



REPUBLIC OF NAMIBIA

MINISTRY OF PUBLIC ENTERPRISES

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ANNEXURE A:

TEMPLATE: BUSINESS AND FINANCIAL PLANNING, ANNUAL REPORTING AND BUDGETING

Section 19, 20 and 26, of the principal Public Enterprises Governance (PEG) Act, 2006 (as amended) provides for a legislative framework for business and financial planning, annual budget and annual report for Public Enterprises.

The PEG Act requires:

- Public Enterprises (PE) to submit a business and financial plan to the portfolio Minister annually; 90 days before the commencement of its next financial year.

A business plan serves as a guiding document for PE Boards of Directors, which is responsible for ensuring that the plan is aligned to the National Development Strategies, priorities and policies (Vision 2030, MTEF, and NDP). The Plan is expected to enhance the public understanding of the nature and range of business of the PE.

A business and financial plan is important for setting direction for the PE, it should contain:

- a corporate vision,
- a mission statement
- a code of ethics
- objectives, statement of accountability
- broad expectations on financial and non-financial performances.

The table below shows the key component and dates for the strategic planning and regular reporting.

Planning	
90 days	PE to submit a business and financial plan to the Portfolio Minister before the commencement of its next financial year. Refer to section 19 (1)
Business and financial Plan to cover the following:	
A Statement	Outlining objectives for which the PE was established or incorporated. Refer to section 19 (3)(a)(i)
The Objectives	5 years strategic initiatives on how to achieve PE objectives for each year in that period. Refer to section 19 (3)(a)(ii)
Expected performance	Outline expected performance of the PE for the next Financial year compared to the projected objectives. Refer to section 19 (3)(a)(iii)
Operating and Capital budget	For the next financial year with descriptions of the nature and scope of activities to be taken (and where appropriate include commercial strategies, pricing of products and services, technology and personnel requirements. Refer to section 19 (3)(b)
Source and use of funds	A statement which contain particulars of any expenditures included in the budget on any project to be funded from any subsidy or grant awarded to the PE, - If PE intend to borrow money in a particular financial year, borrowing plans and pay back strategies. Refer to section 19 (3)(c)
Key Component for the Business and Financial plan formulation:	
Executive summary	Overview of the business and financial plan, highlighting the most important aspects, focus and findings
Company overview	Description of the PE and business environment in which it operates. Outline the financial and operational performance. Progress on the implementation of previous policies and strategies.
Marketing Plan	A detailed analysis of the market in which the PE operates.
Management plan	A detailed legal and organizational structure of PE, to include the management resources required.
Operating plan	Detailed description of the PE's physical location, facilities, equipment, inventory and supplies. Future funding requirement to be included in this section.

Financial plan	To contain an income statement, cash flow statement, and a balance sheet.
Reporting - Annual reports	
6 months – after end of each financial year	PE to submit an annual report on its operations for that year concurrently to the portfolio Minister and Minister of Public Enterprises. Refer to section 26 (1)
PE Annual report to include:	
	Audited financial statement. Refer to section 26 (2)(a)
	Auditor's report on those financial statement (including the Accounting Policies. Refer to section 26 (2)(b)
	A statement on the extent to which PE has met its objectives. Refer to section 26 (2)(c)
	Quantitative information in respect of the financial affairs of the PE, including its objectives for the financial year. Refer to section 26 (2)(d)
Other Value added components to be included in an annual report	
	<ul style="list-style-type: none"> ➤ The Chairperson's Report ➤ Report by the Managing Director or CEO ➤ PE Vision, Mission and value statements
	<ul style="list-style-type: none"> ➤ Corporate structure including all subsidiaries ➤ Financial value adding statement ➤ Regulators to include a compliance report
	<ul style="list-style-type: none"> ➤ Industry Review
	<ul style="list-style-type: none"> ➤ Corporate governance review/report ➤ Audit and Risk Committee Report
	<ul style="list-style-type: none"> ➤ Sustainability report
	<ul style="list-style-type: none"> ➤ Corporate social responsibility report ➤ Human Capital Report
	<ul style="list-style-type: none"> ➤ Senior leadership team
Basic Design Guidelines for Annual Report	
	<ul style="list-style-type: none"> ➤ Content must be based on the principle of quality rather than quantity
	<ul style="list-style-type: none"> ➤ Maximum total of 100 pages but preferably less than 80 pages.
	<ul style="list-style-type: none"> ➤ Limit the amount of the total content attributed to aesthetics (photographs in particular)

	<ul style="list-style-type: none"> ➤ Use graphs and tables sparingly to illustrate particular economic or strategic indicators.
	<ul style="list-style-type: none"> ➤ Print a minimum amount of Annual Reports - reprint as required
	<ul style="list-style-type: none"> ➤ Make the Annual Reports available in electronic form on websites
30 days of portfolio Minister received the annual report	A copy of the PE annual report to be tabled before the National Assembly. Refer to section 26 (3)