



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

FISHERIES OBSERVER FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Fisheries Observer Fund for the financial year ended 31 March 2010 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, December 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE FISHERIES OBSERVER FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

1. INTRODUCTION

The Fisheries Observer Fund was established in terms of Section 46 (1) of the Marine Resources Act, (Act 27 of 2000), to administer the funds collected in respect of the levy imposed under Section 44 (4) of the Marine Resources Act, 2000. The Fund's income is derived mainly from levies on harvested sea animals and other products from the sea. The Permanent Secretary: Fisheries and Marine Resources is the Accounting Officer in terms of Section 23 (4) of the Act.

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

2. FINANCIAL STATEMENTS

The financial statements published in this report are filed in the Office of the Auditor-General and comprise of the following:

- Annexure A: Balance sheet
- Annexure B: Income statement
- Annexure C: Statement of changes in equity
- Annexure D: Cash flow statement
- Annexure E: Notes to the financial statements

3. SCOPE OF THE AUDIT

3.1 The Accounting Officer of the Fund is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit included:

- (a) Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements;
- (b) assessment of the significant estimates and judgements made by the Accounting Officer of the Fund in the accounting of the transactions, his determination of and decision on relevance of transactions to the Fund and of whether the accounting policies are appropriate to the Fund's circumstances consistently applied and adequately disclosed; and
- (c) evaluation of the overall adequacy of the presentation of information for its inclusion in the financial statements.

3.2 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:

- (a) The financial statements are free from material misstatement, whether caused by error, fraud or other irregularity,

- (b) in all material respects, the expenditure and income have been applied to the purposes intended; and
- (c) the financial transactions conform to the authorities which govern them.

4. AUDIT OBSERVATIONS

4.1 LONG OUTSTANDING DEBTORS

The auditors observed that debtors outstanding for a period longer than 120 days amounted to N\$ 724 381. It was also observed that the Fund does not have a credit policy in place.

It is recommended that the Fund must put a credit policy in place.

5. ACKNOWLEDGEMENT

The co-operation and assistance of the staff of the Fund during the audit is appreciated.

6. AUDIT OPINION

The financial statements of the Fisheries Observer Fund for the financial year ended 31 March 2010 was audited by me in terms of Section 46(7) of the Act, read with Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

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

Windhoek, December 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**FISHERIES OBSERVER FUND
BALANCE SHEETS AS AT 31 MARCH 2010**

	Notes	2010	2009
		N\$	N\$
ASSETS			
Current assets		5 336 438	5 135 998
Accounts receivable	2	160 447	3 891 846
Cash and cash equivalents	3	175 991	1 244 152
Total assets		5 336 438	5 135 998
EQUITY AND LIABILITY			
Non-current liabilities			
Other borrowing	4	13 856	-
Equity		5 322 582	5 135 998
Retained funds		5 135 998	5 135 998
Unexplained differences		2 868	-
Net profit/(loss) this year	6	183 716	-
Total equity & liabilities		5 336 438	5 135 998

FISHERIES OBSERVER FUND

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	N\$	N\$
REVENUE	21 385 446	18 372 345
Fees:		
- Observers	18 970 847	14 358 187
- Non-observers	1 802 415	2 550 509
- Interest charged	164 143	144 087
- Interest received	91 995	102 202
-Prior year adjustment	6 046	-
Grant – MFMR	350 000	1 200 000
- Bad debt Recovered	-	17 359
Less: Operating Expenses	1 730	13 301 221
Salaries and wages	-	13 050 392
Bank Charges	1 730	36 079
Bad debts written-off	-	214 750
Erongo Marine Correction Account	-	-
Operating profit for the year	21 383 716	5 071 124
Contribution to Fisheries Observer Agency	(21 200 000)	(6 050 000)
NET PROFIT/(LOSS) FOR THE YEAR	183 716	(978 876)

FISHERIES OBSERVER FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	N\$	N\$
Balance at 01 April	5 135 998	6 895 698
Unexplained differences	2 868	(780 824)
Net surplus/(deficit) for the year	183 716	(978 876)
Balance at 31 March	5 322 582	5 135 998

FISHERIES OBSERVER FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010	2009
		N\$	N\$
Cash generated by operating activities	6	(82 016)	(979 524)
Cash flow from financing activities			
Other borrowings		13 855	-
Decrease in cash and cash equivalents		(68 161)	(979 524)
Cash and cash equivalents			
At the beginning of the year		1 244 152	2 223 676
At the end of the year	3	1 175 991	1 244 152

FISHERIES OBSERVER FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 MARCH 2010

1. BASIC OF PREPARATION

The financial statements are prepared on the historical cost basis as modified by the revaluation of investments. The following are the principal accounting policies used by the fund, which are consistent with those of the previous years.

1.1 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and net bank overdrafts. In the statement of financial position, bank overdrafts are included in current liabilities.

Note to the statement of financial position

	2010	2009
	N\$	N\$
2. PREPAYMENTS AND TRADE RECEIVABLES		
Trade receivables	4 160 447	3 894 714
3. CASH AND CASH EQUIVALENTS		
Bank balance	1 175 991	1 244 152
For the purpose of the statement of cash flows, the cash and cash equivalents comprise the following:		
Cash and bank balances	1 175 991	1 244 152
4. OTHER BORROWINGS		
Loan from Fisheries Observer Agency	13 856	-
This loan originated from amounts received on behalf of Fisheries Observer Agency. The loan is interest free, un-secured With no fixed terms of repayment. These arrangements are Reviewed from time to time.		
5. REVENUE		
Revenue consists of observer fees, Government grants and Interest received.	424 304	18 375 212
6. CASH (ABSORBED)/GENERATED BY OPERATIONS		
Net surplus/(deficit)	183 716	(976 656)
Adjust for:		
Increase/(decrease) in accounts receivable	(265 732)	(2 868)
	(82 016)	(979 524)