



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF FISHERIES AND
MARINE RESOURCES**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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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 Ministry of Fisheries and Marine Resources for the financial year ended 31 March 2021 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991(Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, MARCH 2022

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Under expenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporarily nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time specified
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
Performance Information:	Measurement of an individual, group, organization, system or component, which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans
Key Performance Indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

International Standards of Supreme Audit Institutions (ISSAI):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p>Adverse Opinion. The Financial statement of an O/M/A's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>
Reasonable Assurance:	It is when the audit conclusion is expressed positively, conveying that, in the auditor's opinion, the subject matter is or is not compliant in all material respects or, where relevant, that the subject matter information provides a true and fair view, in accordance with the applicable criteria.
Limited Assurance:	It is when the audit conclusion states that, based on the procedures performed; nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the criteria.
Direct reporting engagement:	It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion.
Attestation engagement:	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.
Subject matter:	Refers to the information, condition or activity that is measured or evaluated against certain criteria.

Materiality:	Materiality is the threshold above which misstatements, including omissions either individually or in the aggregate, could reasonably be expected to influence the economic decisions of users made on the basis of the financial statements.
OMAs:	Office/Ministry/Agency

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF FISHERIES AND MARINE RESOURCES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Ministry of Fisheries and Marine Resources for the financial year ended 31 March 2021 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended and other explanatory information.

In my opinion, the financial statements of the Ministry of Fisheries and Marine Resources as at 31 March 2021 are prepared, in all material respects, in accordance with Section 12 and 13 of the State Finance Act, 1991 (Act 31 of 1991) and relevant legislation.

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Ministry of Fisheries and Marine Resources in the financial statements. My opinion is not modified in respect of these matters:

1.3.1 Receipt suspense

The receipt suspense account reflects a credit balance of NS 6 031 124.30, which means that all the revenue received and deposited from revenue collected has not been allocated and disclosed in the revenue ledger under the respective revenue head, hence revenue is understated in the financial statements.

Therefore, it is recommended that the Accounting Officer should ensure that reconciliations are performed and revenue collected is allocated to the correct respective revenue heads.

Management comment

The Accounting Officer indicated that the Ministry takes note of the finding and will commit to continue to reconcile the suspense accounts during the 2021/2022 financial year.

1.4 RECURRING MATTERS

The following issues were reported in the 2019/2020 audit report, however, these matters were found not to be addressed by the Accounting Officer during the year under review:

1.4.1 Audit committee

The Accounting Officer has not appointed an Audit Committee. This matter has been reported in previous financial year audit reports. Although, the Accounting Officer indicated that initiatives to establish the Audit Committee were being taken in previous audit reports comments, it was noted that the Audit Committee is not yet established.

It is recommended that the Accounting Officer should ensure that an Audit Committee is established and is functional.

Management comment

The Accounting Officer indicated that the Ministry takes cognisance of the finding and would take up the initiative to establish an audit committee in the next financial year.

1.4.2 Risk Management Policy

The audit found that the Accounting Officer has not come up with a documented risk management policy to provide information and guidance on risk management. This matter has been reported in previous financial years audit reports. Although, the Accounting Officer indicated that initiatives to come up with a Risk Management Policy were being taken in previous audit reports comments, it was noted that the Risk Management Policy is not yet formulated.

It is recommended that the Accounting Officer should develop and implement a Risk Management Policy.

Management comment on the management letter

The Accounting Officer indicated that the Ministry takes cognisance of the finding and would develop the Risk Management Policy in the next financial year.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1 COMPLIANCE TO LAWS AND REGULATIONS

SUBJECT MATTER: FINANCIAL PERFORMANCE AND THE USE OF APPROPRIATED FUNDS

I have audited the financial performance and the use of appropriated funds of the Ministry of Fisheries and Marine Resources for the financial year ended 31 March 2021.

2.2 Description of the subject matter information and audit scope

The audit aimed to determine whether the Ministry of Fisheries and Marine Resources used the appropriated funds in compliance with the Appropriation Act, 2020 (Act 4 of 2020); Appropriation Amendment Act, 2020 (Act 8 of 2020), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2021.

2.3 Audit objective

The objective of this compliance audit is to verify and assess whether Ministry of Fisheries and Marine Resources has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs. This audit is an attestation engagement where the Ministry presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide reasonable assurance in forming an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

2.4 Audit criteria

The audit criteria of this compliance audit are derived from the following laws and regulations stated below:

Appropriation Act, 2020 (Act 4 of 2020);
Appropriation Amendment Act, 2020 (Act 8 of 2020);
State Finance Act, 1991 (Act 31 of 1991);
Public Procurement Act, 2015 (Act 15 of 2015);
Treasury Instructions; and
Public Procurement Regulations.

2.5 Summary of methods applied

I have audited the financial statements for the financial year ended 31 March 2021 submitted by the Accounting Officer in order to determine whether these information complied with laws and regulations that governs them.

2.6 KEY AUDIT FINDINGS

2.6.1 Unauthorized expenditure

The following unauthorised expenditure occurred during the financial year and is hereby reported as such in terms of Section 27(6)(a) of the State Finance Act, 1991 (Act 31 of 1991):

Although Treasury approvals were obtained to utilize certain expected savings for the defrayal of excess expenditure through virements during the year, six (6) operational subdivisions were exceeded by an amount totaling N\$ 32 712.60 which is unauthorised in terms of Section 6(a) (iii) of the Act.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Ministry on a continuous basis to enable better financial control and take appropriate action timeously to avoid unauthorized expenditure.

Management comment

The Accounting Officer indicated that the Ministry takes note of the finding and will put measures in place to avoid unauthorised expenditure and ensure that planned programmes are implemented timeously.

2.6.2 Underexpenditure

The total budget of the Ministry was underspent with an amount of N\$ 16 701 390.33 (8.01%) which is contrary to Treasury Instruction DC 0202 which states that *"when drawing up draft estimates Accounting Officers and their Financial Advisors shall take note of and guard against that more funds than can reasonably be spent shall not be requested"*.

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and should ensure that planned programmes are implemented.

Management comment

The Accounting Officer indicated that the Ministry will put measure in place to avoid underexnditure and will ensure that planned programme is implemented timeously.

2.7 OPINION ON THE SUBJECT MATTER

In my opinion, the Ministry of Fisheries and Marine Resources' financial performance and use of appropriated funds is in compliance, in all material respects, with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015) Treasury Instructions, Public Procurement Regulations, Appropriation Act, 2020 (Act 4 of 2020) and Appropriation Amendment Act, 2020 (Act 8 of 2020).

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Ministry of Fisheries and Marine Resources for the financial year ended 31 March 2021.

Description of the subject matter information and audit scope

A Performance Management System (PMS) is as a systematic process for achievement and improvement in obtaining results from an organization and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Offices, Ministries and Agencies (OMAs) to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the public.

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Fisheries and Marine Resources and the 2017-2022 Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

3.1 Audit objective

The objective of the Key Performance Indicator (KPI) audit is to provide assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programs, and projects.

The objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholder whether the reported actual performance has actually occurred and is based on the selected criteria.

3.2 Audit criteria

In this audit, the performance information was tested against the following selected criteria:

- Compliance with legislative requirements,
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

3.3 Summary of methods applied

I reviewed the Strategic Plan and annual plan to confirm whether the Strategic Plan objectives, targets and KPIs have been correctly cascaded to the Annual Plan and the selected key performance indicators for the year under review are reported in the Directorate quarterly reports and Annual Performance Report.

SELECTED KEY PERFORMANCE INDICATORS

The following two (2) key performance indicators from the Directorate of Operations were selected from the 2020/2021 annual plan:

Strategic Objective	Key Performance Indicators
Ensure compliance with the regulatory framework and the protection of the living aquatic resources	# of Air patrols
Ensure compliance with the regulatory framework and the protection of the living aquatic resources	# of River patrols

3.4 Conclusion on the subject matter

The audit found a satisfactory outcome on both performance indicators tested and all criteria of the selected performance indicators are reliable and usefull to the public and stakeholders.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, 1991, (Act 31 of 1991) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the Appropriation Act, 2020 (Act 4 of 2020) and Appropriation Amendment Act, 2020 (Act 8 of 2020); State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25 (1) (c), Section 26 (1) and Section 27 (3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional skepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a

material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2020 (Act 4 of 2020) and Appropriation Amendment Act, 2020 (Act 8 of 2020), State Finance Act, 1991(Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

6. GENERAL INFORMATION

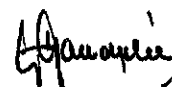
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General in terms of Section 13 of the State Finance Act, 1991.

7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Ministry of Fisheries and Marine Resources during the audit is appreciated.

WINDHOEK, MARCH 2022



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	2020/2021				2019/2020	
	N\$	Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent age	
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget	3 063 000					
Plus: Virement	1 411 300					
Less: Suspension	(213 000)	4 261 300	3 918 778.72	342 521.28	8.04	2 784 084.43
02. Administration:						
Original budget	45 082 000					
Plus: Virement	5 388 220					
Less: Suspension	(5 883 000)	44 587 220	40 984 346.41	3 602 873.59	8.08	41 616 238.85
03. Resource Management:						
Original budget	58 011 000					
Less: Virement	(5 314 994)					
Less: Suspension	(6 378 000)	46 318 006	45 119 622.82	1 198 383.18	2.59	53 244 962.90
04. Operations and Surveillance:						
Original budget	72 979 000					
Less: Virement	(1 897 978)					
Less: Suspension:	(9 819 000)	61 262 022	57 783 201.31	3 478 820.69	5.68	71 517 253.98
05. Aquaculture:						
Original budget	44 053 000					
Plus: Virement	2 213 200					
Less : Suspension	(4 883 000)	41 383 200	34 063 901.55	7 319 298.45	17.69	35 087 344.92
06. Policy, Planning and Economics:						
Original budget	13 718 000					
Less: Virement	(1 799 748)					
Less: Suspension	(1 347 000)	10 571 252	9 811 758.86	759 493.14	7.18	11 062 535.43
Total		208 383 000	191 681 609.67	16 701 390.33	8.01	215 312 420.51

1.2 Standard subdivisions

Subdivision	2020/2021			2019/2020
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	139 193 437	137 520 141.57	1 673 295.43	140 501 734.81
002. Employer's contribution to the G.I.P.F. and M.P.O.O.B.P.F.	15 667 315	15 483 884.28	183 430.72	15 474 344.51
003. Other conditions of service	2 151 248	406 933.44	1 744 314.56	5 289 241.40
005. Employers contribution to the Social Security Commission	480 100	440 366.00	39 734.00	443 456.46
Total	157 492 100	153 851 325.29	3 640 774.71	161 708 777.18
Current expenditure: Goods and other services				
021. Travel and subsistence allowance	1 589 000	1 408 546.38	180 453.62	3 424 468.01
022. Materials and supplies	4 733 500	4 058 320.03	675 179.97	6 712 601.39
023. Transport	3 600 300	3 167 715.31	432 584.69	3 833 833.61
024. Utilities	19 938 920	17 531 827.79	2 407 092.21	18 550 756.64
025. Maintenance expenses	5 190 770	4 632 892.71	557 877.29	4 837 621.63
026. Property rental and related charges	291 000	290 824.87	175.13	119 611.53
027. Other services and expenses	6 332 450	5 561 505.87	770 944.13	801 609.57
028. Training courses, symposiums and workshops	-	-	-	196 426.95
029. Printing and advertisements	-	-	-	125 716.30
031. Entertainment politicians	-	-	-	5 309.49
033. Office refreshments	-	-	-	10 285.02
034. Official entertainment	-	-	-	12 430.82
038. Consultancy fees	-	-	-	193 851.22
040. Security contracts	-	-	-	2 411 361.19
Total	41 675 940	36 651 632.96	5 024 307.04	41 235 883.37
Current expenditure: Membership fees and subscriptions				
041. International	214 960	160 186.84	54 773.16	1 939 264.67
042. Domestic	-	-	-	-
Total	214 960	160 186.84	54 773.16	1 939 264.67
Current expenditure: Subsidies, grants and other transfers				
053. Subsidies for state owned enterprises	-	-	-	8 638 000.00
Sub-total	-	-	-	8 638 000.00
Total: Current expenditure	-	-	-	213 521 925.22
Capital expenditure: Acquisition of assets				
103. Operational equipment, machinery and plants	-	-	-	29 875.26
Total:	-	-	-	29 875.26
Total: Operational expenditure	199 383 000	190 663 145.09	8 719 854.91	213 551 800.48
Development:				
Capital expenditure: Goods and other services				
117. Construction, renovation and improvement	9 000 000	1 018 464.58	7 981 535.42	1 760 620.03
Total	9 000 000	1 018 464.58	7 981 535.42	1 760 620.03
Grand Total	208 383 000	191 681 609.67	16 701 390.33	215 312 420.51

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2020/2021	More/(less) than estimated	Actual revenue 2019/2020
	N\$	N\$	N\$	N\$
Fishing Boats and factory licences	275 000.00	226 380.00	(48 620.00)	141 687.00
Hunting and Fishing Licences	-	-	-	-
Fishing Quota levies	225 455 007.84	213 084 258.67	(12 370 749.17)	267 376 219.40
Private telephone calls	2 000.00	-	(2 000.00)	30.00
Miscellaneous	2 000.00	33 171.89	31 171.89	44 190.00
Total	225 734 007.84	213 343 810.56	12 390 197.28	267 562 126.40

1.4 Notes to the financial statements

1.4.1 Appropriation account: Explanations of variations exceeding 2% between the authorized and actual expenditure

Underexpenditure

Main division 01 – Office of the Minister (N\$ 342 521.28 - 8.04%)

The Offices of the Minister and Deputy Minister had cancelled numerous trips due to travel restrictions as a result of Covid-19 pandemic. Hence, an underexpenditure of N\$ 10 157.00. An underexpenditure of N\$ 258 829.56 on transport was realised, due to official trips being cancelled. An underexpenditure of N\$ 67 106.45 was realised, which was due to less expenditure related to entertainment and refreshments.

Main division 02 – Administration (N\$ 3 602 873.59 - 8.08%)

Vacant positions were not filled timeously during the period and this main division realized an underexpenditure of N\$ 439 190.26 for remuneration. An underexpenditure of N\$ 58 078.55 was realised as a reduced amount was paid out for leave gratuity. An underexpenditure of N\$ 8 738.50 was realised as DSA paid out was impacted by the Covid-19 pandemic. Reduced spending resulted in underexpenditure of N\$ 14 211.65 as staff members utilised less materials and supplies due to work from home policy implementation. The underexpenditure of N\$ 12 525.11 on transport was realised due to delayed commencement of activity implementation that required travelling. Utilities underspent with an amount of N\$ 2 360 685.19 due to the fact that the Ministry of Finance closed the IFMS system at 17h00, on the last day of local payments at the end of the financial year.

In respect to the development budget on this main division, an amount of N\$ 650 000.00 was allocated after the mid-term budget review and expenditure totalled N\$ 177 526.79. The remaining amount of N\$ 472 743.21 was unutilised for the construction of the Ministry's head office as the project was still under determination. The Ministry and the Principal Agent have sorted the issues of dispute and the Ministry will be commencing construction in the current financial year.

Main division 03 – Resource Management (N\$ 1 198 383.18 - 2.59%)

Vacant positions were not filled during the year on this main division and therefore, adversely affecting the expenditure on remuneration, hence an underexpenditure of N\$ 591 473.03 was realized. An amount of N\$ 40 586.16 was underutilised for other conditions of service due to reduced amounts paid out for leave gratuity. For travel and subsistence allowance, an amount of N\$ 31 714.30 was unutilized due to re-prioritization of activities under this main division. Reduced expenditure on materials and supplies resulted in an underexpenditure of N\$ 258 971.07 due to the decreased number of trips and surveys.

Transport was impacted adversely as the number of official trips requiring DSA payment was reduced resulting in an underexpenditure of N\$ 37 332.44. Due to the reduced sea voyages, less maintenance was done on the research vessels, resulting in an underexpenditure of N\$ 183 581.29 on maintenance expenses. The underspending of N\$ 221 835.56 on other services and expenses was due to the fact that the insurance of the research vessels and port was covered under the Marine Resources Fund.

Main division 04 – Operations and Surveillance (N\$ 3 478 820.69 - 5.68%)

An underexpenditure of N\$ 81 131.64 on remuneration was realised, which can be attributed to the vacant positions which were not filled timeously during the period under review. The slow recruitment process then had an impact on employers 'contribution to GIPF which led to an underspending of N\$ 193 211.07. The provision for leave gratuity under other conditions of service was not fully utilised hence, an underexpenditure of N\$ 1 025 248.00 was realized. Due to the reprioritisation of activities resulting in fewer monitoring and control missions, an underexpenditure of N\$ 99 076.40 was realised on DSA. The reduction in sea voyages resulted in less fuel, oil and lubrications required and it resulted in an underspending of N\$ 308 383.54 on materials and supplies.

Maintenance expenses on the patrol vessels were less due to fewer sea voyages being carried out, resulting in an underexpenditure of N\$ 196 402.70. For other services and expenses, N\$ 290 782.56 was made as expenses such as insurance and port dues were partly covered under the marine resources fund budget. Membership fees and subscriptions, N\$ 54 773.16 was insufficient and payments were covered by the Marine Resources fund.

On the development budget, an amount of N\$ 1 350 000.00 was allocated to the construction of MFMR Regional Head Office in Kavango after the mid-term budget review. Out of this amount, a total of N\$ 111 113.36 was spent leaving a remainder of N\$ 1 238 886.64. The project was still under determination and the problems have been resolved and the contractor was willing to return to site and has submitted a revised bill of quantities to continue the construction during the current financial year.

Main division 05 – Aquaculture (N\$ 7 319 298.45-17.69%)

The restriction on travel during the Covid-19 pandemic resulted in delayed interviews and an underexpenditure of N\$ 304 685.12 was realised for remuneration. The impact of reduced spending on remuneration, impacted on the expenditure of other conditions of service as positions were not filled timeously, leaving an underexpenditure of N\$ 234 160.04.

An amount of N\$ 6 713.40 was unspent for travel and subsistence allowances, this was due to the re-prioritizing of activities that commenced later impacting adversely on river surveys and number of extension services provided to fish farmers. The reduced number of trips and surveys had a spill over effect and impacted on the spending of materials and supplies which resulted in underexpenditure of N\$ 92 141.18. An underexpenditure on transport can also be attributed to reduced activities for the main division which also resulted in underexpenditure of N\$ 105 896.61. Maintenance expenses realised underexpenditure of N\$ 91 433.20 due to reduced activities at fish farms. Underexpenditure on other services and expenses is resultant of reduced activities in general, which brought about underexpenditure of N\$ 318 568.62.

On the development budget, an amount of N\$ 6 500 000.00 was allocated and an amount of N\$ 621 104.02 was utilised, leaving an amount of N\$ 5 878 895.98 unspent on the Leonardville Fish Farm Project. The project was over allocated as the bill of quantities received initially from Ministry of Works and Transport indicated that the MFMR required over N\$ 6 000 000 to complete the embankment of the ponds, but the Ministry finalised the works with less funds and only made a 50% payment in the particular financial year.

The Fonteintjie Fish Farm project was determined and the MFMR was waiting for the final account from the contractor to appoint a new contractor in the following financial year. This final contract was expected to be submitted in the previous financial year, but was only finalised in August 2021 by the Ministry of Works and Transport.

Main division 06 –Policy, Planning and Economics (N\$ 759 493.14-7.18%)

The underexpenditure was a result of the delayed recruitment of key positions in the Directorate, resulting in underexpenditure of N\$ 272 297.86. The underexpenditure on remuneration then had an adverse impact on leave gratuity as N\$ 434 000.00 was unspent. An underexpenditure of N\$ 29 782.80 on daily subsistence and travelling allowances (DSA) was realized due to fewer activities taking place due to the Covid-19 pandemic. For other services and expenses, provision was made for the security of N\$ 14 000.00, however, funds were not utilised due to the fact that expenses were covered under the Marine Resources Fund's budget.

1.4.2 Departmental revenue: Explanation of variances exceeding N\$ 200 000

i) Over-estimated

Fishing quota levies

The fishing seasons are not the same as the financial year, it does not fall in the same cycle. The Ministry used the conservative approach in terms of revenue estimation to the state. This means, if revenue was to be overestimated, it would then be difficult to justify as to why the revenue collected is less than the estimation. This would have also resulted in a situation whereby the state would make projections based on revenue which would never be realised. Total Allowable Catches (TACs) can vary from year to year, which makes it difficult to give a precise amount of revenue to be collected. Fishing conditions at sea can also play a major role when it comes to revenue collection to the state.

2. GENERAL INFORMATION

2.1 Fund accounts

The Ministry operated a fund account during the financial year under review with the following closing balances as at 31 March 2021:

Account name	Bank name	Closing balance as at 31 March 2021
		N\$
Marine Resources Fund	Bank Windhoek	350 251 354.43
32 day notice account	Bank Windhoek	3 563 424.13

2.2 Operating/Trade Account – Omahenene

The Accounting Officer reported the profit and loss account for the Omahenene Trade Account for the year ended 31 March 2021 as follows:

Expenditure		Income	
	N\$		N\$
Operating expenditure	-	Opening Balance (01/04/2020)	-
Surplus/Transferred to State account	439 010.40	Operating Income	439 010.40
Total	439 010.40		439 010.40

2.3 Outstanding subsistence and travelling allowance

The Accounting Officer reported eight (8) cases of outstanding subsistence advances amounting to N\$ 69 357.44 as at 31 March 2021.

2.4 Points keeping stock and annual stocktaking

The Accounting Officer reported the estimated value of stock on hand at 31 March 2021 amounting to N\$ 1 409 837 877.56.

2.5 Accidents-Cost of damages

The Accounting Officer reported cost of damages in respect of vehicle accidents amounting to N\$ 780.48 as at 31 March 2021.

2.6 Suspense accounts

The final ledger shows six (6) suspense account balances of which four (4) had credit and two (2) debit balances as at 31 March 2021:

Suspense account	Debit/(Credit)
	N\$
Receipts suspense account	(6 031 124.30)
RD cheques	1 000.00
S&T advance suspense account	101 576.74
Rejection account	(109 279.01)
Bills payable	(33 274.99)
Electronic fund transfer clearing	(24 985.00)

2.7 Internal inspections

The Accounting Officer reported that eight (8) stock and equipment points were inspected during the year under review.

2.8 Special Committees

The Accounting Officer reported expenditure incurred on special committees amounting to N\$ 146 791.00 for the year under review.

2.9 Stores and depots

The Accounting Officer reported the estimated value of stores and depots on hand at 31 March 2021 amounting to N\$ 1 408 922 484.

2.10 Bursary and Study assistance

The Accounting Officer reported bursaries and study assistance amounting to N\$ 259 100.00 as at 31 March 2021.

2.11 Vehicles

The Accounting Officer reported that the Ministry had one hundred and seven (107) vehicles on hand.

2.12 Outstanding commitment

The Accounting Officer reported outstanding commitments to the amount of N\$ 12 475.31.

2.13 Revenue outstanding

The Accounting Officer reported revenue outstanding to the amount of N\$ 42 154 968.50.

2.14 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue to the amount of N\$ 33 171.89.

2.15 Capital projects

The Accounting Officer reported capital projects as follows:

Nature of project	Approved total budget of project	Total expenditure as at 31/03/2020	Approved appropriation 2020/2021	Actual expenditure 2020/2021	Total expenditure as at 31/03/2021	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Extension and Renovation of MFMR Head Office in Windhoek	63 286 000	58 674 458.61	650 000.00	177 526.79	58 851 985.40	31/03/2022
MFMR Regional Office in Kavango East Region	43 903 000	24 738 038.27	1 350 000.00	111 113.36	24 849 151.63	31/03/2023
Renovation and Upgrading of Aquaculture Development Project in Kavango East and West	31 999 000	21 249 809.81	-	-	21 249 809.81	31/03/2022
Construction of Leonardville Fish Farming Project	60 944 000	42 549 059.05	6 500 000.00	621 104.02	43 170 163.07	31/03/2023
Renovation and Upgrading of Keetmanshoop Fonteintjie Fish Farm Community Project	25 000 000	30 137 259.23	500 000.00	108 720.41	30 245 979.64	30/03/2023
Total	225 132 000	177 348 624.97	9 000 000.00	1 018 464.58	178 367 089.55	

2.16 Aircraft

The Accounting Officer reported aircraft expenses to the amount of N\$ 6 393 896.74.

WINDHOEK, 5 OCTOBER 2021

**MS. ANNELLY HAIPHENE
ACCOUNTING OFFICER**