



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

GAME PRODUCTS TRUST FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2003

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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 Game Products Trust Fund for the financial year ended 31 March 2003, 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, January 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR GENERAL
ON THE ACCOUNTS OF THE GAME PRODUCTS TRUST FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2003**

1. INTRODUCTION

The Game Products Trust Fund was established in terms of Section 2 (1) of the Game Products Trust Fund Act, (Act 7 of 1997), to administer moneys appropriated by Parliament for the Fund for the achievement of its objectives; domestic and foreign donations or contributions made for the benefit of the Fund; interest derived from the investment of moneys standing to the credit of the Fund; the proceeds derived from the sale of game products belonging to the State. The affairs of the Fund shall be managed and controlled by a board of trustees to be known as the Game Products Trust Fund Board, which shall exercise the powers and perform the duties and functions conferred or imposed upon the Board according to Section 4 of the Act. In terms of Section 5 of the Game Products Trust Fund Act the Board shall consist of five members appointed by the Minister of Environment and Tourism on which one staff member of the Ministry shall be the Chairperson of the Board.

The objectives of the Fund are stipulated in Section 3 of the Game Products Trust Fund Act No. 7 of 1997, as follows:

- (a) to make grants to emerging conservancies and wildlife councils for the purposes of implementing and maintaining projects and programmes, approved by the Board in consultation with the Minister, regarding wildlife conservation and management and rural development;
- (b) to allocate funds, subject to the provisions of this Act, to conservancies, wildlife councils and protected areas, and to persons, organisations and institutions approved by the Minister, to be used by those conservancies, wildlife councils, protected areas, persons, organisations and institutions in connection with projects and programmes regarding wildlife conservation and management and rural development;
- (c) to support measures aimed at improving the relationship between people and wildlife; and
- (d) to support improvements in the monitoring, management, protection, sustainable use and development of wildlife resources in rural areas.

2. SCOPE OF THE AUDIT

- 2.1 The Board of the Fund is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. 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 opinion to the National Assembly.

The audit included:

- (a) examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements,
 - (b) assessment of the significant estimates and judgements made by the Board of the Fund in the accounting of the transactions, determination of and decision on relevance of transactions to the Fund and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed, and
 - (c) evaluation of the overall adequacy of the presentation of information for its inclusion in the financial statements.
- 2.2 The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:
- (a) the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity,
 - (b) in all material respects, the expenditure and income have been applied to the purposes intended; and
 - (c) the financial transactions conform to the authorities which govern them.

3. FINANCIAL STATEMENTS

Prior years as from 1 April 1999 have been audited up to the financial year ended 31 March 2002. The reports were submitted to the Accounting Officer on 6 February 2003 as the Fund was integrated in the Ministry and are available on request.

The financial statements for the year ended 31 March 2003 published in this report as signed by the interim chairperson are filed in the Office of the Auditor-General and comprise the following:

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

The annual financial statements were prepared without any notes attached to them. According to the General Accepted Accounting Practice there must be notes prepared and attached to the financial statements. Therefore it is recommended that the Board should take recognition of this practice.

The attached notes at annexure D have been compiled by the auditors.

4. AUDIT OBSERVATIONS

4.1 INCOME

4.1.1 LIVE GAME EXPORT

(a) Finding

The following amounts paid for export levies for live game by dealers on invoices were changed and written in ink where the actual export of live game was less than originally indicated. The customs documents were not submitted to support the adjusted quantities for auditor purposes:

Date	Details	Receipt No.	Amount
			N\$
1.07.2002	Nankwe Game	003	3 780.00
6.08.2002	Nankwe Game	009	2 320.00

Recommendation

The Board fund should ensure that the amount paid by the dealers is not written in ink but printed from the system. In future it is recommended to attach the customs documents where changes were made to the estimated export quantities.

(b) Finding

Live animals were exported but no official custom and excise stamps appeared on the permits for Erindi Ranch (Pty) Ltd, which was drawn for the sample audit test, in order to validate export permits. The customs forms were also not submitted for audit purposes to support the expert figures.

Date	Permit No.
01.03.2002	46151
01.03.2002	46152
12.03.2002	46153
12.04.2002	46173
24.04.2002	46180
24.04.2002	46181

Recommendation

The Board should ensure Custom officials validate permits with official stamps for all live game exported. Custom officials should be made aware of the risks attached to non-compliance and the impact it has on the Fund. Custom forms should be filed properly and made available for audit.

4.1.2 HUNTING CONCESSIONS

The following revenue received was kept for a longer period before it was deposited in the Fund's account:

Receipt No.	Details	Amount	Date received	Date deposited
		N\$		
003	Nakwe Game	3 780.00	24.06.2002	01.07.2002
011	Kuzikus African Safari	310 000.00	23.09.2002	01.10.2002
012	Kuzikus African Safari	360 000.00	23.09.2002	01.10.2002
017	Kuzikus African Safari	310 000.00	16.12.2002	30.12.2002

Recommendation

It is recommended to adhere to Treasury Instruction GC 1202, which clearly stipulates that all collections shall, where possible be banked on the date of receipt and any collections which cannot be banked, thus shall be banked on the next official working day. It is also recommended to appoint an Administrator who will be responsible for the administration work of the Fund.

4.1.3 INTEREST RECEIVED

The total amount accrued to the Fund according to the certificate of balance received from SWABOU on 10 April 2003 amounts to N\$ 472 438.06. The financial statements reflect this amount to be N\$ 456 654.00. The difference of N\$ 15 784.06 should be brought to account.

4.2 INVESTMENTS

There was a difference between the balances reflected in the financial statements and the certificate of balance received from SWABOU as at 31 March 2003 as listed below:

Account number	Financial statements	Certificate of Balance	Difference
	N\$	N\$	N\$
Wholesale Term Deposit	1 951 619.27	1 937 710.23	13 909.04
Fixed Deposit Wholesale	2 607 115.81	2 438 583.00	168 532.81
Total	4 558 735.08	4 376 293.23	182 441.85

Investments are as such overstated by N\$182 441.85 in the financial statements for the year under review.

4.3 ACCUMULATED FUNDS

The balance of the accumulated funds as at 31 March 2002 amounted to N\$ 6 555 095.43 which has been adjusted to N\$ 6 672 161.68 due to an understatement of investments. This restated closing balance differed with N\$ 95 516.75 with the opening balance as at 1 April 2002 which is stated as N\$ 6 767 678.43. The Board should explain this adjustment.

4.4 GENERAL OBSERVATIONS

4.4.1 FINDING

The auditors found that no receipts were issued for the following revenue which was paid direct into the Fund's account by the client even though the deposit slips were faxed to the Fund by the client.

Date	Details	Amount
		N\$
06.06.2002	Waldeck Safaris	25 000.00
29.11.2002	Waldeck Safaris	25 000.00

Recommendation

It is recommended to make sure that receipts are issued for all revenue received by the Fund.

4.3.2 FINDING

Project owners submit their quotations for the expenditures of the approved projects to the Fund. The Fund pays the full amount of the quote directly to the suppliers who deliver the goods to the project owners. The auditors found that the Fund does not conduct any follow-ups to ascertain that goods were received according to the quotation and that expenditure is used for the intended purpose. No invoices are submitted to the Fund.

Recommendation

To avoid fraud or theft, it is recommended to conduct follow ups on the expenditure incurred for the approved projects. Once quotations are approved, the approval should be sent to the project owner who can then order the goods from the supplier. The supplier should then issue an invoice to the project owner who certifies receipt of the goods and sends it to the Fund for payment to the supplier.

5. ACKNOWLEDGEMENT

The courtesy extended and assistance rendered by the staff of the Game Products Trust Fund to the auditors during the audit is appreciated.

6. AUDIT OPINION

The financial statements of the Game Products Trust Fund for the financial year ended 31 March 2003 were audited by me in terms of Section 17 (2) (a) (b) of the Game Products Trust Fund Act, read with Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

Without qualifying my report, attention is drawn to paragraph 4.2 – Over-statement of investments. I certify that in my opinion the financial statements fairly present the financial position of the Fund and the results of its operations and cash flow for the year ended 31 March 2003.

WINDHOEK, JANUARY 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

GAME PRODUCTS TRUST FUND
BALANCE SHEET AS AT 31 MARCH

	Notes	2003	2002
		N\$	N\$
ASSETS			
Non-current assets	1	5 183 884.26	4 646 070.06
Current assets			
Bank account		4 299 016.93	2 026 091.08
Total assets		9 482 901.19	6 672 161.68
EQUITY AND LIABILITIES			
Capital and reserves			
Retained income	2	9 482 901.19	6 672 161.68
Total equity and liabilities		9 482 901.19	6 672 161.68

GAME PRODUCTS TRUST FUND

INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED
31 MARCH

	2003	2002
	N\$	N\$
Income	3 103 556.80	1 795 567.00
Live export head levy	57 600.00	28 255.00
Hunting concessions	2 857 936.00	1 660 312.00
Grants received	168 020.80	-
Donations received	20 000.00	-
Sale of products	-	107 000.00
Less: Expenses	844 988.04	1 237 252.74
Elephant film	201 084.00	-
NNF/Rhino Waterberg	225 000.00	788 460.75
Meetings	569.50	-
Mahango project	244 729.78	-
Waterberg fencing project	118 365.57	23 815.35-
Khoadi Khoas project	-	294 393.00
Onamene project	-	53 647.50
EU-ACP Ivory trade campaign	-	56 966.00
Advertising	-	2 449.50
Bank charges	1,091.69	1 010.64
Travel, accommodation & board allowances	54 147.50	16 510.00
NET OPERATING PROFIT/ (LOSS) FOR THE YEAR	2 258 568.76	558 314.26
Interest received	456 654.00	569 041.49
PROFIT/(LOSS) FOR THE YEAR	2 715 222.76	1 127 355.75

GAME PRODUCTS TRUST FUND

CASH FLOW STATEMENT AS AT 31 MARCH 2003

	N\$
CASH FLOW FROM OPERATIONS:	
Net profit/(loss)	2 258 569
Interest received	456 654
Cash generated by operations	<u>2 715 223</u>
(Increase)/decrease in investments	(537 814)
ADJUSTMENT IN ACCUMULATED FUNDS	
Unexplained adjustment in opening balance	95 517
Net movement in cash	<u>2 272 926</u>
Balance previous year	<u>2 026 091</u>
Balance current year	<u>4 299 017</u>

GAME PRODUCTS TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

N\$

1. INVESTMENTS

Investments were held at SWABOU as follows:

Wholesale call deposit	625 149.18
Wholesale term deposits	1 937 710.23
Fixed deposit wholesale	2 438 583.00
Total	5 001 442.41

(See paragraph 4.2)

2. RETAINED INCOME

Balance on 31 March 2002	6 672 161.68
Surplus for the year	2 715 222.76
Difference between closing and opening balance	95 516.75
Balance on 31 March 2003	9 482 901.19