



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
EDUCATION DEVELOPMENT FUND  
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2016 AND 2017**

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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 2016 and 2017 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.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**WINDHOEK, October 2017**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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

**1.1 INTRODUCTION**

The accounts of the Education Development Fund for the financial years ended 31 March 2016 and 2017 are being reported on in accordance with the provisions set out in the Education Act, 2001 (Act No. 16 of 2001).

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 Education Development Fund for the financial years ended 31 March 2016 and 2017. These financial statements comprise the following:

Annexure A: Statement of financial position; and  
Annexure B: Statement of comprehensive income.

The financial statements were submitted by the Accounting Officer to the Auditor-General in terms of Section 10 (5) of the Education Act, 2001 (Act No. 16 of 2001), except that they were only submitted on 19 May 2017 for (2016) and 26 July 2017 for (2017) instead of three months (3 months) after the year end as required by the Act.

**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 31(1) of the Education Act, 2001 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 States 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. ACKNOWLEDGEMENTS**

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

## **5. KEY AUDIT FINDINGS**

### **5.1 Non-use of appropriated funds**

The auditors observed that it appears that the Fund is not operating for its intended purposes. An amount of N\$ 876 000 was appropriated to the Fund for the 2016 financial year. These funds were not utilised in the 2016 and 2017 financial years. The only expense for the years under review amounts to N\$ 515 (2016) and N\$ 740 (2017), which relates to bank charges and the balance of the appropriated funds, remained unused.

#### **Recommendation**

It is recommended, that the Fund should use the appropriated funds for the purposes of its mandate.

#### **Management comment**

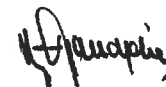
Management did not respond to the management letter.

## **6. UNQUALIFIED AUDIT OPINION**

The accounts and the financial statements of the Education Development Fund for the financial years ended 31 March 2016 and 2017 were audited by me in terms of Section 45(8) of the Education Act, 2001.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Education Development Fund as at 31 March 2016 and 2017 and its financial performance and its cash flows for years then ended.

**WINDHOEK, October 2017**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## ANNEXURE A

**EDUCATION DEVELOPMENT FUND  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	N\$	N\$	N\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalence	3 142 443	2 997 618	1 910 567
<b>Total Assets</b>	<b>3 142 443</b>	<b>2 997 618</b>	<b>1 910 567</b>
<b>EQUITY &amp; LIABILITIES</b>			
Retained income	3 142 443	2 997 618	1 910 567
<b>Total Equity and Liabilities</b>	<b>3 142 443</b>	<b>2 997 618</b>	<b>1 910 567</b>



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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	N\$	N\$	N\$
<b>REVENUE</b>	<b>145 565</b>	<b>1 087 567</b>	<b>647 354</b>
Government Grant	-	876 000	580 000
Transfer to EDF -Current	-	-	4 162
Transfer to EDF - Current	-	-	2 424
Capitalised Interest Current	125 727	94 189	46 083
Capitalised Interest Call	19 838	17 278	14 630
Capitalised Interest KFW	-	-	20
Capitalised Interest W/B	-	-	35
Other income	-	100 100	-
<b>EXPENDITURE</b>	<b>740</b>	<b>515</b>	<b>306 158</b>
Bank Charges	740	515	480
Maintenance	-	-	299 093
Transfer from KFW	-	-	6 585
<b>NET PROFIT/ (LOSS) FOR THE YEAR</b>	<b>144 825</b>	<b>1 087 052</b>	<b>341 196</b>

