

**REPORT OF THE AUDITOR GENERAL ON THE
ACCOUNTS OF THE SPORTS DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001**

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 Namibia 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 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 includes:

- (a) examination, on a test basis, of evidence relevant to amounts, disclosures 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 meetings

Sections 6 (8) and 7 (15) of the Act stipulate that the Commission and Committee shall cause minutes to be kept of the proceeding of its meetings.

(a) Sport Commission

The Commission could not submit any of the minutes of the meetings held for the financial year under review. Important financial decisions were made during the financial year under review, for which there is no approval.

(b) International Games Committee

During the year under review, the International Games Committee incurred expenses regarding the Namibia Olympic Games team. However, the Committee could not submit minutes of any meeting held where the decision with financial implications was taken. Thus, these expenditures are regarded to be unauthorised.

4.2 Payment 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 twenty two (22) payments amounting to N\$ 51 563.81 were made to various suppliers without sufficient, relevant and reliable supporting documents.

4.3 Special grants

Special grants amounting to N\$ 4 498 600 were paid to the various sport codes for participation in the various sporting events. Most of the grants given were based on the application only, without supporting documents as stated in Section 10 (6) of the Act. There is no evidence indicating that the grants paid to the sport codes are indeed the amounts approved by the Commission and no indication as to what criteria were used in determining the grants awarded.

4.4 Sydney Olympic 2000 Games

An amount of N\$ 700 000 from the Ministry of Basic Education, Sport and Culture was given as a grant to the Namibia Olympic Games Committee to administer the Namibia Olympic 2000 Games team. Most of the expenses regarding the Namibia Olympic 2000 Games team were incurred without completing the authorised official payment vouchers. The Committee failed to submit the expenditure vouchers and authorised official documents for audit purposes.

4.5 Sitting allowances

Sitting allowances were paid for the Sport Commission as well as Colour Committee meetings. In the absence of minutes of these meetings it is impossible to verify whether or not members attended the meetings and the expenses are therefore regarded as unauthorised. Furthermore, claim forms for payment to the Sport Commission as well as the Colour Committee members were not certified and approved by an authorised person.

4.6 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. The Office of the Auditor General has to date not been furnished with the approved 2000/2001 budget for the Sports Development Fund, therefore, all the expenditure incurred during the financial year under review is considered to be unauthorised.

5. ACKNOWLEDGEMENT

The co-operation and assistance given by the staff of the Commission to the staff of the Auditor General during the audit is appreciated.

6. QUALIFIED AUDIT OPINION

The accounts of the Sports Development Fund for the financial year ended 31 March 2001, summarised in Annexure 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 2001.

WILDIOR K. S. | September 2003

JUNI ASITUNA KINJOJE
AUDITOR GENERAL

Jaws PDF Creator

EVALUATION
VALUTAZIONE
EVALUATION
EVALUACIÓN
EVALUATION

SPORTS DEVELOPMENT FUND OF NAMIBIA

BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 NS	2000 NS
CAPITAL EMPLOYED			
GENERAL RESERVE		4 960 529	3 880 732
		4 960 529	3 880 732
EMPLOYMENT OF FUNDS			
FIXED ASSETS	7	9 237	5 541
INVESTMENTS	6	173 560	6 305 1
NET CURRENT ASSETS		1 772 860	1 182 134
CURRENT ASSETS		1 772 860	1 644 935
Accounts receivable	5	501 466	302 803
Bank	4	1 271 394	1 342 132
CURRENT LIABILITIES			
Accounts payable		-	462 801
		4 960 529	3 880 732

MS N. WALTERS
CHAIRPERSON
WINDHOEK

MR VAN WYK DU PLESSIS
TREASURER

SPORTS DEVELOPMENT FUND OF NAMIBIA

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 N\$	2000 N\$
INCOME		3 644 295	3 417 302
Grant from the Government		3 350 000	3 000 000
All Africa Games		-	75 063
Olympic Games surplus		20 900	-
Interest received	1	273 395	342 239
LESS: EXPENDITURE		555 873	1 097 304
Office expenditure		7 011	3 535
Consultants		-	19 580
Bank charges		1 144	620
Uniforms		-	7 382
Allowances		48 800	70 670
Depreciation	2	1 670	1 146
LESS: GRANTS		2 555 873	2 204 401
Special grants		494 987	601 418
Namibia National Sports Council		2 000 000	1 500 000
Training & coaching/doping		29 092	-
Independence celebration		26 794	63 980
Commonwealth Games		5 000	39 003
Surplus for the year		1 029 797	1 110 167
Correction of error	3	50 000	(415)
NET SURPLUS FOR THE YEAR		1 079 797	1 109 752
ACCUMULATED SURPLUS:			
At the beginning of the year		3 880 732	2 770 980
At the end of the year		4 960 529	3 880 732

SPORTS DEVELOPMENT FUND OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2001

	2001	2000
	N\$	N\$
1. Interest received		
Current account	31 462	83 207
Call account	61 588	-
Money market	28 370	-
Namibia Income Fund	151 975	-
Savings account	-	259 032
	273 395	342 239
2. Depreciation		
Depreciation on furniture @ 15% p.a. on cost On a straight line basis		
Purchased 2000 – 7 642 @ 15%	1 146	1 146
Purchased 2001 – 5 236 @ 15% x 8 months	524	-
	1 670	1 146
3. Correction of error 2000/2001		
Sport Council Grant unpaid N\$400 000, not N\$450 000 (Cheque no. 693)		
4. Bank		
Balance as per bank statement	1 771 394	1 368 142
Less: Cheque no. 779 - Outstanding	(600 000)	(26 010)
	1 271 394	1 342 132
5. Accounts receivable		
All Africa Games Committee refund	257 826	-
E Shipanga (AAG Contingency refund)	778	-
NNOC – Sydney Olympic refund	162 862	-
Rugby advance	30 000	-
Volleyball advance	40 000	-
	501 466	-
6. Investments		
Money Market – Old Mutual (Unit Trust)	26 587	-
Namibia Income Fund – Old Mutual	3 151 975	-
Fixed Maturity – FNB	-	2 693 057
	3 178 562	2 693 057
7. Fixed assets at cost		
Furniture	12 878	7 642
Less: Accumulated depreciation	(3 771)	(2 101)
Net book value at 31.03.01	9 107	5 541