



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
EDUCATION DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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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 year ended 31 March 2018 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, February 2019

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
EDUCATIONAL DEVELOPMENT FUND
FOR THE YEAR ENDED 31 MARCH 2018**

1. ADVERSE AUDIT OPINION

I certify that I have audited the financial statements of the Educational Development Fund for the financial year ended 31 March 2018. These financial statements comprise the statement of financial position and statement of comprehensive income.

In my opinion, because of the significance of the matter discussed in the Basis for Adverse audit Opinion section of my report, the accompanying financial statements do not give a true and fair view of the financial position of the entity as at 31 March 2018, and of their financial performance.

2. BASIS FOR ADVERSE OF AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion:

- Funds allocated were not used for intended purpose;
- No financial reporting framework were used for the preparations of the financial statement; and
- Unauthorised transfer and operation of donor funds through the Educational Development Fund account.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters identified in respect of the financial Statement for Educational Development Fund.

4. FOLLOW UP ON PRIOR YEAR AUDITS

4.1 Non-use of appropriated funds

The auditors observed 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 2018 financial year. The only expenses incurred relates to bank charges. The balance of the appropriated funds remained unused.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances,

I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (COMPLIANCE)

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 31(2) (b) of the Education Act 16, 2001 except that they were only submitted to the Auditor-General on the 06 August 2018 instead of three months after the financial year-end.

WINDHOEK, February 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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

	2018	2017
	N\$	N\$
ASSETS:		
Bank and Cash	5 698 816	3 142 443
TOTAL ASSETS:	5 698 816	3 142 443
EQUITY AND LIABILITIES:		
Retained Profits	5 698 816	3 142 443
TOTAL EQUITY AND LIABILITIES:	5 698 816	3 142 443

EDUCATIONAL DEVELOPMENT FUND
STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 MARCH

	2018	2017
	N\$	N\$
Revenue	3 026 609	145 565
Transfer from UNICEF to EDF-Current	380 000	-
Transfer from WHO to EDF-Current	77 395	-
Transfer from GIZ to EDF-Current	2 371 200	-
Capitalised Interest Call Account	21 006	19 838
Capitalised Interest Cheque Account	162 788	125 727
Correction - S&T reversal	11 394	-
Correction - Overpayment (Refund)	2 826	-
Expenditure	470 236	740
Bank charges	9 544	740
S&T allowances	312 245	-
Training catering	37 179	-
Training Stationeries	2 393	-
Correction - S&T reversal	11 394	-
Other expenses: Salary	75 000	-
Other expenses: Training Venue	3 000	-
Other expenses: Un-utilized Funds UNICEF	19 481	-
Net Profit/ (loss) for the year	2 556 373	144 825

