



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

# **NATIONAL MONUMENTS COUNCIL**

**FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 AND 2003**

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**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the National Monuments Council for the financial years ended 31 March 2002 and 2003, 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.

**WINDHOEK, January 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT of the AUDITOR-GENERAL on the  
ACCOUNTS of the NATIONAL MONUMENTS COUNCIL  
for the financial years ended 31 MARCH 2002 AND 2003**

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## **1. INTRODUCTION**

The National Monuments Council, hereinafter called the Council, was instituted in terms of Section 2 of the National Monuments Act, 1969 (Act 28 of 1969), as amended up to 1979. Its objectives, embodied in Section 2A of the Act, are mainly:

- (i) to preserve and protect cultural heritage;
- (ii) to encourage and to promote the preservation and protection of the heritage; and
- (iii) to co-ordinate all activities in connection with monuments in order that monuments will be retained as tokens of the past and may serve as inspiration for the future.

Record of the Council's property and of its transactions is kept in terms of Section 9(5) of the Act. The Heritage Council Bill to provide for these and other matters and also to repeal the Act in force, has been in drafting stage since 1990.

## **2. FINANCIAL STATEMENTS**

The Director submitted financial statements to the Office of the Auditor-General. The financial statements were compiled by the accounting and auditing firm BDO Spencer Steward and are in agreement with the general ledger and filed in the Office of the Auditor-General. The abridged balance sheets at Annexure A, is a true reflection of the original. The following annexures are also attached to this report:

Annexure B:	Abridged income statements
Annexure C:	Cash flow statements
Annexure D:	Notes to the financial statements

## **3. SCOPE OF THE AUDIT**

The National Monuments Council is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit as carried out by the Office of the Auditor-General, included:

- (a) examination, on a test basis, of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements;
- (b) assessment of the significant estimates and judgements made by the Accounting Officer of the Council in the preparation of the financial statements and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed; and
- (c) evaluation of the overall adequacy of the presentation of information in the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
- in all material respects, the expenditure and income have been applied to the purposes intended; and
- the financial transactions conform to the authorities which govern them.

#### **4. AUDIT OBSERVATIONS AND COMMENTS**

All significant matters that required immediate attention were communicated to the Council by way of a management letter. Although the Council responded on this letter the following issues should be mentioned because they have a material effect on the correctness of the financial statements.

##### **4.1 Revenue**

###### **4.1.1 Cash-book (2001/02)**

No cash-book was available for the audit of the financial year.

###### **4.1.2 Interest received**

###### **2001/02**

The total interest received for the year is reflected as N\$ 61 417 in the income statement. The auditors could only confirm an amount of N\$ 46 435.

###### **2002/03**

The income statement discloses an amount of N\$ 45 009 being interest received. The audit revealed that only N\$ 40 207 accrued to the Council through its Call Account - Commercial Bank.

Furthermore, a journal of N\$ 4 801 was posted to interest received in the General Ledger which could not be explained.

###### **4.1.3 Miscellaneous revenue (2002/03)**

The income statement discloses an amount of N\$ 54 034 being miscellaneous income. A note implies that it is a take on balance to the Hosea Kutako account.

No additional information could be obtained to analyse the details of this amount.

##### **4.1 Expenditure**

###### **4.2.1 Expense differences (2001/02)**

The lack of supporting documents and proper authorisation for most of the expenditure vouchers which were audited made authentication not possible. A difference of N\$ 94 535 between the actual total expenditure vouchers and the income statement was revealed by the audit.

###### **4.2.2 Cash-book (2001/02)**

No expenditure cash-book was available for the audit of the 2001/02 financial year.

### **4.3 General ledger (2001/02 + 2002/03)**

**4.3.1** No General ledger nor trial balance was available for the audit of the 2001/02 financial year.

**4.3.2** Various differences were found between the general ledger of the financial year 2002/03 drawn up by the Council and those which are reflected in the trial balance drawn up by the consultant. The auditors were unable to establish the reasons for the differences.

### **4.4 Fixed assets (2001/02 + 2002/03)**

**4.4.1** No asset register was kept. The auditors were thus unable to confirm the existence and values of assets as reflected in the balance sheet.

**4.4.2** Statues were purchased in the financial year 2001/02 which have been capitalised by the consultant during the 2002/03 financial year and are now included in the asset value reflected in the balance sheet. The value was reflected as N\$ 635 018. The accumulated funds have been adjusted accordingly. The correctness of this capitalisation could not be confirmed.

## **5. ACKNOWLEDGEMENT**

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

## **6. AUDIT CERTIFICATE**

I certify that the financial accounts of the Council have been audited in terms of Section 9(6) of the National Monuments Act, 1969 (Act 28 of 1969), read with Section 25 (1) (b) of the State Finance Act, 1991 (Act 31 of 1991), in accordance with generally accepted auditing standards.

### **6.1 Disclaimed audit opinion – 2001/02**

I am unable to express an opinion on the financial statements, results of operations and the cash flow of the Council for the year ended 31 March 2002 due to the following reasons:

- No revenue cash-book was available
- No expenditure cash-book was available
- There is a large difference between the amount spent for the year according to the financial statements and the submitted vouchers.
- No General Ledger was available
- No fixed asset register has been kept.

### **6.2 Qualified audit opinion 2002/03**

The audit opinion has been qualified due to the following reasons:

- Miscellaneous income to an amount of N\$ 54 034 could not be analysed.
- Unexplained differences occurred between the General Ledger and the trial balance.
- There is uncertainty about the ownership of statues to the value of N\$ 635 018.

Except for the above-mentioned remarks, in my opinion, the financial statements fairly reflect the financial position of the Council at 31 March 2003 and the results of its operations and the cash flow for the year then ended.

## NATIONAL MONUMENTS COUNCIL

## BALANCE SHEET AS AT 31 MARCH 2002 and 2003

<b>ASSETS</b>	<b>Notes</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
		N\$	N\$	N\$
<b>Non- current assets</b>				
Property, plant and equipment	2	685 260	66 105	97 428
<b>Current assets</b>				
Bank		421 707	296 854	78 580
Accounts receivable	3	418 482	296 462	78 580
		3 225	392	-
<b>Total assets</b>		<b>1 106 967</b>	<b>362 959</b>	<b>176 007</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital reserves</b>				
Accumulated funds		1 079 757	285 918	153 000
<b>Current liabilities</b>				
Accounts payable		27 210	77 041	23 007
Hosea Kutako- Take on balance		27 210	23 007	23 007
		-	54 034	-
<b>Total equity and liabilities</b>		<b>1 106 967</b>	<b>362 959</b>	<b>176 007</b>

## NATIONAL MONUMENTS COUNCIL

**INCOME AND EXPENDITURE STATEMENTS  
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 and 2003**

	<b>2003</b>	<b>2002</b>	<b>2001</b>
	N\$	N\$	N\$
<b>Revenue</b>	1 104 263	1 141 505	382 820
Grant from Government	1 046 629	550 000	327 500
Government grant for new statues	-	585 703	
Kindergarten rent		-	2 400
Rental income: Hoba Kiosk	3 600	3 774	3 600
Recovery account	-	1 628	
Miscellaneous	-	400	3 104
Hosea Kutako	54 034	-	-
Contribution in kind : Ministry of Basic Education	-	-	46 216
<b>Other income</b>			
Interest received	45 009	61 417	1 907
<b>Total income</b>	1 149 272	1 202 922	384 727
<b>EXPENDITURE</b>	990 451	1 059 968	417 723
Accommodation		-	881
Accounting fees	2 7 565	13 266	5 526
Advertising	2 534	2 528	2 907
Alte Feste Museum	-	-	45 500
Bank charges	6 216	2 678	1 039
Bus tickets	11 096	3 515	3 535
Cleaning	6 799	-	-
Computer expenses	440	8 958	-
Consumables ( Tools and equipment)	2 -	-	404
Contribution to World Heritage Fund	-	-	3 929
Council and committee expenses	59 123	22 276	-
Deposit Hosea Kutako Account	-	-	10 016
Depreciation	42 464	34 430	28 377
Donations	20 075	-	-
Electricity and water	766	-	-
Gam project	-	-	1 120
Gov. Grants for production of new statue	-	576 448	-
Insurance		-	1 800
Interest paid	261	-	40
Maintenance: General		-	19 926
Computers and equipment		-	9 013
Medical expenses		-	337
Miscellaneous	224	-	-
News papers and gazettes	720	-	-
Noordkoppie monument	-	-	28 615
Motor vehicle expenses	-	-	34 000
Photos and films	965	11 879	2 056
Private Bag fee/Postage	746	299	-
Project His Excellency	-	-	83 570
Protective clothing	399	-	-

## NATIONAL MONUMENTS COUNCIL

**INCOME AND EXPENDITURE STATEMENTS  
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 and 2003**

	<b>2003</b>	<b>2002</b>	<b>2001</b>
	N\$	N\$	N\$
Publications and periodicals	345	1 899	-
Refreshments	-	-	2 679
Refuse removal	1 876	5 216	214
Renovations	-	-	69 915
Rent paid	-	-	12 216
Repairs software & photocopy	4 299	1 709	-
Salaries & wages	565 261	246 919	30 944
Salaries: PAYE	103 413	43 210	-
Salaries: GIPF	100 865	32 516	-
Security	3 030	5 543	2 500
Stationery and printing	7 558	4 742	4 513
Subscription	-	-	2 300
Subsistence and travel	9 262	27 894	984
Training	12 752	-	195
Transport and fuel	-	-	8 672
Telephone and fax	21 397	14 043	-
<b>Surplus/(Deficit) for the year</b>	<b>158 821</b>	<b>142 954</b>	<b>(32 996)</b>
Accumulated funds at the beginning of the year	285 918	153 000	185 996
Adjustments	635 018	(10 036)	
<b>Accumulated funds at end of the year</b>	<b>1 079 757</b>	<b>285 918</b>	<b>153 000</b>



## NATIONAL MONUMENTS COUNCIL

## CASH FLOW STATEMENTS

FOR THE YEARS ENDED 31 MARCH 2002 and 2003

	<b>Note</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
		N\$	N\$	N\$
<b>Cash flow from operating activities</b>				
Cash generated/(utilised) by operations	5.1	103 873	169 609	(54 453)
Interest received		45 009	61 417	1 907
Interest paid		(261)	-	-
Net cash flow from operating activities		<u>148 621</u>	<u>231 026</u>	<u>(52 546)</u>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment		(46 676)	(13 144)	(5 139)
Proceeds of disposals of property, plant and equipment		20 075	-	-
Net cash flow from investing activities		<u>(26 601)</u>	<u>(13 144)</u>	<u>(5 139)</u>
<b>Net change in cash and cash equivalents</b>		122 020	217 882	(57 685)
Cash and cash equivalents at beginning of the year		<u>296 462</u>	<u>78 580</u>	<u>136 265</u>
<b>Cash and cash equivalents at end of the year</b>		<u><b>418 482</b></u>	<u><b>296 462</b></u>	<u><b>78 580</b></u>

**NATIONAL MONUMENTS COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 and 2003**

**1. BASIS OF PREPARATION**

The financial statements are prepared in accordance with Namibia statements of Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

**1.1 Revenue recognition**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer or if and when grants are received.

Revenue comprises of grants by the Government, donations and interest earned.

**1.2 Property, plant and equipment and depreciation**

All property, plant and equipment are initially recorded at cost and depreciated at rates considered appropriate to reduce carrying values to estimated residual values over their estimated useful lives.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight –line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

The actual rates used are:

Camping equipment	20% Straight line
Furniture and fittings	15% Straight line
Library books	20% Straight line
Tools	10% Straight line
Computer and office equipment	20% Straight line

**2. PROPERTY, PLANT AND EQUIPMENT**

2003	2003		
	Cost/ Valuation	Accumulated depreciation	Carrying value
	N\$	N\$	N\$
Statues	635 018	-	635 018
Camping equipment	12 425	12 424	1
Computer & office equipment	130 516	105 384	25 132
Furniture & fittings	69 634	48 363	21 271
Library books	(1)	-	(1)
Tools	7 762	3 923	3 839
<b>Total assets</b>	<b>855 354</b>	<b>170 094</b>	<b>685 260</b>

## NATIONAL MONUMENTS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 and 2003 (continued)

**2. PROPERTY, PLANT AND EQUIPMENT (continued)**

The carrying amounts of property, plant and equipment can be reconciled as follows:

2003	2003			Carrying value At the end of the year
	Carrying value at beginning of the year	Additions (Disposals)	Depreciation	
	N\$	N\$		N\$
Statues	-	635 018		635 018
Camping equipment	(1 289)	-	(1 290)	-
Computer & office equipment	19 766	29 574	24 208	25 132
Furniture & fittings	14 248	15 879	8 856	21 271
Library books	30 111	-	30 112 (written off)	(1)
Tools	3 269	1 224	654	3 839
<b>Total assets</b>	<b>66 105</b>	<b>681 395</b>	<b>62 540</b>	<b>685 260</b>

2002	2002		
	Cost/ Valuation	Accumulated depreciation	Carrying value
	N\$	N\$	N\$
Camping equipment	12 425	13 714	(1 289)
Computer & office equipment	100 942	81 176	19 766
Furniture & fittings	53 755	39 507	14 248
Library books	50 185	20 074	30 111
Tools	6 538	3 269	3 269
<b>Total assets</b>	<b>223 845</b>	<b>157 740</b>	<b>66 105</b>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of the year	Additions (Disposals)	Depreciation	Carrying value at the end of the year
	N\$	N\$	N\$	N\$
Camping equipment	1 196	-	2 485	(1 289)
Computer and office equipment	39 817	-	20 051	19 766
Furniture & fittings	1 981	13 144	887	14 248
Library books	40 148	-	10 037	30 111
Tools	4 250	-	981	3 269
	<b>87 392</b>	<b>13 144</b>	<b>34 431</b>	<b>66 105</b>

## NATIONAL MONUMENTS COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEARS ENDED 31 MARCH 2002 and 2003 (continued)

## 2001

	2001		
	Cost/ Valuation	Accumulated depreciation	Carrying value
	N\$	N\$	N\$
Camping equipment	12 425	11 229	1 196
Computer & office equipment	100 942	61 125	39 817
Furniture & fittings	40 611	38 630	1 981
Library books	50 185	10 037	40 148
Tools	6 538	2 288	4 250
<b>Total assets</b>	<b>210 701</b>	<b>123 309</b>	<b>87 392</b>

## 3. CASH AND CASH EQUIVALENTS

	2003	2002	2001
	N\$	N\$	N\$
Bank call account	356 367	339 530	-
Bank Hosea Kotako Statue	1 017	1 334	-
Commercial Bank current account	61 098	(44 402)	78 580
	<b>418 482</b>	<b>296 462</b>	<b>78 580</b>

## 4. ACCOUNTS RECEIVABLE

	2003	2002	2001
	N\$	N\$	N\$
Accounts receivable - VAT	3 225	392	-

## 5. CONTRIBUTION IN KIND

	2003	2002	2001
	N\$	N\$	N\$
Ministry of Basic Education, Sport and Culture	-	-	46 216

Contribution in kind represents an estimated use of two vehicles (N\$ 12 216) provided to the Council by the Ministry of Basic Education, Sport and Culture during the course of the financial year.

## 6. CASH FLOW INFORMATION

	2003	2002	2001
	N\$	N\$	N\$
Net (loss)/profit for the year	(158 821)	142 954	(32 996)
Adjustments:			
Depreciation	42 464	34 430	28 377
Interest received	(45 009)	(61 417)	(1 907)
Finance cost	261	-	-
Changes in working capital:			
Changes in accounts receivable	(2 833)	(392)	(500)
Changes in accounts payable	4 203	54 034	1 758
Change in inventory – (increase)			(50 185)
Decrease in Hosea Kutako	(54 034)	-	-
	<b>(103 873)</b>	<b>169 609</b>	<b>(54 453)</b>