



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
VETERANS FUND  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

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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 Veterans Fund for the financial year ended 31 March 2012, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**WINDHOEK, October 2017**



**REPORT OF THE AUDITOR-GENERAL ON THE  
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**1. Report on the financial statements**

**1.1 INTRODUCTION**

The accounts of the Veterans Fund for the year ended 31 March 2012 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act No. 31 of 1991) and Section 4 (1) of the Veterans Act, 2008 (Act No. 2 of 2008).

Figures in the report are rounded to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Veterans Fund for the financial year ended 31 March 2012. These financial statements comprise the following:

Annexure A: Balance sheet;  
Annexure B: Income statement;  
Annexure C: Statement of change in equity;  
Annexure D: Cash flow statement; and  
Annexure E: Notes to the financial statements.

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 11 (2) and (3) of the Veterans Act, 2008 (Act No. 2 of 2008).

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A-E.

**2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 11 (1) of the Veterans Act, (Act No. 2 of 2008) and relevant 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.

**3. AUDITOR'S RESPONSIBILITY**

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**Powers and duties**

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26 (1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a qualified audit opinion.

#### **4. ACKNOWLEDGEMENT**

The assistance and co-operation given by the staff of the Fund during the audit is appreciated.

#### **5. KEY AUDIT FINDINGS**

##### **5.1 Financial statements**

The auditors observed that it appears that the Fund is not operating for its intended purposes as stated in Section 28 (1) (a)(b)(c) of the Education Act, 2001 (Act No. 16 of 2001). An amount of N\$ 876 000 was appropriated to the Fund for the 2016 financial year. These funds were not utilised in the 2016 and 2017 financial years. The only expense for the years under review amounts to N\$ 515 (2016) and N\$ 740 (2017), which relates to bank charges and the balance of the appropriated funds, remained unused

## **5.2 Cash flow statements**

The auditors observed a difference of N\$ 17 795 568 between cash and cash equivalents at year end (2011) and cash and cash equivalents at the beginning of the year (2012).

### **RECOMMENDATION**

It is recommended that the Fund reflected the correct accumulated funds in the financial statements and that the Fund ensure, that the closing balance for prior year is correctly carried forward to the next year opening balance.

### **6. BASIS FOR QUALIFIED AUDIT OPINION**

- A difference of N\$ 15 199 172 observed between the statement of changes and equity closing balance and the accumulated funds disclosed in the balance sheet ; and
- A difference of N\$ 17 795 568 between cash and cash equivalents at the end of the year (2011) and the beginning of the year (2012).

### **7. QUALIFIED AUDIT OPINION**

The accounts of the Veterans Fund for the financial year ended 31 March 2012 were audited in accordance with the provisions of Section 11 (3) of the Veterans Act, 2008 (Act No. 2 of 2008).

In my opinion, except for the possible effects of the matters described in the basis for qualified audit opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Veterans Fund for the financial year ended 31 March 2012, and their financial performance and cash flows for the year then ended.

**WINDHOEK, October 2017**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## VETERANS FUND

## BALANCE SHEET FOR THE YEAR ENDED 31 MARCH

	Note	2012	2011 Restated	2011
		N\$	N\$	N\$
<b>ASSETS</b>				
<b>Current Assets</b>		<b>91 618 616</b>	<b>183 309 419</b>	<b>183 309 419</b>
Cash and cash equivalents	2	91 618 616	183 309 419	183 309 419
<b>Total Assets</b>		<b>91 618 616</b>	<b>183 309 419</b>	<b>183 309 419</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<b>91 618 616</b>	<b>183 309 419</b>	<b>183 309 419</b>
Accumulated Funds	4	76 419 445	183 309 419	160 968 822
Current Liabilities	5	15 199 171	-	22 340 597
<b>Total Equity and Liabilities</b>		<b>91 618 616</b>	<b>183 309 419</b>	<b>183 309 419</b>



## VETERANS FUND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	<b>2012</b>	<b>2011</b>	<b>2011</b>
	N\$	Restated N\$	N\$
<b>INCOME/SUBVENTIONS</b>	<b>454 589 796</b>	<b>250 885 192</b>	<b>228 494 367</b>
Funds Received from the Government	450 601 245	227 800 000	227 800 000
Bank Interest	3 988 551	694 367	694 367
Bank Reversal ,Rejection and Deposits		4 595 258	-
Unclaimed payments/Outstanding Cheque		17 795 567	-
<b>EXPENDITURE</b>	<b>543 684 202</b>	<b>226 075 693</b>	<b>226 075 693</b>
Financial assistance to Veterans	237 984 506	223 065 000	223 065 000
Bank Charges	329 638	89 674	89 674
Veterans Board Activities	1 898 056	1 969 236	1 969 236
Funeral Grants	1 087 995	181 851	181 851
Veterans Association	1 245 513	769 931	769 931
Lump Sum	203 462 600	-	-
Projects	77 582 940	-	-
Educational Grants	2 494 616	-	-
Special Group Veterans	7 000 000	-	-
Medical Assistance to Veterans	38 500	-	-
Spark Clerks	330 202	-	-
Housing	4 419 191	-	-
Resettlement	5 810 445	-	-
<b>Surplus/Deficit for the year</b>	<b>(89 094 406)</b>	<b>24 809 499</b>	<b>2 418 674</b>

## VETERANS FUND

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH

	<u>Accumulated Funds</u>
	N\$
Balance as at 1 April 2011	183 309 419
Deficit for the year	<u>(91 690 802)</u>
<b>Balance as at 31 March 2012</b>	<b><u>91 618 617</u></b>

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	<u>Accumulated Funds</u> <u>2011 Restated</u>	<u>Accumulated Funds</u> <u>2011</u>
	N\$	N\$
Balance as at 1 April 2010	158 499 920	157 934 946
Surplus for the year	24 809 499	2 418 675
Adjustments for Accumulated Funds	<u>-</u>	<u>615 202</u>
<b>Balance as at 31 March 2011</b>	<b><u>183 309 419</u></b>	<b><u>160 968 823</u></b>

## VETERANS FUND

CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 MARCH

	Note	2012	2011 Restated	2011
		N\$	N\$	N\$
<b>Cash flows from operating activities</b>				
Cash receipts from Government		450 601 245	24 809 499	227 800 000
Cash paid to war veterans and suppliers		(543 684 202)	-	(223 065 000)
Cash utilised in operating activities	3	(93 082 957)	24 809 499	4 735 000
Other Income		3 988 551	-	4 694 367
Increase in cash and cash equivalents		15 199 171	-	19 329 904
<b>Net cash from operating activities:</b>				
Increase in cash and cash equivalents		(73 895 235)	24 809 499	24 759 271
Cash and cash equivalents at beginning of the year		165 513 851	158 499 920	158 550 148
Cash and cash equivalents at end of the year		<b>91 618 616</b>	<b>183 309 419</b>	<b>183 309 419</b>

## VETERANS FUND

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

**1. Principal of Accounting Policies****1.1. Basis of preparation**

The financial statements are prepared on the historical cost basis and in the manner prescribed by the Veterans Act 2. 2008. The following are the principal accounting policies used by the Fund.

**1.2. Cash and cash equivalent**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at Bank. In the balance sheet, net deficit is included in Equity and Liabilities.

**1.3. Increase in cash and cash Equivalents**

Increase in cash at the bank comprise of rejections, reversals and outstanding cheques.

**1.4. Income recognition**

Income comprises of the Funds from the Government and the interest received from the cheques.

	<b>2012</b>	<b>2011</b> <b>RESTATED</b>	<b>2011</b>
	N\$	N\$	N\$
<b>2. Cash and cash equivalents</b>			
Bank balances	91 618 616	183 309 419	183 309 419
<b>3. Cash generated by operating activities</b>			
Net Deficit/surplus for the year	(93 082 957)	4 735 000	4 735 000
<b>4. Accumulated funds</b>			
Balance at beginning of year	165 513 851	158 499 920	158 550 148
Increase for the year	(89 094 405)	24 809 499	2 418 674
Balance at the end of year	<u>76 419 446</u>	<u>183 309 419</u>	<u>160 968 822</u>
<b>5. Current liabilities</b>			
Bank reversal's, rejections and deposits	<u>15 199 171</u>	<u>22 340 597</u>	<u>22 340 597</u>