



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

EDUCATION DEVELOPMENT FUND

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2011 AND 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 Education Development Fund for the financial years ended 31 March 2011 and 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.

WINDHOEK, May 2013

**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 2011 and 2012**

1. INTRODUCTION

The Education Development Fund for the financial years ended 31 March 2011 and 2012 have been audited in accordance with Section 25(1)(iii) of the State Finance Act, 1991 (Act 31 of 1991) and Section 31(3) of the Education Act, 2001 (Act 16 of 2001).

Figures in this report are rounded to the nearest Namibia Dollar. Deficits are indicated in brackets.

2. FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2011 and 2012 as signed by the Accounting Officer are filed in the Office of the Auditor-General. The following annexures are attached to this report:

- Annexure A: Balance sheet
- Annexure B: Income statement
- Annexure C: Cash flow statement
- Annexure D: Notes to the financial statements

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Accounting Officer of the Fund is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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 to the National Assembly. The said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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.

4. AUDIT OBSERVATIONS

4.1.1 REVENUE

2011 and 2012 financial years

The audit found that in both financial years money transferred from KFW and the World Bank Call account into the Fund's bank account. The Fund made payments on behalf of KFW and the World Bank, although there were no evidence of agreement between the two entities to do so.

The Accounting Officer is recommended to ensure that only transactions that relate to the Funds are processed through the Fund bank account.

4.1.2 Cash and bank

2011 and 2012 financial years

The audit found that the Fund had three bank accounts which were confirmed by Bank Windhoek but were not disclosed in the Annual Financial Statements for the years under review. The details of the accounts are as follows:

Details	Amount 2011	Amount 2012
	N\$	N\$
EDF - Call Account	274 913	296 189
World Bank - Call Account	4 526 619	13 622 419
KFW - Call Account	20 469 871	14 136 783
TOTAL	25 271 403	28 055 391

Recommendation

The Accounting Officer is recommended to ensure that all bank accounts held by the Fund are disclosed in the annual financial statements.

5. ACKNOWLEDGEMENT

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

6. AUDIT OPINION

The accounts and the financial statements of the Education Development Fund for the financial years ended 31 March 2011 and 2012 were audited by me in terms of Section 45(8) of the Education Act, 2001 read with Section 25(1)(b) of the State Finance Act, 1991.

I certify, that in my opinion the financial statements fairly reflect the transactions and the financial position of the Fund for the financial years ended 31 March 2011 and 2012 and in all material respects the income and expenditure have been applied to the purposes intended and conform to the authorities that govern them.

WINDHOEK, May 2013

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

EDUCATION DEVELOPMENT FUND

BALANCE SHEETS AS AT 31 MARCH

	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
		N\$	N\$	N\$
ASSETS				
Current assets				
Cash and bank		4 160 115	438 052	3 678 039
TOTAL ASSETS		4 160 115	438 052	3 678 039
EQUITY AND LIABILITIES				
Retained income	2	4 160 115	438 052	3 678 039
TOTAL EQUITY AND LIABILITIES		4 160 115	438 052	3 678 039

EDUCATION DEVELOPMENT FUND

INCOME STATEMENTS FOR THE YEARS ENDED 31 MARCH

	2012	2011	2010
	N\$	N\$	N\$
REVENUE	5 218 291	33 622 762	1 250 373
W/B & KFW	4 532 432	33 037 118	-
Government grant	490 000	493 000	978 294
Interest received	93 645	92 644	272 079
Donation	10 000	-	-
Direct deposit	8 000	-	-
Deposit - Libraries	84 214	-	-
EXPENSES	1 496 228	36 862 750	4 289 380
Bank charges	1 688	10 858	4 986
Accommodation	39 211	180 027	21 000
Interest charges	-	1 045	-
Other services	916 720	3 752 610	2 629 822
Clothing	920	956	-
School Development Fund	600	413	-
Subsistence & Travel Allowance (S & T)	19 659	117 538	87 673
Materials & supplies	-	3 644 903	177 429
Telephone bills	-	-	18 324
Maintenance expenses	-	953 063	37 223
Tuition fees	16 750	31 300	1 158 102
Renovation & construction	-	28 044 144	73 800
Other debts	-	-	100 000
Not cashed	-	(1369)	(19 428)
Cashed	1369	-	449
Transport	26 736	127 262	-
Office furniture	472 575	-	-
NET PROFIT/(LOSS) FOR THE YEAR	3 722 063	(3 239 988)	(3 039 007)
ACCUMULATED SURPLUS: 1 APRIL	438 052	3 678 040	6 717 047
ACCUMULATED SURPLUS: 31 MARCH	4 160 115	438 052	3 678 040

EDUCATION DEVELOPMENT FUND

CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH

	2012	2011	2010
	N\$	N\$	N\$
Cash at begin of period	5 562 698	37 208 157	6 717 047
Interest received	93 645	92 644	272 078
Cash at end of period	(1 496 228)	(36 862 750)	(3 311 086)
Net increase in cash	4 160 115	438 052	3 678 039

EDUCATION DEVELOPMENT FUND

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH 2011 and
2012**

1. The establishment of the Education Development Fund (EDF) is according to Section 26 of the Education Act, 2001.

The Financing of the Fund is by way of moneys appropriated by Parliament.

Moneys donated or accruing to the Fund from other sources.

Interest derived from the investment of moneys standing to the credit of the Fund.

The financial statements compiled for the Office of Auditor-General is based on the Funds received from the above sources.

2. **Retain income/Accumulated Funds**

	2012	2011	2010
	N\$	N\$	N\$
Balancing beginning of the year	438 052	3 678 040	6 717 047
Current	3 722 063	(3 239 988)	(3 039 007)
End of the year	4 160 115	438 052	3 678 040