




BUSINESS PLAN

2023-2024





**Delivering excellent service
through operational efficiency,
stakeholder engagement and
innovation**



Contents

The Authority.....	5
Overview	7
Business Plan 2023-2024	9
Improved usage of technology and capabilities	9
Improved data management.....	10
Improved access to NAMFISA services	11
Improved knowledge and skills	11
Improved work culture	12
Improved service delivery	12
Improved customer and stakeholder engagement...	14
Improved financial sustainability.....	15
Strategy Initiatives Prioritization	16
Financial Plan.....	18



LIST OF ABBREVIATIONS AND ACRONYMS

CPBN	Central Procurement Board of Namibia
EXCO	Executive Committee
ERS	Electronic Regulatory System
FIMA	Financial Institutions and Markets Act
FY	Financial Year
HR	Human Resources
ICT	Information and Communication Technology
IMF	International Monetary Fund
M&E	Monitoring and Evaluation
NAMFISA	Namibia Financial Institutions Supervisory Authority
NBFI	Non-Bank Financial Institution
RBS	Risk-Based Supervision
SLC	Service Level Commitment



1 THE AUTHORITY

The Namibia Financial Institutions Supervisory Authority (NAMFISA) was established in 2001 by an Act of Parliament. The new NAMFISA Act, 2021 (Act No.3 of 2021) further emphasises the Authority's responsibility to regulate and supervise financial institutions, intermediaries, and financial services, monitor risks within the financial institutions and markets sector, exercise an oversight role over the micro-prudential practices, activities and policies, and advise the Minister of Finance on matters relating to financial institutions, intermediaries and financial services.

NAMFISA also has the function to provide, fund, promote or otherwise support consumer education, consumer awareness and consumer confidence regarding consumer rights, financial services, financial institutions, and financial intermediaries.

The Authority's five-year Strategy 2022-2027 is shaped by its mandate to:

- ➔ Promote a fair, efficient and stable non-banking financial sector that contributes to the growth of the Namibian economy,
- ➔ Build trust and confidence in the non-banking financial sector,
- ➔ Effectively regulate and supervise the non-banking financial sector,
- ➔ Promote fair treatment and protection of consumers of financial services,
- ➔ Promote awareness through financial education,

- ➔ Promote a strong control environment within the non-banking financial sector aimed at identifying and preventing financial crime, and
- ➔ Provide sound advice to the Minister of Finance.



The Authority's mission is "to regulate and supervise financial institutions and financial intermediaries to foster a stable, fair non-banking financial sector, and to promote consumer protection and provide sound advice to the Minister of Finance".



The Authority's vision is "to have a safe, stable and fair financial system contributing to the economic development of Namibia in which consumers are protected".



NAMFISA will execute its mandate on these set of core institutional values:

Teamwork

- We have a shared urgency to achieve our vision
- We support, respect and care for each other and are collectively responsible for our actions
- We recognise that success depends on a skilled, diverse, coordinated team committed to the highest standards of trust, hard work, cooperation, and communication.

Service Excellence

- We commit to operational, regulatory, and supervisory excellence
- We provide quality service on time
- We are courteous, professional, and respectful

Accountability

- We are accountable to our customers and stakeholders
- We are prudent in the management of our resources
- We take accountability for our decisions

Integrity

- We act with honesty, fairness, and transparency
- We treat information confidentially
- We act independently and consistently

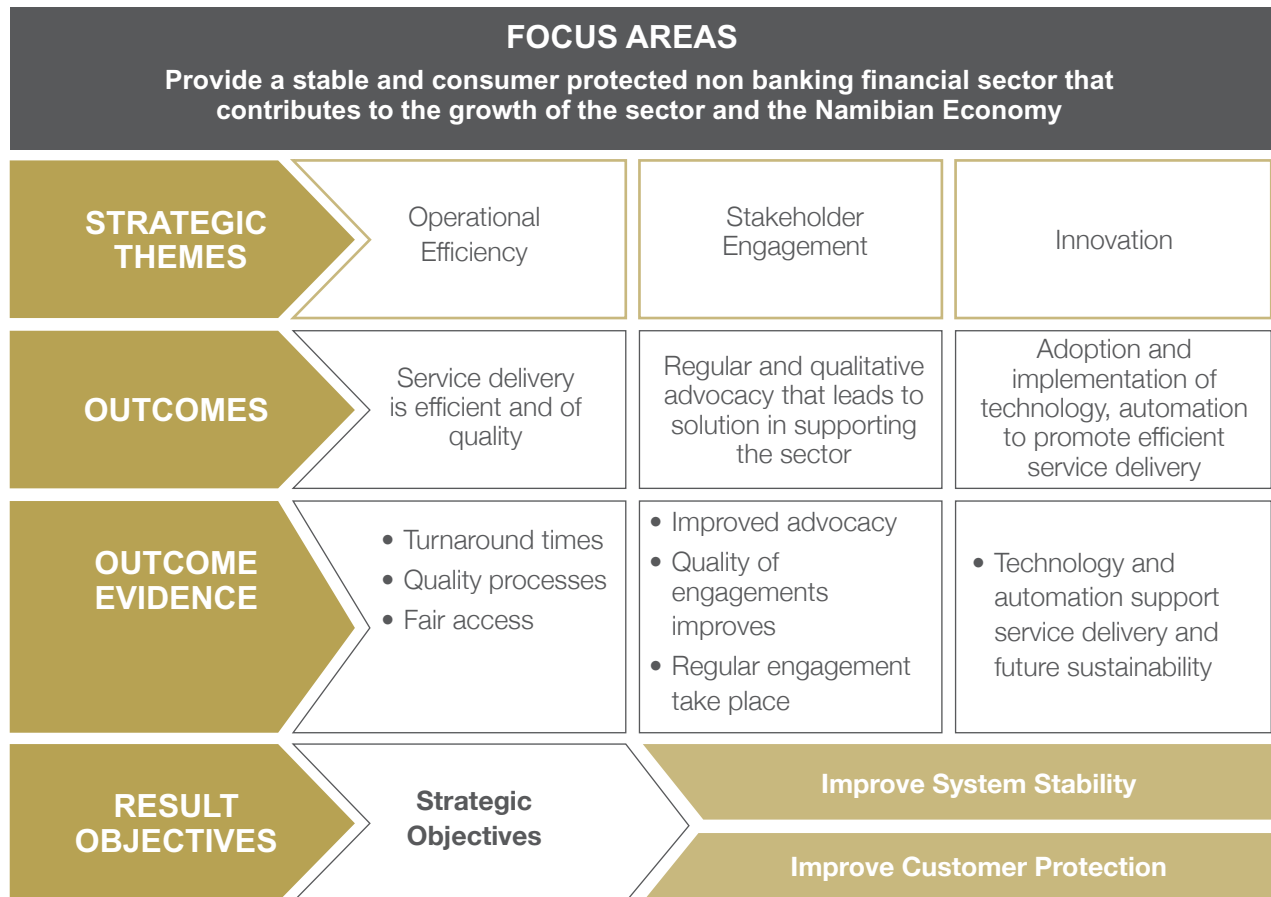
Agility

- We commit to being adaptable to our changing environment
- We commit to embracing change whilst maintaining regulatory certainty
- We commit to creating innovative solutions

2 OVERVIEW

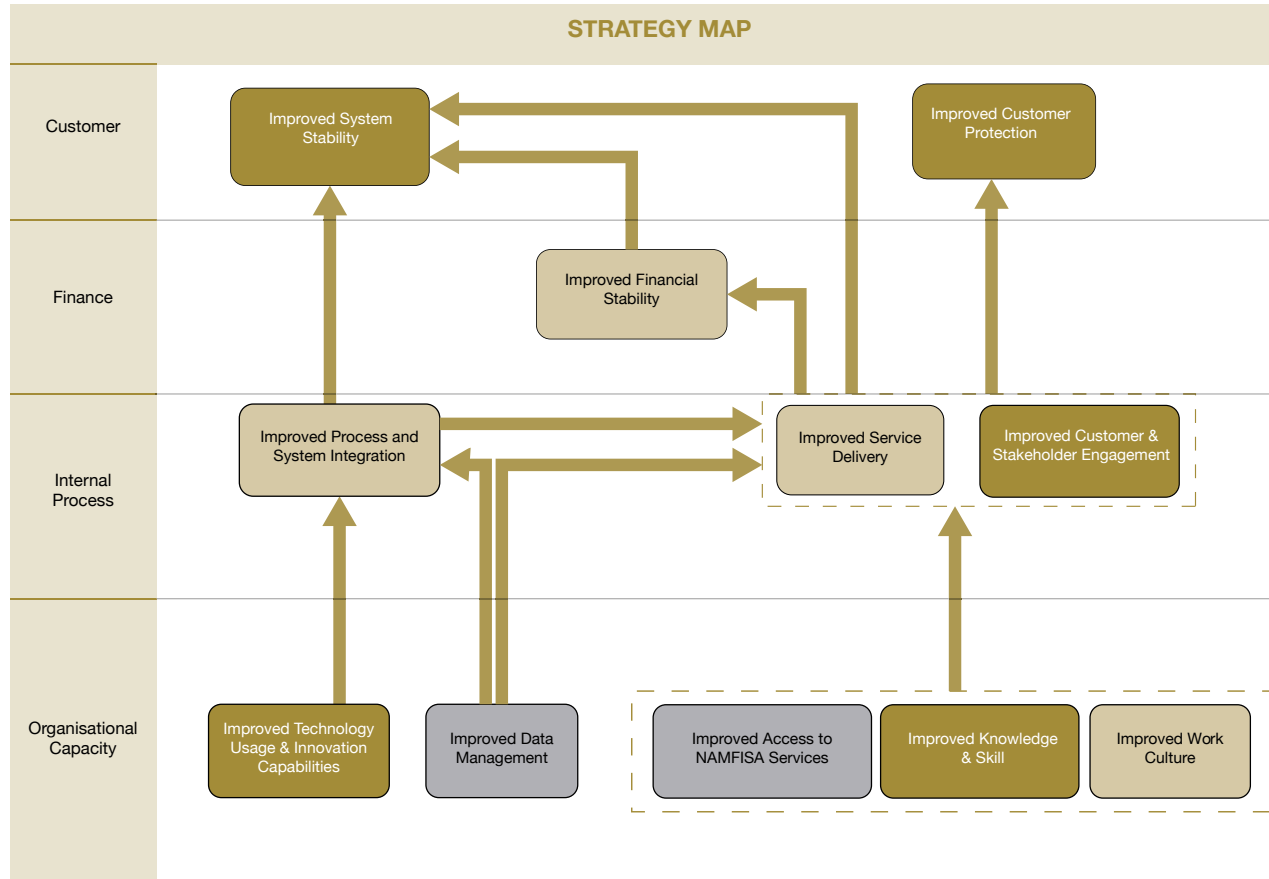
In our Strategy for 2022 to 2027, we set out our vision and focus areas i.e., strategic themes for the next five years. We also set out as per figure 1, the consistent outcomes we expect and the key strategic areas we will be focusing on. This is to ensure that the Authority provides a stable and consumer-protected non-banking financial sector that contributes to the growth of the sector and the Namibian economy.

Figure 1: Impact of Our Strategy



The map below (figure 2) depicts the cause and effect of the eleven (11) strategic objectives that the Authority intends to accomplish and bring into realization to achieve its mandate over the five-year Strategic Period.

Figure 2 Strategic Map



This business plan and the budget sets out the Authority's key objectives, initiatives and expected costs for the year 2023/24. The key outcome of this plan is to focus on what will be delivered in the second year of the strategy by balancing continuous improvements because of year one's strategy performance at the time of review, strategic change and operational deliverables (business as usual). In the first year 2022/2023, the Authority focused on five (5) of these objectives that will give the most impact during the first strategic period, namely:

- Improved use of technology and innovation capabilities
- Improved data management
- Improved access to NAMFISA services
- Improved service delivery
- Improved financial sustainability

Managing performance in terms of this strategy is vital in ensuring continuous improvement and that organisational goals are effectively met, thus the full twelve (12) month achievements of the strategic performance measures and strategic initiatives for 2022/23, will be reflected in the 2022/23 Annual Report.




In the second year 2023/2024, the Authority intends to focus on eight (8) objectives, namely:

- Improved use of technology and innovation capabilities
- Improved data management
- Improved access to NAMFISA services
- Improved knowledge and skills
- Improved work culture
- Improved service delivery
- Improved customer and stakeholder engagement
- Improved financial sustainability

3 Business Plan 2023-2024

This section sets out how we will deliver on the above-mentioned strategic objectives over the year 2023/2024. It outlines the intended results of each objective that the Authority will focus on, the targets, how these results will be measured and the initiatives to achieve the required results. The strategic initiatives will drive the change of the strategic objectives over time.

Legend:

Poor performance 	Satisfactory performance (includes the target) 	Good performance 
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3.1 Improved usage of technology and capabilities

This objective intends to ensure that the Authority has a technological infrastructure that can manage the present and is flexible for future expansion and ensure that the infrastructure is being utilised. This includes increased and improved automation of processes.

Strategic Performance Measures	Year Threshold			Year target
% Increase in the use of technologies	<10%	11% - 30%	>30%	30%

Strategic initiative	Review and increase functionalities on existing systems		
Business case	To improve the systems' functionalities to manage the present and make them flexible for future additions/change and improve efficiencies in the licensing and registration function.		
Scope	Acquisition of existing systems add-in modules to streamline and automate the licensing and registration function and processes.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	ICT and L&R division		



3.2 Improved data management

To deliver on the Authority’s mandate, NAMFISA must collect, keep, and use data securely, efficiently, and cost-effectively. This objective intends to ensure that the Authority has improved data validation capabilities and effective usage for data analysis. The objective will further ensure that internal stakeholders have access to information relevant to their functions and that there are skilled IT and supervision staff to integrate technology and define user requirements.

Strategic Performance Measures	Year Threshold			Year target
Percentage (%) identified business report mapped	<5%	5% - 10%	>10%	10%
Percentage (%) Identified mapped business report automation	<35%	35% - 50%	>50%	50%
Percentage (%) quality data improvement	<15%	15% - 30%	>30%	30%

Strategic initiative	Requirements and needs analysis for data management		
Business case	To improve data collected and stored on systems and to ensure data is fully accessible for usage across NAMFISA.		
Scope	Mapping and automation of reports based on the requirements gathering exercise.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	ICT, Prudential, and Market Conduct divisions		

Strategic initiative	Develop and deploy validation rules		
Business case	To define and incorporate data validation rules in the Authority’s data collection storage and manipulation of processes to enhance data integrity.		
Scope	Incorporate the data requirements and data validation improvement recommendations by IMF in the Authority’s data pipeline, for prudential and market conduct.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	Prudential, Market Conduct, and ICT.		



3.3 Improved access to NAMFISA services

To enable the fair treatment and protection of consumers of financial services, as well as to safeguard the stability of the non-banking financial sector, the Authority should provide an adequate opportunity and ease for its stakeholders, consumers, and the general communities to use its services in proportion to their needs. This objective intends to ensure that the Authority is visible and accessible to meet the needs of its consumers, regulated entities and other stakeholders, through present initiatives and the use of technology.

Strategic Performance Measures	Year Threshold			Year target
Planned versus actual access points achieved	<55%	55% - 80%	>80%	80%
MES score	<50%	50% - 75%	>75%	80%

Strategic initiative	Construction of the NAMFISA Building			
Business case	To address the inaccessibility to NAMFISA services.			
Scope	Commencement of the construction of the building.			
Performance Measure	Planned vs actual activities	Annual target	80%	
	Budget vs actual		10%	
Impacted division	Strategy and Projects, Procurement unit			

3.4 Improved knowledge and skills

The Authority intends to strengthen its people capacity-building programme that addresses identified skills and competency gaps to support the delivery of the mandate and improve performance.

Strategic Performance Measures	Year Threshold			Year target
Change in average individual performance level	<2	2 - 3	>3	3
The skill gap is closed over time	<45%	45% - 65%	>65%	65%
Percentage (%) critical skills positions filled	<45%	45% - 60%	>60%	60%

Strategic initiative	Implementation of the Knowledge Management Plan			
Business case	To enable the Authority to ensure and manage the transfer of skills to execute its mandate.			
Scope	To execute the activities set out in the Knowledge Management Implementation Plan			
Performance Measure	Planned vs actual activities	Annual target	80%	
	Budget vs actual		N/A	
Impacted division	All divisions			

3.5 Improved work culture

The Authority intends to embrace an organizational culture that all staff demonstrate through the living of its values.

Strategic Performance Measures	Year Threshold			Year target
The composite index for culture	<2	2 - 3	>3	3

Strategic initiative	Implementation of a culture improvement plan		
Business case	To help foster collaboration throughout the organisation and improve performance.		
Scope	Implementation of the annual culture and monitoring and assessment of the impact for continuous improvement.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	HR and All Staff		

3.6 Improved service delivery

The Authority intends to strengthen its service delivery by integrating legislative changes in its service delivery framework (new regulations and standards), through aligned processes and technology improvement and delivering quality service on time as per its service level commitments (SLCs).

Strategic Performance Measures	Year Threshold			Year target
Service delivery index	<2	2 – 3.50	>3.5	3 - 3.5

Strategic initiative	Business Process Improvement (Alignment)		
Business case	To improve the internal and external service level commitments by aligning procedures and technology to deliver on-time and quality service. To align internal procedures to increase collaboration.		
Scope	The licensing and registration department is to perform a revision of identified processes and procedures to enable alignment, streamlining and automation of processes to bring about efficiencies.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	ICT, Licensing and Registration Department and Prudential Divisions		



3.6 Improve Service Delivery (continued)

Strategic initiative	Implementation of new legislation		
Business case	To draft and implement an effective legislative framework that protects the consumer and ensures financial stability.		
Scope	Execute implementation of project plans for the NAMFISA, FIM and Mi-crolending Acts and the Consumer Credit Bill.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	Strategy and Project Office, Legal Services, Research, Policy and Statistics, Prudential and Market Conduct departments		

Strategic initiative	Implement innovations		
Business case	To promote efficiency in our service delivery and sustainability in delivering our mandate through innovative ways, create a culture of innovation and keep abreast of and monitor emerging innovations.		
Scope	Implement innovations as per the approved innovation management framework.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	All Staff		





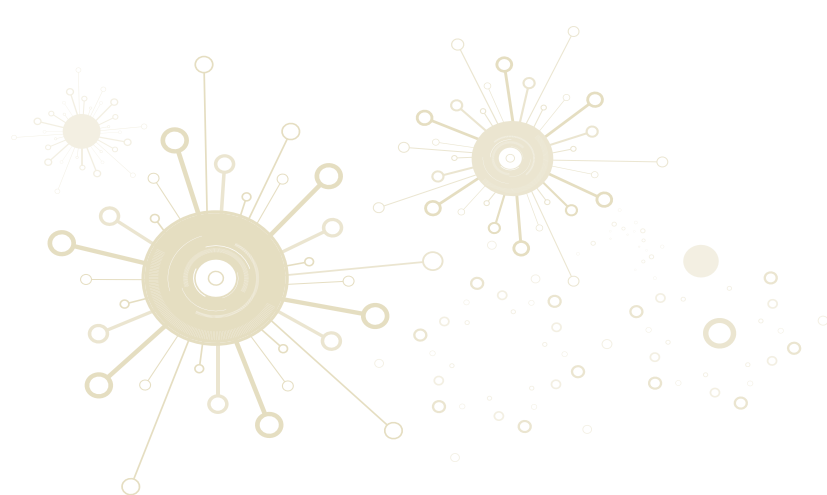
3.7 Improved customer and stakeholder engagement

The Authority intends to strengthen its communication in line with the communications policies, to ensure:

- Compliance rating is improved.
- Stakeholder feedback ratings are improved.
- SLCs are reviewed annually

Strategic Performance Measures	Year Threshold			Year target
External stakeholders' engagement rating	<2	2 - 3	>3	3
Regulated entities' engagement rating	<2	2 - 3	>3	3
Communication audit compliance rating (Internal and External communication)	<2	2 - 3	>3	3

Strategic initiative	Collaborative stakeholder & customer engagement		
Business case	To address any legislative implementation challenges concerning stakeholder & customer engagement through improved communication.		
Scope	Develop an engagement program to address identified challenges with customers and stakeholders through advocacy, influence, and access, that speaks to an approved stakeholder engagement strategy.		
Performance Measure	Planned vs actual activities	Annual target	80%
	Budget vs actual		7%
Impacted division	Corporate Communication and Consumer Education, All divisions		





3.8 Improved financial sustainability

The Authority aims to break even over the strategy period.

Strategic Performance Measures	Year Threshold			Year target
The budget approved by Board within statutory timelines	Not approved by Board on the set date	Approved on set board date with amendments	Approved on set approval statutory date and with no amendments	Approval on set board date with no amendments
% Variance to budgeted income	>10%	6%- 10%	<6%	6% variance to budget (over or under)
% Variance to budgeted expenditure	>16%	10%- 16%	<10%	10% variance to budget (over or under)

Strategic initiative	Budget variance monitoring		
Business case	To ensure financial sustainability in line with the mandate for the financial year 2024/2025		
Scope	Development of a Hedging Strategy and Financial Strategy M and E tool: to continuously monitor the funding position of NAMFISA presently and projected.		
Performance Measure	Planned vs actual activities	Annual target	80%
Impacted division	Finance, RPS, HR, ICT, Conduct and Compliance and CEO's office		



4

Strategy Initiatives Prioritization

No.	Per-spective	Strategic Objective	Initiatives	Prioritization	FY23	FY24	FY25	FY26	FY27
1	Organisational Capacity	Improved Usage of Technology and Innovation Capabilities	Review and increased functionalities on existing systems	Very Urgent					
				Very Important					
2			Scope and deployment of a business analysis solution	Urgent					
		Important							
3		Scope and deployment of EDRMS	Urgent						
			Important						
4		Improved Data Management	Validation rules developed and employed	Very Urgent					
				Very Important					
5		Requirements and needs analysis for data management	Urgent						
			Very Important						
6	Improved Access to NAMFISA Services	Review and improve National Footprint Initiative	Urgent						
			Very Important						
7	Construction of NAMFISA Building	Urgent							
		Important							
8	Improved Knowledge and Skills	Develop and implement people capacity building plan	Urgent						
			Important						
9	Implementation of the Knowledge Management Plan	Urgent							
		Very Important							
10	Improved work culture	Implementation of a culture improvement plan	Urgent						
			Very Important						



No.	Per-spective	Strategic Objective	Initiatives	Prioritization	FY23	FY24	FY25	FY26	FY27
11	Internal Process	Improved process and systems integration	Scope and Implement process automation	Very Urgent					
				Very Important					
12			Scope and Implement process integration	Urgent					
		Very Important							
13		Audit on process improvement	Urgent						
			Very Important						
14		Improved service delivery	Business Process Improvement (Alignment)	Very Urgent					
				Very Important					
15			Implementation of new legislation	Very Urgent					
				Very Important					
16	Implement innovation		Urgent						
			Important						
17	Improved customer and stakeholder engagement	Collaborative stakeholder & customer engagement	Very Urgent						
			Important						
18		Review and improve collaborative staff engagement plan	Urgent						
	Important								
19	Financial	Improved financial sustainability	Approved budget for the strategy period	Urgent					
				Very Important					
20		Budget variance monitoring	Very Urgent						
			Important						
21	Customer & Stakeholder	Improved system stability	Review and improve data validation	Urgent					
				Important					
22		New calculation required for stability based on new framework	Urgent						
			Important						
23	Improved consumer protection	Appropriate adjudicating mechanism	Urgent						
			Important						

5 FINANCIAL PLAN

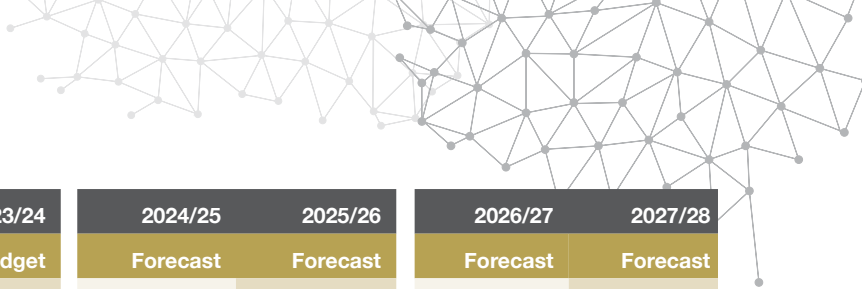
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Part 1: Income and expenditure budget						
Income	234,272,136	241,701,967	255,009,983	267,130,379	279,471,317	292,234,676
Levy income	Note 1 227,293,001	232,822,926	244,464,072	256,687,275	269,521,639	282,997,721
New fees (FIMA)	-	-	4,957,810	5,205,701	5,465,986	5,739,285
Rule amendment fees	10,200	700	-	-	-	-
Copy charges	16,700	16,700	17,535	18,412	19,332	20,299
Levy interest	690,670	47,972	50,370	52,889	55,533	58,310
Licence fees income	2,500	2,500	-	-	-	-
Penalty fees	-	-	-	-	-	-
Registration fees	1,095,600	662,500	-	-	-	-
Investment income	Note 2 4,585,627	7,560,887	5,076,771	4,700,506	3,919,950	2,905,741
NTA levy claims	577,837	587,782	443,425	465,596	488,876	513,320
Expenditure	(236,067,814)	(234,329,187)	(248,398,699)	(260,638,613)	(276,079,577)	(288,523,262)
Advisory committee	(67,802)	(67,801)	(71,191)	(74,751)	(78,488)	(82,413)
Audit fees	(724,729)	(760,966)	(799,014)	(838,965)	(880,913)	(924,958)
Audit fees (Metropol)	(107,442)	(112,814)	(118,455)	(124,377)	(130,596)	(137,126)
Audit fees internal	(120,000)	(120,000)	-	-	-	-
Bank charges	(127,702)	(59,462)	(62,435)	(65,557)	(68,835)	(72,276)
Board education	(30,846)	(100,000)	(105,000)	(110,250)	(115,763)	(121,551)
Board expenses	(237,682)	(218,762)	(229,700)	(241,185)	(253,244)	(265,906)
Board fees	(1,331,586)	(1,228,464)	(1,228,464)	(1,228,464)	(1,228,464)	(1,228,464)
Change management	(92,880)	(568,250)	(596,663)	(626,496)	(657,820)	(690,711)
Computer support and maintenance	(4,978,629)	(7,107,585)	(7,462,964)	(7,836,112)	(8,227,918)	(8,639,314)
Corporate social responsibility	(258,000)	(265,352)	(278,620)	(292,551)	(307,178)	(322,537)
Consumer education	(930,000)	(1,163,451)	(1,221,624)	(1,282,705)	(1,346,840)	(1,414,182)
Health and safety	(15,000)	(15,750)	(16,538)	(17,364)	(18,233)	(19,144)
Interest paid	(448)	-	-	-	(13,491,735)	(17,188,623)
Industry meetings and consultations	(330,446)	(596,271)	(626,085)	(657,389)	(690,258)	(724,771)
Inspections	(567,364)	(717,364)	(753,232)	(790,894)	(830,439)	(871,960)



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Insurance office content	(373,351)	(444,191)	(466,400)	(489,720)	(514,206)	(539,917)
Legal expenses	(5,250,000)	(5,512,500)	(5,788,125)	(6,077,531)	(6,381,408)	(6,700,478)
Maintenance motor vehicles	(116,583)	(164,412)	(172,633)	(181,265)	(190,328)	(199,844)
Maintenance office equipment	(118,667)	(139,930)	(146,926)	(154,272)	(161,986)	(170,085)
Municipal charges (Metropol)	(812,653)	(550,384)	(577,903)	(606,798)	(637,138)	(668,995)
Office maintenance services	(879,900)	(923,895)	(970,090)	(1,018,594)	(1,069,524)	(1,123,000)
Minor assets	(18,000)	(35,300)	(37,065)	(38,918)	(40,864)	(42,907)
Non - regulatory consultations	(400,000)	(420,000)	(441,000)	(463,050)	(486,203)	(510,513)
Office rent equipment	(622,119)	(653,225)	(685,887)	(720,181)	(756,190)	(794,000)
Office rent>municipal charges	(3,631,702)	(3,966,320)	(4,164,636)	(4,372,867)	(4,591,511)	(4,821,086)
Office rent parking	(2,188,715)	(2,770,928)	(2,909,475)	(3,113,415)	(1,231,425)	-
Office rent	(12,058,044)	(12,454,165)	(13,076,873)	(13,734,289)	(5,432,219)	-
Postage and courier	(31,553)	(31,648)	(33,231)	(34,892)	(36,637)	(38,469)
Professional fees	(1,091,908)	(1,360,630)	(1,428,662)	(1,500,095)	(1,575,100)	(1,653,855)
Publications	(1,596,489)	(1,711,377)	(1,796,946)	(1,886,793)	(1,981,133)	(2,080,190)
Regulatory consulting and seminars	(4,972,876)	(5,147,114)	(4,514,470)	(4,640,194)	(4,872,203)	(5,115,813)
Renovations	(10,432)	(66,328)	(69,645)	(73,127)	(76,783)	(80,623)
Social responsibility >Bursaries	(500,000)	(500,000)	(525,000)	(551,250)	(578,813)	(607,753)
Stakeholder engagement	(1,240,006)	(1,696,058)	(1,780,861)	(1,869,904)	(1,963,399)	(2,061,569)
Staff cost>basic salary Note 3	(160,425,884)	(167,195,815)	(175,555,606)	(184,333,386)	(193,550,055)	(203,227,558)
Staff cost>bonus paid Note 4	(13,475,774)	-	(3,511,112)	(3,686,668)	(3,871,001)	(4,064,551)
Staff cost>gratuity	-	-	-	-	-	(2,675,654)
Staff cost>incentives	(522,035)	(687,317)	(721,683)	(757,767)	(795,655)	(835,438)
Staff cost>interns	(560,000)	(390,000)	(409,500)	(429,975)	(451,474)	(474,047)
Staff cost>overtime	(720,554)	(770,992)	(809,542)	(850,019)	(892,520)	(937,146)
Staff cost>person accident insurance	(305,342)	(371,145)	(389,702)	(409,187)	(429,647)	(451,129)
Staff cost>recruitment	(364,085)	(656,293)	(689,108)	(723,564)	(759,742)	(797,729)
Staff cost>refreshments	(285,626)	(355,969)	(373,767)	(392,456)	(412,079)	(432,682)



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Staff cost>staff functions	(1,138,019)	(965,778)	(1,014,067)	(1,064,770)	(1,118,008)	(1,173,909)
Staff cost>training external	(3,529,369)	(3,670,018)	(3,853,519)	(4,046,195w)	(4,248,505)	(4,460,930)
Staff cost>training levy	(1,712,123)	(1,773,700)	(1,862,385)	(1,955,505)	(2,053,280)	(2,155,944)
Staff cost>wellness	(134,512)	(146,254)	(153,567)	(161,245)	(169,307)	(177,773)
Staff loans>study loans	(1,926,685)	(629,115)	(579,934)	(528,294)	(559,875)	(587,869)
Stationery and printing	(1,004,994)	(1,054,746)	(1,107,483)	(1,162,858)	(1,221,000)	(1,282,050)
Subscription and membership fees	(2,246,285)	(2,495,336)	(2,620,102)	(2,751,108)	(2,888,663)	(3,033,096)
Telephone and fax	(1,882,972)	(1,516,012)	(1,591,813)	(1,671,403)	(1,754,974)	(1,842,722)
BAU - cash generated/ (utilized)	(1,795,678)	7,372,780	6,611,285	6,491,765	3,391,740	3,711,415
Project expenditure:	(3,532,974)	(6,104,308)	(1,720,000)	(1,300,000)	-	-
New dawn	(1,720,000)	(3,370,000)	(1,720,000)	(1,300,000)	-	-
Consumer credit bill	(422,220)	(782,778)	-	-	-	-
Hosting CISNA	(1,190,754)	(1,951,530)	-	-	-	-
Non- cash flow items	(14,464,846)	(17,903,049)	(16,986,017)	(15,518,619)	(24,758,834)	(20,350,782)
Exemption granted	(93,437)	(98,108)	(103,014)	(108,165)	(113,573)	(119,251)
Bad debts	(648,210)	(1,521,642)	(1,597,724)	(1,677,611)	(1,761,491)	(1,849,566)
Depreciation	(14,515,818)	(17,856,893)	(18,162,239)	(18,162,239)	(17,856,893)	(6,106,917)
Finance charges - post ret/sev pay	(5,217,000)	(5,100,000)	(5,355,000)	(5,622,750)	(5,903,888)	(6,199,082)
Finance charges - IFRS 16	(3,552,588)	(3,552,786)	(2,505,740)	(1,284,480)	-	-
Office rent parking	2,188,715	2,770,928	2,909,475	3,113,415	1,231,425	-
Office rent	11,827,348	12,454,165	13,076,873	13,734,289	5,432,219	-
Staff cost>leave paid	(1,540,088)	(1,601,462)	(1,681,536)	(1,765,612)	(1,853,893)	(1,946,588)
Staff cost>gratuity	(466,647)	-	-	-	-	-
Staff cost>post ret.>Medical	(2,301,000)	(3,130,000)	(3,286,500)	(3,450,825)	(3,623,366)	(3,804,535)
Staff cost>post ret>severance pay	(144,000)	(254,000)	(266,700)	(280,035)	(294,037)	(308,739)
Sundry expenses (Metropol)	(2,120)	(13,249)	(13,912)	(14,608)	(15,338)	(16,105)
Nett surplus / (deficit)	(19,793,498)	(16,634,577)	(12,094,733)	(10,326,854)	(21,367,094)	(16,639,367)



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Part 2: Capital expenditure budget:						
Group capital expenditure	(12,191,422)	(126,497,695)	(90,115,140)	(85,849,511)	(19,568,246)	(14,781,347)
NAMFISA - BAU:	-	-	-	-	-	-
- Computer software <small>Note 5</small>	(2,750,000)	(8,600,000)	(4,000,000)	(3,100,000)	(2,040,000)	-
- Computer equipment	(2,397,000)	(3,277,000)	(3,440,850)	(3,612,893)	(3,793,537)	(3,983,214)
- Furniture and fittings	(264,422)	(464,422)	(487,643)	(512,025)	(6,019,650)	(537,627)
- Office equipment	(80,000)	(80,000)	(84,000)	(88,200)	(92,610)	(97,241)
- Motor vehicles	(700,000)	(950,000)	-	(500,000)	-	-
Property development:	-	-	-	-	-	-
- Construction cost	(4,000,000)	(113,126,273)	(82,102,647)	(78,036,393)	-	-
- Loan repayment	-	-	-	-	(7,622,449)	(10,163,266)
Part 3: Cash and reserves:						
Cash closing balance A	63,681,814	51,578,864	47,457,655	43,836,303	26,659,796	14,589,864
Cash opening balance	82,201,888	63,681,814	51,578,864	47,457,655	43,836,303	26,659,796
BAU - cash generated/ (utilized)	(1,795,678)	7,372,780	6,611,285	6,491,765	3,391,740	3,711,415
Project expenditure	(3,532,974)	(6,104,308)	(1,720,000)	(1,300,000)	-	-
Capital expenditure	(12,191,422)	(126,497,695)	(90,115,140)	(85,849,511)	(19,568,246)	(14,781,347)
Financing - property development	-	43,126,273	82,102,647	78,036,393	-	-
Transfer (to)/from reserve fund	(1,000,000)	70,000,000	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Working capital changes	-	-	-	-	-	-
Reserve fund B	91,000,000	22,000,000	23,000,000	24,000,000	25,000,000	26,000,000
Opening balance	90,000,000	91,000,000	22,000,000	23,000,000	24,000,000	25,000,000
Transfer to general reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Utilization	-	(70,000,000)	-	-	-	-
Closing balance - total reserves A + B	154,681,814	73,578,864	70,457,655	67,836,303	51,659,796	40,589,864



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Notes						
Note 1 - key assumptions						
Levy growth		1.8%	5.0%	5.0%	5.0%	5.0%
Industry growth *		1.8%	5.0%	5.0%	5.0%	5.0%
Levy adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Annual CPI		5.0%	5.0%	5.0%	5.0%	5.0%

In its November 2022 Namibia Inflation Forecast report, the Bank of Namibia forecasts annual headline inflation at 6.1 % in 2022 and 4.9 In 2023.

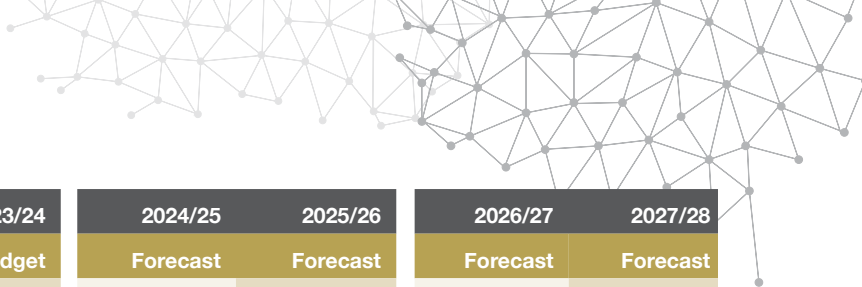
Sensitivity analysis

The cumulative effect of a movement in the assumed industry growth on levy income is as follows:

- 1 Percent	2,328,229	2,444,641	2,566,873	2,695,216	2,829,977
- 2 Percent	4,656,459	4,889,281	5,133,746	5,390,433	5,659,954

Note 2 - investment income

Annual CPI	5.00%	5.00%	5.00%	5.00%	5.00%
Expected investment return	6.10%	6.10%	6.10%	6.10%	6.10%
Closing balance - total reserves	73,578,864	70,457,655	67,836,303	51,659,796	40,589,864
Average (2024 averaged with 2023 budgeted figure)	114,130,339	72,018,259	69,146,979	59,748,049	46,124,830
Investment income	7,560,887	5,076,771	4,700,506	3,919,950	2,905,741



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Note 3 - basic salary						
Full staff structure cost - 2023/24 ¹		177,867,888				
Vacancies saving ²		(10,672,073)				
Budget - 2023/24		167,195,815				

¹ The 2023/24 staff structure makes provision for 192 positions.

² A saving is realized as a result of the time required to recruit new staff following resignations

Note 4 - bonus paid

In terms of NAMFISA’s remuneration policy, the Authority has instituted a discretionary short term incentive scheme to drive organisational objectives and employee performance. In terms of this policy, the incentive pool is calculated with reference to the organizational performance rating achieved.

During the last financial year, a performance rating of 4.20 was achieved.

Applying this rating for the purpose of determining a budgeted bonus pool for the 2023/24 financial year, would result in a N\$ 16.7 Million bonus pool being requested in the budget. However, with the objective of achieving a break-even at a business-as-usual (BAU) level, no bonus pool has been budgeted for.

Should management succeed in managing the financial affairs of the authority in such a manner that results in a surplus being achieved, versus the break-even budgeted for, management will approach board with a request to increase the budget for bonus to a higher amount as allowed for by the remuneration policy whilst not resulting in a deficit at a BAU level.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Bonus assumption as a % of total salary cost		0.00%	2.00%	2.00%	2.00%	2.00%
Note 5 - ICT CAPEX additions						
Expenditure						
Websites revamp		1,800,000	-	-	-	-
NAMFISA integrated system for support services (phased implementation) – ERP						
Finance module completion (budgeting and procurement planning, reporting and integration with ERS and HR)		500,000	-	-	-	-
Human resources core		-	1,500,000	-	-	-



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
Payroll		-	750,000	-	-	-
E-recruitment		-	750,000	-	-	-
Internal and external portals (ESS, supplier registration etc..)		-	-	1,000,000	-	-
Customer relationship management (CRM)		-	-	1,000,000	-	-
Strategy and projects management		-	-	200,000	-	-
ERP standard reporting and business intelligence dashboards		-	-	300,000	-	-
Peripheral and specialized systems (fit for purpose solutions):		-	-	-	-	-
SPO - game based e-learning educational technology		-	500,000	-	-	-
Digital signature software (institution-wide licenses)		300,000	-	-	-	-
Corporate operations/ tasks management solution		-	500,000	-	-	-
NAMFISA app (planning, design, and prototype)		-	-	600,000	-	-
AD self-service software		-	-	-	2,040,000	-
ERS upgrade - licensing and registration		5,500,000	-	-	-	-
Mobile security module		200,000	-	-	-	-
Cyber security awareness training software		300,000	-	-	-	-
Total		8,600,000	4,000,000	3,100,000	2,040,000	-
Total for the 5 year plan						17,740,000



General note

As per the Authority's Reserves policy, the authority needs to hold sufficient reserves in order to cover:

- income shortfalls
- unforeseen expenditures
- significant once-off expenditures

In the event of significant levy shortfall that threatens the operational ability of the Authority over the 5 year plan, a utilization of the general reserves as per the Reserves policy will be considered.





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