

**REPORT OF THE AUDITOR GENERAL ON THE  
ACCOUNTS OF THE SPORTS DEVELOPMENT FUND  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 1999**

---

**1. INTRODUCTION**

**1.1 Establishment and objectives**

**1.1.1 Establishment**

The Sports Development Fund (hereinafter referred to as the "Fund") was established in terms of Section 10 of the Namibia Sports Act, 1995 (Act 7 of 1995) referred to as the "Act" in this report. The Fund is managed and controlled by the National Sports Commission.

The Fund is credited with grants and other moneys receivable to the Fund and moneys available must be utilised for the promotion of sports in general and sports codes in particular.

**1.1.2 Objectives**

The objectives of the Fund can be summarised as follows:

- (a) *The promotion of sports in general and sports codes in particular;*
- (b) *to assist in the development and maintenance of sports facilities;*
- (c) *the improvement of sports administration;*
- (d) *the promotion of competitive sports at national and international levels;*
- (e) *the holding of sports coaching courses;*
- (f) *research, on request of the Minister or the Commission, by any person, body or institution in respect of any matter relating to sports;*
- (g) *the promotion of the sports career of, or to enable the participation in any sports event by, any individual sports person;*
- (h) *to grant financial assistance to any referee, umpire, sports administrator, coach or trainer; or*
- (i) *to enhance the sports of persons within Namibia who have been socially, economically or educationally disadvantaged by past discriminatory laws and practices.*

## **2. FINANCIAL STATEMENTS**

The statements of the Fund, as published in the report, are true reproductions of the originals signed by the Chairperson and Vice-chairperson of the National Sports Commission.

The following statements are published in this report:

- Annexure A - Balance sheet
- Annexure B - Income statement
- Annexure C – Notes to the financial statements

The figures are rounded off to the nearest Namibian dollar.

## **3. SCOPE OF THE AUDIT**

The National Sports Commission is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. It is my responsibility 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 my opinion to the National Assembly.

The audit included:

- (a) examination, on a test basis, of evidence relevant to 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 Commission in the preparation of the financial statements 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 in the financial statements.

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 respect, 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**

At the time of finalizing the report, the following issues were brought to the attention of the Accounting Officer and a reply is being awaited.

### **4.1 Bank statements of the call account**

The Commission could not submit the bank statements for September 1998, October 1998 and November 1998 for the call account. The interest received or movements for this account could therefore not be verified due to insufficient information.

## **4.2 Payments to suppliers**

Section 10(9) of the Namibia Sport Act (Act 7 Of 1995) stipulates that the Commission must see to it that proper books of account are kept in respect of moneys received or paid for the benefit of the Fund and payments made from the Fund. The audit revealed that twenty-five (25) payments amounting to N\$ 1 854 730.30 were made to various suppliers without sufficient, relevant and reliable supporting documentation.

## **4.3 Approved budget**

Section 10 (2) of the Namibia Sports Act (Act 7 of 1995) stipulates that the Fund must be managed and controlled by the Commission in accordance with an estimate or a supplementary or revised estimate of revenue and expenditure approved by the Minister in respect of each financial year and no expenditure payable from the Fund may be incurred except in accordance with such approved estimate of expenditure. During the audit a budget was submitted to my staff but there is no indication that it was either submitted or approved by the Minister. Therefore I consider all the expenditure incurred during the financial year under review as unauthorised expenditure.

## **5. ACKNOWLEDGEMENT**

I thank the staff of the Commission for their co-operation given to my staff during the audit.

## **6. AUDIT OPINION**

The accounts of the Sports Development Fund for the financial year ended 31 March 1999, summarised in Annexures A to C, were audited by me in terms of the provisions of Section 10(12) of the Namibia Sports Act, 1995, read with Section 25(1)(b) of the State Finance Act, 1991, (Act 31 of 1991).

Except for my remarks in paragraph 4, audit observations, I certify that, in my opinion, the financial statements fairly reflect the transactions and financial position of the Fund for the year ended 31 March 1999.

**WINDHOEK, June 2002**

**DR F. TJINGAETE  
AUDITOR GENERAL**

## SPORTS DEVELOPMENT FUND OF NAMIBIA

## BALANCE SHEET AT 31 MARCH

	Note	<u>1999</u>	<u>1998</u>
		N\$	N\$
<b>CAPITAL EMPLOYED</b>			
GENERAL RESERVE		<b>2 770 980</b>	<b>1 831 848</b>
<b>EMPLOYMENT OF CAPITAL</b>			
Furniture	1	6 687	-
NET CURRENT ASSETS		2 764 293	1 831 848
CURRENT ASSETS		<b>2 764 293</b>	<b>1 831 848</b>
Call account		434 025	370 170
Bank		2 330 268	1 461 678
		<b>2 770 980</b>	<b>1 831 848</b>

**K. PERSENDT**  
**CHAIRPERSON**  
**WINDHOEK**

**MS. N. WALTERS**  
**VICE-CHAIRPERSON**

## SPORTS DEVELOPMENT FUND OF NAMIBIA

## INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH

	Notes	1999 N\$	1998 N\$
<b>INCOME</b>		<b>2 863 003</b>	<b>2 613 314</b>
Grant from the Government		2 500 000	2 500 000
Interest received	3	362 940	112 759
Discount received		63	555
<b>LESS: EXPENDITURE</b>		<b>170 871</b>	<b>83 867</b>
Accommodation and meals		-	2 394
Administration fees – Committee National Soccer Team		20 000	-
Advertising and promotion		1 299	2 085
Bank charges		256	140
Consultancy fee		30 984	-
Depreciation		955	-
Donations		-	550
Entertainment allowance		7 450	-
Fuel allowance		9 550	-
Interest paid: Bank-overdraft		-	1 568
Meetings expenses		4 696	-
Printing & stationery		-	77 130
Salaries		16 000	-
Sitting allowance to members		55 081	-
Telephone allowance		12 500	-
Travel allowance to members		12 100	-
<b>Net income before grants</b>		<b>2 692 132</b>	<b>2 529 447</b>
<b>LESS: GRANTS</b>		<b>1 753 000</b>	<b>1 248 173</b>
Special grants	2	453 000	16 173
Grants to the Namibia National Sports Council		1 300 000	1 222 000
Grants to the Namibia National Sports Council – Doping		-	10 000
<b>Net income for the year</b>		<b>939 132</b>	<b>1 281 274</b>
<b>RETAINED INCOME:</b>			
- at the beginning of the year		1 831 848	550 574
- at the end of the year		<b>2 770 980</b>	<b>1 831 848</b>

## SPORTS DEVELOPMENT FUND OF NAMIBIA

## NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH

	<b>1999</b>	<b>1998</b>
	N\$	N\$
<b>1. FURNITURE</b>		
Cost	7 642	-
Depreciation	(955)	-
<b>Book value</b>	<b>6 687</b>	<b>-</b>
<b>2. SPECIAL GRANTS</b>		
Moscow Youth Games	400 000	-
Darts	3 000	-
Training and coaching	50 000	-
Boxing	-	14 000
Netball	-	2 173
	<b>453 000</b>	<b>16 173</b>
<b>3. INTEREST RECEIVED</b>		
Current account	299 086	64 908
Call account	63 854	47 851
	<b>362 940</b>	<b>112 759</b>