



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MARINE RESOURCES 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 Marine Resources 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, November 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE MARINE RESOURCES FUND
FOR THE YEAR ENDED 31 MARCH 2010**

1. Report on the Financial Statements

1.1 INTRODUCTION

This report on the accounts of the Marine Resource Fund for the year ended 31 March 2010 is presented to the National Assembly in accordance with the terms of article 127 (2) of the constitution of the Republic of Namibia and provision set out in Section 45 (8) of the Marine Resources, Act, 2000, (Act 27 of 2000).

Figures in the report are rounded to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Marine Resources Fund for the financial year ended 31 March 2010. These financial statements comprise the following statements submitted for the year then ended:

Annexure A: Balance Sheet

Annexure B: Income Statement

Annexure C: Notes to the financial statements

The financial statements were submitted by the Accounting Officer to the Auditor-General on the 7th April 2015 instead of six months after the end of the financial year as stipulated in terms of section 26 of the State Owned Enterprises Act. The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A-C.

2. MANAGEMENT'S RESPONSIBILITY 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, Act 31 of 1991 and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b) (iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

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. ACKNOWLEDGEMENT

The courtesy and assistance extended to the Auditor-General and his staff members by the management of the Fund during the audit are appreciated.

5. KEY AUDIT FINDINGS

5.1 LONG-TERM FIXED ASSET

It was noted that the Fund's annual financial statements disclosed a long term account amounting to N\$ 2 000 000 and no supporting documents were provided.

5.2 CURRENT ACCOUNT AND CALL ACCOUNT

At the time of the audit no supporting documents were provided for the current account to the value of (N\$ 10 963) and call account to the value of N\$ 1 708 405. In addition, no bank statements were available for audit purposes. It is also observed that the financial statements reflects a negative amount of N\$ 7 540 000 for the 32 days notice account without providing supporting documents.

Recommendation

It is recommended that all supporting documents should be submitted for audit purposes.

5.3 ACCOUNTS PAYABLES

At the time of the audit, it was noted that the Fund did not disclose any closing balances for creditors at the end of the financial year, while from the selected sample, invoices amounting to N\$ 562 763 from prior year (2008/2009) were paid in the year under review.

Recommendation

It is recommended that all outstanding payments at the end of the financial year should be raised as creditors.

5.4 ACCOUNTS RECEIVABLES

It was noted that no account receivable for rebates and levy fees were raised in the current year and prior period.

Recommendation

It is recommended that the Fund should account transactions on accrual based instead of cash based accounting to account for receivables at year end.

5.5 INCOMPLETE FIXED ASSETS REGISTER

At the time of the audit, the Fund provided an incomplete fixed asset register. It was further noted that Accummulated depreciation in the current year financial statements remained the same as the previous year at N\$ 7 750 790.

Recommendation

It is recommended that the Fund should ensure that the fixed asset register is updated on a monthly basis and depreciation is disclosed in the annual financial statements.

5.6 CASH FLOW STATEMENT

The Fund did not prepare a Cash flow statement.

6. BASIS FOR DISCLAIMER OF AUDIT OPINION

- Creditors to the value of N\$ 562 763 were not disclosed in the financial statements;
- Depreciation was not disclosed in the financial statements;
- Incomplete fixed assets register;
- Accounts receivable for rebates and levy fees were not disclosed in the financial statements;
- No supporting documents were provided, neither were the accounts confirmed by the bank with a total value of N\$ 1 697 442;
- No supporting documents for investment to the value of N\$ 2 000 000 and N\$ 7 540 000 were submitted.

7. DISCLAIMER AUDIT OPINION

The financial statements of the Marine Resource Fund of Namibia for the financial year ended 31 March 2010 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, (Act 27 of 2000).

Because of the significance of the matters described in the Basis for Disclaimer of Audit Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Windhoek, November 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**MARINE RESOURCES FUND
BALANCE SHEET AS AT 31 MARCH**

	Notes	2010	2009
		N\$	N\$
ASSETS			
Fixed Assets	12	5 733 149	5 694 228
Furniture & Office Equipment		2 274 207	2 235 287
Vehicles		17 792	17 792
Operational Equipment, Machinery & Plant		3 441 150	3 441 150
Investments		(3 831 595)	(2 831 595)
Long Term Investment		2 000 000	2 000 000
Call account		1 708 405	1 708 405
32 Days Notice		(7 540 000)	(6 540 000)
Current Assets		1 954 756	136 727
Commercial Bank Current Account		(10 963)	(10 963)
Current Account	10	1 965 719	147 690
TOTAL ASSETS		3 856 310	2 999 360
EQUITY AND LIABILITIES			
Equity		3 856 310	2 999 270
Retained Income	11	3 856 310	2 999 270
TOTAL EQUITY AND LIABILITIES		3 856 310	2 999 270

NOTE: Balance sheet totals for the year (2009) does not agree with N\$90. Total Assets are N\$ 2 999 360 and total equity is N\$ 2 999 270 thus a difference of N\$ 90.

MARINE RESOURCES FUND
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	Notes	2010	2009
		N\$	N\$
INCOME			
Total Income	1	15 087 913	16 156 142
EXPENDITURES			
		14 230 873	19 595 819
Subsistence and Travel Allowance	2	44 658	-
Materials and Supplies	3	3 562 857	5 374 310
Transport	4	-	25 507
Utilities	5	231 160	115 195
Maintenance Expenses	6	2 636 799	4 740 163
Other Service and Expenses	7	4 451 886	4 974 802
Training and Transfer	8	3 283 104	4 346 682
Miscellaneous Expenses: Bank Charges	9	20 409	19 160
NET PROFIT/ (LOSS) FOR THE YEAR		857 040	(3 439 677)

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH

	2010	2009
	N\$	N\$
1. Income	15 087 913	16 156 142
Jetty Rental	47 080	988 735
Donations-BCC Project	39 358	-
Interest earned- Current Account	70 639	119 065
Interest- Long term Investment	25 620	9 930
Interest 32 Days Notice	-	1 000 000
Fuel Rebates	233 431	25 230
Other Income	413 529	459 496
Recreational Fishing	31 536	27 153
Levies	11 368	-
Levies- Horse Mackarel	4 876 372	5 007 657
Levies- Hake	6 681 689	6 117 453
Levies- Tuna	335 130	233 038
Levies- Linefish	79 773	74 779
Levies- Rock Lobster	43 388	89 941
Levies- Crab	342 472	262 855
Levies- Pelagic	1 175 819	1 015 519
Levies- Monk	278 111	401 877
Levies- Snoek	3 036	-
Levies - Mulletts	13	-
Aquarium Fees- Adults	202 130	150 200
Aquarium Fees- Children	50 532	40 214
Aquarium Fees- Pensioners	7 300	5 860
Aquarium Fees- School Groups	6 081	6 145
Aquarium Fees- Teacher	3 915	3 432
Aquarium Fees- Study Groups	4 066	1 952
Aquarium Fees- Hire Auditorium	4 800	13 600
Aquarium Fees- Other	5 396	5 563
Aquarium Fees- Foreign Adults	95 160	82 480
Aquarium Fees- Foreign Children	6 435	6 210
Aquarium Fees- Foreign Pensioners	13 735	7 760

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH
(continued)

	2010	2009
	N\$	N\$
2. Subsistence & Travel Allowance	44 658	-
S & T- Air tickets	-	-
S & T- Accomodation	-	-
S & T- Subsistence & Travel Allowance	44 658	-
3. Material & Supplies	3 562 857	5 374 310
Materials & Supplies- Stationery	16 851	29 393
Materials & Supplies- Cleaning Material	2 758	-
Materials & Supplies- Provision	504 850	375 612
Materials & Supplies- Subscription	137 397	212 807
Materials & Supplies- Protective Clothing	22 422	12 967
Materials & Supplies- Vessel Fuel	2 480 400	4 353 734
Materials & Supplies- Books	3 813	1 210
Materials & Supplies- Lab Consumables	220 982	203 311
Materials & Supplies- Computer	45 515	42 030
Materials & Supplies- Other	127 870	143 246
4. Transport	-	25 507
Transport- Fuel	-	22 691
Transport- Repairs	-	2 816
5. Utilities	231 160	115 195
Utilities- Water & Electricity	-	91 942
Utilities- Courier Charges	1 850	2 912
Utilities- Fax Rental	1 100	880
Utilities- Communication Expenses	228 210	19 461

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH
(continued)

	2010	2009
	N\$	N\$
6. Maintenance Expenses	2 636 799	4 740 163
Maintenance Expenses- Computer	4 018	13 964
Maintenance Expenses- Research	2 272 648	4 615 983
Maintenance Expenses- Building	37 273	23 554
Maintenance Expenses- Aquarium	322 861	86 662
7. Other Services & Expenses (OS & E)	4 451 886	4 974 802
OS & E- Vessel Management Fees	4 221 098	3 595 631
OS & E- Symposium and Workshops	3 105	6 545
OS & E- Insurance	-	515 678
OS & E- Security Services	35 457	28 949
OS & E- Advertisements	-	34 995
OS & E- Consultancy Fees	-	194 000
OS & E- Training	-	20 951
OS & E- Refuse removal	2 008	-
OS & E- Salaries	119 332	97 081
OS & E- Receiver of Revenue	16 628	12 355
OS & E- Social Security	2 129	1 352
OS & E- Port Dues	196 500	101 965
OS & E- Clearing Charges	7 119	21 007
OS & E- Contributions	411 500	551 998
OS & E- Others	20 488	117 027
OS & E- Main Budget	(608 477)	(365 171)
OS & E- Sitting Allowance	25 000	40 438
8. Training & Transfers	3 283 104	4 346 682
Training & Transfer- NAMFI	2 700 000	4 000 000
Training & Transfer- Training	375	25 928
Training & Transfer- Bursaries	582 729	320 754
9. Miscellaneous Expenses	20 409	19 160
Bank Charges	20 409	19 160

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (continued)

	2010	2009
	N\$	N\$
10. Current Assets	1 965 719	147 690
Bank	-	-
Balance as per Bank Statement	2 145 893	1 422 567
Less: Outstanding Payments	(180 173)	(1 275 827)
Plus: Outstanding Receipts	-	950

	3 856 310	2 999 270
11. Retained Income		
Retained Income- Previous Year	21 254 629	21 957 856
Net Loss (Accumulated)	(18 255 358)	(15 518 909)
Net Profit/(Loss) for the year	857 040	(3 439 677)

12. Fixed Assets**12.1 Fixed Assets: 2010**

	Cost	Depreciation	Net Value
	N\$	N\$	N\$
Furniture and Office Equipment	3 211 729	937 522	2 274 207
Office Furniture	434 247	163 607	270 640
Furniture & Fittings	1 693 163	84 684	1 608 479
Computer Equipment	881 988	688 197	193 791
Office Equipment	202 333	1 035	201 298
Vehicles	371 427	353 635	17 792
Sedan	198 451	183 204	15 247
Bakkies	133 859	133 859	-
Quad Bikes	39 117	36 572	2 545
Operational Equipment, Machinery and Plant	9 900 782	6 459 633	3 441 150
Air Conditioners	12 581	6 252	6 329
Generator	263 184	138 462	124 721
Vessel	9 002 591	6 304 202	2 698 389
Vessel Equipment	622 427	10 716	611 711

MARINE RESOURCES FUND

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH (continued)

12.2 Fixed Assets: 2009

	Cost	Depreciation	Net Value
	N\$	N\$	N\$
Furniture and Office Equipment	3 172 809	937 522	2 235 287
Office Furniture	434 247	163 607	270 640
Furniture & Fittings	1 693 253	84 684	1 608 569
Computer Equipment	861 941	688 197	173 744
Office Equipment	183 369	1 035	182 334
Vehicles	371 427	353 635	17 792
Sedan	198 451	183 204	15 247
Bakkies	133 859	133 859	-
Quad Bikes	39 117	36 572	2 545
Operational Equipment, Machinery and Plant	9 900 782	6 459 633	3 441 150
Air Conditioners	12 581	6 252	6 329
Generator	263 184	138 462	124 721
Vessel	9 002 591	6 304 202	2 698 389
Vessel Equipment	622 427	10 716	611 711