



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MARINE RESOURCES FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

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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 Marine Resources Fund for the financial year ended 31 March 2008 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, November 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT of the AUDITOR-GENERAL
On the ACCOUNTS of the Marine Resource Fund
Of NAMIBIA for the financial year
Ended 31 March 2008**

1. INTRODUCTION

The audit on the accounts of the Marine Resources Fund for the financial year ended 31 March 2008 has been completed in accordance with Section 45(8) of the Marine Resources Act, (Act 27 of 2000).

To provide for the conservation of the marine ecosystem and the responsible utilization, conservation, protection and promotion of marine resources on a sustainable basis; for that purpose to provide for the exercise of control over marine resources; and to provide for matters connected therewith.

The objectives of the Fund are stipulated in terms of 45 (1) of the Marine Resources Act (Act 27 of 2000) as follows:

- The custodian of the fees and levies imposed under section 44 (3).
- Coordinating activities relating to marine resources such as research, development, training and education.

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: Notes to the Financial Statements

All figures in this report are rounded to the nearest Namibia Dollar and deficits are indicated in brackets.

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Accounting Officer of the Village Council is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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 said firm conducted the audit in accordance with International Standards on Auditing. Those standards require that the firm comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. AUDIT OBSERVATIONS

4.1 NON SUBMISSION OF DOCUMENTS

4.1.1 Revenue

During the audit the auditors were not provided with the monthly returns amounting to N\$ 3 507 029. These documents were needed to confirm the amount paid by fishing companies to the Fund.

Recommendation

It is recommended that the Accounting Officer provides monthly returns for audit purposes at all times in order to confirm the correctness of the revenue paid by fishing companies.

4.1.2 Expenditures

Expenditure vouchers to the value of N\$ 475 863 were not submitted to the auditors for audit purposes.

Recommendation

The Accounting Officer is recommended to adhere to the requirements of the State Finance Act, 1991 (Act 31 of 1991), with reference to Section 26(1) (b) (i) and (ii) which states that all transactions should be supported by the necessary supporting documents.

4.2 NON DISCLOSURE OF ACCOUNTS PAYABLE AND RECEIVABLE

Of the total expenditures tested, invoices to the value of N\$ 32 346 and debtors to the value of N\$ 717 606 were not disclosed in the financial statements.

Furthermore no reconciliation of debtors and creditors were performed.

Recommendation

It is recommended that the Accounting Officer should ensure that financial statements comply with international standard of accounting.

4.3 FIXED ASSETS

The Fund provided an incomplete fixed asset register. The accumulated depreciation of N\$ 7 750 790 in the annual financial statements is the same as the previous year. There was also no depreciation disclosed in the current financial year therefore the nett loss is understated while the assets are over stated.

Recommendation

The Accounting Officer is recommended to prepare and maintain a proper fixed asset register and also ensure that depreciation is correctly accounted for in the financial statements.

4.4 INVESTMENTS

4.4.1 32 Days notice.

Confirmation from the bank dated 17 June 2013, indicates that the above account had a balance of N\$ 8 693 893 while the annual financial statements reflects a negative amount of (N\$ 4 540 000). No supporting documents were provided by the Accounting Officer to confirm the correctness of the disclosed amount.

Recommendation

It is recommended that the Accounting Officer ensure that supportive documents are availed for audit and financial statements are correct at all times.

4.4.2 Long term investment and call account

The annual financial statement disclosed a long term investment to the value of N\$ 2 000 000 and a call account to the value of N\$ 4 708 405. Auditors were not able to confirm the existence and accuracy as no supporting documents were provided during the audit.

4.4.3 Current Account

No supporting documents were submitted to the auditors for the Commercial bank Current account to the value of (N\$ 10 963).

Recommendation

The Fund is recommended to adhere to the requirements of the State Finance Act, 1991 (Act 31 of 1991), with reference to Section 26(1) (b) (i) and (ii) which states that all transactions should be supported by the necessary supporting documents.

4.5 Income Statements

A difference of N\$ 339 167 between the current year opening balance and prior year closing balance was noted during the audit.

RECOMMENDATION

The Accounting Officer must ensure that amounts in the financial statements are correctly disclosed.

5. ACKNOWLEDGEMENTS

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

6. QUALIFIED AUDIT OPINION

The financial statements of the Marine Resources Fund of Namibia for the financial year ended 31 March 2008 was audited by me in accordance with the provisions of Section 25 (1) of the State Finance Act, 1991 read with Section 45(8) of the Marine Resources, 2000 (Act 27 of 2000).

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 2008 and in all material respects the income and expenditure have been applied to the purposes intended and conform to the authorities that govern them.

My opinion has been qualified due to the following:

- Incomplete fixed asset register;
- Debtors and creditors not disclosed in the financial statements;
- Debtors and creditors reconciliations are not maintain;
- Non submission of revenue monthly returns and expenditure vouchers; and
- No supporting document for investments.

Except for the reasons mentioned above, in my opinion, these financial statements fairly present the financial position of the Marine Resources Fund at 31 March 2008, and the results of operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

WINDHOEK, November 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

MARINE RESOURCES FUND
BALANCE SHEET FOR THE YEAR AS AT 31 MARCH

	Notes	2008	2007
		N\$	N\$
ASSETS			
Fixed Assets	10	5 381 129	5 000 147
Furniture & Office Equipment		2 128 247	2 124 842
Vehicles		17 792	17 792
Operational Equipment, Machinery & Plant		3 235 090	2 857 512
Investments		2 168 405	(5 700 000)
Long Term Investment		2 000 000	2 000 000
Call account		4 708 405	-
32 Days Notice		(4 540 000)	(7 700 000)
Current Assets		(1 118 306)	9 393 892
Commercial Bank Current Account		(10 963)	(10 963)
Current Account	11	(1 107 343)	9 404 855
		<u>6 431 228</u>	<u>8 694 039</u>
Equity and Liabilities			
Equity		6 431 229	8 694 039
Retained Income	12	6 431 229	8 694 039

ANNEXURE B

	Notes	2008	2007
INCOME		N\$	N\$
Total Income	1	17 637 113	16 275 173
EXPENDITURE			
Subsistence and Travel Allowance	2	145 550	90 522
Materials and Supplies	3	3 688 577	3 564 348
Transport	4	117 349	236 451
Utilities	5	1 834 365	947 631
Maintenance and Travel	6	1 426 565	4 271 783
Other Service and Expenses	7	9 248 841	15 553 127
Training and Transfer	8	2 428 629	5 147 463
Miscellaneous Expenses: Bank Charges	9	18 079	16 461
TOTAL EXPENDITURE		18 907 954	29 827 786
NET PROFIT/ (LOSS) FOR THE YEAR		(1 270 841)	(13 552 613)

MARINE RESOURCES FUND

NOTES TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

	2008	2007
1. Income	17 637 113	16 275 173
Jetty Rental	217 798	109 297
Refunds	3 873 815	231 937
Interest earned- Current Account	142 519	1 004 478
Interest- Long term Investment	-	7 141
Printed Materials	95	1 800
Interest 32 Days Notice	-	52 974
Fuel Rebates	271 607	251 609
Other Income	145 686	1 576
Recreational Fishing	26 382	41 364
Levies	1 826 340	304 589
Horse Mackarel	4 220 274	7 266 573
Alfonsino	-	-
Hake	4 958 592	5 402 314
Tuna	213 358	201 323
Orange Roughy	-	-
Linefish	149 475	35 897
Rock Lobster	28 967	61 058
Crab	380 094	286 816
Beach Trek	2 193	-
Pelagic	592 147	20 597
Monk	239 142	261 346
Shark	-	-
Snoek	12 174	1 279
Mullets	-	136
Seals	-	74 792
Levies	-	45 000
Horse Mackarel	22 000	103 494
Tuna	-	-
Hake	-	-
Brochures	2 295	-
Adults	125 001	135 240
Children	42 475	41 795
Pensioners	4 470	4 115
School Groups	5 269	6 019
Teachers	2 745	2 825
Study Groups	3 652	2 480
Hire Auditorium	3 950	12 000

Miscellaneous Income	4 238	179 693
Aquarium fees - Other	789	220
Foreign Adults	96 380	103 595
Foreign Children	13 930	12 165
Foreign Pensioners	9 260	7 635

2008

2007

2. Subsistence & Travel Allowance (S & T)

145 550

90 522

Air tickets	46 152	94 720
Accommodation	7 750	(4 197)
Subsistence & Travel Allowance	91 649	-

3. Material & Supplies

3 688 577

3 564 348

Stationery	9 782	68 049
Cleaning Material	85 643	15 062
Provision	59 895	301 180
Subscription	428 102	423 984
Protective Clothing	14 885	27 860
Vessel Fuel	2 842 833	2 421 435
Computer	721	13 609
Books	4 827	3 724
Lab Consumables	91 225	220 955
Computer	17 426	41 884
Other	133 236	26 607

4. Transport

117 349

236 451

Fuel	117 349	200 263
Tyres	-	2 730
Batteries	-	-
Repairs	-	30 926
Services	-	2 532

5. Utilities

1 834 365

947 631

Water & Electricity	711 510	611 271
Telephone & Fax	1 070 761	280 281
Courier Charges	7 351	20 460
Computer	-	-
Research	-	-
Photo Copy Machine Rental	-	-
Fax Rental	-	1 237
Communication Expenses	42 439	34 381
Building	-	-
Building Rental	2 304	-

6. Maintenance Expenses**1 426 565****4 271 783**Office Furniture
Computer
Air Conditioner
Research
Building
Other

-
8 477
-
993 536
424 552
-

-
14 114
7 710
3 743 292
76 535
430 131

7. Other Services & Expenses (OS & E)**9 248 841****15 553 127**Vessel Management Fees
Symposium and Workshops
Printing
Laundry
Security Services
Advertisements
Vehicle/Plane/Crew/Vessel
Consultancy Fees
Training
Cleaning Services
Refuse removal
Salaries
Receiver of Revenue
Social Security
Port Dues
Clearing Charges
Medical Aid Contribution
Contributions
Others
Main Budget
Sitting Allowance

3 595 631
57 650
925
-
26 361
-
1 802 925
216 559
28 701
-
9 120
103 590
22 809
1 096
132 596
480
-
200 000
1 053 618
1 978 780
18 000

4 160 755
-
330
-
49 789
-
881 768
1 092 058
-
15 225
-
257 592
27 778
1 188
385 808
2 544
3 092
150 000
8 121 623
366 578
37 000

8. Training & Transfers**2 428 629****5 147 463**NAMFI
Training
Bursaries
Course Fees

2 011 000
147 302
270 326
-

4 800 000
21 204
300 495
25 763

9. Miscellaneous Expenses**18 079****16 461**

Bank Charges

18 079

16 461

10. Fixed Assets**10.1. Fixed Assets: 2008**

	Cost	Depreciation	Net Value
	N\$	N\$	N\$
Furniture and Office Equipment	3 065 770	937 522	2 128 247
Office Furniture at Cost	420 868	163 607	257 261
Furniture & Fittings at Cost	1 693 253	84 684	1 608 469
Computer Equipment at Cost	857 233	688 197	169 036
Office Equipment	94 506	1 035	93 472
Vehicles	371 427	353 635	17 792
Sedan at Cost	198 451	183 204	15 247
Bakkies at Cost	133 859	133 859	-
Quad Bikes at Cost	39 117	36 572	2 545
Operational Equipment, Machinery and Plant	9 694 723	6 459 633	3 235 090
Air Conditioners at Cost	12 581	6 252	6 329
Generator at Cost	263 184	138 462	124 721
Vessel at Cost	8 992 072	6 304 202	2 687 870
Vessel Equipment	426 886	10 716	416 170

10.3 Fixed Assets: 2007

	Cost	Depreciation	Net Value
	N\$	N\$	N\$
Furniture and Office Equipment	3 062 364	937 522	2 124 842
Office Furniture at Cost	420 868	163 607	257 261
Furniture & Fittings at Cost	1 693 253	84 684	1 608 569
Computer Equipment at Cost	857 233	688 197	169 036
Office Equipment	91 012	1 035	89 977
Vehicles	371 427	353 635	17 792
Sedan at Cost	198 451	183 204	15 247
- Bakkies at Cost	133 859	133 859	-
- Quad Bikes at Cost	39 117	36 572	2 545
Operational Equipment, Machinery and Plant	9 317 145	6 459 633	2 857 512
Air Conditioners at Cost	12 581	6 252	6 329
Generator at Cost	263 184	138 462	124 721
Vessel at Cost	8 615 529	6 304 202	2 311 327
Vessel Equipment	425 851	10 716	415 135

	2008	2007
11. Current Assets	(1 107 343)	9 404 855
Bank	5 522	9 276 569
Balance as Per Bank Statement	(1 112 965)	(867 591)
Less: Outstanding Payments	100	995 877
Plus: Outstanding Receipts		
12. Retained Income	6 431 229	8 694 039
Retained Income- Previous Year	21 236 867	14 521 740
Net profit (Accumulated)	(13 534 797)	7 724 913
Net Profit/Loss for the year	(1 270 841)	(13 552 614)