



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

DIAMOND BOARD

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009 AND 2010

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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 Diamond Board for the financial years ended 31 December 2009 and 2010, in terms of Article 127(2) of the Namibian Constitution. My report is transmitted to the Board in terms of Section 12(4)(a) of the Diamond Act, 1999(Act 13 of 1999) to be laid upon the Table of the National Assembly by the Minister of Mines and Energy in terms of Section 12(8) of the Act.

WINDHOEK, December 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR GENERAL
ON THE ACCOUNTS OF THE DIAMOND BOARD OF NAMIBIA
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009 AND 2010**

1. INTRODUCTION

The Diamond Board was established in terms of Section 2(1) of the Diamond Act, (Act 13 of 1999), to advise the Minister on any matter relating to the diamond industry in, and the control and protection of the diamond resources of Namibia. The Board's income is derived mainly from levies imposed on producers.

The Board consists of fourteen (14) members in terms of the Act all appointed by Cabinet. The objectives of the Board are stipulated in terms of Section 3 of the Diamond Act (Act 13 of 1999) as follows -

- (a) *to advise the Minister on any matter relating to the diamond industry in, and the control and protection of the diamond resources of, Namibia;*
- (b) *to advise the Minister on any such matter referred to it by the Minister for investigation or advice;*
- (c) *to facilitate by financial or other means the promotion and protection of such diamond industry and diamond resources;*
- (d) *to perform such other functions in relation to the control and protection of such diamond industry and diamond resources as the Minister after consultation with the Board may prescribe.*

Figures in the report are rounded off to the nearest Namibia Dollar.

2. FINANCIAL STATEMENTS

The financial statements for the financial years ended 31 December 2009 and 2010 were signed by the Accounting Officer and are filed in the Office of the Auditor-General. The following annexures are attached to this report:

Annexure A: Balance sheets

Annexure B: Income Statements

3. SCOPE OF THE AUDIT

The Accounting Officer of the Board 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 Accounting Officer of the Fund in the accounting of the transactions, his 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.

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 EXPENDITURES

4.1.1 Namibian Police Services (PRU-Protected Resources Unit)

The auditors found that an amount of N\$ 155 778 for the 2010 financial year that was paid out to PRU was excluded from the expenditure list. Therefore expenditures for the 2010 financial year are understated.

It is recommended to the Board to confirm and reconcile all expenses to the bank account on a monthly basis.

5. ACKNOWLEDGEMENT

The assistance and co-operation given by the staff of the Diamond Board of Namibia during the audit is appreciated.

6. AUDIT OPINION

The financial statements of the Diamond Board for the financial years ended 31 December 2009 and 2010 were audited by me in terms of with Section 12 (6) of the Diamond Act, 1999 (Act 13 of 1999) read with Section 25(1)(b) of the State Finance Act, 1991.

I certify, that in my opinion, the financial statements fairly reflect the transactions and the financial position of the Board for the financial years ended 31 December 2009 and 2010 and in all material respects the income and expenditure have been applied for the purposes intended and conform to the authorities that govern them.

WINDHOEK, December 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

DIAMOND BOARD OF NAMIBA
BALANCE SHEETS AS AT 31 DECEMBER

ASSETS	2010	2009	2008
	N\$	N\$	N\$
Non-current assets			
Property, plant & equipment	353 634	379 114	493 339
Current assets			
Cash in the bank	2 232 376	1 100 246	416 506
Total Assets	2 586 010	1 479 360	909 845
EQUITY AND LIABILITIES			
Equity	2 586 010	1 479 360	909 845
Accumulated surplus: Previous year adjustment	1 479 360	909 845	2 022 576
Unexplained difference	-	-	(5 705)
Surplus /(Deficit) of income over expenditure	1 106 650	569 515	(1 107 026)
Total funds and liabilities	2 586 010	1 479 360	909 845

DIAMOND BOARD OF NAMIBIA

INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

	2010	2009	2008
	N\$	N\$	N\$
INCOME			
Fees received	2 280 569	1 518 864	2 623 856
Interest received from the bank	21 881	18 180	81 395
Adjustment: Prior year opening balance	-	107 125	-
Total income	2 302 450	1 644 169	2 705 251
EXPENDITURE			
Namibian Police Services	545 959	461 311	727 555
Daily allowance(S&T)	13 689	-	-
Audit fees	47 504	-	-
Bank charges	1 953	2 066	2 494
General office expenses	-	611	18 000
Depreciation	230 872	255 092	243 917
Entertainment	2 425	2 300	5 605
Sitting fees	13 500	21 000	15 000
Vehicle insurance	58 534	65 614	89 650
Promotions activities	-	-	2 489 952
Advertisement	-	-	15 731
Cell phone payment for Diamond Inspectors	281 364	266 660	204 373
Total expenditure	1 195 800	1 074 654	3 812 277
Surplus/deficit of income over expenditure	1 106 650	569 515	(1 107 026)