

**REPORT of the AUDITOR-GENERAL on the
ACCOUNTS of the NATIONAL MONUMENTS COUNCIL
for the financial year ended 31 MARCH 2001**

1. INTRODUCTION

The National Monuments Council, hereinafter called the Council, was instituted in terms of Section 2 of the National Monuments Act, 1969 (Act 28 of 1969), as amended up to 1979. Its objectives, embodied in Section 2A of the Act, are mainly:

- (i) to preserve and protect cultural heritage;
- (ii) to encourage and to promote the preservation and protection of the heritage; and
- (iii) to co-ordinate all activities in connection with monuments in order to ensure that monuments will be retained as tokens of the past and may serve as inspiration for the future.

Record of the Council's property and of its transactions is kept in terms of Section 9(5) of the Act. The Heritage Council Bill to provide for these and other matters and also to repeal the Act in force, has been in a drafting stage since 1990.

2. FINANCIAL STATEMENTS

The financial statements were compiled by the accounting and auditing firm BDO Spencer Steward and are in agreement with the general ledger and filed in the Office of the Auditor-General. The abridged balance sheet at Annexure A, is a true reflection of the original. The following annexures are also attached to this report:

Annexure B:	Income statement
Annexure C:	Cash flow statement
Annexure D:	Notes to the financial statements

3. SCOPE OF THE AUDIT

The National Monuments Council 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, as carried out by staff of the Auditor-General, 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 Council in the preparation of the financial statements and of whether the accounting policies are appropriate to the Council'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 AND COMMENTS

4.1 Asset register

As also reported in the previous two reports, there was still no proper asset register in place during the financial year in question. In the two previous reports it was recommended that the Council takes appropriate action to open an asset register, as it is a serious omission.

4.2 Namibia in Africa – Guide books

Books valued at N\$ 50 185.00 were purchased from a Zimbabwean firm by the Council, with the intention of re-selling them. The Municipality was supposed to sell the books on behalf of the Council, but pulled out at a later stage. No action has been taken by the Council to sell the books. The Guide books were given free of charge to any interested person by the Council. Presently there are 169 copies left worth N\$ 845.00 out of 1 500 copies ordered. The commitment was made in the previous year, but not provided for as a creditor. It is not clear how this expense ties up with the objectives of the Monuments Council mentioned in paragraph 1 above. Council should indicate for what purpose the books were purchased and why the books were handed out free of charge.

4.3 Budget

Although stipulated by the Act and despite various attempts by the auditors to obtain an approved budget, for the fourth consecutive year the Council was unable to submit such a budget for the relevant financial year.

Council should indicate what are the reasons pertaining to this continuous omission.

4.4 Minutes of meetings

The Council did not submit any copies of the minutes of meetings held during the year for audit purposes.

4.5 Matters outstanding from the previous financial year

The matters mentioned in paragraphs 4.1 – Asset register, 4.3 – Budget and 4.4 – Minutes of meetings were also mentioned in the previous report, but remained unresolved at the time of the audit and no formal reply was received.

Council should indicate why no corrective measures were taken.

4.6 Internal checking and control

Even though it was reported in the two previous reports, no action has been taken to resolve the issue of internal checking and control to ensure the smooth running of all financial transactions and to detect fraud and irregularities timeously. There is no indication in the cash-book that it was checked by the responsible official for correctness and that all relevant documentation was available.

Council should now indicate why these recommendations have not been implemented.

5. ACKNOWLEDGEMENT

The co-operation of the staff of the Council during the audit is appreciated.

6. QUALIFIED AUDIT OPINION

I hereby certify that the financial statements of the Council have been audited in terms of Section 9(6) of the National Monuments Act, 1969 (Act 28 of 1969), read with Section 25 (1) (b) of the State Finance Act, 1991 (Act 31 of 1991), in accordance with generally accepted auditing standards.

Except for my remarks in paragraph 4 regarding audit observations and comments, I certify that, in my opinion, the financial statements fairly reflect the transactions and the financial position of the Council for the year ended 31 March 2001 and in all material respects the income and expenditure have been applied to the purposes intended and conform to the authorities which govern them.

WINDHOEK, June 2004

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

NATIONAL MONUMENTS COUNCIL

BALANCE SHEET AS AT 31 MARCH 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		N\$	N\$
ASSETS			
Non-current assets			
Fixed assets	1.1	47 242	70 480
		<u>47 242</u>	<u>70 480</u>
Current assets			
Bank	3	128 765	136 765
Accounts receivable		78 580	136 265
Inventory – Guide books		-	500
		50 185	-
		<u>176 007</u>	<u>207 245</u>
EQUITY AND LIABILITIES			
Funds and accounts		153 000	185 996
Current liabilities			
Accounts payable		23 007	21 249
		<u>176 007</u>	<u>207 245</u>

**NATIONAL MONUMENTS COUNCIL
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001	2000
		N\$	N\$
REVENUE		384 727	375 096
Grant from Government		327 500	318 000
Kindergarten rent		2 400	2 400
Rental income: Hoba Kiosk		3 600	3 600
Miscellaneous		3 104	1 911
Contribution in kind : Ministry of Basic Education	3	46 216	46 216
OTHER INCOME			
Interest received		1 907	2 587
Interest on staff loans		-	382
EXPENDITURE		417 723	318 852
Accommodation		881	5 790
Accounting fees		5 526	4 000
Advertising		2 907	10 424
Alte Feste Museum		45 500	-
Bank charges		1 039	1 482
Bus tickets		3 535	3 557
Brandberg project		-	4 658
Consumables (Tools and equipment)		404	52
Contribution to World Heritage Fund		3 929	-
Deposit Hosea Kutako Account		10 016	-
Depreciation		28 377	27 016
Entertainment		-	318
Gam project		1 120	-
Hosea Kutako Project		-	21 929
Insurance		1 800	1 800
Interest paid		40	319
Interest on staff loan written back		-	2 322
Jan Jonker project		-	37 034
Maintenance: Computers and equipment		9 013	1 482
General		19 926	44 665
Medical expenses		337	-
Membership fees		-	-
Miscellaneous		-	450
Noordkoppie Monument		28 615	2 970
Motor vehicle expenses		34 000	38 017
Photos and films		2 056	10 566
Private Bag fee/Postage		-	170
Project His Excellency		83 570	-
Professional fees		-	1 300
Protective clothing		-	257
Refreshments		2 679	-
Refuse removal		214	-
Renovations		69 915	28 048
Rent paid		12 216	12 216
Security		2 500	1 340
Stationery and printing		4 513	5 869
Subscription		2 300	990
Subsistence and travelling		984	16 865
Training		195	-
Transport and fuel		8 672	7 640
Wages		30 944	25 306
(Deficit)/Surplus for the year		(32 996)	56 244

**NATIONAL MONUMENTS COUNCIL
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001	2000
		N\$	N\$
ACCUMULATED FUND			
at the beginning of the year		185 996	129 752
ACCUMULATED FUNDS			
at the end of the year		153 000	185 996

ANNEXURE C

NATIONAL MONUMENTS COUNCIL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	Note	2001	2000
		N\$	N\$
Cash flows from operating activities			
Cash (utilised)/generated by operations	4	(54 453)	101 353
Interest received		1 907	2 970
Net cash flows from operating activities		(52 546)	104 323
Cash flows from investing activities			
Additions to fixed assets		(5 139)	(11 140)
Net cash flows from investing activities		(5 139)	(11 140)
Cash flows from financing activities			
Net change in cash and cash equivalents		(57 685)	93 183
Cash and cash equivalents at the beginning of the year		136 265	43 082
Cash and cash equivalents at the end of the year		78 580	136 265

NATIONAL MONUMENTS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent with those applied in the previous year.

1.1 Fixed assets

Fixed assets are depreciated on the straight-line method at rates considered appropriate to reduce book values to estimated residual values over their anticipated useful lives.

The rates of depreciation are:

Furniture	15%
Office equipment	20%
Camping equipment	20%
Tools	10%
Library books	20%

	Furniture	Computer & office equipment	Camping equipment	Tools	Total
	N\$	N\$	N\$	N\$	N\$
<u>At cost - 2001</u>					
Balance at beginning of the year	38 411	98 003	12 424	6 538	155 376
Additions	2 200	2 939	-	-	5 139
Balance at end of the year	40 611	100 942	12 424	6 538	160 515
Accumulated depreciation					
Balance at beginning of the year	33 770	41 074	8 744	1 308	84 896
Charge for the year	4 860	20 051	2 485	981	28 377
Balance at end of the year	38 630	61 125	11 229	2 289	113 273
Net book value					
Balance at beginning of the year- 31.03.2000	4 641	56 929	3 680	5 230	70 480
Balance at end of the year- 31.03.2001	1 981	39 817	1 195	4 249	47 242

The carrying value of tangible assets is summarised as follows:

	Carrying value at beginning of year	Additions/ (Disposal)	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
Furniture	4 641	2 200	4 860	1 981
Computer and office equipment	56 929	2 939	20 051	39 817
Camping equipment	3 680	-	2 485	1 195
Tools	5 230	-	981	4 249
	70 480	5 139	28 377	47 242

NATIONAL MONUMENTS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

1.2 Fixed Assets

	Furniture	Computers & office equipment	Camping equipment	Tools	Total
<u>At cost - 2000</u>	N\$	N\$	N\$	N\$	N\$
Balance at beginning of the year	38 411	86 863	12 424	6 538	144 236
Additions	-	11 140	-	-	11 140
Balance at end of the year	38 411	98 003	12 424	6 538	155 376
<u>Accumulated depreciation</u>					
Balance at beginning of the year	28 008	22 959	6 259	654	57 880
Charge for the year	5 762	18 115	2 485	654	27 016
Balance at end of the year	-	-	-	-	-
	33 770	41 074	8 744	1 308	84 896
<u>Net book value</u>					
Balance at beginning of the year	10 403	63 904	6 165	5 884	86 356
Balance at end of the year	4 641	56 929	3 680	5 230	70 480

ANNEXURE D (continued)

NATIONAL MONUMENTS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	2001	2000
	N\$	N\$
2. Accounts receivable	-	500

Accounts receivable represent loans to staff members of the Council, for which no fixed terms of repayment and no fixed interest rates were applied. The loan to a staff member to the amount of N\$ 5 000.00 (final payment September 2000) carried an effective interest rate of 3.1% per annum.

3. Contribution in kind

	2001	2000
	N\$	N\$
Ministry of Basic Education, Sport and Culture	46 216	46 216

The contribution in kind represents the use of two vehicles at an estimated value of N\$ 34 000 and renovation of office facilities to the value of N\$ 12 216 provided to the Council by the Ministry of Basic Education, Sport and Culture during the course of the financial year.

4. Cash (utilized)/generated by operations

	2001	2000
	N\$	N\$
Net profit/(loss) for the year	(32 996)	58 807
Adjustments:		
Depreciation	28 377	27 016
Interest received	(1 907)	(2 970)
Changes in working capital:		
Changes in inventory (Increase)	(50 185)	-
Changes in accounts receivable: Decrease	500	4 676
Changes in accounts payable: Increase	1 758	13 824
	(54 453)	101 353