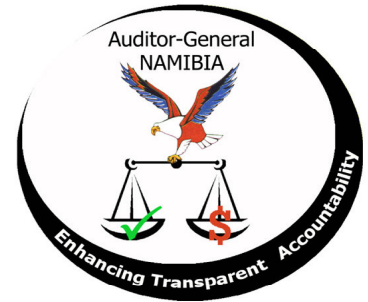


REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

EDUCATION DEVELOPMENT FUND

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2007 AND 2008

Published by authority

Price (Vat excluded) N\$ 17.38

Report no

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 Education Development Fund for the financial years ended 31 March 2007 and 2008 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, May 2010

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT of the AUDITOR-GENERAL
on the ACCOUNTS of the EDUCATION DEVELOPMENT FUND
for the financial years ended 31 MARCH 2007 and 2008**

1. INTRODUCTION

The Educational Development Fund has been established in terms of Section 26 of the Education Act, 2001 (Act 16 of 2001). The object of the Fund as stipulated in Section 28(1) of the Act is, through financing by way of grants, loans or other assistance -

- (a) to provide for the establishment, upliftment, upgrading and improvement of educational facilities to the benefit of socio-economically disadvantaged learners;
- (b) to expand the assistance or aid including bursaries to socio-economically disadvantaged learners enrolled or to be enrolled at any school or institution of higher learning; and
- (c) to expand, improve, upgrade and uplift the educational programs for the socio-economically disadvantaged learners.

The accounts of the Education Development Fund for the financial years ended 31 March 2007 and 2008 have been drawn up in accordance with Section 31(2) of the Education Act, (Act 16 of 2001).

2. FINANCIAL STATEMENTS

The financial statements published in this report are filed in the Office of the Auditor-General and comprise the following:

- Annexure A: Balance sheets
- Annexure B: Income statements

3. SCOPE OF THE AUDIT

3.1 The Accounting Officer of the Fund 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 through the Minister of Education.

The audit 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 Fund in the accounting of the transactions, his determination of and decision on relevance of transactions to the Fund and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed; and
- (c) evaluation of the overall adequacy of the presentation of information for its inclusion in the financial statements.

3.2 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 -

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

4. AUDIT OBSERVATIONS

4.1 Expenditure

The following expenses were not supported with sufficient supporting documents to enable the auditors to confirm the validity thereof:

Date	Cheque No	Amount
		N\$
14/05/2007	22	75 775.65
28/05/2007	49	7 523.00
25/07/2007	53	258.00
31/10/2007	91	9 900.00
31/10/2007	92	7 149.00
17/12/2007	114	9 647.25

The Accounting Officer should ensure that expenditure is supported with complete and proper supporting documentation.

4.2 Assets

Inventory to the value of N\$ 488 879 was financed by the Fund during the financial year 2007/08. Ownership could not be established and the balance sheet does not reflect any assets.

The Accounting Officer should indicate whether these assets belong to the Ministry and are on record at the Ministry or whether these assets are owned by the Fund.

4.3 Minutes

No minutes of meetings with financial implications could be submitted to the auditors. It is recommended that such minutes are compiled to ensure that financial transactions are properly authorised.

5. ACKNOWLEDGEMENT

The courtesy extended and assistance rendered by the staff of the Education Development Fund to the auditors during the audit is appreciated.

6. AUDIT OPINION

The accounts and the financial statements of the Education Development Fund for the financial year ended 31 March 2007 and 2008 were audited by me in terms of Section 31(2)(b) of the Act, read with Section 25(1)(b) of the State Finance Act, 1991.

Unqualified - 2007

In my opinion the financial statements fairly represent the financial position of the Fund and the results of its operations for the year ended 31 March 2007.

Qualified – 2008

The audit opinion on the financial year 2007/08 has been qualified due to the following reasons:

- Asset values of N\$ 488 879 are not reflected in the balance sheet.
- Supporting vouchers could not be submitted for expenditure transactions to the value of N\$ 110 252.90.

Except for the above-mentioned issues, in my opinion the financial statement fairly present the financial position of the Fund and the results of its operations for the year ended 31 March 2008.

WINDHOEK, May 2010

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

BALANCE SHEETS AS AT 31 MARCH

	2008	2007
	N\$	N\$
ASSETS		
Fixed assets	-	-
Current assets		
Bank Windhoek current account	6 508 309	4 228 269
	6 508 309	4 228 269
EQUITY AND LIABILITIES		
Retained income	6 508 309	4 228 269
TOTAL EQUITY AND LIABILITIES	6 508 309	4 228 269

ANNEXURE B

INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 MARCH

	2008	2007
	N\$	N\$
REVENUE	4 366 744	4 470 000
Education-NETTS	4 000 000	4 000 000
Government grant	-	200 000
Other income		
Donations-Unicef	-	270 000
Interest received	366 744	-
EXPENSES	2 086 704	241 731
Bank charges	4 974	268
Accommodation	2 500	-
Hostel fees	-	9 600
School fees	-	9 012
Subsistence & travel allowance (S&T)	919	-
Salaries & wages	628 648	41 031
Materials & supplies	78 264	181 820
Telephone utilities	832 267	-
Inventory items	488 879	-
Maintenance expenses	27 423	-
Tuition fees	20 470	-
Lecture materials	2 360	-
NET PROFIT/ (LOSS) FOR THE YEAR	2 280 040	4 228 269
ACCUMULATED SURPLUS: 1 APRIL	4 228 269	-
ACCUMULATED SURPLUS: 31 MARCH	6 508 309	4 228 269