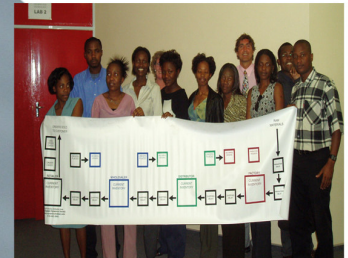




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

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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 Namibia Students Financial Assistance Fund for the financial year ended 31 March 2008 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, May 2010

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT of the AUDITOR- GENERAL on the ACCOUNTS of the
NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND
of NAMIBIA for the financial year
ended 31 March 2008**

1. INTRODUCTION

The Namibia Students Financial Assistance Fund was established in terms of Section 3(1) of the Namibia Students Financial Assistance Fund Act of 2000 (Act No. 26 of 2000). The Section reads as follows: “There is hereby established a fund to be known as the Namibia Students Financial Assistance Fund, which shall consist of -

- a) moneys appropriated by Parliament for the Fund for the achievement of its object;
- b) money borrowed under section 10(d);
- c) domestic and foreign grants, donations or bequests made to the benefit of the Fund;
- d) interest derived from the investment of moneys referred to in section 10(f);
- e) moneys accruing to the Fund from any other source (including repayments of financial assistance)”.

The objectives of the Fund are stipulated in Section 4 of the Namibia Students Financial Assistance Fund Act (Act 26 of 2000) as follows:

The object of the Fund is to provide financial assistance, subject to this Act, to students in order -

- a) to enable students to study or to do research; and
- b) more specifically, but without limiting the forgoing, to facilitate the training of students in prescribed courses or fields of study at approved institutions of higher education.

2. FINANCIAL STATEMENTS

The financial statements published in this report are filed in the Office of the Auditor-General and comprise the following:

- Annexure A: Balance sheet
- Annexure B: Income and expenditure statement
- Annexure C: Notes to financial statements

3. SCOPE OF THE AUDIT

3.1 The Accounting Officer 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 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 Accounting Officer of the Fund in the accounting of the transactions, his determination of and decision on relevance of the 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.

3.2 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 -

- the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
- in all material respects, the expenditure and income have been applied to the purposes intended; and
- the financial transactions conform to the authorities which govern them.

4. AUDIT OBSERVATIONS

4.1 EXPENDITURE

4.1.1 Vouchers

Finding

The following vouchers selected for auditing did not have supporting documents:

Date	Cheque #	Amount
		N\$
10/08/07	617	9 500.00
06/09/07	686	23 000.00

As a result, expenditure to the value of N\$ 32 500.00 could not be confirmed.

Recommendation

It is recommended that the Accounting Officer adheres to the requirements of the State Finance Act, 1991 (Act 31 of 1991), with reference to Section 26(1) (b) (i) and (ii).

All transactions should be supported by the necessary supporting documents and made available for audit.

4.1.2 Authorisations

The auditors found that the expenditure vouchers of the following cheques were not authorized:

Date	Cheque #	Amount
		N\$
21/05/07	539	5000.00
21/05/07	541	5000.00
21/05/07	540	3000.00

It was also found that the loan agreement between NQA and NSFAF for the amount of N\$ 3 800 000 has not been signed.

Recommendation

It is recommended that the Accounting Officer confirms the mentioned finding and ensures that all expenditures are approved by the authorized personnel before any payments are made. Whenever a contract is not signed, it should have a valid explanation and should be signed by an authorized person.

4.1.3 Bank charges

The audited amount relating to bank charges is N\$ 41 039.73 whereas this amount is reflected as N\$ 66 095.37 in the financial statements. The difference of N\$ 25 055.64 could not be explained at the time of the audit.

Recommendation

The Accounting Officer should reconcile the bank charges as per bank statement with the General Ledger.

4.2. GENERAL OBSERVATIONS

4.2.1 Accumulated surplus

The balance sheet as submitted by the Accounting Officer did not balance with an amount of N\$ 1 011 496.15. This amount has now been shown as the opening balance of the accumulated funds but has not been verified. The Accounting Officer should submit correct and complete financial statements and analyse the above-mentioned opening balance.

4.2.2 Bank reconciliations

The Accounting Officer submitted summaries of the bank statements but no reconciliations between the cash-book balance and the balance as per bank statement have been submitted.

Recommendation

The Accounting Officer should reconcile the cash-book balance with the bank statement balance on a monthly basis.

4.2.3 Cash-book

The cash-book does not have opening and closing balances at the start and end of each month. The General Ledger reflects total amounts per category of expenditure but not the individual transactions.

Recommendation

It is recommended that the Accounting Officer balances the cash-book at the end of each month. It is further recommended to reflect individual transactions in the General Ledger.

4.2.4 Student loans outstanding

No amount relating to loans owed by students is reflected in the balance sheet under current assets. Re-payments are recorded as and when the cash is received, N\$ 4 713 897.98 during the year under review. No reconciliation of outstanding debt was submitted to the auditors.

Recommendation

Loan payments made to students should be recorded to the relevant individual student, repayments should be set off against their debt and the outstanding balance should be recorded as current assets in the balance sheet.

5. ACKNOWLEDGEMENT

The assistance and co-operation of the staff of the Fund during the audit is appreciated.

6. DISCLAIMED AUDIT OPINION

The financial statements of the Namibia Students Financial Assistance Fund of Namibia for the financial year ended 31 March 2008 were audited by me in accordance with the provisions of Section 25 (1) of the State Finance Act, 1991 read with Section 15 (3) of the Namibia Students Financial Assistance Fund Act of 2000 (Act No. 26 of 2000).

I am unable to express an opinion on the Namibia Students Financial Assistance Fund due to the following reasons:

- An amount of N\$ 1 011 496 had to be brought into the balance sheet as balancing figure.
- No loan debtors are reflected in the balance sheet.
- No bank reconciliations have been submitted.

WINDHOEK, May 2010

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND (NSFAF)

BALANCE SHEET AS AT 31 MARCH

	2008
	N\$
ASSETS	
Current assets	
Cash in the bank (Current account)	1 164 479.54
Cash in the bank (Call account)	412 051.35
	1 576 530.89
LIABILITIES	
Funds	
Balance brought forward	1 011 496.15
Accumulated surplus for the year	565 034.74
	1 576 530.89

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND (NSFAF)

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	2008
	N\$
REVENUE	
Government Contributions- Current year	81 709 000.00
Recovery: Capital	4 713 897.98
Miscellaneous	1 122 087.15
Bank interest	345 232.76
Loan: NQA	2 500 000.00
Total	90 390 217.89
EXPENDITURE	
Air tickets	1 359 854.00
Tuition fees	73 507 054.47
Stipends	8 336 999.78
Private accommodation	167 500.00
General transport	7 486.88
Refund: Capital(Loans)	38 644.65
Loans repayment	6 300 000.00
Bank charges	66 095.37
Medical insurance	41 548.00
Total	89 825 183.15
NET SURPLUS	565 034.74

NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND (NSFAF)

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2008

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies set out below.

These policies comply with the Namibian statements of generally accepted accounting practice.

2. GOVERNMENT GRANTS/LOANS

The Fund received N\$ 81 709 000.00 for the current year of operations.

3. RETAINED SURPLUS BROUGHT FORWARD

These are funds left over from the previous year brought into this year as a balance of unutilized funds.

4. OTHER INCOME

This is made up as follows:

	2007
	N\$
Bank Interest Received	345 232.76
Recovery: Capital	4 713 897.98
Miscellaneous	1 122 087.15
Loan: NQA	2 500 000.00

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	2007
	N\$
Bank Windhoek-Current	1 164 479.54
Bank Windhoek-Call	412 051.35

6. SHORT TERM INVESTMENTS

	2007
	N\$
Bank Windhoek Investments (Call)	412 051.35

7. ACCUMULATED SURPLUS

Represents the balance of unutilized funds at the end of each financial year.