



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
EDUCATION DEVELOPMENT FUND  
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2013 AND 2014**

Published by authority

Price (Vat excluded) N\$ 20.50  
Report no 76/2015

**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 2013 and 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, November 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL  
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**1. Report on the Financial Statements**

**1.1 INTRODUCTION**

This report on the accounts of the Education Development Fund for the financial years ended 31 March 2013 and 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 the provisions set out in the Education Act,2001 (Act no. 16 of 2001), read with State Finance Act, 1991(Act 31 of 1991), as amended.

I have audited the accompanying financial statements of the Education Development Fund for the financial years ended 31 March 2013 and 2014. These financial statements comprise the following statements submitted for the years then ended:

Annexure A: Balance Sheet

Annexure B: Income Statement

Annexure C: Cash Flow Statement

The financial statements were submitted untimely by the Accounting Officer to the Auditor-General in terms of section 10(5) of the Education Act (Act no. 16 of 2001), read with section 13 of the State Finance Act (Act no.31 of 1991).

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

**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 12 & 13 of the State Finance Act, Act 31 of 1991 and relevant legislation, and for such internal control as management determines is 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 our audit. I conducted our 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 our audit opinion.

## **4. KEY AUDIT FINDINGS**

### **4.1 Cash and bank**

The cash book was prepared without opening and closing balances, furthermore the bank reconciliations were performed using only the bank statements. The auditors were therefore unable to determine the completeness of the cash book and bank reconciliations.

### **Recommendation**

The Accounting Officer is recommended to ensure that the cash book is properly performed with opening and closing balances brought forward, and that bank reconciliations are performed correctly.

### **Management comments**

- (a) The Fund agrees with your recommendations and will ensure that the opening and closing balances be entered in the cash book.
- (b) All cheques issued and electronic fund transfers will be reconciled from the cash book to the appropriate bank statements. The total monthly expenditure as per the cash book is also reflected correctly on the bank reconciliation statements.

### **5. ACKNOWLEDGEMENTS**

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

## **7. UNQUALIFIED AUDIT OPINION**

The accounts and the financial statements of the Education Development Fund for the financial years ended 31 March 2013 and 2014 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 2013 and 2014 and in all material respects the income and expenditure have been applied for the purposes intended and conform to the authorities that govern them.

**WINDHOEK, November 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**EDUCATION DEVELOPMENT FUND  
BALANCE SHEET AS AT 31 MARCH**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	N\$	N\$	N\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Bank	1 569 370	6 460 452	4 160 115
<b>TOTAL ASSETS</b>	<b>1 569 370</b>	<b>6 460 452</b>	<b>4 160 115</b>
<b>EQUITY AND LIABILITIES</b>			
Retained Income	1 569 370	6 460 452	4 160 115
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 569 370</b>	<b>6 460 452</b>	<b>4 160 115</b>

**ANNEXURE B**

**EDUCATION DEVELOPMENT FUND  
INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	N\$	N\$	N\$
<b>REVENUE</b>	<b>25 190 899</b>	<b>1 825 061</b>	<b>5 218 291</b>
Government Grant	525 000	525 000	490 000
Deposit (MOE)	4 500 000	-	-
Deposit/EDF	500 000	-	-
Deposit/W/B	4 500 000	-	-
Deposit/W/B	15 000 000	-	-
Deposits W/B & KFW	-	-	4 532 432
Direct Deposit	-	-	8 000
Deposit Libraries	-	-	84 214
Capitalised Interest Current	1 12 200	1 36 946	93 645
Capitalised Interest Call	12 319	12 013	-
Capitalised Interest KFW	95	241 222	-
Capitalised Interest W/B	41 286	320 327	-
Donation	-	589 552	10 000
<b>EXPENDITURE</b>	<b>30 081 980</b>	<b>33 731 040</b>	<b>1 496 228</b>
	780	2 216	1 688
Bank Charges	-	-	-
Correction, EDF/W/B	4 500 000	-	-
Clothing	-	285 149	920
Other Services	496 921	495 594	916 720
School Development Fund	-	600	600
Subsistence & Travel Allowance	-	-	19 659
Accommodation	-	-	392 010
Maintenance	2 377 208	-	-
Tuition Fees	-	20 000	16 659
Transport	-	-	26 736
Renovations	22 707 072	32 927 481	-
Office Furniture	-	-	472 575
Cashed	-	-	1 369
<b>NET PROFIT/ (LOSS) FOR THE YEAR</b>	<b>(4 891 081)</b>	<b>(31 905 979)</b>	<b>3 722 063</b>



**EDUCATION DEVELOPMENT FUND  
CASH FLOW STATEMENT FOR THE YEARS ENDED 31 MARCH**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	N\$	N\$	N\$
Cash at beginning of the period	(28 346 711)	(39 480 983)	(5 562 698)
Interest received	(165 899)	(710 509)	93 645
Cash at end of the period	30 081 980	33 731 040	(1 496 228)
<b>Net increase in cash</b>	<b>1 569 370</b>	<b>(6 460 452)</b>	<b>4 160 115</b>