

**REPORT OF THE AUDITOR GENERAL ON THE
ACCOUNTS OF THE SPORTS DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2000**

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 Minutes of the Sport Commission meetings

The Commission could not submit any minutes of the meetings that were held during financial year under review. Important decisions with financial implications were made for which no approval could be submitted.

4.2 Payments to suppliers

Section 10(9) of the Act 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 fourteen (14) payments amounting to N\$ 223 003.34 were made to various suppliers without sufficient, relevant and reliable supporting documentation.

4.3 Special grants

Special grants amounting to N\$ 601 418 were paid to the various sport codes for participation in the various sporting events. Due to the fact that minutes of meetings could not be submitted for audit purposes, I have to report that there is no evidence to verify that the grants paid to the sport codes were indeed the amount approved by the Commission. There were also no indications as to what criteria was used in determining the amount of the grant.

4.4 Approved budget

Section 10 (2) of the Act 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 to or approved by the Minister. Therefore I consider all the expenditure incurred during the financial year under review as unauthorised expenditure.

4.5 Investments

Authorization was not obtained from the Minister of Finance to invest money as required by Section 10(3)(b) of the Act.

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 2000, 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 2000.

WINDHOEK, October 2002

**F. TJINGAETE
AUDITOR GENERAL**

SPORTS DEVELOPMENT FUND OF NAMIBIA

BALANCE SHEET AT 31 MARCH

	Note	<u>2000</u> N\$	<u>1999</u> N\$
CAPITAL EMPLOYED			
GENERAL RESERVE		<u>3 880 732</u>	<u>2 770 980</u>
EMPLOYMENT OF CAPITAL			
Furniture	1	5 541	6 687
NET CURRENT ASSETS		3 875 191	2 764 293
CURRENT ASSETS		4 337 992	2 764 293
Call account		-	434 025
Savings account		2 693 057	
Bank		1 342 132	2 330 268
Debtors		302 803	-
CURRENT LIABILITIES		462 801	-
Creditors		462 801	-
		-	-
		<u>3 880 732</u>	<u>2 770 980</u>

**U. HIVELUAH
CHAIRPERSON
WINDHOEK**

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

SPORTS DEVELOPMENT FUND OF NAMIBIA

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH

	Notes	2000 N\$	1999 N\$
INCOME		3 417 302	2 863 003
Grant from the Government		3 000 000	2 500 000
All Africa Games	5	75 063	-
Interest received	4	342 239	362 940
Discount received		-	63
LESS: EXPENDITURE		102 734	170 871
Administration fees – Committee National Soccer Team		-	20 000
Advertising and promotion		-	1 299
Bank charges		620	256
Consultancy fees		-	30 984
Depreciation		1 146	955
Entertainment allowances		-	7 450
Fuel allowances		-	9 550
Meeting expenses		3 443	4 696
Other office expenditure		93	-
Sitting allowances to members		43 920	55 081
Telephone allowances		-	12 500
Travel allowances to members		20 000	12 100
Workshop expenses		19 380	-
Uniforms		7 382	-
Salaries		6 750	16 000
Net income		3 314 568	2 692 132
LESS: GRANTS		2 204 401	1 753 000
Special grants	2	601 418	453 000
Grants to the Namibia National Sports Council	3	1 500 000	-
Independence celebrations		63 980	1 300 000
Commonwealth Games		39 003	-
Net income for the year		1 110 167	939 132
Correction of error		(415)	-
RETAINED INCOME:			
- at the beginning of the year		2 770 980	1 831 848
- at the end of the year		3 880 732	2 770 980

SPORTS DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH

	2000	1999
	N\$	N\$
1. FURNITURE		
Cost	7 642	7 642
Depreciation	2 101	(955)
Book value	5 541	6 687
2. SPECIAL GRANTS		
Moscow Youth Games	-	400 000
Darts	-	3 000
Training and coaching	-	50 000
NNSC/ Para Olympics	5 318	-
All Namibian Netball Association- Zambia competition	30 000	-
All Namibian Volleyball Association- African Championships	35 000	-
Namibia Sports Council-Rugby World Cup	250 000	-
NNSC- Sports Award Function	5 000	-
Namibian Cycling Federation- Eric van Enter Competition	16 800	-
Namibia Tennis Association- Davis Cup	11 000	-
Namibia Inline Skating Association-SA Interprovincial Games	10 000	-
Namibia Cricket Board- Sri Lanka	70 000	-
Namibia Bowling Association – Australia	30 000	-
Namibia Shooting Union- Ladies Clay Pigeon Competition	10 000	-
Namibia Cricket Board-Malaysia	84 000	-
Namibia Bowling Association-Men's Bowling Competition	5 900	-
Windhoek Country Club-Golf Union/ Junior Championships	20 000	-
Arandis Services- Jukskei World Champions	18 400	-
	601 418	453 000
3. GRANTS TO THE NAMIBIA NATIONAL SPORTS COUNCIL		
<p>The Income Statement shows that an amount of N\$ 1 500 000 has been recorded as the total grant made for the financial year including N\$ 450 000 transferred to creditors. According to a letter dated 7 April 2000, the National Sports Commission only paid N\$ 400 000 regarding the creditors, resulting therein that the books of the NNSC only record N\$ 1 450 000 as grants having been received.</p>		
4. INTEREST RECEIVED		
Current account	83 207	299 086
Savings account	259 032	-
Call account	-	63 854
	342 239	362 940

SPORTS DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH (continued)

	2000	1999
	N\$	N\$
5. ALL AFRICA GAMES		
Grant	700 000	-
Expenses	(892 763)	-
Accommodation refund	267 826	-
	75 063	-