



**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 2022**

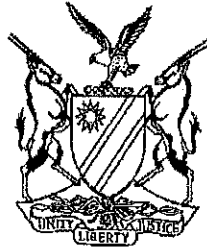
Published by authority

Price (Vat excluded) N\$ 39.00

Report no: 50/2023



**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 2022 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 2023**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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## DEFINITIONS

<b>Treasury:</b>	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
<b>Vote:</b>	Represents an Office/Ministry/Agency.
<b>Appropriation Act:</b>	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
<b>Appropriation Account:</b>	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.
<b>Standard sub-division:</b>	Government Balance account, showing balances incurred on each account/activity.
<b>Suspension:</b>	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
<b>Virement:</b>	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.
<b>Unauthorised Expenditure:</b>	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
<b>Under expenditure:</b>	Saving on the budget.
<b>Miscellaneous Revenue:</b>	All revenue collected and not having a specified revenue code.
<b>Commitments:</b>	Funds reserved to acquire goods or services from a supplier.
<b>Suspense accounts:</b>	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.
<b>S&amp;T Advance Suspense Account:</b>	A suspense account reflecting the outstanding subsistence and travel advances.
<b>Rejection Account:</b>	A suspense account reflecting names and balances of all persons/companies that owe money to the State.
<b>Budget:</b>	Is an estimation of the revenue and expenses over a specified future period of time specified
<b>Subsistence Advance:</b>	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
<b>Performance Information:</b>	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
<b>Key Performance Indicator (KPI):</b>	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

<b>International Standards of Supreme Audit Institutions (ISSAI):</b>	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
<b>Audit Opinions:</b>	<p><b>Unqualified Opinion.</b> 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><b>Qualified Opinion.</b> 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><b>Disclaimer Opinion.</b> 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><b>Adverse Opinion.</b> 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>
<b>Reasonable Assurance:</b>	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.
<b>Limited Assurance:</b>	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.
<b>Direct reporting engagement:</b>	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.
<b>Attestation engagement:</b>	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.
<b>Subject matter:</b>	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
<b>Materiality:</b>	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.
<b>OMAs:</b>	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 2022**

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**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 2022 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 2022 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 RECURRING MATTERS**

The following issues were reported in the 2020/2021 audit report, however, these matters were found not to be addressed by the Accounting Officer during the year under review:

**1.3.1 Audit committee**

The Accounting Officer has not appointed an Audit Committee. This matter has been reported in the 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 acknowledged the finding and indicated that concerted efforts will be made to establish the Audit Committee.*

### **1.3.2 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**

*The Accounting Officer acknowledged the finding and stated that initiatives would be taken to formulate, draft and implement the Risk Management Policy for the Ministry.*

## **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 2022.

#### **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, 2021 (Act 1 of 2021); Appropriation Amendment Act, 2021 (Act 4 of 2021), 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 2022.

#### **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, 2021 (Act 1 of 2021);  
Appropriation Amendment Act, 2021 (Act 4 of 2021);  
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 2022 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):

- (i) One (1) main division was exceeded with a total amount N\$ 5 786.37. This amount is unauthorised in terms of Section 6 (a) (ii) of the State Finance Act, 1991.
- (ii) Although Treasury approvals were obtained to utilize certain expected savings for the defrayal of excess expenditure through virements during the year, five (5) operational subdivisions were exceeded by an amount totaling N\$ 87 721.11 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 agreed with the finding and will put measures in place to avoid any unauthorised expenditure in future.

### **2.6.2 Underexpenditure**

The total budget of the Ministry was underspent with an amount of N\$ 6 365 903.49 (3.38%) 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*". The Accounting Officer did no indicate whether all objectives were met.

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

#### **Management comment**

The Accounting Officer agreed with the observation and will put measures in place to avoid underexpenditure in future. The Ministry will also ensure that planned programmes and activities are executed.

#### **2.6.3 Suspense account**

Treasury Instruction FD0 702 states that *"The Accounting Officer should keep auxiliary registers (superfluous) to enable the Ministry to reconcile the suspense accounts placed under their control with the respective ledger accounts"*. The Ministry had unexplained outstanding balances on the receipt suspense account to N\$ 1 094 297.76 as at 31 March 2022 whereas these suspense account should have zero balance at year end.

It is recommended that the Accounting Officer should implement Treasury Instruction FD 0702 to ensure that reconciliation is timely performed so that balances are correctly reflected at the end of the financial year. Furthermore, the Accounting Officer should provide proof of reconciliations performed to clear the suspense accounts as required by Treasury Instruction FD 0703.

#### **Management comment**

The Accounting Officer agreed with the finding and will ensure that balances are cleared 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, 2021 (Act 1 of 2021) and Appropriation Amendment Act, 2021 (Act 4 of 2021).

## **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 2022.

### **3.1 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.

### 3.2 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.

### 3.3 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.

### 3.4 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 Aquaculture and Inland Fisheries were selected from the 2021/2022 annual plan:

Strategic Objective	Key Performance Indicators
Promotion of Aquaculture	# of Fingerlings produced
Inland fisheries and aquatic resource management	# of Survey technical reports submitted

### 3.5 Key audit findings

#### Directorate: Aquaculture & Inland Fisheries

FINDING	RECOMMENDATIONS
The Annual Plan and Annual Plan Review submitted by the Ministry were not signed/approved, contrary to the directive by the Secretary to Cabinet, which requires all performance information to be signed by Accounting Officers.	It is recommended that the Accounting Officer should ensure that the performance information documents are signed at all times and provided for audit purposes.

#### Management comment

The Accounting Officer indicated that measures will be put in place to make sure that the annual plan and annual review report are signed.

#### DIRECTORATE: AQUACULTURE AND INLAND FISHERIES

INDICATOR/FINDINGS	RECOMMENDATION
<p><b># of Fingerlings produced</b></p> <ul style="list-style-type: none"> <li>The quarterly target of Quarter 1 in the Annual plan was 326 666 and actual was recorded as 233 050. The variance was therefore (93 616). It was explained that the target could not be achieved due to the fact that there was insufficient Fish feed due to budget limitation.</li> <li>The quarterly target of Quarter 3 in the Annual plan is 371 666 and the actual was recorded as 713 499. The variance was therefore 341 833.</li> <li>The quarterly target of Quarter 4 in the Annual plan was 391 666 and the actual was recorded as 339 943. The variance was therefore (51 723).</li> </ul> <p><b>Management response:</b> In her response, the Accounting Officer explained that <i>“the underachievement on targets was due to the fact that insufficient funds were budgeted for Fish feed. The overachievement on targets was due to environmental variables (water temperature, water quality, daylight length, predation, disease etc) that influence fingerling production”</i>.</p>	The Accounting Officer should implement suitable measures to ensure that set targets are met.
<p><b># of Survey Technical reports submitted</b></p> <ul style="list-style-type: none"> <li>The quarterly target of Quarter 2 in the Annual plan was three (3) and the actual was recorded as one (1). The variance was therefore two (2). It was explained that the target could not be achieved because there was a delay on the input from other technical staff members.</li> </ul> <p><b>Management’s response:</b> The Accounting Officer indicated that <i>“Procedural changes were already put in place to ensure that survey reports must be available within 14 days after completion of a survey. SNT and overtime of survey team participants are only approved upon the submission of a survey report”</i>.</p>	The Accounting Officer should implement suitable measures to ensure that set targets are met.

### 3.6 Conclusion on the subject matter

The audit found an unsatisfactory outcome on both performance indicators tested as the compliance with legislative requirements and reliability criteria against the selected key performance indicators could not

be obtained, furthermore the Annual plan submitted by the Ministry is not signed/approved and the auditors could not place reliance on unsigned documents.

#### **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 and 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, 2021 (Act 1 of 2021) and Appropriation Amendment Act, 2021 (Act 4 of 2021); 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, 2021 (Act 1 of 2021); Appropriation Amendment Act, 2021 (Act 4 of 2021), 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 2023**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

		2021/2022			2020/2021	
Service	N\$	Authorized expenditure N\$	Actual expenditure N\$	Variations		Actual expenditure N\$
				Under-expenditure/ (Excess) N\$	Percentage %	
<b>01. Office of the Minister:</b>						
Original budget	2 757 000					
Less: Virement	(360 720)					
Less: Suspension	(100 000)	2 296 280	2 302 066.37	(5 786.37)	(0.25)	3 918 778.72
<b>02. Administration:</b>						
Original budget	37 844 000					
Plus: Virement	6 161 173					
Less: Suspension	(472 000)	43 533 173	42 870 478.10	662 694.90	1.52	40 984 346.41
<b>03. Resource Management:</b>						
Original budget	38 557 000					
Less: Virement	(436 676)					
Less: Suspension	(955 000)	37 165 324	36 433 190.74	732 133.26	1.97	45 119 622.82
<b>04. Operations and Surveillance:</b>						
Original budget	66 820 000					
Less: Virement	(2 674 900)					
Less: Suspension:	(529 000)	63 616 100	59 076 838.29	4 539 261.71	7.14	57 783 201.31
<b>05. Aquaculture:</b>						
Original budget	34 316 000					
Less: Virement	(1 717 658)					
Less : Suspension	(684 000)	31 914 342	31 818 815.73	95 526.27	0.30	34 063 901.55
<b>06. Policy, Planning and Economics:</b>						
Original budget	11 132 000					
Less: Virement	(971 219)					
Less: Suspension	(260 000)	9 900 781	9 558 707.28	342 073.72	3.46	9 811 758.86
<b>Total</b>		<b>188 426 000</b>	<b>182 060 096.51</b>	<b>6 365 903.49</b>	<b>3.38</b>	<b>191 681 609.67</b>

## 1.2 Standard subdivisions

Subdivision	2021/2022			2020/2021
	Authorized expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	141 978 987	141 235 300.06	743 686.94	137 520 141.57
002. Employer's contribution to the G.I.P.F. and M.P.O.O.B.P.F.	15 294 148	15 285 464.36	8 683.64	15 483 884.28
003. Other conditions of service	4 553 989	3 265 968.92	1 288 020.08	406 933.44
005. Employers contribution to the Social Security Commission	444 943	436 316.29	8 626.71	440 366.00
<b>Total</b>	<b>162 272 067</b>	<b>160 223 049.63</b>	<b>2 049 017.37</b>	<b>153 851 325.29</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence allowance	-	2 076.00	(2 076.00)	1 408 546.38
022. Materials and supplies	465 026	313 696.49	151 329.51	4 058 320.03
023. Transport	92 954	92 953.28	0.72	3 167 715.31
024. Utilities	6 008 279	5 983 420.06	24 858.94	17 531 827.79
025. Maintenance expenses	441 547	378 693.24	62 853.76	4 632 892.71
026. Property rental and related charges	54 794	54 793.20	0.80	290 824.87
027. Other services and expenses	1 660 333	1 658 354.38	1 978.62	5 561 505.87
<b>Total</b>	<b>8 722 933</b>	<b>8 483 986.65</b>	<b>238 946.35</b>	<b>36 651 632.96</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	-	-	-	160 186.84
<b>Total: Current expenditure</b>	<b>8 722 933</b>	<b>8 483 986.65</b>	<b>238 946.35</b>	<b>36 811 819.80</b>
<b>Total: Operational expenditure</b>	<b>170 995 000</b>	<b>168 707 036.28</b>	<b>2 287 963.72</b>	<b>190 663 145.09</b>
<b>Development:</b>				
<b>Capital expenditure: Goods and other services</b>				
115. Feasibility studies, design and Supervision	981 000	-	981 000.00	-
117. Construction, renovation and improvement	16 450 000	13 353 060.23	3 096 939.77	1 018 464.58
<b>Total</b>	<b>17 431 000</b>	<b>13 353 060.23</b>	<b>4 077 939.77</b>	<b>1 018 464.58</b>
<b>Grand Total</b>	<b>188 426 000</b>	<b>182 060 096.51</b>	<b>6 365 903.49</b>	<b>191 681 609.67</b>

### 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2021/2022	More/(less) than estimated	Actual revenue 2020/2021
	N\$	N\$	N\$	N\$
Fishing Boats and factory licences	302 500	262 310.00	(40 190.00)	226 380.00
Fishing Quota levies	159 500 000	246 298 531.96	86 798 531.96	213 084 258.67
Private telephone calls	2 000	-	(2 000.00)	-
Miscellaneous	2 000	6 108 750.00	6 106 750.00	33 171.89
<b>Total</b>	<b>159 806 500</b>	<b>252 669 591.96</b>	<b>92 863 091.96</b>	<b>213 343 810.56</b>

### 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 04 – Operations and Surveillance (N\$ 4 539 261.71-7.14%)

This main division under spent with 7.14%. The variance is attributed to the slow recruitment of key positions, payment of insurance of vessels made from the Marine Resources Fund and an underspending on the allocation of the construction of Regional Head Office in Kavango that resulted in an underexpenditure of N\$ 4 539 261.71.

##### Main division 06 –Policy, Planning and Economics (N\$ 342 073.72 – 3.46%)

The main division underspent by 3.46% due to vacant positions which were not filled timeously during the period and this main division realised an underexpenditure of N\$ 342 073.72 for remuneration.

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

##### i) Over-estimated

##### Fishing quota levies (N\$ 86 798 531.96)

The fishing seasons are not the same as the financial year, it does not fall in the same cycle. The conservative approach was used 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 then 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.

## ii) Under-estimated

**Miscellaneous (N\$ 6 106 750)**

The variance was due to a wrong allocation to the Ministry of Agriculture, Water and Land Reform and they passed a journal. The Ministry of Fisheries and Marine Resources allocated it to Miscellaneous revenue this year, because it was for the 2020/2021 financial year.

**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 2022:

Account name	Closing balance as at 31 March 2022
	N\$
Marine Resources Fund	387 301 254.60
32 day notice account	3 686 198.80

**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 2022 as follows:

Expenditure		Income	
	N\$		N\$
Operating expenditure	293 965.40	Opening Balance (01/04/2021)	-
		Operating Income	284 877.70
		Closing balance (31/03/2022)	9 087.70
<b>Total</b>	<b>293 965.40</b>		<b>293 965.40</b>

**2.3 Donations to the Government**

The Accounting Officer reported the following donation received by the Government with the necessary Treasury approval as follows:

Name of donor	Nature of donation	Value
		N\$
Reptile Mineral Resources and Exploration (Pty) Ltd	10 000 brochures for the National Aquarium	9 454.00

**2.4 Points keeping stock and annual stocktaking**

The Accounting Officer reported the estimated value of stock on hand at 31 March 2022 amounting to N\$ 1 091 773 677.56.

## 2.5 Accidents Cost of damages

The Accounting Officer reported three (3) vehicle accidents for the year under review. Two (2) vehicles were repaired at a cost of N\$ 76 421.54.

## 2.6 Suspense accounts

The final ledger shows nine (9) suspense account balances of which three (3) had credit and six (6) debit balances as at 31 March 2022:

Suspense account	Balance as at 31 March 2022 Debit/(Credit)
	N\$
Omahenene Inland Aquaculture	9 087.70
Receipts suspense	(1 094 297.76)
RD cheques	1 000.00
S&T advance suspense account	97 943.66
Rejection account	(42 628.71)
Bills payable	(91 697.49)
Social Security	81.00
Pension Funds: GIPF	2 198.75
Standard Bank (Windhoek)	7 300.00

## 2.7 Internal inspections

The Accounting Officer reported all 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\$ 233 207.75 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 2022 amounting to N\$ 1 409 832 685.76.

## 2.10 Vehicles

The Accounting Officer reported that the Ministry had one hundred (100) vehicles on hand for own fleet and fourteen (14) vehicles on hand for Government Garage.

## 2.11 Revenue outstanding

The Accounting Officer reported revenue outstanding to the amount of N\$ 22 730 065.58.

## 2.12 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue to the amount of N\$ 6 108 750.00.

## 2.13 Capital projects

The Accounting Officer reported capital projects as follows:

Nature of project	Approved total budget of project	Total expenditure as at 31/03/2021	Approved appropriation 2021/2022	Actual expenditure 2021/2022	Total expenditure as at 31/03/2022	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Extension and Renovation of MFMR Head Office in Windhoek	286 000	58 851 985.40	12 200 000	12 079 400.98	70 931 386.38	31/03/2025
MFMR Regional Office in Kavango East Region	12 438 000	24 849 151.63	2 500 000	128 257.20	24 977 408.83	31/03/2025
Renovation and upgrading of Aquaculture development Project in Kavango East and West	12 242 000	21 249 809.81	50 000	-	21 249 809.81	31/03/2025
Construction of Leonardville Fish Farming Project	34 844 000	43 170 163.07	700 000	697 392.84	43 867 555.91	31/03/2025
Renovation and Upgrading of Keetmanshoop Funteintjie Fish Farm Community Project	9 136 000	30 245 979.64	500 000	448 009.21	30 693 988.85	30/03/2025
Extension of the Arandis Airwing Hanger	-	-	981 000	-	-	31/03/2025
New Maritime Safety Training centre at Walvas Bay	-	-	500 000	-	-	
<b>Total</b>	<b>68 946 000</b>	<b>178 367 089.55</b>	<b>17 431 000</b>	<b>13 353 060.23</b>	<b>191 720 149.78</b>	

## 2.14 Aircraft

The Accounting Officer reported aircraft expenses to the amount of N\$ 5 624 691.80.

## 2.15 Suspensions

The Accounting Officer reported suspensions amounting to N\$ 3 000 000.00.

WINDHOEK, 26 OCTOBER 2022

MS. ANNELLY HAIPHENE  
ACCOUNTING OFFICER

