



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

DIAMOND VALUATION FUND

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2014

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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 Diamond Valuation Fund for the financial year ended 31 December 2014 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, June 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE DIAMOND VALUATION FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

1. Report on the Financial Statements

1.1 INTRODUCTION

This report on the accounts of the Diamond Valuation Fund for the financial year ended 31 December 2014 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the Diamond Act, 1999 (Act 13 of 1999).

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 Diamond Valuation Fund for the financial year ended 31 December 2014. These financial statements comprise the following:

Annexure A: Balance Sheet

Annexure B: Income Statement

The financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 63 (7) of the Diamond Act, 1999, **except that they were only submitted on 20 July 2015 instead of three months after the end of the financial year as required by the Act.**

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Section 63 of the Diamond Act, 1999 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 basis for the audit opinion.

4. ACKNOWLEDGEMENT

The courtesy and assistance extended to the Auditor-General and his staff members by the Diamond Valuation administrators during the audit are appreciated.

5. KEY AUDIT FINDINGS

5.1 Incomplete financial statements

The financial statements for the year ended 2014 were incomplete. The notes to the financial statements were not provided by the Fund for audit purposes and reporting.

6. UNQUALIFIED AUDIT OPINION

The accounts of the Diamond Valuation Fund for the financial year ended 31 December 2014 summarised in Annexures A to B were audited by me in terms of section 63 (9) of the Diamond Act 1999 (Act no13 of 1999).

I certify that, in my opinion the financial statements fairly reflect the financial position and performance of the Fund for the financial year ended 31 December 2014. In all material respects the income and expenditure have been applied to the purpose intended and conform to the authorities that govern them.

WINDHOEK, June 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

DIAMOND VALUATION FUND
BALANCE SHEET AS AT 31 DECEMBER

	2014	2013
	N\$	N\$
ASSETS		
Current Assets	76 315 397	2 698 634
Cash on hand and Bank	76 315 397	2 698 634
Total Assets	76 315 397	2 698 634
EQUITY AND LIABILITIES		
Accumulated funds	2 698 634	1 977 910
Operating Surplus/(Deficit)	73 616 763	720 725
Total Equity and Liabilities	76 315 397	2 698 634

ANNEXURE B**DIAMOND VALUATION FUND
INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER**

	2014	2013
	N\$	N\$
INCOME	113 511 134	27 112 825
EXPENDITURE	(40 050 444)	(26 451 485)
Net operating surplus/(loss)	73 460 690	661 340
Bank interest received	156 073	59 385
Accumulated income/(deficit)	73 616 764	720 725