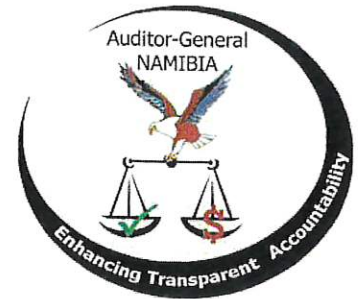




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
GAME PRODUCTS TRUST FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Game Products Trust Fund for the financial year ended 31 March 2020, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Environment and Tourism in terms of the Game Products Trust Fund Act, 1997 (Act 7 of 1997) to be laid upon the Table of the National Assembly in terms of Section 17(3) of the Act.

WINDHOEK, November 2021

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
GAME PRODUCTS TRUST FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

SECTION A: FINANCIAL AUDIT

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Game Products Trust Fund for the financial year ended 31 March 2020 as provided by the Accounting Officer. These financial statements comprise the statement of financial position, statement of financial performance, statement of cash flow and statement of changes in owners' equity for the year then ended and a summary of significant accounting policies.

In my opinion because of the significance of the matters discussed in the Basis for Adverse audit Opinion paragraph the accompanying financial statements do not give a true and fair view of the financial position of the Game Products Trust Fund as at 31 March 2020 and its financial performance and its consolidated cash flow for the year then ended.

2. BASIS OF ADVERSE AUDIT OPINION

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. An Adverse audit opinion is being expressed due to the following:

2.1 VALUATION OF ASSETS

The audit observed that the Fund has fully depreciated assets with N\$ 1 Net Book Value in the asset register whilst these assets are still in good working condition and in use.

**2.2 WRONG FINANCIAL ACCOUNT PROCESSING - CASH BASED ACCOUNTING
VS ACCRUAL ACCOUNTING (recurring finding since 2019)**

The auditors observed again that total revenue amounting to N\$ 33 936 676 is recorded from the bank statements (cash basis accounting). The recording of revenue from the bank statements is not complying with IFRS 15 and accrual basis of accounting, which states that *"the core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:*

- *Identify the contract(s) with a customer*
- *Identify the performance obligations in the contract*
- *Determine the transaction price*
- *Allocate the transaction price to the performance obligations in the contract*
- *Recognize revenue when (or as) the entity satisfies a performance obligation.*

Furthermore, The Fund does not issue invoices for revenue from contracts subsequently no receivables are raised. The Fund responded in the 2019 audit that the matter will be rectified.

2.3 DEBTORS

The auditors observed no movement in debtors of N\$ 76 400. This observation is reported for the third consecutive year (2018 – 2020). The Fund responded that feedback was awaited from the Bank. No feedback was received at the time of finalizing this report. The Fund responded in the 2019 audit report that the matter will be rectified. Furthermore, The Fund could also not provide an explanation to the composition of these debtors and or the recoverability of these debt.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have nothing to report in this regard.

4. OTHER MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Game Product Trust Fund in the financial statements. My opinion is not modified in respect of these matters.

4.1 AUDIT COMMITTEE AND INTERNAL AUDIT FUNCTION

The audit revealed that the Fund does not have an established Internal Audit function and an independent Audit Committee. The absence of an Internal Audit function introduces the risk of control, risk management and governance weakness going undetected and corrected in a timely manner.

4.2 RISK MANAGEMENT POLICY AND RISK ASSESSMENT

The Fund does not have a documented and approved risk management policy and consequently does not perform risk assessments. The non-performance of risk assessment presents the risk of not adequately assessing risk (in terms of impact and likelihood) and implementing adequate controls to mitigate identified risks.

5. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

6. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

6.1 AUDIT OF KEY PERFORMANCE INFORMATION

I conducted an audit on performance information of the Game Product Trust Fund for the Strategic period 2016/17 to 2020/21, consecutively with the audit of financial statements for the years ended 31 March 2020.

6.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND SCOPE

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

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

The scoping of the key performance indicators was performed by looking at the high-level statements, which are indicated in the mandate of the Fund as provided for in the Game Product Trust Fund Act No. 7 of 1997 and its Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

6.3 AUDIT OBJECTIVE

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

6.4 AUDIT CRITERIA

The audit was mainly concentrated on three (3) criteria, namely:

- Compliance to Laws, Regulations and relevant policies and guidelines pertaining to the reporting of performance information;

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

6.5 SUMMARY OF METHODS APPLIED

I reviewed the Strategic Plans for the Strategic periods 2016/17 to 2020/21 to confirm whether the Strategic Plan objectives, targets and KPIs have been correctly cascaded to the Annual Plan and are reported in the Annual Performance Report.

6.6 KEY AUDIT FINDINGS

The performance agreements for Fund Manager was not submitted for audit in accordance with the State-Owned Enterprises Governance Act 2 of 2006, Sections (18) and (21) and Public Enterprises Governance Act 1 of 2019, Sections (12) and (17) which states that “12. (1) The relevant Minister must, within ninety days of appointing a person as a member of a board, enter into a performance agreement with that member, with due regard to any directives laid down by the Minister under section 4(1)(e). 17. (1) The board of a public enterprise must require the chief executive officer to enter into a performance agreement with the board, with due regard to any directives laid down by the Minister under section 4(1)(e)”.

Furthermore, strategic activities executed during the period under review (i.e.2016/17 to 2020/21) were not reported on an annual basis as per State-Owned Enterprises Governance Act 2 of 2006, Section 26 (1) (c) and Public Enterprises Governance Act 1 of 2019, Section 22.

6.7 CONCLUSION

Key audit criteria was not met and therefore the performance information provided is not in compliance with State-Owned Enterprises Governance Act and Public Enterprises Governance Act.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity’s financial reporting process.

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

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

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty, exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However future events or conditions may cause the Entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit;
- Provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

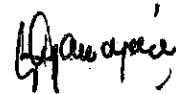
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my report unless law or regulation precludes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

**9. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
(COMPLIANCE)**

The financial statement were submitted by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State-Owned Enterprises Governance Act, 2006, except that they were only submitted on 26 April 2021, instead of six months after year-end as required by the Act.

10. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Game Products Trust Fund during the audit is appreciated.



WINDHOEK, November 2021

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

GAME PRODUCTS TRUST FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2020 N\$	2019 N\$
ASSETS			
NON-CURRENT ASSETS			
Property Plant and Equipment	1	1 136	17 275
Investments	3	-	21 475 630
CURRENT ASSETS			
Cash and Cash Equivalents	4	45 775 591	7 910 661
Debtors	5	76 400	76 400
TOTAL ASSETS		45 853 127	29 479 966
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Retained Income		28 277 767	24 914 777
Net Profit/Loss		13 875 644	3 362 990
CURRENT LIABILITIES			
Creditors	6	3 699 716	1 202 199
TOTAL EQUITY & LIABILITIES		45 853 127	29 479 966

ANNEXURE B

GAME PRODUCTS TRUST FUND
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH

	Note	2020 N\$	2019 N\$
INCOME		36 345 330	18 471 443
Live Export/Head Levy		90 250	141 730
Wildlife Auctions		-	5 045 052
Concession Fees		220 000	110 000
Trophy Hunting Concessions		29 630 136	11 805 756
Wildlife Sales/Lease		5 000 000	-
Grants/Donations		-	90 000
Interest Received	2	1 404 943	1 278 905
EXPENDITURE		22 469 686	15 108 453
Salaries and Package		762 280	699 603
Vehicle Running Cost		6 893	7 563
Bank Charges		23 134	35 032
Annual Website Maintenance		-	21 800
General Office Supplies		12 570	26 728
Depreciation		16 139	156 241
S & T		207 371	71 753
Training		-	1 142
Board & Other Committees		153 906	176 501
Grants and Special Programmers		15 639 518	10 896 422
Self-Reliance Scheme		1 800 000	600 000
Funeral Assistance Scheme		2 759 250	1 635 700
Insurance		34 939	38 662
Printing & Publication		-	41 320
Other Consultancy Fee		-	10 350
Communication and Adverts		-	3 500
Other 5%		20 000	-
Administration Costs		1 033 686	686 136
Net surplus(deficit) for the year		13 875 644	3 362 990

ANNEXURE C

GAME PRODUCTS TRUST FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

	Note	2020 N\$	2019 N\$
Cash Flows from Operating Activities			
Cash generated from Operations	7	16 389 300	4 083 433
Net Cash from Operating Activities		16 389 300	4 083 433
Cash Flows from Investing Activities			
Purchases on Investment		21 475 630	1 278 885)
Net Cash from Investing Activities		21 475 630	(1 278 885)
Net Increase(Decrease) In Cash And Cash Equivalents		37 864 929	2 804 548
Cash and cash equivalents at the Beginning of the Year		7 910 661	5 106 113
Cash and cash equivalents at the end of the Year		45 775 591	7 910 661

GAME PRODUCTS TRUST FUND
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Retained Income	Total
	N\$	N\$
Balance as at 01 April 2018	24 914 777	24 914 777
Surplus/(Loss) for the year	3 362 990	3 362 990
Total Equity at 31 March 2019	28 277 767	28 277 767
Balance as at 01 April 2019	28 277 767	28 277 767
Surplus/(Loss) for the year	13 875 644	13 875 644
Total Equity at 31 March 2020	42 153 411	42 153 411

GAME PRODUCTS TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. PROPERTY, PLANT AND EQUIPMENT

2020	MOTOR VEHICLES	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	TOTAL
	N\$	N\$	N\$	N\$
Cost	833 756	68 816	29 860	932 432
Accumulated Depreciation	823 131	65 573	26 454	915 158
Depreciation	10 625	3 243	2 271	16 139
Net Book Value	-	-	1 136	1 136
2019				
Cost	833 756	68 816	29 860	932 432
Accumulated Depreciation	687 036	52 615	19 265	758 916
Depreciation	136 094	12 958	7 189	156 241
Net Book Value	10 625	3 243	3 407	17 275

Depreciation is provided using the straight line to write down the cost, less estimated residual value over the useful life of the plant and equipment as follows;

Item	Average useful life
Camping equipment	10 years
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	3 years
IT equipment	3 years

ANNEXURE E

GAME PRODUCTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

	2020	2019
	N\$	N\$
2. INTEREST RECEIVED	1 404 943	1 278 905
SBN -Notice Deposit	115 799	283 713
FNB -Call Account	48 274	48 952
FNB -Fixed Maturity Notice	1 240 871	946 240
3. INVESTMENT	-	21 475 630
SBN -Notice Deposit	-	5 981 942
FNB -Call Account	-	1 425 280
FNB -Fixed Maturity Notice	-	14 068 408
4. CASH AND CASH EQUIVALENTS	45 775 591	7 910 661
SBN Current Account	22 895 398	7 910 661
Short term investment:		
SBN -Notice Deposit	6 097 361	-
FNB -Call Account	1 473 554	-
FNB -Fixed Maturity Notice	15 309 279	-
5. DEBTORS	76 400	76 400
Duplicate Cheque cashed	76 400	76 400
6. CREDITORS	3 699 716	1 202 199
Suppliers Control Account (provision leave pay)	57 406	-
Suppliers Control Account -MEFT (Wildlife Breeding Stock)	254 140	-
Sundry Creditors (Outstanding Cheques)	1 392 546	366 550
Suppliers Control Account (EIF)	961 938	149 513
Other Accruals (EIF Admin fee)	1 033 686	686 136

GAME PRODUCTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

	2020	2019
	N\$	N\$
7. CASH GENERATED FOR USE IN OPERATIONS		
Cash Received from Customers	34 940 386	17 192 538
Add: Interest Received	1 404 943	1 278 905
Less: Cash paid for Employees	(762 280)	(699 603)
Less: Cash Paid for Goods and Services	(21 691 268)	(14 252 609)
Less: Increase in Debtors	-	(14 900)
Add: Increase in Creditors	2 497 517	579 102
	16 389 300	4 083 433

8. The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.
9. The financial statements are prepared on the historical cost basis and in the manner prescribed in the Game Products Trust Fund Act 1997.
10. Revenue consists of hunting concessions, life exports head levies, Wildlife auctions and sales and trophy hunting is recognized on receipt.
11. Financial assets consist of cash and cash equivalents.

