme.
- Establishment of various Product Certification Schemes.
- Hosting of stakeholder workshops on the proposed Cement Regulation.
- Participation in accreditation activities.

### Challenges

The NSI Certification Body (CB) is faced with operational challenges due to:

- Inadequate/lack of established NQI. Certification is dependent on other components of the NQI, e.g. laboratories, standards, regulations, inspection and metrology. These components are absent/not well established in Namibia, hence certification cannot operate effectively.
- Unavailability of some Namibian standards for use in product certification.
- Micro, small and medium enterprises (MSMEs) lack understanding of quality assurance, hence they are unable to meet the requirements for certification in most instances and their products are not based on standards.
- Available competence versus scope of certification sought: in most instances, the CB could not offer the scope of certification sought due to lack of competence or high cost of using external expertise. This can only be solved in the long-term when the CB is able to develop a diversity of expertise.
- Competence gap in obtaining accreditation to the certification services for construction, pulp and paper, and rubber and plastics have been highlighted
- Organisations in the food industry are moving towards FSSC 22000 certification.



## CORPORATE FINANCE

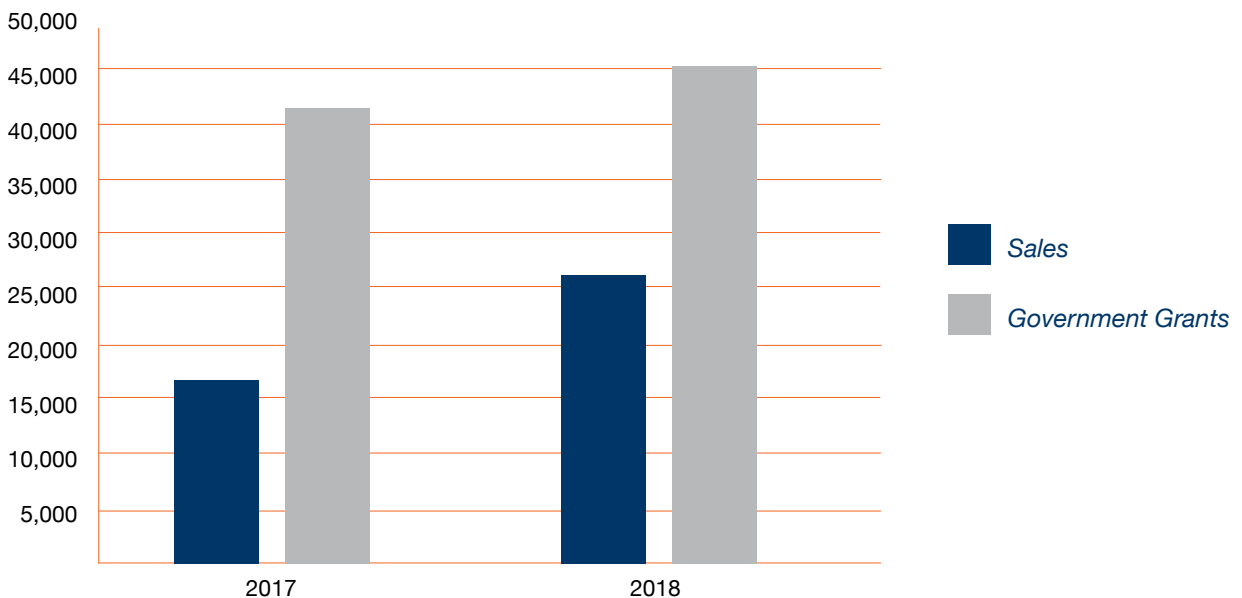
The Financial Service Department is responsible for the management of the organisation’s cash flow (ensuring enough funds are available to meet the day-to-day payments), preparing forecasts on a regular basis, and systematically calculating the on-going cash need.

It is also responsible for the preparation of the NSI’s budget and forecasts, and reporting back on the progress throughout the year. This information is used to proactively plan for staffing levels, asset purchases, expansions and cash needs.

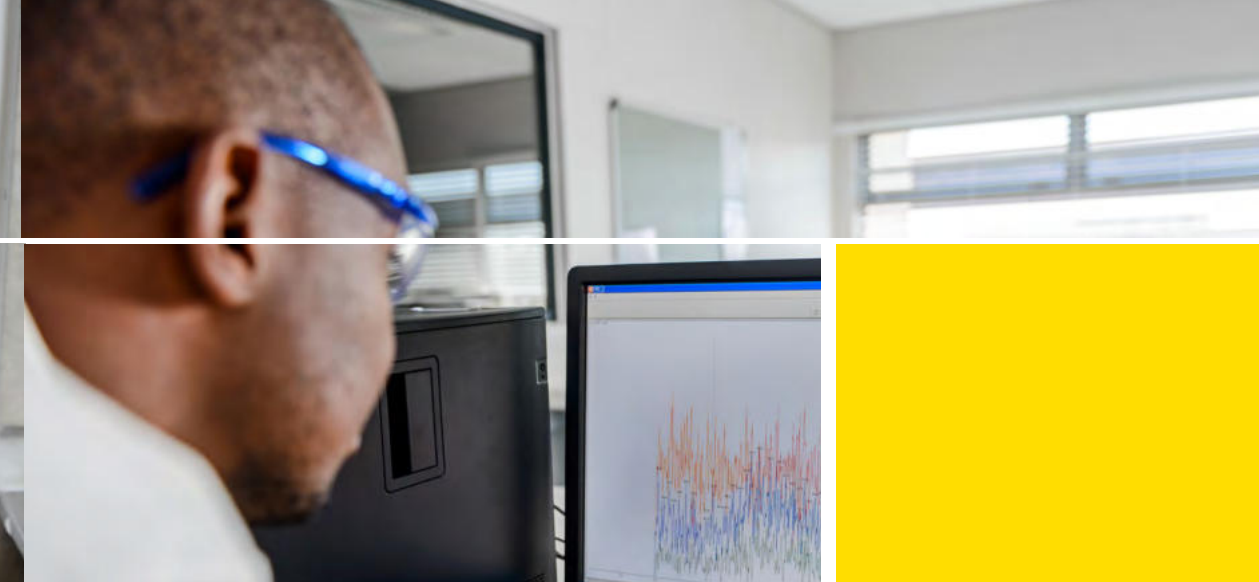
### Financial Review

The NSI derives its income from sales (this includes sales of standards, training on standards, testing, inspection and certification services) and government grants. Despite the elevated levels of macroeconomic and policy uncertainty experienced in Namibia, the NSI sales increased by 64% as reflected in Figure 10 below. This result bears testimony to the resilience of the institution’s operations and actions taken by management to position the institution’s operations to absorb the impact of the recession and preserve our financial performance in a challenging operating environment.

Figure 10: Increase in sales for financial year 2017/2018



Given the pressure of the current economic conditions, the NSI’s government grant increased slightly by N\$4.6 million during the year under review. A strong performance in sales recorded a 64% (N\$9.944 million) increased from the previous financial year which led to N\$1.1 million profit for the year compared to a loss of N\$14.4 million in the 2016/2017 financial year. Furthermore, the NSI cost-to-income ratio improved to 98% in 2017/2018 financial year from 123% in the 2016/2017 financial year.



## Financial Performance

Own income shows strong performance as the NSI recorded a 64% increase (2016/2017 financial year was 24%) in the 2017/2018 financial year.

### Statement of Comprehensive Income Analysis

The statement of comprehensive income reflects the revenue generated by the NSI as well as costs incurred in generating that revenue for the year ended 31 March 2018. Revenue increased by 64% during the year under review, while other income increased by 15% as a result of the increase in government grants. The operating expenses decreased by 2% compared to 12% increase in the previous financial year as a result of strong budgetary controls implemented.

### Statement of Financial Position Analysis

The statement of financial position reflects NSI's assets and equity. During the period under review, the total assets increased by 25% to N\$85.2 million from N\$68.1 million. The main contributors to this is the increase in trade and other receivables to N\$9.8 million from N\$4.6 million as well as increase in cash and cash equivalents to N\$11.6 million from N\$1.5 million.

Total NSI liquidity position is positive as the current ratio was at 1.37 during the year under review compared to a negative current ratio of 0.32 in the previous financial year.

*Accumulated funds improved slightly to a negative balance of N\$5.5 million compared to a negative balance of N\$6.6 million in the previous financial year.*

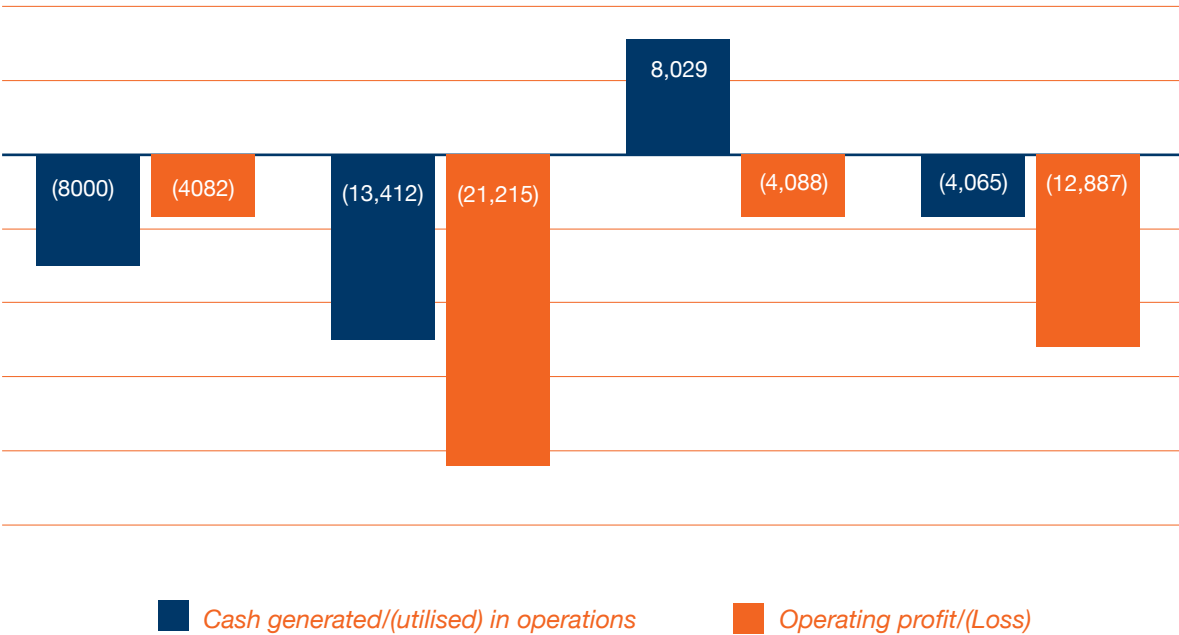
Table 13: Ratios and other financial information

Ratio Analysis	2018	2017	2016	2015
<b>PROFITABILITY AND ASSET MANAGEMENT</b>				
Asset Turnover	60%	46%	23%	20%
Return on Assets	-19%	-31%	-13%	25%
Return on Equity	-297%	-321%	-13%	25%
Current Ratio	1.37	0:32	5:1	9:1
Operating Margin %	-27%	-136%	-58%	124%
<b>PERFORMANCE</b>				
Cost to Income	98%	123%	112%	77%
Remuneration as a % of Total Expenditure	67%	65%	57%	56%

#### Ratio definitions

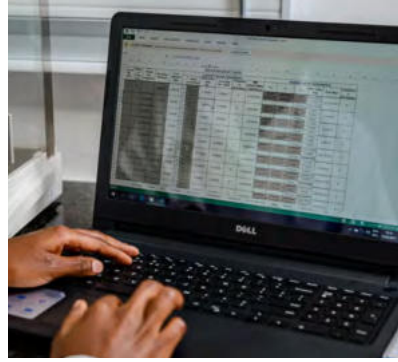
Asset turn over	:	Revenue divided by net assets
Return on assets	:	Operating profit as a percentage of net assets
Return on equity	:	Net income divided by shareholders equity
Current ratio	:	Current assets to current liabilities
Operating margin %	:	Operating profit as a percentage of revenue

Figure 11: Cash generated from operations and operating profit (N\$'000)



**OUTLOOK**

The current economic situation is anticipated to pose a challenging operating environment for the NSI with slower economic growth, inflationary pressure and weakening currency. These indicators are likely to cause the Namibian market to experience financial pressure over the short-to-medium term; which will ultimately affect NSI’s sales figures.





**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

20kg



**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

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**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**General Information**

---

<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	Promotion of standardisation and quality assurance in the industry, commerce and public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.
<b>NSC Members</b>	Prof. Martha Annery Kandawa-Schulz (Chairperson) Ms Rosalinda Katjivena, (Chairperson of Tender Committee) Mr Milton Shaanika Louw, Member Dr Penny Hiwilepo-van Hal, Member Mr Axel Tibinyane, Member Mr Frederik Willem Botes, Member Mr John Ali Ipinge, (Chairperson of Finance, Risk Management and Audit Committee) Ms Ainna Vilengi Kaundu, (Chairperson of Human Resources and Remuneration Committee) Mrs Concepcion Wasserfall (Chief Executive Officer), Member ex-officio
<b>Business address</b>	Channel Life Tower M1 Post Street Mall Windhoek Namibia
<b>Postal address</b>	P O Box 26364 Windhoek Namibia
<b>Bankers</b>	First National Bank of Namibia Limited
<b>Auditors</b>	Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)
<b>Secretary</b>	Ms Cynthia Anyanwu

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**  
**Members' Responsibilities and Approval**

---

The NSC members are required in terms of the Standards Act, No 18 of 2005 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the institution as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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


The NSC members acknowledge that they are ultimately responsible for the system of internal financial control established by the Institution and place considerable importance on maintaining a strong control environment. To enable the institution to meet these responsibilities, the NSC members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institution and all employees are required to maintain the highest ethical standards in ensuring the Institution's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institution is on identifying, assessing, managing and monitoring all known forms of risk across the Institution. While operating risk cannot be fully eliminated, the Institution endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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


The NSC members have reviewed the Institution's cash flow forecast for the year to 31 March 2019 and, in light of this review and the current financial position, they are satisfied that the Institution has or had access to adequate resources to continue in operational existence for the foreseeable future. Government is committed to continuously support the NSI operations.


The external auditors are responsible for independently auditing and reporting on the Institution's annual financial statements. The annual financial statements have been examined by the Institution's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 30, which have been prepared on the going concern basis, were approved by the NSC members on 08 August 2018 and were signed on their behalf by:

  
\_\_\_\_\_  
Mrs. Concepcion Wasserfall (Chief executive officer),  
Member ex-officio

  
\_\_\_\_\_  
Prof. Martha Annery Kandawa-Schulz (Chairperson)

  
\_\_\_\_\_  
Mr. Michael Mbamba (Chief Financial Officer)

  
\_\_\_\_\_  
Mr. John Ali Ipinge, (Chairperson of Finance, Risk  
Management and Audit Committee)

# Namibia Standards Institution

## Annual Financial Statements for the year ended 31 March 2018

### Members' Report

---

The NSC members have pleasure in submitting their report on the annual financial statements of Namibia Standards Institution for the year ended 31 March 2018.

#### 1. Nature of business

The Institution is engaged in promotion of standardisation and quality assurance in the industry, commerce and public sector in Namibia with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general.

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

#### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Standards Act, No 18 of 2005. The accounting policies have been applied consistently compared to the prior year.

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

#### 3. NSC Members

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

##### Members

Dr. Moses Maurihungire, Member  
 Mrs. Asteria Nasheya, Member  
 Mr. Edwin Beukes (Chairperson of Finance, Risk Management and Audit Committee)  
 Ms. Phortune Dina Karongee, (Chairperson Human Resources and Remuneration Committee)  
 Mr. Thomas Shikondjeleni Nashixwa (Chairperson Tender Committee)  
 Mr. Michael Gawaseb, Member  
 Mr. Tileinge Sagarias Andima, Member

##### Changes

Term ended 01 August 2017  
 Term ended 01 August 2017  
 Term ended 01 August 2017  
 Term ended 01 August 2017  
 Term ended 01 August 2017  
 Term ended 01 August 2017  
 Term ended 01 August 2017

##### New Members

Prof. Martha Annery Kandawa-Schulz (Chairperson)  
 Ms. Rosalinda Katjivena, (Chairperson of Tender Committee)  
 Mr. Milton Shaanika-Louw, Member  
 Dr. Penny Hiwilepo-van Hal, Member  
 Mr. Axel Tibinyane, Member  
 Mr. Frederik Willem Botes, Member  
 Mr. John Ali Ipinge, (Chairperson of Finance, Risk Management and Audit Committee)  
 Ms Ainna Vilengi Kaundu, (Chairperson of Human Resources and Remuneration Committee)  
 Mrs. Concepcion Wasserfall (Chief executive officer), Member ex-officio

Re-appointed 01 August 2017  
 Appointed 01 August 2017  
 Appointed 01 August 2017  
 Appointed 01 August 2017  
 Appointed 01 August 2017  
 Appointed 01 August 2017  
 Appointed 01 August 2017  
 Appointed 01 August 2017

#### 4. Events after the reporting period

Subsequent to year-end, the Institution was informed by the Ministry of Industrialisation, Trade and SME Development (line Ministry) that of the N\$45million Operational grant that had been approved for the 2018/19 financial year, it was now practically impossible to determine how much the line Ministry will end up giving the Institution. This was as a result of the line Ministry itself having received a 43% budget cut than the previous financial year. In this current financial year 2017/18 the line Ministry provided an operational grant of N\$45million.

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**  
**Members' Report**

---

**5. Going concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. We however draw your attention to the fact that the ability of the institution, to continue as a going concern depends on funding from the Government of the Republic of Namibia (GRN). The (GRN) is committed to supporting the core functions of the NSI.

**6. Secretary**

The company secretary is Ms Cynthia Anyanwu.

**7. Auditors**

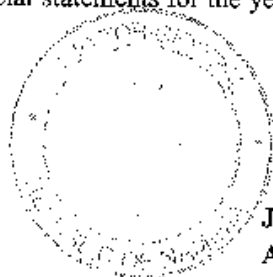
Saunderson & Co were appointed the institution's auditors for a term of three years commencing this financial year 2017/18.

**AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS  
OF THE  
NAMIBIAN STANDARDS INSTITUTION  
FOR THE YEAR ENDED  
31 MARCH 2018**

The documentation as compiled by the firm Saunderson of Windhoek registered in terms of the Public Accountant's and Auditor's Act, 1951, who was appointed by the Board Members of the Namibian Standards Institution, has been examined by officials of the Office of the Auditor-General.

In terms of Section 19 (1) of the Standards Act, 2005 (Act 18 of 2005) I certify that the above-mentioned audit of the annual financial statements for the year ended 31 March 2018 has been carried out to my satisfaction.

**WINDHOEK, September 2018**



A handwritten signature in black ink, appearing to read "Junias Etuna Kandjeke".

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

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## Independent Auditor's Report

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### To the NSC Members of Namibia Standards Institution

#### Opinion

We have audited the annual financial statements of Namibia Standards Institution set out on pages 8 to 28, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Standards Institution as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Standards Act, No 18 of 2005.

#### Basis for opinion

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

#### Emphasis of matter

Without qualifying our opinion above, we could like to draw your attention to the note 5 on going concern in the Namibia Standard Council members' report.

#### Other information

The NSC members are responsible for the other information. The other information comprises the NSC members' Report as required by the Standards Act, No 18 of 2005 of Namibia, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

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

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

#### Responsibilities of the NSC members for the Annual Financial Statements

The NSC members are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Standards Act, No 18 of 2005, and for such internal control as the NSC members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the NSC members are responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the NSC members either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's Report

---

### Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the NSC members.
- Conclude on the appropriateness of the NSC members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**Saunderson & Co**  
**Registered Accountants and Auditors**  
**Chartered Accountants (Namibia)**

**Per: Edington Tafirenyika**  
**Partner**

**08 August 2018**  
**Windhoek**

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**Statement of Financial Position as at 31 March 2018**

	Notes	2018 N\$	2017 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	62,749,366	61,386,505
<b>Current Assets</b>			
Inventories	5	1,011,683	684,568
Trade and other receivables	6	9,815,081	4,575,047
Cash and cash equivalents	7	11,635,000	1,515,281
		<b>22,461,764</b>	<b>6,774,896</b>
<b>Total Assets</b>		<b>85,211,130</b>	<b>68,161,401</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated loss		(5,513,221)	(6,612,579)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	12	74,370,811	53,580,708
<b>Current Liabilities</b>			
Trade and other payables	11	6,899,193	11,361,922
Deferred income	12	4,985,608	6,265,237
Provisions	9	4,468,739	3,566,113
		<b>16,353,540</b>	<b>21,193,272</b>
<b>Total Liabilities</b>		<b>90,724,351</b>	<b>74,773,980</b>
<b>Total Equity and Liabilities</b>		<b>85,211,130</b>	<b>68,161,401</b>

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**Statement of Profit or Loss and Other Comprehensive Income**

	Notes	2018 N\$	2017 N\$
Revenue	13	25,571,290	15,627,392
Other operating income	14	46,325,197	40,339,407
Other operating gains (losses)	15	(223,376)	122,039
Operating expenses		(75,754,974)	(77,303,899)
<b>Operating loss</b>	16	<b>(4,081,863)</b>	<b>(21,215,061)</b>
Investment income	17	195,613	546,895
Transfer from deferred income		4,985,608	6,265,236
<b>Profit (loss) for the year</b>		<b>1,099,358</b>	<b>(14,402,930)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>1,099,358</b>	<b>(14,402,930)</b>

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**Statement of Changes in Equity**

	Accumulated Total equity	
	Funds N\$	N\$
<b>Balance at 01 April 2016</b>	<b>7,790,351</b>	<b>7,790,351</b>
Loss for the year	(14,402,930)	(14,402,930)
Other comprehensive income	-	-
<b>Total comprehensive Loss for the year</b>	<b>(14,402,930)</b>	<b>(14,402,930)</b>
<b>Balance at 01 April 2017</b>	<b>(6,612,579)</b>	<b>(6,612,579)</b>
Profit for the year	1,099,358	1,099,358
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,099,358</b>	<b>1,099,358</b>
<b>Balance at 31 March 2018</b>	<b>(5,513,221)</b>	<b>(5,513,221)</b>

Note(s)

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**Statement of Cash Flows**

	Note(s)	2018 N\$	2017 N\$
<b>Cash flows from operating activities</b>			
Cash used in operations	19	(8,000,131)	(13,412,498)
Interest income		195,613	546,895
<b>Net cash from operating activities</b>		<b>(7,804,518)</b>	<b>(12,865,603)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(6,815,289)	(13,698,651)
Sale of property, plant and equipment	3	215,488	129,402
Building donated		-	1,875,500
<b>Net cash from investing activities</b>		<b>(6,599,801)</b>	<b>(11,693,749)</b>
<b>Cash flows from financing activities</b>			
Capital Government grants		24,496,082	6,994,674
Building donated		-	(1,875,500)
<b>Net cash from financing activities</b>		<b>24,496,082</b>	<b>5,119,174</b>
<b>Total cash movement for the year</b>		<b>10,091,763</b>	<b>(19,440,178)</b>
Cash at the beginning of the year		1,515,281	20,955,459
Effect of exchange rate movement on cash balances		27,956	-
<b>Total cash at end of the year</b>	7	<b>11,635,000</b>	<b>1,515,281</b>

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**  
**Accounting Policies**

---

**Corporate information**

Namibia Standards Institution is a statutory institution incorporated and domiciled in Namibia.

**1. Significant accounting policies**

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

**1.1 Basis of preparation**

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Standards Act, No 18 of 2005.

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

These accounting policies are consistent with the previous period.

**1.2 Property, plant and equipment**

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

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

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

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the institution and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the institution. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Buildings	Straight line	25 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	2 years
IT equipment	Straight line	3 years
Laboratory equipment	Straight line	4 years

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

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## **1.2 Property, plant and equipment (continued)**

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

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

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

## **1.3 Financial instruments**

### **Classification**

The institution classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

### **Initial recognition and measurement**

Financial instruments are recognised initially when the institution becomes a party to the contractual provisions of the instruments.

The institution classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

### **Subsequent measurement**

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the institution's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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### **1.3 Financial instruments (continued)**

#### **Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the institution has transferred substantially all risks and rewards of ownership.

#### **Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

#### **Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### **Bank overdraft and borrowings**

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the institution's accounting policy for borrowing costs.

### **1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### **Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

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### **1.5 Inventories**

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 business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

When inventories are utilised, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### **1.6 Impairment of assets**

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

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

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

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

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

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

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

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

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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

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### **1.7 Employee benefits**

#### **Short-term employee benefits**

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

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

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

### **1.8 Provisions and contingencies**

Provisions are recognised when:

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

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

### **1.9 Government grants**

Government grants are recognised when there is reasonable assurance that:

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

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

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

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income and then releasing it to the income statement over the useful life of the related assets.

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

### **1.10 Revenue**

Revenue from the sale of standards and provision of quality assurance services is recognised when all the following conditions have been satisfied:

- the institution has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the institution retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the institution; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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**1.10 Revenue (continued)**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

**1.11 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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	<b>2018</b>	<b>2017</b>
	<b>N\$</b>	<b>N\$</b>

**2. New Standards and Interpretations**

**2.1 Standards and interpretations not yet effective**

The institution has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the institution's accounting periods beginning on or after 01 April 2018 or later periods:

**IFRS 16 Leases**

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the institution are as follows:

Institution as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 01 January 2019.

The institution expects to adopt the standard for the first time in the 2020 annual financial statements.

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	N\$	N\$
<b>3. Property, plant and equipment</b>		
	2018	2017
	<b>Cost</b>	<b>Accumulated depreciation</b>
	<b>Carrying value</b>	<b>Cost</b>
	<b>Accumulated depreciation</b>	<b>Carrying value</b>
Land	336,003	-
Buildings	50,387,762	(8,379,623)
Furniture and fixtures	3,392,706	(2,416,539)
Motor vehicles	3,722,616	(2,549,422)
Office equipment	323,182	(199,830)
IT equipment	3,023,603	(2,770,002)
Laboratory Equipment	13,747,898	(12,896,571)
Assets Under Construction	17,027,583	-
<b>Total</b>	<b>91,961,353</b>	<b>(29,211,987)</b>
	<b>62,749,366</b>	<b>91,349,939</b>
	<b>(29,963,434)</b>	<b>61,386,505</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Additions	Disposals	Depreciation	Total
Land	336,003	-	-	-	336,003
Buildings	44,023,649	-	-	(2,015,510)	42,008,139
Furniture and fixtures	1,265,746	12,281	(44,770)	(257,090)	976,167
Motor vehicles	1,512,763	204,639	(147,209)	(396,999)	1,173,194
Office equipment	114,828	79,737	(32,740)	(38,473)	123,352
IT equipment	509,126	177,475	(7,895)	(425,105)	253,601
Laboratory Equipment	2,884,917	53,047	(234,206)	(1,852,431)	851,327
Assets Under Construction	10,739,473	6,288,110	-	-	17,027,583
	<b>61,386,505</b>	<b>6,815,289</b>	<b>(466,820)</b>	<b>(4,985,608)</b>	<b>62,749,366</b>

**Reconciliation of property, plant and equipment - 2017**

	Opening balance	Additions	Disposals	Depreciation	Total
Land	296,003	40,000	-	-	336,003
Buildings	44,339,347	2,168,811	-	(2,484,509)	44,023,649
Furniture and fixtures	813,029	871,664	(124,532)	(294,415)	1,265,746
Motor vehicles	396,272	1,600,153	66,658	(550,320)	1,512,763
Office equipment	170,644	49,078	(9,284)	(95,610)	114,828
IT equipment	829,447	165,200	(1,000)	(484,521)	509,126
Laboratory Equipment	4,127,130	1,106,902	6,746	(2,355,861)	2,884,917
Assets Under Construction	3,042,630	7,696,843	-	-	10,739,473
	<b>54,014,502</b>	<b>13,698,651</b>	<b>(61,412)</b>	<b>(6,265,236)</b>	<b>61,386,505</b>

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	<b>2018</b>	<b>2017</b>
	<b>N\$</b>	<b>N\$</b>

**3. Property, plant and equipment (continued)**

- Erf 1034, situated in the municipal area of Walvis Bay.
- Erf 796, situated in the municipal area of Luderitz.
- Erf 3625, situated in the municipal area of Walvis Bay.
- Erf 1755, situated in the municipal area of Windhoek.

There were no assets that were pledged as security and the only contractual commitments are the retention fees as stated in note 12. A register of land and buildings is available for inspection at the registered office of NSI.

Assets under construction's costs include expenditure that is directly attributable to the construction of the Inspection and Testing Centre in Walvis Bay and includes cost of materials, direct labour and any cost directly attributable to bringing the asset to its working condition. Once the asset under construction is ready for its intended use, it will be depreciated over its useful life.

**4. Financial assets by category**

The accounting policies for financial instruments have been applied to the line items below:

**2018**

	<b>Loans and receivables</b>	<b>Total</b>
Trade and other receivables	8,500,861	8,500,861
Cash and cash equivalents	11,635,000	11,635,000
	<b>20,135,861</b>	<b>20,135,861</b>

**2017**

	<b>Loans and receivables</b>	<b>Total</b>
Trade and other receivables	2,898,959	2,898,959
Cash and cash equivalents	1,515,281	1,515,281
	<b>4,414,240</b>	<b>4,414,240</b>

The institution has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current year or prior year.

**5. Inventories**

Consumables	1,011,683	684,568
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There were no inventories pledged as security and there are no contractual commitments.

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	2018 N\$	2017 N\$
<b>6. Trade and other receivables</b>		
Trade receivables	7,528,437	2,417,151
Prepayments	614,133	142,321
Deposits	339,486	339,486
VAT	1,314,220	1,676,089
Other customers	18,805	-
	<b>9,815,081</b>	<b>4,575,047</b>

**Trade and other receivables pledged as security**

No trade and other receivables were pledged as security for overdraft facilities and the entity does not hold any collateral as security.

**Fair value of trade and other receivables**

Trade and other receivables	8,500,861	2,898,959
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The current value equates the fair values as the trade and other receivables are all recoverable within twelve months, and are not interest bearing.

**Trade and other receivables past due but not impaired**

The ageing of amounts past due but not impaired is as follows:

1 month past due	1,242,885	1,098,840
2 months past due	215,480	139,118
3 months past due	178,541	42,808
4 months past due	271,331	294,265

**7. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	15,499	10,000
Bank balances	11,619,501	1,505,281
	<b>11,635,000</b>	<b>1,515,281</b>

There are no restrictions placed on the realisation or usability of cash balances.

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	<b>2018</b>	<b>2017</b>
	<b>N\$</b>	<b>N\$</b>
<b>8. Unspent conditional grants and receipts</b>		
Unspent conditional grants and receipts consist of:		
Unspent capital grants	9,614,397	16,591
<b>Movement during the year</b>		
Balance at the beginning of the year	16,591	15,000,000
Additions during the year - Capital expenses	24,310,199	6,994,671
Capital expenses recognised during the year	(14,712,393)	(21,978,080)
	<b>9,614,397</b>	<b>16,591</b>

The unspent grant relates to government grants received for capital projects that were unused.

**9. Provisions**

**Reconciliation of provisions - 2018**

	<b>Opening balance</b>	<b>Additions</b>	<b>Total</b>
Bonus	500,328	-	500,328
Leave	3,065,785	902,626	3,968,411
	<b>3,566,113</b>	<b>902,626</b>	<b>4,468,739</b>

**Reconciliation of provisions - 2017**

	<b>Opening balance</b>	<b>Additions</b>	<b>Total</b>
Bonus	484,427	15,901	500,328
Leave	2,377,015	688,770	3,065,785
	<b>2,861,442</b>	<b>704,671</b>	<b>3,566,113</b>

**Bonus Provision**

Provision for bonus was calculated at 33.33% of total 13th cheque paid out in December 2017 for staff members who structured their packages to include a 13th cheque. The bonus liability is anticipated to be paid within the next twelve months. There are no uncertainties envisaged.

**Leave Provision**

Leave pay is only paid out when an employee resigns. Leave pay is based on the leave days accumulating to a maximum of thirty seven and a half (37.5) days for management and thirty days (30) for staff.

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	2018	2017
	N\$	N\$

**10. Financial liabilities by category**

The accounting policies for financial instruments have been applied to the line items below:

**2018**

	Financial liabilities at amortised cost	Total
Trade and other payables	6,384,658	6,384,658
Retention - Asset under construction	514,535	514,535
	<b>6,899,193</b>	<b>6,899,193</b>

**2017**

	Financial liabilities at amortised cost	Total
Trade and other payables	10,854,298	10,854,298
Retention - Asset under construction	507,624	507,624
	<b>11,361,922</b>	<b>11,361,922</b>

**11. Trade and other payables**

Trade payables	5,684,232	10,382,930
Retention - Other Expenses	514,535	507,624
Suspense / unallocated receipts account	53,221	-
Operating lease accruals	24,357	301,770
Accruals - other expenses	622,848	152,426
UIDO Project Account	-	13,212
IAEA Project account	-	3,960
	<b>6,899,193</b>	<b>11,361,922</b>

**Fair value of trade and other payables**

Trade payables	6,899,193	11,361,922
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The current value equates the fair values as the trade and other payables are all payable within twelve months, and are not interest bearing.

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	2018	2017
	N\$	N\$
<b>12. Deferred income</b>		
Opening balance	59,845,945	59,116,511
Recognised in statement of comprehensive income	(4,799,725)	(6,265,237)
Grants received to be recognised in future accounting periods	24,310,199	6,994,671
	<b>79,356,419</b>	<b>59,845,945</b>
Less: deferred grant to be recognised the following year	(4,985,608)	(6,265,237)
	<b>74,370,811</b>	<b>53,580,708</b>
Non-current liabilities	74,370,811	53,580,708
Current liabilities	4,985,608	6,265,237
	<b>79,356,419</b>	<b>59,845,945</b>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited. The funds are treated as deferred income over the useful life of the assets. The useful life of the relevant assets are; Buildings 25years, Furniture and fittings 10years, motor vehicles 5 years, office equipment 2 years, IT equipment 3years and laboratory equipment 4years.

**13. Revenue**

Testing	7,219,146	3,006,719
Certification	208,614	251,069
Sale of Standards	174,449	169,736
Metrology Services	1,689,894	515,099
Inspection	5,145,530	4,856,878
HACCP Audits	497,459	475,040
Levies	10,636,198	6,352,851
	<b>25,571,290</b>	<b>15,627,392</b>

**14. Other operating income**

Insurance proceeds	6,731	6,832
Training fees	424,876	50,612
Sundry income	893,590	460,458
Government grants	45,000,000	39,821,505
	<b>46,325,197</b>	<b>40,339,407</b>

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	2018 N\$	2017 N\$
<b>15. Other operating gains (losses)</b>		
<b>Gains (losses) on disposals, scrappings and settlements</b>		
Property, plant and equipment	(251,332)	67,990
<b>Foreign exchange gains (losses)</b>		
Net foreign exchange gains	27,956	54,049
<b>Total other operating gains (losses)</b>	<b>(223,376)</b>	<b>122,039</b>
<b>16. Operating profit (loss)</b>		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
<b>Auditor's remuneration - external</b>		
Audit fees	109,343	100,282
<b>Remuneration, other than to employees</b>		
Consulting and professional services	487,170	483,267
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	50,665,899	50,513,907
<b>Leases</b>		
<b>Operating lease charges</b>		
Premises	2,667,119	3,040,298
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	4,985,608	6,265,236
<b>Other</b>		
Other operating gains (losses)	15 (223,376)	122,039
<b>Expenses by nature</b>		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Employee costs	50,665,899	50,513,907
Operating lease charges	2,667,119	3,040,298
Depreciation, amortisation and impairment	4,985,608	6,265,236
NSC members' costs	1,065,530	1,023,911
Other expenses	15,305,288	15,436,637
	<b>75,754,974</b>	<b>77,303,899</b>

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**Annual Financial Statements for the year ended 31 March 2018**

**Notes to the Annual Financial Statements**

	<b>2018</b>	<b>2017</b>
	<b>N\$</b>	<b>N\$</b>

**17. Investment income**

**Interest income**

Bank	195,613	546,895

**18. Taxation**

The institution is exempt from income tax in terms of section 16(1)(e) of the Income Tax Act of Namibia, as amended.

**19. Cash used in operations**

Profit before taxation	1,099,358	(14,402,930)
<b>Adjustments for:</b>		
Depreciation and amortisation	4,985,608	6,265,236
Profit on sale of Property, Plant and Equipment	251,332	(67,990)
Gains on foreign exchange	(27,956)	-
Interest income	(195,613)	(546,895)
Deferred income release to income statement	(4,985,608)	(6,265,236)
Movements in provisions	902,626	704,669
<b>Changes in working capital:</b>		
Inventories	(327,115)	214,681
Trade and other receivables	(5,240,034)	(312,614)
Trade and other payables	(4,462,729)	998,581
	<b>(8,000,131)</b>	<b>(13,412,498)</b>

**20. Commitments**

**Operating leases – as lessee (expense)**

**Minimum lease payments due**

- within one year	2,802,643	1,679,800
- in second to fifth year inclusive	1,854,533	5,259,680
	<b>4,657,176</b>	<b>6,939,480</b>

Operating lease payments represent rentals payable by the institution for certain of its office properties. Leases are negotiated for an average term of three years and rentals escalate by 10% annually. No contingent rent is payable. Operating lease payments represent rentals payable by the institution for certain of its office properties.

**Capital commitments**

**Minimum payments due**

- within one year	17,248,497	28,049,764
- in second to fifth year inclusive	1,170,613	8,635,795
	<b>18,419,110</b>	<b>36,685,559</b>

Amounts contracted for but not provided for in the financial statements amounted to N\$18,419,110 (2017 N\$36,685,559). This relates to the construction of phase 2 of the Testing and Inspection Laboratory in Walvis Bay.

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**Notes to the Annual Financial Statements**

	2018	2017
	N\$	N\$

**21. Related parties**

**Related party transactions**

**Grants**

The Government of the Republic of Namibia (Operational grants)	45,000,000	39,821,505
Government grants realised from deferred income	4,985,605	6,265,237
The Government of the Republic of Namibia (Capital grants)	24,310,199	6,994,671

**Compensation to key management (executive management)**

Short-term employee benefits	6,702,311	2,740,612
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**22. NSC members' emoluments**

**Executive**

“Executive comprises the CEO and the senior management team for the current year. (Prior year the executive disclosure comprised of the Office of the CEO staff costs and other direct running cost related to that office.)”.

**2018**

	Salary	Other	Total
Travel and accommodation	-	208,904	208,904
Salaries	6,702,311	-	6,702,311
	<b>6,702,311</b>	<b>208,904</b>	<b>6,911,215</b>

**2017**

	Salary	Other	Total
Travel and accommodation	-	226,247	226,247
Salaries	2,776,846	-	2,776,846
	<b>2,776,846</b>	<b>226,247</b>	<b>3,003,093</b>

**Non-executive**

**2018**

	NSC members' fees	Total
Travel and accommodation	12,635	12,635
For Services as NSC members (Sitting allowance and retainer fees)	1,052,895	1,052,895
	<b>1,065,530</b>	<b>1,065,530</b>

**2017**

	NSC members' fees	Total
Travel and accommodation	213,308	213,308
For services as NSC members (Sitting allowance and retainer fees)	810,603	810,603
	<b>1,023,911</b>	<b>1,023,911</b>

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**Notes to the Annual Financial Statements**

	<b>2018</b>	<b>2017</b>
	<b>N\$</b>	<b>N\$</b>

**23. Risk management**

**Liquidity risk**

The institution's risk to liquidity is a result of the funds available to cover future commitments. The institution manages liquidity risk through an ongoing review of future commitments and credit facilities.

**Interest rate risk**

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

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The institution only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

**Financial instrument**

	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	11,635,000	1,515,281
Trade and other receivables	8,500,861	2,898,959
Trade and other payables	6,899,193	11,361,925

**24. Going concern**

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

**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

**Detailed Income Statement**

	Notes	2018 N\$	2017 N\$
<b>Revenue</b>	13	<b>25,571,290</b>	<b>15,627,392</b>
<b>Cost of sales</b>		-	-
<b>Other operating income</b>			
Insurance proceeds		6,731	6,832
Training fees		424,876	50,612
Sundry income		893,590	460,458
Government grants		45,000,000	39,821,505
	14	<b>46,325,197</b>	<b>40,339,407</b>
<b>Other operating gains (losses)</b>			
(Losses) gains on disposal of assets or settlement of liabilities		(251,332)	67,990
Foreign exchange gains		27,956	54,049
	15	<b>(223,376)</b>	<b>122,039</b>
<b>Operating expenses</b>			
Accreditation		454,181	328,263
Advertising		453,502	186,022
Auditors remuneration	16	109,343	100,282
Bank charges		170,388	74,268
Cleaning		352,247	324,047
Computer expenses		925,326	1,174,439
Consulting fees		487,170	483,267
Courier Fees		419,104	380,405
Depreciation		4,985,608	6,265,236
Employee costs		50,665,899	50,513,907
Entertainment		2,230	6,847
Fuel and Oil		202,827	217,778
Functions		162,472	194,045
General Expenses		127,927	145,327
Heavy Metal		60,404	-
Insurance		581,545	482,069
Interest and penalties		7,470	40,260
Inventory Adjustment		2,201	55,646
Laboratory Consumables		2,210,945	1,904,639
Marketing and Corporate Communication		422,621	413,597
Micro Biology Services		658,474	744,065
Motor Vehicle Expenses		-	60,673
Municipal expenses		1,884,501	1,768,147
Parking Fees		402,690	426,832
Printing and stationery		599,015	563,985
Protective clothing		26,249	17,606
Recruitment and Relocation Expenses		54,002	21,830
Rental expenses		2,667,119	3,040,298
Repairs and maintenance		1,686,900	1,481,216
Security		304,526	177,085
Sitting Allowances and Retainer Fees		1,052,895	810,603

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

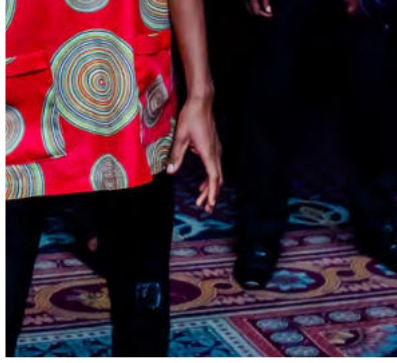
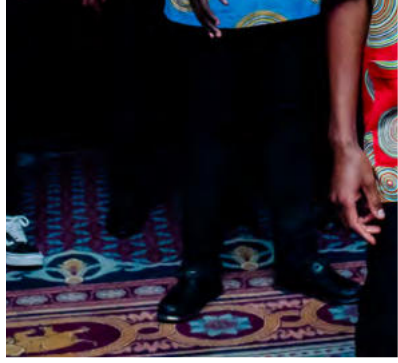
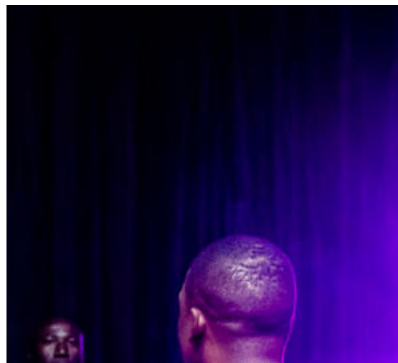
**Namibia Standards Institution**  
**Annual Financial Statements for the year ended 31 March 2018**

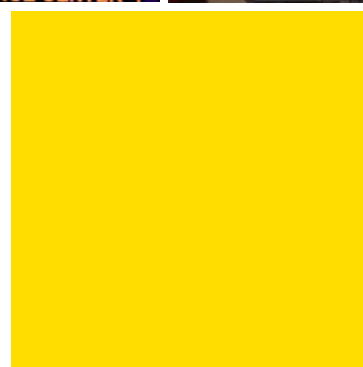
**Detailed Income Statement**

	Note(s)	2018 N\$	2017 N\$
Standards TC's and NSI		94,538	71,883
Subscriptions		467,367	779,511
Telephone and fax		1,506,817	1,346,907
Training		407,097	856,669
Transport and freight		146,962	269,103
Travel - local		923,864	1,480,571
Workshops and Meetings		68,548	96,571
		<b>75,754,974</b>	<b>77,303,899</b>
<b>Operating loss</b>	16	<b>(4,081,863)</b>	<b>(21,215,061)</b>
Investment income	17	195,613	546,895
<b>Other non-operating gains (losses)</b>			
Transfer from deferred income		4,985,608	6,265,236
<b>Profit (loss) for the year</b>		<b>1,099,358</b>	<b>(14,402,930)</b>

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Report layout, design and copywriting by;  
KOPAMAX MEDIA  
Tel +264 61 446 600  
Cell: +264 81 222 3468  
media@kopamax.com  
www.kopamax.com

**Address**

Channel Life Tower  
M1 Post Street Mall  
P.O. Box 26364  
Windhoek

**Phone & Fax**

+264 - 61 - 386 400  
+264 - 61 - 386 454

**Web**

[www.nsi.com.na](http://www.nsi.com.na)

**Facebook**

@NSI\_NAMIBIA

