

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

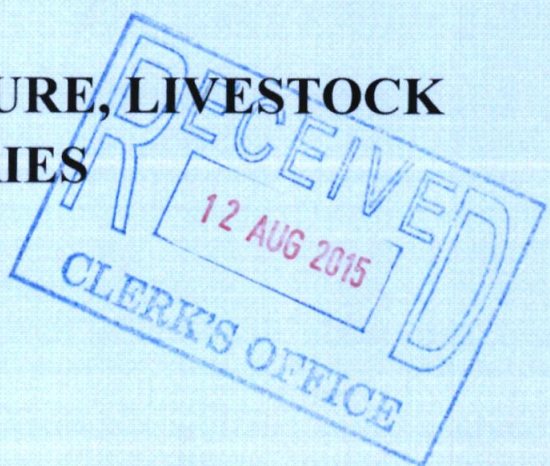
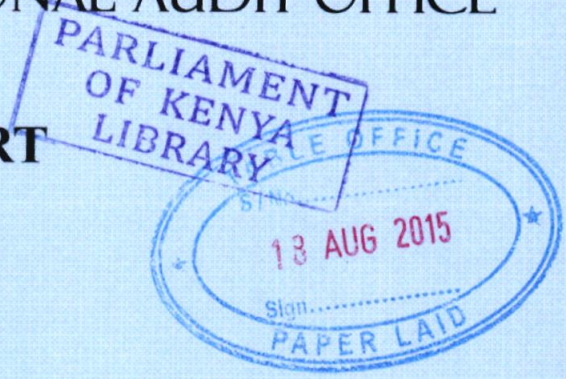
ON

THE FINANCIAL STATEMENTS OF
REVENUE – HEAD 000000-156 – FISHING
RIGHTS

FOR THE YEAR ENDED
30 JUNE 2014

MINISTRY OF AGRICULTURE, LIVESTOCK
AND FISHERIES

paper laid
By the leader of
majority party, the
Asen Duale on
Tuesday 18/8/15
leg





REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

STATEMENT OF REVENUE – HEAD 000000-156 – FISHING RIGHTS FOR THE YEAR ENDED 30 JUNE 2014 – MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

REPORT ON THE STATEMENT OF REVENUE

I have audited the accompanying statement of revenue set out on pages 3 to 7, which comprise the statement of revenue and transfers for the year ended 30 June 2014, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Statements of Revenue

Management is responsible for the preparation and fair presentation of this statement of revenue in accordance with International Public Sector Accounting Standards (cash basis) and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement whether due to fraud or error.

The management is also responsible for the submission of the statement to the Auditor-General in accordance with the provisions of Section 6 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on the statement based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing (ISA). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, 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 statement 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 the management, as well as evaluating the overall presentation of the statement.

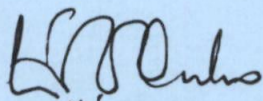
I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

The statement of revenue for the year ended 30 June 2014 reflects a revenue on hand balance of Kshs 99,422,976.00 that had not been surrendered to Exchequer as at 30 June 2014, contrary to the requirements of Paragraph 6.4.5 of the Government Financial Regulations and Procedures. No explanation has been given for failing to surrender the amount.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the statement of revenue presents fairly, in all material respects, the financial position of revenue of the Ministry of Agriculture, Livestock and Fisheries as at 30 June 2014 and its operations for the year then ended in accordance with International Public Sector Accounting Standards and the Public Finance Management Act, 2012 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 April 2015

**MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES
STATE DEPARTMENT FOR FISHERIES**

**REVISED STATEMENT OF REVENUE FOR THE YEAR ENDED 30 JUNE 2014
REVENUE HEAD 00000-156: FISHING RIGHTS**

REVENUE ITEM	HEAD	ESTIMATED RECEIPTS KSHS	ACTUAL RECEIPTS KSHS	VARIATION KSHS	PREVIOUS YEARS BALANCE KSHS
3540302	Fishing Rights	164,900,537.00	188,924,421.60	(24,023,884.60)	2,557,198.25
Total Revenue		164,900,537.00	188,924,421.60	(24,023,884.60)	2,557,198.25
Balance from Previous years			2,557,198.25		
			191,481,619.85		
Less: Amount transferred to Exchequer Account			92,058,643.85		
Revenue on Hand			99,422,976.00		

Reason for material difference between Estimated Receipts and Actual Receipts

i. Over- collection of Revenue of Kshs.24,023,884.60

Revenue collected during 2013/2014 Financial Year surpassed the Annual Estimated Receipts of Kshs.164,900,537.00 by Kshs.24,023,884.60 due to improved surveillance in the ocean.

ii. Unsurrendered Balance of Kshs.99,422,976.00

The unsurrendered amount consisted of an amount that was collected towards the end of June 2014 and could not have been surrendered to exchequer by 30th June, 2014. The money was eventually transferred to exchequer account as required by law.

Date:.....17.3.15.....

Signed:..........
Receiver of Revenue

B2(A)



RECEIVER OF REVENUE
STATE DEPARTMENT OF FISHERIES
REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

B2(2)

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I. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES

Section 82 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for the national government shall prepare an account in respect of the revenue received and collected by the receiver during that financial year.

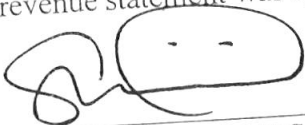
The Principal Secretary in charge of the State Department of Fisheries is responsible for the preparation and presentation of the receiver of revenue report, which give a true and fair view of the state of affairs of the State Department of Fisheries for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the status of the revenue collected by the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the revenue report, and ensuring that they are free from material misstatements, whether due to error or fraud.

The Principal Secretary in charge of the State Department of Fisheries accepts responsibility for the State Department of Fisheries' revenue report, which has been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that this revenue report gives a true and fair view of the State Department of Fisheries' revenue performance during the financial year ended June 30, 2014. The Principal Secretary in charge of the State Department of Fisheries further confirms the completeness of the accounting records maintained for the State Department of Fisheries, which have been relied upon in the preparation of this report as well as the adequacy of the systems of internal financial control.

The Principal Secretary in charge of the State Department of Fisheries confirms that the entity has complied fully with applicable Government Regulations and that the funds collected during the year were transferred to the Exchequer Account. Further the Principal Secretary confirms that this report has been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The revenue statement was approved and signed by the Principal Secretary on 30th September 2014



Sicily K. Kariuki (Mrs.) MBS
Principal Secretary
Receiver of Revenue

SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these revenue statements are set out below:

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the State Department of Fisheries and all values are rounded to the nearest one shilling. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the State Department of Fisheries.

2. Recognition of Revenue

The State Department of Fisheries recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the State Department of Fisheries.

3. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the revenue statements. The revenue budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included in to these revenue statements.

4. Comparative Figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

5. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2014.

REVENUE-SCHEDULE

REVENUE COLLECTION-DIRECTORATE OF FISHERIES					
Date	Voucher No.	cheque No.	MR No.	Description/Source	Amount
19/12/2013	3703	024		Import/Export fee	61,892.00
19/12/2013	3704	025		Import/Export fee	253,046.00
19/12/2013	3708	028b		Import/Export fee	70,000.00
19/12/2013	3707	027		Import/Export fee JP Morgan	3,446,085.55
19/12/2013	3709	030		Import/Export fee	996,887.50
19/12/2013	3710	031		Oceannice Co. Ltd	2,595,900.00
19/12/2013	3711	032	-	Fishing Rights-from Li Chen	2,597,400.00
03/01/2014		034	3427267	Fishing Rights-Y.S intl Ltd	5,206,401.90
03/01/2014				Deepsea Fishing Ltd	3,472,436.70
				City Bank New York	1,717,171.90
10/3/2014	0	042	3427279	Fishing Rights	944,387.40
10/3/2014		043	3427280	Fishing Rights	2,236,265.70
10/3/2014		046	3427282	Fishing Rights	308,200.00
				City Bank New York	4,317,000.00
				City Bank New York	12,095,585.35
17/03/2014		052	2525280	Fishing Rights-Export/Import Fees	364,855.00
17/03/2014		053		Import/ Export Fishing Rights	9,715.00
04/04/2014		057	3427292	Fishing Rights Fees	160,871.00
04/04/2014		061	3427296	Fishing Rights-Federal Reserve Bank	4,326,500.00
04/04/2014		062	3427298	Fishing Rights- City Bank Ltd	4,324,500.00
04/04/2014		063	3427299	Fishing Rights- City Bank Ltd	57,277,000.00
13/05/2014		001	3427702	Fishing Rights- Morgan Chase Bank	1,728,469.80
17/06/2014		002	3427704	Fishing Rights- New York Waigan Jogni	2,604,802.20
13/05/2014		004	3427731	Fishing Rights- Morgan Chase Bank	26,035,486.40
27/06/2014		001	3428261	Fishing Rights	1,300,667.00
27/06/2014		002	3428262	Fishing Rights	2,457,820.45
27/06/2014		003	3428263	Fishing Rights	2,532,269.70
27/06/2014		006	3428264	Fishing Rights	416,272.00
27/06/2014		007	3428265	Fishing Rights	989,257.00
27/06/2014		008	3428267	Fishing Rights	7,800.00
27/06/2014		009	3428268	Fishing Rights	140,000.00
27/06/2014		010	3428269	Fishing Rights	835,631.90
27/06/2014		011	3428270	Fishing Rights	487,471.00
27/06/2014		022	3428272	Fishing Rights	3,099,173.15
30/06/2014		002		Fishing Rights	39,492,000.00
30/06/2014		010		Fishing Rights	15,200.00
					188,924,421.60