



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
REGIONAL COUNCIL FOR THE HARDAP  
REGION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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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 Regional Council for the Hardap Region for the financial year ended 31 March 2017, 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, March 2018**

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
THE HARDAP REGIONAL COUNCIL  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2017**

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**1. Report on the Financial Statements**

**1.1 INTRODUCTION**

The accounts of the Hardap Regional Council for the financial year ended 31 March 2017 are being reported on in accordance with the provisions set out in Section 38 of the Regional Council Act, 1992 (Act 22 of 1992).

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 Hardap Regional Council for the financial year ended 31 March 2017. These financial statements comprise the following:

Annexure A: Statement of financial position  
Annexure B: Statement of comprehensive income  
Annexure C: Statement of changes in equity  
Annexure D: Statement of cash flows  
Annexure E: Notes to the financial statements

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 40(1) Regional Council Act, 1992, except that they were only submitted on 06<sup>th</sup> December 2017 instead of three months (3 months) after the year end as required by the Act.

The financial statements and notes to the financial statements provided by the Accounting Officer are attached as Annexure A-E.

**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 39 of the Regional Council's Act, 1992 and relevant legislation, and for such internal control as management determines it necessary to enable the preparation of 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 of 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.

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

## **4. ACKNOWLEDGEMENT**

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

## **5. KEY AUDIT FINDINGS**

### **5.1 PROVISION FOR DOUBTFUL DEBTS**

The auditors observed that the Council did not raise provision for doubtful debts.

## **RECOMMENDATION**

**It is recommended that the Council should ensure that mechanisms are in place to guide the Council on the treatment of outstanding debts.**

### **Management comment**

*Council take note of the observation and will work on the recommendation. Please take note that the Council is also in the process of drafting internal policies that will address the above finding.*

## **5.2. INVENTORY**

The auditors could not confirm the existence and valuation of inventory amounting to N\$ 133 228 at the year-end.

## **RECOMMENDATION**

**It is recommended that the Council should ensure that the external auditors are invited to attend year-end inventory count to certify the existence and valuation of the inventory disclosed in the financial statements.**

### **Management comment**

*The Council took note of the finding and will implement the recommendation.*

## **5.3. LEAVE PAY PROVISION**

The auditors observed that no provision for leave was raised during the year under review.

## **RECOMMENDATION**

**It is recommended that the Council should provide for leave pay and disclose it in their financial statements.**

### **Management comment**

*Observation is well noted and is worked on. The Council will address the finding when concluding internal policies alluded in the latter stated finding.*

## **5.4 TRADE RECEIVABLES**

Trade receivables of the Council are on the increase (2017: N\$ 3 299 159; 2016: N\$ 1 443 055). The inability of the Council to collect its revenue may affect its cash flow.

## **RECOMMENDATION**

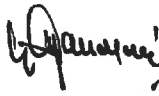
It is recommended that the Council should collect outstanding debts.

## **6. UNQUALIFIED AUDIT OPINION**

The accounts of the Regional Council for the Hardap for the financial year ended 31 March 2017 summarised in Annexures A to E were audited by me in terms of Section 38 of the Regional Council Act, 1992 (Act 22 of 1992), read with Section 25 (c) of the State Finance Act, 1991.

In my opinion, the financial statements present fairly, in all material respects the financial position of the Hardap Regional Council as at 31 March 2017, and their financial performance and cash flows for the year then ended.

**WINDHOEK, March 2018**

  
**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**



**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	Implementing central government's policies at regional level with the aim to improve the overall living standards of its residents.
<b>Councilors</b>	Hon. E A Wambo (Chairperson) Hon. J Jarson Hon. R. McNab Hon. N Mungenga Hon J G Van Neel Hon S Dukeleni Hon. H Jantze Hon. L Christ Theresia Basson (Acting Chief Regional Officer)
<b>Registered office</b>	Dr Sam Nujoma Street Old Danie Joubert Hostel Complex Mariental Namibia
<b>Business address</b>	Dr Sam Nujoma Street Old Danie Joubert Hostel Complex Mariental Namibia
<b>Postal address</b>	Private Bag 2017 Mariental Namibia
<b>Bankers</b>	Bank Windhoek

**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**

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**The reports and statements set out below comprise the annual financial statements presented to the council:**

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**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**Hardap Regional Council's Responsibilities and Approval**

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The Hardap Regional Council is required by the State Finance Act, 1991 (Act 31 Of 1991) and the Regional Council Act, (Act 22 of 1992) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Regional Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the State Finance Act, 1991 (Act 31 1991) and the Regional Council Act, 1992 (Act 22 of 1992).The Office of the Auditor General is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the State Finance Act, 1991 (Act 31 Of 1991) and the Regional Council Act, (Act 22 of 1992) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Hardap Regional Council acknowledge that they are ultimately responsible for the system of internal financial control established by the Hardap Regional Council and place considerable importance on maintaining a strong control environment. To enable the councilors to meet these responsibilities, the councilors as the Executive Authority sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Hardap Regional Council and all employees are required to maintain the highest ethical standards in ensuring the Hardap Regional Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Hardap Regional Council is on identifying, assessing, managing and monitoring all known forms of risk across the Hardap Regional Council. While operating risk cannot be fully eliminated, the Hardap Regional Council endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Hardap Regional Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Auditor-General is responsible for independently reviewing and reporting on the Regional Council's annual financial statements.

The Hardap Regional Council has reviewed it's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the Regional Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**Hardap Regional Council's Responsibilities and Approval**

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The annual financial statements are set out on pages 13 - 23, which have been prepared on the going concern basis, were approved by the councilors and were signed on its behalf by:

.....  
Hon. E A Wambo (Chairperson)

.....  
Theresia Basson (Acting Chief Regional Officer)

**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**Hardap Regional Council's Report**

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The Hardap Regional Council has the pleasure in submitting their report on the annual financial statements for the year ended 31 March 2017.

### **1. Incorporation**

Hardap Regional Council was incorporated in Namibia on the 31 August 1992 under section 2(1) of the Regional Council Act, 1992 (Act 22 of 1992) and was tasked with the responsibility of implementing Central Government policies at regional level with the aim to improve the overall living standards of its residents as per section 28 of the Regional Councils' Act.

The financial powers, duties and functions of the council are stipulated in article 108 of the Namibian Constitution and section 28 of the Regional Council Act. The accounts of the Hardap Regional Council for the year ended 31 March 2017 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Regional Council Act, (Act 22 of 1992).

### **2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 1991) and the Regional Council Act, (Act 22 of 1992). The accounting policies have been applied consistently compared to the prior year.

The Regional Council recorded a profit for the year ended 31 March 2017 of N\$ 70 075.92. This represented an increase of 29.50% from the deficit of the prior year of (N\$ 2 136 714.50).

The Regional Council revenue reduced by 12% from N\$ 69 451 064.40 in the prior year to N\$ 61 584 798.15 for the year ended 31 March 2017.

The Regional Council cash and cash equivalents reduced by 38 % from N\$ 20 134 631.08 in the prior year to N\$ 12 628 262.69 for the year ended 31 March 2017.

### **3. Councilors**

The councilors in office at the date of this report are as follows:

Hon E A Wambo (Chairperson)  
Hon J. Jarson  
Hon.R. McNab  
Hon.J G Van Neel  
Hon. N Mungenga  
Hon. S Dukeleni  
Hon. H Jantze  
Hon. L Christ  
Theresia Basson (Acting Chief Regional Officer)

**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**Hardap Regional Council's Report**

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**4. Councilors' interests in contracts**

During the financial year, no contracts were entered into which councilors or officers of the Regional Council had an interest and which significantly affected the business of the Regional Council.

**5. Property, plant and equipment**

There was no change in the nature of the property, plant and equipment of the Regional Council or in the policy regarding their use. At 31 March 2017 the Regional Council's investment in property, plant and equipment amounted to N\$ 32 442 015.59 (2016: N\$ 24 576 020.05), of which N\$ 7 865 995.54 was added in the current year through additions.

**6. Claims against the Regional Council**

No claims for losses were received during the year.

**7. Gifts/Donations by/to the Regional Council**

The current year donations amounted to N\$ 0.00 (2016: N\$ 25 000)

**8. Transfer of property to/from government**

No properties were transferred to/from the Hardap Regional Council.

**9. Levies from Local Authorities**

Net proceeds from Local Authorities amounted to N\$ 994 082.25 (2016: N\$ 125 109.48). The levies charged are in line with Government Gazette rates.

**10. Loans**

No external loans agreements were entered into in the current year. No internal loans agreements were advanced or received during the year. However, the Council obtained an overdraft facility through Bank Windhoek to the tune of N\$ 10 000 000.00 during the year under review.

**11. Events after the reporting period**

The councilors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**Hardap Regional Council's Report**

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**12. Going concern**

The councillors have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the Regional Council and believed that the Regional Council has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly been prepared on the going concern basis.

**13. Investments and interest proceeds**

No investments for the year under review.

**14. Fruitless, unauthorized or avoidable expenditure**

No fruitless, unauthorized or avoidable expenditure was incurred during the year.

**15. Suspense account**

No money was accounted for in the suspense account during the year under review.

**16. Irregularities and losses**

No irregularities and losses were revealed by the audit for the year under review.

**17. Bursaries**

No bursaries were granted during the year under review.

**18. Government grants and subsidies**

Government grants/subsidies to the amount of N\$ 53 966 125.94 (2016: N\$ 47 329 485.19) were granted to the Regional Council during the year under review. No donations were received by the Regional Council during the year under review.

**19. Compensation payments**

No payments for crop field compensation were made during the year under review.

**20. Visits to foreign countries**

There were no foreign trips for the financial year under review.

**THE HARDAP REGIONAL COUNCIL**  
**Financial Statements for the period ended 31 March 2017**  
**Hardap Regional Council's Report**

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**21. Property sold on installment basis**

No erven were sold on installment basis for the year under review. The Regional Council's policy is to sell all erven on a cash basis.

**22. Sales of erven**

No erven were sold during the year under review.

**23. Tariff adjustments**

Electricity tariffs were adjusted during the year under review.

**24. Stock and Motor Vehicle**

	Sedan vehicles	4x4 Passenger Vehicles	LDV & Kombi's	Heavy vehicles
24.1 Motor vehicles				
On hand 31/03/2017	2	18	-	1

**24.2 Stock**

The Hardap Regional Council immediately writes off consumable stock as and when purchased.

**25. Special investigations**

There was no investigation during the period under review.

**26. Internal controls**

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. Proper segregation of duties is not feasible due to the small number of staff employed. While increased management involvement reduces risks, the risk arises that management may override existing internal controls.

**27. Temporary advances**

No temporary advances were made during the year under review.



**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	Note	2017 N\$	2016 N\$
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	2	32 442 016	24 576 020
Work In Progress	2	109 993 410	64 898 467
<b>Current Assets</b>			
Inventory		133 227	468 115
Trade and other receivables	4	29 314 252	16 399 213
Cash and cash equivalents	3	12 628 263	20 134 631
<b>TOTAL ASSETS</b>		<b>184 511 168</b>	<b>126 476 446</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital Development fund	10	144 171 038	92 188 351
Retained Income		22 887 666	23 209 223
Surplus/(Deficit)		70 076	(2 136 715)
<b>Liability</b>			
<b>Current liabilities</b>			
Trade and other payables	5	17 382 389	13 215 586
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>184 511 168</b>	<b>126 476 446</b>

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH**

	Note	2017 N\$	2016 N\$
<b>REVENUE</b>		<b>69 451 064</b>	<b>61 584 798</b>
Government grants	7	53 966 126	47 329 485
Income from settlement areas	7	5 715 817	4 911 525
5% Rates & levies	7	994 082	125 109
Other income	8	869 649	1 050 020
Delegated functions	6.1	7 905 390	8 168 658
<b>EXPENDITURE</b>		<b>69 380 988</b>	<b>63 721 513</b>
General expenditure	9	58 722 934	49 084 864
Delegated functions	6.2	10 658 054	14 636 648
Surplus/(Deficit) for the year		<b>70 076</b>	<b>(2 136 714)</b>

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH**

	<b>Capital Development Fund</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	N\$	N\$	N\$
Changes in Equity as at 31 March 2016	92 188 351	23 209 223	115 397 574
Surplus /(Deficit) for the year	-	(2 136 715)	(2 136 715)
Adjustments	-	1 815 157	1 815 157
Additions	51 982 687	-	51 982 687
Changes in Equity as at 31 March 2017			
Surplus /(Deficit) for the year	-	70 076	70 076
<b>Balance as at 31 March 2017</b>	<b>144 171 038</b>	<b>22 957 742</b>	<b>167 128 780</b>

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH**

	<b>2017</b>	<b>2016</b>
	N\$	N\$
<b>Net cash flow from Operating activities</b>	<b>(6 870 671)</b>	<b>3 202 026</b>
Cash receipts from customers	56 193 470	51 951 345
Cash paid to suppliers and employees	(64 879 298)	(51 634 138)
Retained income	1 815 157	2 884 819
<b>Net cash flow from Investing Activities</b>	<b>(52 618 384)</b>	<b>(38 863 355)</b>
Purchase of Property, Plant and equipment	(52 960 939)	(39 464 201)
Proceeds for the sale of equipment	-	600 846
Interest received	342 555	-
<b>Cash flow from Financing Activities</b>	<b>51 982 687</b>	<b>29 063 696</b>
Capital project funds	51 982 687	29 063 696
<b>Net increase in cash and cash equivalents</b>	<b>(7 506 368)</b>	<b>(6 597 632)</b>
<b>Cash and cash equivalents - beginning</b>	<b>20 134 631</b>	<b>26 732 263</b>
<b>Cash and cash equivalents - end</b>	<b>12 628 263</b>	<b>20 134 631</b>

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**2017**

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**1. ACCOUNTING POLICIES**

The annual financial statements are prepared under the historical cost convention. The following accounting policies are consistent, in all respect, with those of the previous year:

1.1 The annual financial statements are prepared in line with the accrual concept. It should be noted, however, that income and expenditure in relation to Delegated Functions is accounted for during the year on a cash accounting concept in line with the State Finance Act, 1992; However, since all liabilities in relation to Delegated Functions remains with the relevant Line Ministry and all unexpected Delegated Funds are returned to the State Account as at 31 March, this does not materially affect the Regional Council's Financial Statements.

1.2 All Fixed Assets are stated at historical cost less Accumulated Depreciation. Depreciation is calculated using the straight line method to write off the cost of each asset over the estimated useful life as follows:

Buildings	50 years	2% pa
Machinery and Equipment	5 years	20% pa
Motor vehicles	5 years	20% pa
Office Furniture and Equipment	5 years	20% pa
Computer equipment	3 years	33.33% pa

**REGIONAL COUNCIL FOR THE HARDAP REGION  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

**2. PROPERTY, PLANT AND EQUIPMENT**

2016	Land	Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Plant & Machinery	Office Furniture	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
<b>Opening net book value (cost)</b>	-	<b>17 527 551</b>	<b>5 868 633</b>	<b>1 312 746</b>	<b>472 800</b>	<b>1 378 270</b>	<b>2 850 369</b>	<b>29 410 369</b>
Adjustment	2 368 702	3 073 482	(298 776)	(617 796)	(122 715)	7 430 656	(1 294 084)	10 539 470
Add: Purchases	-	-	1 202 818	438 879	26 049	6 287	-	1 674 033
Adjustment: Accumulated Depreciation	-	(2 978 719)	(59 306)	(320 930)	(242 745)	(7 702 098)	(948 435)	(12 252 231)
Accumulated Depreciation	-	-	(2 007 870)	(139 371)	(61 509)	(869 570)	(135 415)	(3 213 735)
Less: Charge for the year	-	(412 021)	(790 896)	(196 678)	-	(55 343)	(126 948)	(1 581 885)
Closing net book value (cost)	2 368 702	17 210 294	3 914 604	476 850	71 880	188 202	345 489	24 576 020
<b>2017</b>	<b>2 368 702</b>	<b>17 210 294</b>	<b>3 914 604</b>	<b>476 850</b>	<b>71 880</b>	<b>188 202</b>	<b>345 489</b>	<b>24 576 020</b>
Adjustment	-	-	(118 260)	-	-	-	-	(118 260)
Add: Purchases	-	-	535 235	215 170	20 725	11 040 845	322 553	12 134 528
Adjustment: Accumulated Depreciation	-	3 390 740	2 858 071	656 979	304 254	8 627 011	1 210 797	17 047 851
Accumulated Depreciation	-	(3 390 740)	(2 858 071)	(656 979)	(304 254)	(8 627 011)	(1 210 797)	(17 047 851)
Less: Charge for the year	-	(412 021)	(1 018 983)	(263 486)	(51 262)	(2 256 341)	(148 179)	(4 150 272)
<b>Closing net book value (cost)</b>	<b>2 368 702</b>	<b>16 798 273</b>	<b>3 312 596</b>	<b>428 534</b>	<b>41 342</b>	<b>8 972 706</b>	<b>519 863</b>	<b>32 442 016</b>

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2017</b>	<b>2016</b>
	N\$	N\$
<b>2. WORK IN PROGRESS</b>	<b>109 993 410</b>	<b>64 898 467</b>
W.I.P Klein Aub	-	4 673 918
W.I.P. Mariental	156 032	156 032
Construction of Services - Klein Aub	4 183 210	3 824 363
Construction of Sewer Services-Hoachanas	9 648 194	6 354 816
Construction of Sewer Services-Kriess	3 604 063	3 462 166
Construction of Sewer Service-Witbooi Trading	3 743 749	3 642 818
Rehoboth Electrical Project	-	4 216 341
Construction of Daweb CDC Office	7 362 465	5 105 312
Construction of Aranos CDC Office	9 167 339	5 468 970
Construction of Hoachanas Offices	4 445 063	4 445 063
Construction of Rural Dev Centre-Gibeon	1 123 419	1 123 419
Construction of HRC - Office Park	62 044 889	22 399 249
Construction of Services - Schlip Settlement	1 570 072	26 000
Other Expenses	174 083	-
Construction of Bucket Toilets	2 770 835	-

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2017</b>	<b>2016</b>
	N\$	N\$
<b>3. CASH ON HAND AND BANK</b>	<b>12 628 263</b>	<b>20 134 631</b>
Main Current Account	331 206	1 936 429
Revenue Account	2 022 548	8 938 814
Capital Current Account	4 066 423	2 660 540
Independence Current Account	43 861	25 001
Social Upliftment	38 301	77 203
Settlement Current Account	81 422	99 066
Traditional Authority current account	69 726	67 048
Micro Project current account	427 282	156 250
Build Together Receipt	138 417	44 970
Fleet Management Account	109 264	246 608
Housing Fund	1 260 834	1 010 024
ECD Account	552 324	476 763
Nacoma	-	573
Rural Development Account	3 209 988	4 197 411
Trust fund for Regional Development	-	3 771
Spanish Account	-	12 405
Regional Disaster Account	201 978	177 412
Cash on Hand	74 690	4 343
<b>4. TRADE AND OTHER RECEIVABLES</b>	<b>29 314 252</b>	<b>16 399 213</b>
Nampower	118 930	118 930
Customer Control	3 299 159	1 443 055
Build Together	686 702	716 316
Receiver of Revenue (VAT)	25 209 461	14 120 912
<b>5. TRADE AND OTHER PAYABLES</b>	<b>17 382 389</b>	<b>13 215 586</b>
Creditors	16 470 810	6 016 337
Suspense Account	-	5 644 584
Other Salary & wages control	911 579	1 554 665



**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

**6. DELEGATED FUNCTIONS**

The Regional Council is currently performing the following functions delegated by Central Government line ministries, as indicated in accordance with the Decentralisation Enabling Act, 2000. Under delegation the Regional Council acts as an agent on behalf of the relevant Line Ministry. The relevant Line Ministry, however, retains overall responsibility for performance of the functions, and also retains the responsibility to approve the related budget. This budget allocation is transferred to the Regional Council via monthly cash transfers. However, any unexpended amount as at 31st March is paid to the State Account, via the related line ministry. For this reason the Income and Expenditure for each delegated function should always net to Nil.

	<b>2017</b>	<b>2016</b>
	N\$	N\$
<b>6.1 Other Accounts &amp; Delegated functions - Revenue</b>	<b>7 905 390</b>	<b>8 168 658</b>
Ministry of gender, equality and child welfare	2 002 835	2 533 869
Traditional Authority account	3 575	4 530
Independence Account	48 043	92 987
Micro Project Account	20 434	46 946
Office of the Prime Minister	-	1 218 068
Embassy of Spain	111	586
Rural Development	5 688 333	4 246 681
Social Upliftment	70 528	4 166
Nacoma	10	36
Build Together	71 489	20 604
Trust fund for Regional Development	32	184
<b>6.2 Other Accounts &amp; Delegated functions - Expenses</b>	<b>10 658 054</b>	<b>14 636 648</b>
Ministry of gender, equality and child welfare	1 924 192	3 238 319
Traditional Authority account	897	85 741
Independence Account	10 927	102 504
Micro Project Account	388 495	1 476 509
Office of the Prime Minister	1 677 256	3 120 657
Embassy of Spain	12 500	593
Rural Development	6 424 933	6 435 396
Social Upliftment	197 095	141 518
Nacoma	236	408
Build Together	21 368	34 566
Trust fund for Regional Development	156	438

**REGIONAL COUNCIL FOR THE HARDAP REGION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**  
**(Continued)**

	<b>2017</b>	<b>2016</b>
	N\$	N\$
<b>7. REVENUE</b>	<b>60 676 025</b>	<b>52 366 120</b>
5 % Levy Assessment rates	994 082	125 109
Revenue from settlements	5 715 817	4 911 525
<b>Subsidy from Government:</b>	<b>53 966 126</b>	<b>47 329 485</b>
Operational	51 729 011	44 777 534
Other Government transfers	2 237 114	2 107 300
NPC	-	444 651
<b>8. OTHER INCOME</b>	<b>869 649</b>	<b>1 050 020</b>
Other revenue	527 094	546 150
Interest Received - Operational	209 284	341 161
Capital Project Interest	133 271	162 710
<b>9. EXPENDITURE</b>	<b>58 722 934</b>	<b>49 084 864</b>
Personnel Expenditure	32 960 874	27 864 995
Subsistence and Travel	2 988 027	2 970 968
Materials and Supplies	829 141	475 909
Transport Cost	1 806 049	1 322 356
Utilities	10 097 023	8 947 779
Maintenance Expenses	1 012 347	1 837 230
Property Rental	446 356	300 923
Depreciation Expenses	258 121	1 643 394
Bank Charges	4 150 272	172 171
Other Expenditure	3 608 316	3 326 336
Subsidies, Grants Contributions Paid	335 313	183 364
Other Expenses - Capital Projects	231 095	39 439
<b>10. ACCUMULATED FUNDS</b>	<b>167 128 780</b>	<b>113 260 860</b>
Capital Development fund	144 171 038	92 188 351
Retained Income	22 887 666	23 209 223
Net surplus/(Deficit) for the year	70 076	(2 136 715)