Independent Auditor’s Report to the Permanent Secretary of the Ministry of Fisheries and Marine Resources

Opinion

We have audited the accompanying Statement of Cash Receipts and Payments (the “Statement”) of the Pacific Islands Regional Oceanscape Programme (“PROP”) (the “Project”) which comprises the Statement of Cash Receipts and Payments for the period 1 January 2016 to 31 December 2016, and a summary of significant accounting policies and other explanatory information. This Report has been prepared in accordance with the Grant Agreements between International Development Association and Solomon Islands Government GEF TF018607 and between International Bank for Reconstruction and Development and Solomon Islands Government D015-SB dated 29 January 2015 (the “Program”) for the funding period 1 January 2016 to 31 December 2016.

In our opinion, the accompanying Statement of Cash Receipts and Payments presents fairly, in all material respects, the Project’s receipts and payments for the year ended 31 December 2016 in accordance with the Grant Agreement and the International Public Sector Accounting Standards (IPSAS): Financial Reporting under the Cash Basis of Accounting (“Cash Basis”).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing and the requirements of the Grant Agreements. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Statement section of our report. We are independent of the Project in accordance with the auditor independence requirements of the International Ethics Standards Board (IESBA) Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Statement. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Executing Agency for the Statement

The Ministry of Fisheries and Marine Resources (the “Executing Agency”) is responsible for the preparation and fair presentation of the Statement in accordance with the Grant Agreements and the IPSAS Cash Basis and for such internal control as the Executing Agency determined is necessary to enable the preparation and fair presentation of the Statement and is free from material misstatement, whether due to fraud or error.
Auditor’s Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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 our 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 control.
- 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 Project’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executing Agency.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Project or business activities within the Project to express an opinion on the Statement.

We are responsible for the direction, supervision and performance of the Project’s audit. We remain solely responsible for our audit opinion.

We communicate with the Executing Agency regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mark Clarke
Partner
Chartered Accountants
Honiara, 19 June 2018
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<td>Notes to the accounts</td>
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Report of the Executing Agency

Under the terms of the contract, I representing Ministry of Fisheries and Natural Resources, have the mandate from the World Bank and Ministry of Finance & Treasury (MOFT) as the Executing Agency, to supervise and manage the funds provided by the World Bank and the Global Environment Facility (GEF). The funds are to be utilised as per the objective of the program: to strengthen the shared management of selected Pacific Islands Oceanic and Coastal fisheries, and the critical habitats upon which they depend. This will provide the basis for sustainable and increased economic benefits to the country from this resource.

I certify that the attached Cash receipts and payments which has been prepared under my supervision presents a true and fair view of MFMR - PROP for the year ended 31st December 2016.

Dated at Honiara this 19th day of June 2018.

Ferral Lasi
Permanent Secretary (Supervising)
Executing Agency Representative
Ministry of Fisheries & Marine Resources
## Statement of Cash Receipts and Payments

**PACIFIC ISLANDS REGIONAL OCEANSCAPE PROGRAM PROJECT - SOLOMON ISLANDS**

**MINISTRY OF FISHERIES & MARINE RESOURCES**

### 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>Receipts / Payments</th>
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<td><strong>1. RECEIPTS</strong></td>
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<td>GEF</td>
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<td><strong>TOTAL RECEIPTS</strong></td>
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### 2. PAYMENTS

**Component 1: Offshore Fisheries**
- Expanded Participation in International Tuna Meetings
- Operation Costs for Fisheries Surveillance Patrols 14,162.10 14,162.10
- Monitoring & Communication System Centres
- Establishment of Fisheries Information Systems 27,734.00 27,734.00
- Equipment for Fisheries Compliance Officers 550,188.41 550,188.41
- Equipment for Fisheries Observer 107,290.23 107,290.23
- Operation Costs for MCS
- Expansion of Fisheries Compliance Officers 753,153.13 753,153.13
- Expansion of National Observers program
- Securing Economy Returns from Tuna Fisheries
- Establishment of Electronic Monitoring Systems
- Specialised Trainings 304,632.74 304,632.74
- Total Payments Comp 1 $1,909,560.41 1,909,560.41

**Component 2: Inshore Fisheries**
- Coastal Fisheries Policy Planning and Prioritisation 101,776.00 101,776.00
- Implementation of Selected Provincial Fisheries Ordinance
- Resource Management Plans for Sedentary High Value Resources
- Frame Survey of Fishers, Boats, Gear and Catches
- Development and Management of Selected High valued Fisheries 113,605.00 113,605.00
- Institutional Capacity Building and Support 30,450.13 30,450.13
- Total Payments Comp 2 $245,831.13 245,831.13

**Component 3: Project Management**
- Personal 299,388.37 299,388.37
- Operating Costs for Project Management Unit 200,673.11 200,673.11
- Equipment for PMU 117,870.00 117,870.00
- Office for PMU
- Monitoring & Evaluation
- Bank fees & charges - IDA 1,669.02 1,669.02
- Bank fees & charges - GEF 474.02 474.02
- Total Payments Comp 3 $620,074.52 620,074.52

**TOTAL PAYMENTS** $2,775,466.06 2,775,466.06

### 3. Cash at beginning of period

- Decrease / Increase in Cash 4,501,533.94 4,501,533.94

### 4. Cash at end of period

- 4,501,533.94 4,501,533.94

This Statement is to be read in conjunction with the Notes to and forming part of the Statement of Cash Receipts and Payments on pages 3
1 General Information
Solomon Islands Government has received financing from the World Bank for the Solomon Islands Pacific Regional Oceanscape Program (PROP) Project ID: P152938 & P151777. The PROP project development objective is to strengthen the shared management of selected Pacific Islands Oceanic and Coastal fisheries, and the critical habitats upon which they depend. This will provide the basis for sustainable and increased economic benefits to the country from these resources. The Project was signed on the 29th January 2015 between the SIG and the World Bank with Project amounts of IDA USD 9.75m and GEF USD1.369m. It became effective on the 29 April 2015 and the closing date is on 30th September 2020. The Grant recipient agency shall be the Ministry of Finance and Treasury and the implementing agency shall be the Ministry of Fisheries and Marine Resources.

2 Significant Accounting Policies
a) Basis of Preparation
The Statement of Cash Receipts and Payments has been prepared in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting. The accounting policies have been applied consistently throughout the period.

b) Cash Basis of Accounting
The cash basis of accounting recognize transactions only when cash is received and paid by the implementing agency.

c) Reporting Currency
The financial statements are presented in the Solomon Island Currency, the Solomon Islands Dollar (SBD$)

d) Foreign currency transactions
Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction.

3 Cash
Cash is comprised of cash balances and un-acquired imprest accounts

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4 Grant Proceeds from World Bank

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