



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
EDUCATION DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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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 2019 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 2020

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
EDUCATION DEVELOPMENT FUND
FOR THE YEAR ENDED 31 MARCH 2019**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Educational Development Fund for the financial year ended 31 March 2019. 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 2019, and of their financial performance.

2. BASIS FOR ADVERSE 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: The adverse audit opinion is expressed due to the following:

- No financial reporting framework for preparation of financial statements. Without an acceptable financial reporting framework, management does not have an appropriate basis for the preparation of the financial statements and therefore there is no suitable criteria for auditing the financial statements;
- Appropriated funds amounting to N\$ 2 435 609 were not utilised;
- Unauthorised channelling of funds amounting to N\$ 3 121 200 intended for third parties;
- Going Concern – No funding received from the line Ministry for the past three financial years; and
- Absence of relative possible programs to optimally fulfil and provide for the establishment, upliftment, upgrading and improvement of educational facilities to the benefit of socio-economically disadvantaged learners.

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. 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 is 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.

5. 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 an auditor's 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 used 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 the audit 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 the audit 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 the 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.

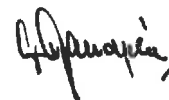
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public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

6. 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, 2001 (Act No. 16 of 2001) except that they were only submitted to the Auditor-General on the 24 September 2019 instead of three months after the financial year-end.

7. ACKNOWLEDGEMENT

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



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, February 2020

EDUCATION DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	2019	2018
	N\$	N\$
ASSETS:		
Bank and Cash	2 435 609	5 698 816
TOTAL ASSETS:	2 435 609	5 698 816
EQUITY AND LIABILITIES:		
Retained Profits	2 435 609	5 698 816
TOTAL EQUITY AND LIABILITIES:	2 435 609	5 698 816

EDUCATION DEVELOPMENT FUND

ANNEXURE B

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	2019	2018
	N\$	N\$
Revenue	1 252 902	3 026 609
Transfer from UNICEF to EDF-Current	357 909	380 000
Transfer from WHO to EDF-Current	-	77 395
Transfer from GIZ to EDF-Current	-	2 371 200
Capitalised Interest Call Account	22 198	21 006
Capitalised Interest Cheque Account	122 795	162 788
Correction - S&T reversal	-	11 394
Correction - Overpayment (Refund)	-	2 826
Transfer from German to EDF	750 000	-
Expenditure	4 516 109	470 236
Bank Charges	10 627	9 544
S&T Allowances	293 174	312 245
Training Catering	38 065	37 179
Training Stationeries	296	2 393
Sleeping Bags - Zambezi Flood relief	166 770	-
Air Tickets - Staff members from Head Office to Zambezi	9 082	-
Mattress - Kunene Region Earthquakes Relief	68 145	-
Transfer to GIZ	2 371 200	-
School Led Total Sanitation (SLTS) for Omusati Region	5 000	-
Transfers to Dagbreek and Moreson Resource Schools	800 000	-
Other Expenses: Transfer Libraries (German repatriation)	750 000	-
Correction - S&T reversal	-	11 394
Other Expenses: Salary	-	75 000
Other Expenses: Training Venue	3 750	3 000
Other Expenses: Un-utilized Funds UNICEF	-	19 481
Net Profit (Deficit) for the year	(3 263 207)	2 556 373

