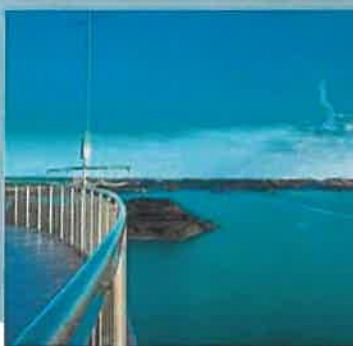




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL FOR THE HARDAP REGION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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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 Hardap Regional Council for the financial year ended 31 March 2023, 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, December 2024

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 REGIONAL COUNCIL
OF HARDAP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Hardap Regional Council for the financial year ended 31 March 2023 provided by the Accounting Officer as attached in Annexure A-F. These financial statements comprise the statement of financial position, the statement of financial performance, the statement of changes in net assets, statement of cash flows, notes to the financial statements and a summary of significant accounting policies.

In my opinion, because of the significance of matters discussed in the Basis for Adverse audit opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the Hardap Regional Council as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the entity in accordance with the code of ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. An adverse audit opinion is being expressed due to the following reasons:

2.1 STATEMENT OF FINANCIAL POSITION

The Council restated its 2022 figures in the current financial statements by reclassifying items of the statement of financial position to the value of N\$ 6 181 638 from non-current employee benefits (N\$ 5 567 870) and payables from exchange transactions (N\$ 613 768) to current portion of employees benefits without making the appropriate disclosures required by IPSAS 3.

IPSAS 3 paragraph 54 states: "In applying paragraph 47, an entity shall disclose (a) The nature of the prior period error; (b) For each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected; (c) The amount of the correction at the beginning of the earliest prior period presented; and (d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected."

2.2 STATEMENT OF CHANGES IN EQUITY

The Council did not present the Build Together Fund and Housing Fund and their related disclosures and gave no explanation for their omission in the year under review. In the prior year's financial statements (i.e. 2022), the Council disclosed a Build Together Fund and a Housing Fund with closing balances of N\$ 635 892 and N\$ 2 544 716 respectively.

2.3 WORK-IN-PROGRESS

Transactions for various projects totalling N\$ 9 198 813 have been classified as Work-in-Progress (WIP) (2023: N\$ 246 410 and prior to 2023: N\$ 8 952 403). However, these projects have been completed and should have been capitalized.

2.4 RENTAL BUILDING

For the selected sample, the Hoachanas staff houses and social houses, Rehoboth Rural staff houses and Rehoboth Urban West social houses have not been recorded in the financial statements.

2.5 VAT CONTROL ACCOUNT

There is a difference of N\$ 11 823 598 between the balance as per Receiver of Revenue (NAMRA) amounting to (N\$ 5 133 093) and the balance presented in the financial statements of N\$ 20 445 441.

2.6 BUILT TOGETHER PROGRAMME

The Council did not allocate and disclose the account balances of current and non-current receivables separately for Build Together Programme amounting to N\$ 1 255 779.

2.7 CAPITAL PROJECTS

The Council did not submit the Terms of Reference (TOR) or provide status updates for the projects amounting to N\$ 23 717 142. As a result, the auditors were unable to perform audit procedures on these projects.

2.8 PROCUREMENT PROCESSES

The Council did not fully implement the recommendation of the Bid Evaluation Committee as no re-advertisement was performed on the procurement of poultry project materials and transport from Mariental to /Huibes.

The bid evaluation report dated 11/03/2022 recommended that the bid should be re-advertised as the bidders were not responsive. However, the tender was awarded to Aimab Trading cc on 31 March 2022 on the recommendation of Procurement Committee dated 30 March 2022 noting that the supplier made minor mistakes.

The assessment of compliance with mandatory, general and special bidding conditions indicates that Aimab Trading Enterprises did not submit the original valid good standing tax certificate, did not complete the bidding forms in full and did not fully initial bidding documents and corrections. Gotev Investments CC, second lowest bidder only failed at not fully initialling documents and corrections.

Furthermore, a letter dated 02 June 2022 from the Control Administration Officer at the Daweb Constituency Office, indicated that the items delivered were not as per the bid document.

2.9 CONSTRUCTION OF RURAL SANITATION PROJECTS

The Bidding documents as well as the approved activity plan for the constructions of the rural toilets in Voightsgund and Neu-Haribes villages for a total cost of N\$ 796 525 were not provided for audit. As a result, the audit could not verify if the procurement processes were correctly carried out and that the constructions were planned as a result of the recommendations of the Constituency Development Committees.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I do not have anything to report on this matter.

4. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and the relevant legislations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), 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 these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also:

- Identify and assess the risks of material misstatement of the financial statements, 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 my 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 controls.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- I conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were most significance in the audit of the financial statements for the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

AUDIT OF PERFORMANCE INFORMATION (KPI)

I conducted an audit on the performance information of the Hardap Regional Council for the period 2023, consecutively with the audit of financial statements for the year ended 30 June 2023.

1. DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND SCOPE

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Council to achieve success in fulfilling its mandate and provide improvements in service delivery to the public.

The scope of the key performance indicators was performed by looking at the high-level statements, which are indicated in the mandate of the Council as provided for in the Regional Councils Act, Act No. 22 of 1992 and its' Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

2. AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide assurance whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the Council to inform the Parliament, the public and other stakeholders about its strategic priorities, programs and projects.

3. AUDIT CRITERIA

The audit was mainly concentrated on two (2) criteria, namely:

- Usefulness of reported performance information in terms of measurability and relevancy of indicators, as well as consistency of use of indicators throughout the period under review; and
- Reliability of reported performance information in terms of whether the actual reported performance did occur and was reported accurately.

4. SUMMARY OF METHODS APPLIED

The auditors reviewed the strategic and annual plans for the strategic periods 2019 to 2023 and this comprised documentation review and interviews with senior and top management.

5. KEY AUDIT FINDINGS

5.1. STRATEGIC AND ANNUAL PLANNING AND REPORTING

It was observed that a majority of annual plans (2018/19 to 2021/22) were not signed off and no Annual Performance/Activity Reports were received.

Furthermore, a majority of source documents requested to ascertain whether any activity occurred related to the attainment of strategic objectives during the 2022/23 period were also not received i.e. source documents for sixty-three (63) out of a total of seventy-two (72) Key Performance Indicators (KPIs) were not received (i.e. 89%).

5.2. PERFORMANCE AGREEMENTS

All requested Performance Agreements were not received, except for that of the Chief Internal Auditor.

5.3. ALIGNMENT OF ANNUAL PLAN (2022//23) TO THE STRATEGIC PLAN (2018/19 TO 2022/23)

The Council did not consistently use KPIs between the strategic plan (2018/19 to 2022/23) and the annual plan (2022/23) as KPIs on the annual plan are directly aligned to outputs rather than to the strategic objectives.

A strategic objective was added to the annual plan that did not appear in the strategic plan. Although the activities planned for contribute to KPIs at a strategic level, the relationship is not clearly documented for ease of reporting on the achievement of strategic objectives.

6. CONCLUSION OF SUBJECT MATTER

Because of the significance of the key audit findings section of my report, I have not been able to obtain sufficient appropriate evidence to form a conclusion on the Key Performance Information of the Council. Accordingly, I do not express a conclusion.

7. ACKNOWLEDGEMENT

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

WINDHOEK, December 2024

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Implementing central government's policies at regional level with the aim to improve the overall living standards of its residents.
Chairperson:	Hon Gerson DF Dausab

MEMBERS OF THE MANAGEMENT COMMITTEE

Chairperson:	Hon. Gerson F Dausab
Councillors:	Hon. Salmon Boois
	Hon. Petrus J. Esterhuizen
	Hon. Harold Kambrude
	Hon. Nicodemuis J. Motinga
	Hon. Paul Isaak
	Hon. Edward Wambo
	Hon. Densia Swartbooi

AUDITORS	External:	Auditor-General
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PRIMARY BANKER	Bank Windhoek
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REGISTERED OFFICE

Auta !Nanseb Building	Private Bag 2017
Mariental2	Mariental
Hardap Region	Namibia
Telephone: +264 63 245800	Facsimile: +264 63 240527
Web Page: www.hardaprc.gov.na	

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
GENERAL INFORMATION (Continued)

CHIEF REGIONAL OFFICER

Telephone: +264 63 245832 **E-mail:** winsoftna@yahoo.com

DEPUTY DIRECTOR: FINANCE

Telephone: +264 63 245812 **E-mail:** itoomar@hardaprc.gov.com

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 20 to 82, in terms of Section 40 of the Regional Council Act (Act No 22 of 1992) and which I have signed on behalf of the Regional Council.

These Annual Financial Statements will be presented to the Council in terms of Section 40 (3) of the Regional Authorities Act (Act No 22 of 1992) after it has been tabled at Parliament.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
MEMBERS OF THE COUNCIL

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

COUNCILLORS

POLITICAL PARTY

Hon. GDF Dausab

LPM Party

Hon. SH Boois

LPM Party

Hon. PJ Esterhuizen

LPM Party

Hon. H Kambrude

LPM Party

Hon. NJ Motinga

LPM Party

Hon. P Isaak

LPM Party

Hon. D Swartbooi

LPM Party

Hon. EA Wambo

SWAPO Party

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOREWORD FROM THE CHAIRPERSON

During the 2018/19 financial year, the Regional Council has for the first year applied International Public Sector Accounting Standards (IPSAS) to ensure accountability and compliance according to international best practices for the Regional Council of Hardap.

The Regional Council, as part of improving service delivery to the community, implemented proper communication channels through public participation principles. Through these principles, the community were involved in the identification of community projects for inclusion under the budget. Provision of basic service delivery and the repayment of these services remain a major concern to all in local government. All role-players must ensure that they work together to overcome the legacy of the past and ensure that we uplift the living conditions of those that were previously disadvantaged. Our Councillors are expected to discharge their responsibilities in the spirit of co-operative governance.

Capital infrastructure projects were mainly financed from Government funding and the Regional Council has successfully finalised some of the projects as identified in the Medium Term Framework (METF) and Capital Budget. However, there has been under-spending in this regard and the Regional Council has already planned for the continuation of critical infrastructure projects to address construction of basic infrastructure.

The Regional Council will in the 2023/2024 financial year again embark upon projects identified in the METF and Capital Budget and ensure completion of 2022/23 rolled-over projects.

I hereby wish to thank all the Councillors, Administrative Management and their staff members for their commitment during the 2022/2023 year and hope that the 2023/24 targets set in the METF and Capital Budget will be met.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE

1. INTRODUCTION

The financial statements of the Hardap Regional Council for the year ended March 31 2023 have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). This is the fifth set of financial statements that have been prepared under IPSAS, following its implementation in 2018.

The financial statements, along with financial statement discussion and analysis, are presented in this annual financial report.

2. INCORPORATION

Hardap Regional Council was incorporated in Namibia on 31 August 1992 under Section 2(1) of the Regional Council Act, (Act No. 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 Council 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 2023 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act No. 31 of 1991) and the Regional Council Act, (Act No. 22 of 1992).

3. FINANCIAL RISK

Hardap Regional Council seeks to minimize its exposure to financial risk. The only financial asset it may purchase is cash or cash equivalents and the only financial liability it may have (other than the payables) are bank overdrafts and bank loans.

3.1. CURRENCY RISK

The Hardap Regional Council manages in bank accounts in Namibia dollars, which is the official currency of Namibia.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

3.2. INTEREST RATE RISK

Interest rate risk arises from the possible impact of changes in the interest rate on the value of its financial instruments. The Hardap Regional Council does not have assets and liabilities that are materially dependent on interest rates level; therefore, management believes that the Hardap Regional Council has no exposure to interest rate risk.

3.3. CREDIT RISK

Credit risk arises when one part to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Hardap Regional Council is exposed to credit risk on its debtor accounts. The Regional Council seeks to manage this risk through monitoring the existing debtor balances and introduce drastic measures on collection of those outstanding debtors.

3.4. LIQUIDITY RISK

Liquidity risk is a risk of the Hardap Regional Council not being able to meet its obligations as they fall due. The Regional Council's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the reputation of the Hardap Regional Council.

3.5. FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

This section of HRC annual financial report presents discussion and analysis of the organization's financial performance and position during the year ended March 31, 2023. This discussion and analysis is not part of Hardap Regional Council's financial statements; however, it should be read together with Hardap Regional Council's financial statements.

3.6. THE MOVE TO IPSAS

In 2018 the Regional Council adopted IPSAS as their accounting standard for the preparation of financial statements. This recommendation was driven by a clearly identified need within the government system to move to improved, independent and universally accepted accounting standards, with the aim of increasing quality and credibility in financial reporting. The IPSAS standards are developed by the International Public Sector Accounting Standards Board (IPSASB) which is part of the International Federation of Accounts (IFAC).

Applying IPSAS requires the introduction of the full accrual basis of accounting. Accrual basis accounting involves the recognition of transactions and events when they occur, meaning that they are recorded in the accounting records and reported in the financial statements of the financial periods to which they relate, and not only when cash or its equivalent is received or paid.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

The implementation of IPSAS does not currently impact the preparation of the Hardap Regional Councils Programs and Budget, which is still presented on a modified accrual basis. As this basis differs from the full accrual basis applied to the financial statements, reconciliation between the budget and the financial statements is provided in accordance with the requirements of IPSAS.

3.7. LOANS

No external loans agreements were entered into in the current year. No internal loans agreements were advanced or received during the year.

3.8. INTER-GOVERNMENTAL GRANTS

The Regional Council is dependent on financial aid from the central government (MURD) to finance its annual capital programs. Operating grants are utilized to finance most operational activities of the Regional Council.

3.9. INVESTMENTS AND INTEREST PROCEEDS

No investments for the period under review.

3.10. CLAIMS

Claims for losses were received during the year to the amount of N\$ 89 775.

3.11. SPECIAL INVESTIGATIONS

There was no investigation during the period under review.

3.12. INTERNAL CONTROLS

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. While increased management involvement reduces risks, the risk arises that management may override existing internal controls.

3.13. FRUITLESS, UNAUTHORIZED OR AVOIDABLE EXPENDITURE

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

3.14. COUNCILORS' INTERESTS IN CONTRACTS

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

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

3.15. IRREGULARITIES AND LOSSES

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

3.16. GOING CONCERN

The Council has 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.

3.17. OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements prepared in accordance with IPSAS consist of:

- A Statement of Financial Position -which details the net assets (the difference between total assets and total liabilities) of the Regional Council. This statement provides information about the financial strength of the Council, and the resources which are available to support its future objectives;
- A Statement of Financial Performance -which measures the net surplus or deficit (the difference between total revenue and total expenses) for the year. This statement provides information on the Council's sources of revenue, and the cost of its activities. The annual surplus or deficit is presented on a full accrual basis of accounting, recognizing revenue in the period it is earned and expenses when incurred, regardless of when the associated cash is received or paid;
- A Statement of Changes in Net Assets - which identifies the change in the net asset position during the year. This statement highlights the sources of changes in the Council's overall financial position, including changes due to the surplus or deficit for the period;
- A Statement of Cash Flow -this presents the movements of cash during the year resulting from operating, investing and financing activities. This statement provides information on how cash has been raised and used during the year, including borrowing and repayment of borrowing, and the acquisition and disposal of fixed assets. In contrast to the Statement of Financial Performance, the Council's net cash flow measures the difference between cash coming into the Regional Council and cash going out;
- A Statement of Comparison of Budget and Actual Amounts - which presents a comparison of the budget amounts for the Council's programs-and Budget, and the actual amounts for the year. This statement is prepared on the budgetary basis which is a modified accrual basis. It provides information on the extent to which resources were obtained and used in accordance with the approved budget;
- Notes to the Financial Statements -which assist in understanding the principal financial statements. The Notes comprise a summary of significant accounting policies and other explanatory information. They also disclose information required by IPSAS which is not presented on the face of the principal financial statements.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

3.18. FINANCIAL STATEMENT HIGHLIGHTS

- The 2023 Hardap Regional Council financial statements prepared in accordance with IPSAS show a deficit for the year of N\$ 3 084 514 and a corresponding decrease in net assets from N\$ 275.1 million in 2022 to N\$ 260.8 million Namibian dollars as at March 2023.
- This deficit can be compared to a deficit of N\$ 2 777 885 in 2022. Revenue in 2023 was up by N\$ 4 114 014 in 2022, due to a principal increase in operational subsidy, income from settlement areas and 5% rates and taxes. Total expenses increased by N\$ 4 421 476 or 6.82 per cent compared to 2022, although personnel expenditure increased by 1.53 per cent.
- The composition of HRC assets and liabilities show a slight increase in assets and a slight decrease in liabilities to 2022. Cash and cash equivalents total N\$ 16 179 582 as at 31 March, 2023, and represent 5.9 per cent of total assets and 37 per cent of current assets. The Regional Council maintains significant investment in fixed assets, principally land, buildings, capital infrastructure, computer, office equipment, furniture and intangible assets with a total net book value of N\$ 230 486 999, accounting for 84 per cent of total assets.
- The principal liabilities of the Council as at 31 March 2023 are payables of N\$ 2 648 025 (representing 19.7 per cent of total liabilities), employee benefit liabilities of N\$ 6 781 936 (bonus and leave days, 50.5 per cent) and deferred income grants for capital projects and rural development of N\$ 3 885 541 (28.95 per cent).

3.19. FINANCIAL PERFORMANCE

- The Council results for 2023 showed a deficit for the year of (N\$ 3 084 514) with total revenue of N\$ 66 152 166 and total expenses of N\$ 69 236 681. This can be compared to a deficit of N\$ 2 777 884 in 2022, with total revenue of N\$ 62 037 319 and total expenses of N\$ 64 815 204.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

- The Budget actual result for 2023 prepared on a modified accrual basis (i.e. before the impact of IPSAS adjustments) was a surplus of N\$ 5 119 154. The 2023 result for the council under IPSAS includes capital projects expenditure and rural development projects and the impact of adjustments related to full accrual accounting in accordance with IPSAS.

Summary of actual budget vs statement of financial performance actual					
	Final Actuals Operational/ Budget comparable basis	Capital and Rural Actuals on comparable basis	Total IPSAS Adjustments	Total IPSAS Actuals	IPSAS Actuals
	2023	2023	2023	2023	2022
Total Revenue	69 321 907	5 964 774	(9 134 515)	66 152 166	62 037 319
Total Expenses	64 532 872	5 634 656	(930 847)	69 236 681	64 815 204
Net Surplus /Deficit	4 789 035	330 118	(8 203 668)	*(3 084 514)	(2 777 885)

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

- The HRC financial statements as prepared in accordance with IPSAS include all areas and activities of the whole Council. The application of full accrual basis accounting in accordance with IPSAS leads to a number of 'accounting basis differences' which impact the result for the year.

Under IPSAS, revenue from National Planning Commission and Rural Development contributions under capital and rural is recognized as the conditions of the money is fulfilled and expense is incurred in line with the projects. Where contributions received exceed the cost of work performed, the contributions are treated as deferred revenue liabilities, resulting in a reduction in the result for the year of N\$ 330 118.

- If the balance of the deferred revenue liability increases, the IPSAS impact is a reduction in revenue. The balance of deferred revenue from rural development projects and capital projects increased from N\$ 3 555 422 as at 31 March 2022, to N\$ 3 885 541 as at 31 March 2023.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

- The result for the year on an IPSAS basis includes the depreciation expense of buildings and equipment (property plant and equipment) and the amortization expense of intangible assets, as the cost of these assets is spread over their useful lives. The total cost of depreciation and amortization for the year was N\$ 5 241 790.
- IPSAS require that employee benefits earned by staff, but not yet paid, be recognized as liabilities of the council. A total employee benefit liability, including most significantly leave days accrued and bonuses have increased from 2022: N\$ 613 768 and in 2023 N\$ 694 836, a slight increase and leave days accrued has moved from N\$ 6 088 136 as at 31 March 2022 to N\$ 6 087 099 as at 31 March 2023.
- Under IPSAS, costs relating to the construction and improvement of buildings are capitalized. Meaning all cost relating to assets are not included in the statement of financial performance, but they increase our fixed assets cost.
- The largest source of revenue was Government subsidy of N\$ 55 499 574 comprise of operational subsidy N\$ 49 699 983, capital projects N\$ 4 299 375 and Rural Development N\$ 1 335 281 and other government grants MURD ESPDS program (N\$ 164 935) being 83.9 percent of total revenue followed by income from settlement areas at N\$ 7 720 828 which is 11.67 percent of total income.
- Again, under IPSAS capital projects and rural development are only recognized when their conditions of what the funds are meant for has been fulfilled meaning in this case only income for what was fulfilled during the financial period was recognized and the difference of what was received was deferred until the conditions are met.
- The second major source of income was income from settlement areas being water and electricity sales mainly, which takes 11.67 percent of total income and also an improvement from prior year 2022: N\$ 7 403 475 to N\$ 7 720 828 as at 31 March 2023.
Income is recognized when service is rendered not when cash is paid.
- The third source of major income is 5% rates and taxes from local authorities which is N\$ 1 634 467 as at March 2023 from N\$ 1 362 000 as at March 2022, this takes 2.47 per cent of total income.
Again income is recognized when service is rendered not when cash is paid and in this case when local authorities render services to their customers, they are automatically due to pay 5% rates and taxes according to the Local Authority Act section 77 (1) of the Local Authority Act, Act No 23 of 1992), and income is recognized at the Regional Council once that is done.
- Other Income comprises on interest received bank, fishing permits, interest other customers build together customer (BTP), commissions, bid documents and housing rentals for staff members staying in Council houses totalled to N\$ 1 297 298 being 1.96 per cent and also a

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

- decrease as compared to the prior year which was N\$ 2 376 070 as at 31 March 2022 because of UNDP income (N\$ 902 612) which wasn't received in the current financial year and also bid documents didn't realize much in the current financial year as compared to the prior year N\$ 12 000 (2023) from N\$ 428 200 (2022).

Revenue	2023	2022	change	% change	% of total income
Operational Subsidy	49 699 983	48 616 005	1 083 978	2.23	75.13
Rural Development	1 335 281	356 597	978 684	274.45	2.02
Capital Projects	4 299 375	1 923 171	2 376 204	123.56	6.50
Other GVT grants	164 935	-	164 935	-	0.25
Income from settlement Areas	7 720 828	7 403 475	*317 352	4.29	11.67
Rates and taxes local authority	1 634 467	1 362 000	272 467	20.00	2.47
Other operating income	1 297 298	2 376 071	(1 078 773)	(45.40)	1.96
TOTAL INCOME	*66 152 166	62 037 319	*4 114 847	6.63	100.00

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

- The biggest expenditure being employee cost and an increase of 1.53 percent as compared to prior year N\$ 34 589 725 (2023) from N\$ 34 068 452(2022)) and it takes 54 percent of the total expenditure.
- Utilities was the second largest expenditure and an increase from prior year N\$ 13 037 656 (2023) from N\$ 12 008 635 (2022)), this took 20.36 percent of took expenditure and an increase of 8.57 percent from prior year amounts.
According to IPSAS, all expenses are recognized once the service has been provided not when paid.
- There was also a significant increase on transport cost N\$ 2 180 059 (2023) from N\$ 1 530 284 (2022), community support N\$ 1 725 648 (2023) from N\$ 976 522 (2022)), security services N\$ 2 312 572 (2023) from N\$ 2 108 732 (2022)), rural development projects sanitation and cash for work N\$ 1 335 281 (2023) from N\$ 350 070 (2022) and a decrease on daily subsistence allowance N\$ 1 649 812 (2023) from N\$ 1 845 274 (2022).

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

Expenditure	2023	2022	change	% change	% of total expense
Employee cost	34 589 725	34 068 453	521 272	1.53	49.96
Community support	1 725 648	976 523	749 125	76.71	2.49
Subsistence and travel allowance	1 649 812	1 845 275	*(195 462)	(10.59)	2.38
Transport cost	2 180 059	1 530 284	649 775	42.46	3.15
Depreciation and amortization	5 241 790	5 044 280	197 510	3.92	7.57
Utilities	13 076 856	12 008 635	*1 068 220	8.90	18.89
Security Services	2 312 572	2 108 732	203 840	9.67	3.34
Rural Development Projects	1 335 281	350 070	985 211	281.43	1.93
Other operating expenses	7 124 938	6 882 952	241 986	3.52	10.29
Total Expenditure	69 236 681	64 815 204	*4 421 476	6.82	100

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

3.20. FINANCIAL POSITION

- As at 31 March 2023, the Council had net assets of N\$ 260 770 962, with total assets of N\$ 274 191 476 and total liabilities of N\$ 13 420 785. As a result of the deficit for 2023 of (N\$ 3 084 514), net assets have decreased from N\$ 263 855 204 as at 01 April 2022 that was after an adjustment was made to the accumulated funds because of a reduction in receivables from Ministry of Finance and penalties charged so it decreased from what was reported at 31 March 2022 of N\$ 275 166 554 to N\$ 263 855 204 (01 April 2022 opening statement).
- The Council has cash balances of N\$ 16 179 582 representing 5.8 per cent of total assets, the cash balances have decreased from N\$ 17 686 433 as at 31 March 2022.
- The Council hold significant fixed assets (land, buildings, computer, office, machinery, capital infrastructure and furniture) with a net book value of N\$ 200 961 421 compared to N\$ 203 409 037 as at March 2022 and the council has projects on going for the construction of services (Klein Aub, Schlip ,Hoachanas and Gibeon) totalling to N\$ 29 525 578 as at March 31 2023 compared to N\$ 29 279 168 as at March 31 2022 and the council has Built Together software with netbook value of N\$ 102 734 as at March 31 2023 compared to N\$ 122 944 as at March 31 2022.
- Other Assets includes VAT refundable by NAMRA, Inventories or unused consumable items and trade receivables customers (local authorities, build together and settlement area customers) totalling N\$ 27 422 161 as at March 2023.

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE ACTING DEPUTY DIRECTOR: FINANCE (Continued)

- Trade Payables (suppliers of utilities and other expense) totalling to N\$ 2 648 025 as at March 31, 2023 compared to N\$ 6 053 413 as at 01 April 2022 and Payables from non-exchange (differed revenue liabilities capital projects and rural development) totalling to N\$ 3 885 541 as at March 31, 2023 compared to N\$ 3 555 422 as at March 31, 2022.
- Employee benefits (bonuses and accrued leave days) totalled to N\$ 6 781 936 as at March 31, 2023 compared to N\$ 6 701 905 as March 31, 2022. This liability is calculated by human resources department staff.

Composition of Employee benefits

	Mar-23	Mar-22	change	% of liability
Bonuses	694 837	613 768	81 069	5.18
Accumulated leave days	6 087 099	6 088 137	(1 038)	45.36
Total Employee benefits liability	6 781 936	6 701 905	80 031	*50.53

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

3.21. EXPRESSION OF APPRECIATION

We are grateful to the Honourable Councillor, the Chairperson, members of the Management Committee, Councillors, Acting Chief Regional Officer, Management Team and their subordinates for the support extended during the financial year. A special word of thanks to all staff in the Finance Division, for without their assistance these Annual Financial Statements would not have been possible.

ANNEXURE A

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

	Note	2023 N\$	2022 Restated N\$	2022 N\$
ASSETS				
Current Assets		43 601 743	44 982 619	55 836 640
Cash and cash equivalents	7	16 179 583	17 621 248	17 686 433
Receivables from Exchange Transactions				
Trade receivables	10	6 784 590	5 682 938	5 614 005
Receivables from Non-exchange Transactions				
Other current receivables	9	20 445 441	21 386 142	32 243 911
Inventories	8	192 130	292 291	292 291
Non-Current Assets		230 589 733	235 183 576	232 714 346
Property, plant and equipment	4	230 486 999	235 060 632	232 591 402
Intangible assets	5	102 734	122 944	122 944
Total Assets		274 191 476	280 166 195	288 550 986
LIABILITIES				
Current Liabilities		13 420 786	16 310 740	13 384 432
Payables from exchange transactions	11	2 648 025	6 053 413	3 127 105
Payables from non-exchange transactions	12	3 885 541	3 555 422	3 555 422
Current portion of employee benefit liabilities	11	6 887 220	6 701 905	6 701 905
TOTAL NET ASSETS		260 770 690	263 855 455	275 166 554
NET ASSETS / EQUITY				
Accumulated surplus		263 855 203	275 166 554	277 944 439
Deficit for the year		(3 084 513)	*(11 311 351)	(2 777 885)
TOTAL NET ASSETS / EQUITY		260 770 690	263 855 203	#275 166 554

*The Council incorrectly adjusted the deficit for the year rather than the accumulated surplus. As a result, the reported deficit for the year should be N\$ 2 777 885 as opposed to the N\$ 11 311 351.

#A variance of N\$ 273 was identified between the total net assets/equity as reported in the financial statements N\$ 275 166 554 and the statement of changes in net assets N\$ 275 166 827 for the 2022 financial year. This same discrepancy was noted in the restated balance for 2022, as well as for 2023.

ANNEXURE B

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH

	Note	2023 N\$	2022 N\$
Revenue from non-exchange transactions			
Government grants	15.1	55 499 574	50 895 773
5 % rates & levies	15.2	1 634 467	1 362 000
Revenue from exchange transactions	15.3		
Income from settlement areas		7 720 828	7 403 475
Interest received		634 270	233 830
Other income sundry		87 033	311 397
Other accounts			
Housing rentals		356 204	349 242
Fishing permits and licenses		12 700	12 024
Commission received		54 175	56 220
Bid documents		12 000	428 200
Insurance claim		89 775	-
DRM income		-	13 700
UNDP income		-	902 613
Interest on BTP customers		51 142	68 846
Total revenue		*66 152 167	*62 037 319
Operating expenditure	16	*69 236 681	*64 815 204
Employee related cost		34 589 725	34 068 453
Social upliftment-transfer to individuals		274 700	317 209
Public days /HIV activities		231 112	241 880
Disaster risk management		477 553	617 877
Community support grants/public contribution/micro		1 725 648	976 523
Grants and other transfers		25 493	-
Subsistence and travel		1 649 812	1 845 275
Supplies and consumables used		1 319 553	677 924
Transport cost		2 180 059	1 530 284
Depreciation and amortization expense		5 134 799	5 044 280
Impairment of property, plant and equipment		106 992	(19 865)
Utilities		13 076 856	12 008 635
Maintenance expenses		253 140	526 654

* A rounding difference of N\$1 is noted, but balances align with the submitted financial statements.

ANNEXURE B

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH
(Continued)

	Note	2023	2022
		N\$	N\$
Property rental		330 085	299 542
Advertising		21 300	22 575
Gardening and beautification		4 371	-
General expenses		57 724	-
Insurance		395 409	636 391
Pledges and gifts		12 495	-
Interest paid		101 135	-
Penalties and fines		118 051	-
Bank charges		250 516	331 167
Outsourced security services		2 312 572	2 108 732
Sewerage removal		414 424	-
Political and office entertainment		539 100	303 914
Membership fees and subscriptions		356 983	358 180
Bad debts provision		1 069 722	684 903
Consultancy/professional fees		397 821	128 975
Trainings qualifying and non-qualifying and staff wellness		349 258	352 221
Legal services		46 744	-
Affirmative action		-	29 778
Regional and settlement development		-	155 569
Condolences and gratitude		-	4 143
RACOC		-	26 529
CDC		-	17 870
Advisory committee		-	1 896
Traditional authority stationeries and other expenses		-	66 252
Ministry of Lands		-	(14 954)
UNDP expenses -Daweb		-	882 256
Printing services		37 759	-
Other expenses - capital projects		-	1 669
Loss on disposal of assets		40 490	232 396
Rural development projects expense		1 335 281	350 070
Deficit for the year		*(3 084 513)	*(2 777 885)

* A rounding difference of N\$1 is noted, but balances align with the submitted financial statements.

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH

	<u>Accumulated surplus</u>
Balance as at 1 April 2021	277 658 971
Total recognized revenue and expenses in the period	(2 777 885)
Changes in accounting policy	285 741
Net Assets as at 31/03/2022	275 166 827
Adjustment to retained income	(11 311 351)
Net Assets as at 01/04/2022	*263 855 477
Total recognized revenue and expenses in the period	(3 084 514)
Net Assets at 31/03/2023	*260 770 963

* A rounding difference of N\$1 is noted, but balances align with the submitted financial statements.

IPSAS 3 Changes in accounting estimates, accounting policy and errors

Retrospective restatement of errors and correction

During the financial year it was discovered that customer balances and supplier were either overstated or understated and an adjustment was done to correct the error. It was also discovered that invoices for capital projects were omitted from the prior balances.

Adjustment was done to the buildings @ cost and the VAT account and accounts payable account to correct the error.

Penalty charges for prior years from NAMRA were not recorded and an adjustment was done to correct the error.

ANNEXURE D

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

	2023	2022
	N\$	N\$
Cash Flow from Operating Activities		
Cash receipts from customers	^66 156 400	73 098 993
Government grants	49 699 983	48 616 005
5 % rates & levies	-	-
Income from settlement areas	9 194 344	6 468 858
Interest received	634 270	209 886
Other income	663 028	13 429 165
Capital projects income	4 578 005	2 785 773
Rural payments income	1 386 769	1 589 306
 Cash paid for goods and services	 ^66 912 158	 61 240 203
Employee cost	34 444 128	34 269 178
Other expenses	-	2 013 392
Other expenses - payments	31 132 750	24 746 940
Rural payments	1 335 281	210 693
 Net Cash from Operating Activities	 (755 759)	 11 858 790
 Cash Flow from Investing Activities	 (685 908)	 (4 071 491)
Purchase of property, plant and equipment	(685 908)	(4 071 491)
 Net increase in cash and cash equivalents	 (1 441 667)	 7 787 299
Cash and cash equivalents at beginning of period	*17 621 249	9 899 136
Cash and cash equivalents at end of the period	16 179 582	17 686 435

^ A rounding difference of N\$1 is noted, but balances align with the submitted financial statements.

*An adjustment were made amounting to N\$ 65 185, the Council did not present the restated balance as at 01/04/2022 affecting this restatement in the statement of cash flow. Therefore, the restated cash balance in the statement of financial position does not agree to the cash flow statement.

ANNEXURE D

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

Reconciliation of Net Cash flow from Operating Activities to Surplus / (Deficit)

	2023	2022
	N\$	N\$
Deficit for the year	(3 084 514)	(2 777 885)
Non-Cash Items		
Depreciation	5 114 589	5 024 126
Amortization	20 210	20 210
Impairment cost	106 992	-
Provision for bad debtors	1 069 722	684 903
Disposals	40 490	
Decrease / (increase) in payables	(2 889 954)	(3 921 866)
(Increase)/decrease in receivables	(2 174 155)	5 271 591
(Increase)/decrease in receivables	940 701	8 260 696
(Increase) / decrease in inventories	100 161	197 297
Journals on delegated accounts written off	-	(1 072 169)
Journals on debtors and creditors adjustments	-	171 445
Net cash flows from operating activities	*(755 759)	(11 858 348)

* A rounding difference of N\$1 is noted, but balance align with the submitted financial statements.

ANNEXURE E

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Title				% Variance:		% Variance:	
	Original Budget	Final Approved Budget	March 2023 Actual	Variance: Original vs Final	Variance: Actual vs budget	Variance Actual vs Budget	
INCOME							
Government subsidies	48 470 152	49 699 983	49 699 983	(1 229 831)	-	-	
Other government transfers	-	132 000	164 935	(132 000)	(32 935)	(0.25)	
Capital projects & rural development	9 751 769	9 751 769	5 964 775	-	3 786 994	0.39	
5% Rates	400 000	400 000	51 235	-	348 765	0.87	
Less: 5% rates	(400 000)	(400 000)	-	-	(400 000)	1.00	
Bank interest [All HRC Accounts & except Capital, Rural, BTP]	420 000	420 000	486 363	-	(66 363)	(0.16)	
Revenue from Settlement Areas	8 260 000	8 260 000	6 802 304	-	1 457 696	0.18	
Other: sale of fishing license & 2.5% commission on 3rd party payments	50 000	50 000	66 875	-	(16 875)	(0.34)	
Sales of tender documents	100 000	100 000	12 000	-	88 000	0.88	
Renting of HRC equipment's	50 000	50 000	76 180	-	(26 180)	(0.52)	
Official accommodation [house rentals]	316 800	316 800	277 070	-	39 730	0.13	
Less: rent to the housing fund	(316 800)	(316 800)	-	-	(316 800)	1.00	
Vat claimable income [refunds]	6 816 249	6 816 249	3 186 616	-	3 629 633	0.53	
Opening bank balance	8 498 347	8 498 347	8 498 347	-	-	0.00	
TOTAL INCOME	*82 416 516	83 778 348	*75 286 682				

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

ANNEXURE E

**REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)**

	Original Budget	Final Approved Budget 2023	March 2023 Actuals	Variance Original Budget Vs Final	Variance Actual Vs Budget	% Variance
EXPENDITURE						
Remuneration	37 296 879	37 296 879	30 095 944	-	7 200 935	0.19
Employers contribution to the G.I.P.F. and M.P.O.B.P.F.	4 458 861	4 458 861	3 656 745	-	802 116	0.18
Other conditions of service	964 351	964 351	383 232	-	581 119	0.60
PERSONNEL EXPENDITURE - SUB TOTAL	42 720 091	42 720 091	34 135 921		8 584 170	
Travel and subsistence allowance	1 923 985	1 923 985	1 574 158	-	349 827	0.18
Materials and supplies	1 388 000	1 388 000	1 406 322	-	(18 322)	(0.01)
Transport	1 945 000	1 945 000	2 535 148	-	(590 148)	(0.30)
Utilities	14 475 000	14 475 000	15 699 321	-	(1 224 321)	(0.08)
Maintenance expenses	813 000	813 000	831 451	-	(18 451)	(0.02)
Property rental and related charges	310 000	310 000	269 494	-	40 506	0.13
Other services and expenses	6 819 000	6 819 000	6 292 808	-	526 192	0.08
GOODS AND OTHER SERVICES - SUB TOTAL	27 673 985	27 673 985	*28 608 703		*(934 718)	

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

ANNEXURE E

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

	Original Budget	Final Approved Budget 2023	March 2023 Actuals	Variance original budget vs final	Variance actual vs final budget	% variance actual vs budget
Membership fees and subscriptions: domestic	706 039	706 039	449 537	-	256 502	0.36
Rural development projects	2 386 769	2 386 769	1 335 281	-	1 051 488	0.44
Individuals and non-profit organizations	560 000	692 000	673 289	-132 000	18 711	0.03
Public and departmental enterprises and private industries	160 000	160 000	160 000	-	-	0.00
Subsidies & Other Current Transfers-Subtotal	3 812 808	3 944 808	*2 618 106	-132 000	1 326 702	
Computer, furniture and office equipment	1 080 000	1 274 464	505 423	-194 464	769 041	0.60
Vehicles	800 000	800 000		-	800 000	1.00
Capital projects	9 751 769	7 365 000	4 299 375	2 386 769	3 065 625	0.42
Acquisition Of Capital Assets-Subtotal	11 631 769	9 439 464	4 804 798	2 192 305	4 634 666	
Total expenditure	85 838 653	83 778 348	70 167 528	2 060 305	13 610 820	
Income less expenditure			5 119 154	-3 422 136		

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

	Development Budget Income			
	Budget Final		Budget Vs Actual	
	N\$	Actual	N\$	% Variance
Programme: Improved Governance at Sub-National Levels				
17/05/5 - Construction of Regional Office Park	5 000 000	3 842 898	1 157 102	23
Programme: Massive Land Servicing				
17/05/249 - Construction of Services - Schlip	946 000	735 107	210 893	22
17/05/204 - Construction of Services - Hoachanas	946 000		946 000	100
17/05/205 - Construction of Services - Klein Aub	473 000		473 000	100
Programme: Rural Infrastructure development				
17/05/309 - Establishment of Rural Development Centre	1 000 000		1 000 000	100
17/05/309 - Rural Development Programmes	230 769	230 769	-	-
Programme: Sanitation Infrastructure Development				
17/05/202 - Provision for Sanitation in Rural Areas	1 156 000	1 156 000	-	-
Total Program Projects	9 751 769	5 964 774	3 786 995	

ANNEXURE E

REGIONAL COUNCIL FOR THE HARDAP REGION STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023 (Continued)

	Actual	Expenditure	Variance
Expenditure vs Actual			
17/05/5 - Construction of Regional Office Park	3 842 898	3 281 041	561 857
Programme: Massive Land Servicing			-
17/05/204 - Construction of Services - Hoachanas	367 554	375 165	(7 611)
17/05/205 - Construction of Services - Klein Aub	367 554	643 169	(275 615)
Programme: Rural Infrastructure development			-
17/05/309 - Rural Development Programmes	230 769	538 756	(307 987)
Programme: Sanitation Infrastructure Development			-
17/05/202 - Provision for Sanitation in Rural Areas	1 156 000	796 525	359 475
Total Program Projects	5 964 775	5 634 656	330 119

Where there is a negative spending development budget it means funds where received in the prior year financial year
The unused N\$ 330 119 was deferred as a liability to unspent grants.

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2023 (Continued)

NOTES TO THE BUDGET vs ACTUAL AMOUNTS

1. The budget was approved on a cash basis accounting by functional classification and it covers the period from 01 April 2022 to 31 March 2023
2. The final budget was approved by the central government on 18 August 2023
3. Expenditure and income variances are explained below where need to do is noted
4. The budget and accounting basis differ, the financial statements of the whole council are prepared on the accrual basis using a classification based on function/nature of expenses in the statement of financial performance
5. The amounts in the financial statements were recast from the accrual basis to cash basis and reclassified by functional classification to be on the same basis as the final approved budget, in addition adjustments to amounts in basis difference were made to express actual amounts on comparable basis
6. A reconciliation between the actual amounts and budget and statement of cash flows for the year ended is presented below for the year ended 31 March 2023
7. Basis difference occurs when the financial statements are prepared on accrual which is different from the budget which is on cash basis

Budget and actual Reconciliation as shown in the actual cash flow statement

	Operating Activities	Investing Activities	Total
	N\$	N\$	N\$
Actual Amounts on comparable basis as presented in the budget and actual comparative statement	9 923 952	(4 804 798)	5 119 154
Basis Difference	(10 679 710)	4 118 890	(6 560 820)
Actual Amount in the Statement of Cash Flow	*(755 759)	(685 908)	(1 441 667)

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2023 (Continued)

Income

- a) Capital projects & Rural Development-received less than budgeted and their budget ceilings are not communicated with the Regional Council.
- b) Local Authorities are not complying with their legal obligation with regards to the payment of the 5% levy on rates and taxes. Only two municipalities are paying the rest are not honouring, almost 95% non-compliant.
- c) Income settlement areas remains a challenge due to aging infrastructure -some account customers are not paying in time.
- d) The Regional Council does not break-even on electricity sales, instead it subsidises from its own funding thus a massive loss providing electricity in rural areas.
- e) There was a reduction in tender sales as there no major capital projects in the region-not many activities on tenders were advertised.
- f) Delays in VAT refund from NAMRA.

Expenditure

- a) Remuneration - many vacant posts are not filled that is on the approved structure.
- b) S&T - reduction in travelling trips and due to regular management of the commitment register.
- c) Transport - The 30% increase in transport expenditure is mostly from fuel and lubricants, repairs and maintenance and has been observed due to ageing fleet. The current fleet were only replaced during FY 2014/2015 financial year.
- d) Utilities - increase in municipal charges.
- e) Vehicles - a new vehicle N\$ 809 606 was committed for FY 2022/2023 however, only paid in the FY 2023/2024.
- f) Only computers equipment were bought and furniture and a server upgrade-not all targeted equipment were purchased.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

The Hardap Regional Council is a regional government institution in Mariental in the Hardap Region of Namibia with (1) municipality, (2) town councils and (5) village councils under its jurisdiction. The addresses of its registered office and principal place of business are disclosed under General Information included in the annual financial statements and in the introduction of the annual report. The principal activities of the Regional Council are disclosed in the annual report and are prescribed by the Regional Council Act, 1992 (Act No 22 of 1992).

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Hardap Regional Council annual financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Namibian dollars (N\$) which is the functional currency and it is rounded off to the nearest dollar. The accounting policies have been consistently applied to all years presented. The income and expenditure in relation to delegated functions is accounted for during the year under review on a cash accounting basis, in line with the State Finance Act, 1992. Since all liabilities relating to the delegated functions remains with the line Ministry and all unexpected delegated funds are returned to the State Account, it does not materially affect the Regional Council financial statements. The annual financial statements have been prepared on the basis of historical cost, unless stated otherwise. The statement of cash flow is prepared using the direct method. The annual financial statements are prepared on accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared on an accrual and going-concern basis and the accounting policies have been applied consistently throughout the period. The statements comply with the requirements of IPSAS.

In accordance with the effective date of IPSAS 18 segment reporting; the regional council has for the first time exceptionally partly applied this standard for the first time in its 2023 financial statements. As such, the chart of accounts has been modified to suit this requirement. The council has only restated or retrospectively applied the IPSAS 18 where it was practicable and it didn't apply on some account because the new chart of accounts some of the segments cannot easily be linked with prior records as required by IPSAS changes in accounting policy that all prior year accounts needs to be restated retrospectively where it is practical to do so for comparability purposes.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

Borrowing Costs

Not applicable

Cash, Investments and Other Financial Assets

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits held up to 90 days and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

Employee Benefits

Employee entitlements to salaries, wages, retirement benefits, and other benefits are recognized when they are earned. Liabilities are established for the value of accumulated leave and bonuses earned but unpaid at the reporting date that have not been included in current expenditure.

Expense Recognition

Expenses are recognized as goods are received and services delivered.

Foreign Currency Transactions

The functional currency of the Namibian dollar and these financial statements are presented in that currency. All transactions occurring in other currencies are translated into Namibian dollar using the bank exchange rates which represent those prevailing at the date of the transactions. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than Hardap Regional Council functional currency are recognized in the Statement of Financial Performance.

Fixed Assets

Property, Plant and Equipment are stated at historical cost or valuations less depreciation and impairment cost, where such assets have been acquired through Government Grants. Cost includes expenditure that is directly attributable to the acquisition of the items. It must be noted that five categories of the asset (namely the Computer Equipment, Motor Vehicles, Plant & Machinery, Office Equipment and Furniture & Fittings have been re-assessed as per the IPSAS 17 during the financial year 2022/2023, hence their estimated useful life's was adjusted.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

The reassessment was based on those assets that are still fit for use and where the Regional Council is gaining an economic benefit from it.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to Hardap Regional Council and such cost can be measured reliably. All repair and maintenance is charged to the statement of financial performance during the financial period in which it is incurred. The Regional Council calculated its depreciation using straight line method for all Property Plant and Equipment. The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful economic lives for each category of the asset are as follows:

Buildings / Capital Infrastructure funded by Council	50 years	2 % pa
Land	Infinite	Infinite
Machinery and equipment	4 - 10 years	
Motor vehicles	7 - 10 years	
Office furniture and equipment	5- 7 years	
Computer equipment	3 - 5 years	

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profits. Proceeds from the disposal of assets are transferred to the State Account, except in the instance where approval is granted to keep such proceeds.

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. Any impairment loss is recognized in the statement of financial performance.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

Inventory

Inventories include the value of supplies and consumables used in the day to day operation of the Regional Council.

An annual physical inventory is conducted of all stock consumables.

The Council keeps inventory items in stock for internal consumption only, therefore inventories are measured at cost at acquisition. In the case where inventory was received through non-exchange transaction (for no cost or for a nominal cost), the cost of the inventory is recognized at fair value at the date of acquisition. The cost of inventory comprises all cost of purchases, cost of convention and other cost incurred in process of installation.

Intangible Assets

Intangible assets consist of software

An intangible asset is recognized when it is identifiable, the organization has control over the asset, it is probable that economic benefits will flow to the organization, and the cost of the asset can be measured reliably. Intangible assets that do not meet these criteria are recognized as an expense in the period in which the expense is incurred.

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis on all intangible assets of finite life, at rates that will write off the cost or value of the assets over their useful lives. The useful lives of major classes of intangible assets have been estimated as follows:

Class	Estimated useful life
Licenses and rights	Period of license/right

Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software.

Impairment

Hardap Regional Council reviews the carrying amounts of its property and equipment and intangible assets if there is indication that impairment exists. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount is reduced to the recoverable amount. Impairment losses are recognized as an expense in the statement of financial performance in the period the impairment is incurred.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivable and accounts payable. Financial instruments are recognized in the statement of financial position at cost, which approximates fair value due to their short-term nature. Cash and cash equivalents include cash on hand and on deposit at banks, and other short-term liquid investments with original maturities of three months or less.

Provisions

Provisions are recognized when the Regional Council has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made.

Receivables

Receivables from exchange transactions, which include the municipal charges to settlement customers.

Build together interest is recognized as revenue as interest on build together customers. An allowance for non-recoverable receivables is recorded equal to all customers aged 120 days as at the reporting date.

For all other receivables, an allowance for non-recovery is established based on a review of the outstanding amounts at the reporting date.

Revenue Recognition

Revenue from exchange transactions comprises of municipal charges to settlement customers.

Revenue from non-exchange transactions such as capital projects and rural development recognized as revenue at the time conditions of the grant is fulfilled or met or the service has been rendered if not it is initially recognized as a liability to defer revenue recognition and then revenue is recognized as the liability is discharged through the conditions being met or service rendered.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

Hardap Regional Council receives other sources of funding from governments, donor agencies, and other institutions, as well as from alliances and other organizations. Other sources of funding are generally in the form of restricted and unrestricted grants, contributions, and expense reimbursements. Revenue from other sources of funding is recognized when Hardap Regional Council has complied with all the stipulations or conditions (as defined in IPSAS 23, revenue from non-exchange transactions – taxes and transfers) implicit in the underlying agreements, and there is reasonable assurance that the funding will be received. Other sources of funding are recognized in the statement of financial performance on a systematic basis over the periods in which Hardap Regional Council recognizes as expenses the related expenditures for which the funding is intended to compensate. Other sources of funding for compensation of expenses or losses already incurred or for giving immediate financial support to Hardap Regional Council with no future related expenditures, are recognized in the statement of financial performance when it becomes receivable.

Segment Reporting

Segment reporting is based upon the department's then expense by their functions.

Revenue and expense incurred by the Organization is allocated among the department and the expense or revenue categories. The methodology allocates revenue and expense to each vote according to the budget.

Council assets and liabilities are not allocated to individual segments, since everything is managed by the administration department.

Use of Estimates

The financial statements necessarily include amounts based on estimates and assumptions by management. Estimates include, but are not limited to provisions on accumulated leave and bad debtors, impairment on fixed assets, inventory valuations. Actual results could differ from these estimates. Changes in estimates are reflected in the period in which they become known.

The most significant estimates and assumptions relate to the measurement of the defined benefit pension plan expense and withdrawal liability, and the allocation of revenues, expenses, assets, and liabilities for the purposes of segment reporting. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may significantly differ from those estimates.

All balances are presented in Namibian dollars, as a result small rounding differences may occur.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Continued)

4. PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost or valuations less depreciation and impairment cost, where such assets have been acquired through government grants. Cost includes expenditure that is directly attributable to the acquisition of the items. It must be noted that five categories of the asset (namely the computer equipment, motor vehicles, plant & machinery, office equipment and furniture & fittings have been re-assessed as per the IPSAS 17 during the financial year 2022/2023, hence their estimated useful life's was adjusted. The reassessment was based on those assets that are still fit for use and where the Regional Council is gaining an economic benefit from it. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to Hardap Regional Council and such cost can be measured reliably. All repair and maintenance is charged to the statement of financial performance during the financial period in which it's incurred. The Regional Council calculated its depreciation using straight line method for all property, plant and equipment. The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

ANNEXURE F

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

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Plant & Machinery	Capital Infrastructure	Office Furniture	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2022	2 368 702	196 954 430	5 732 243	1 233 584	372 365	292 624	18 708 418	3 041 939	228 704 305
Additions	-	-	-	386 211	40 679	-	-	15 390	442 280
Disposal / Auctions	-	-	-	(10 089)	(29 486)	(171 817)	-	(45 858)	(257 250)
Impairment 01/04/22	-	-	(86 348)	(5 836)	(16)	(91)	-	(168)	(92 461)
Impairment additions	-	-	(106 716)	(6)	(271)	-	-	-	(106 992)
Disposals-impaired assets	-	-	-	6	11	91	-	159	268
Transfers /Adjustment 01/04/2022	-	2 433 484	37 975	33 458	(23 581)	-	-	9 858	2 491 194
Cost as at 31 March 2023	2 368 702	199 387 914	5 577 154	1 637 328	*359 702	120 807	18 708 418	*3 021 319	*231 181 343

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

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

4. PROPERTY, PLANT AND EQUIPMENT (continued)

2023	Land	Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Plant & Machinery	Capital Infrastructure	Office Furniture	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Depreciation as at 31 March 2023	-	3 987 758	212 236	150 891	35 712	20 989	374 168	332 834	5 114 585
Disposals Depreciation Adjust/accumulated depreciation 01/04/22	-	-	-	(10 083)	(29 013)	(139 483)	-	(37 912)	(216 491)
Accumulated depreciation 01/04/22	-	4 056	-	19 909	156	-	-	2 437	26 558
Accumulated depreciation 01/04/22	-	17 071 073	3 505 530	856 708	227 902	179 469	2 137 751	1 316 836	25 295 267
Accumulated depreciation NBV as at 31 March 2023	-	21 062 887	3 717 766	*1 017 424	234 757	60 975	2 511 919	1 614 195	30 219 923
	2 368 702	178 325 027	1 859 388	619 904	124 945	59 832	16 196 498	1 407 124	200 961 421

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

ANNEXURE F

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

4. PROPERTY, PLANT AND EQUIPMENT (continued)

2022	Land	Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Plant & Machinery	Capital Infrastructure	Office Furniture	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2021	2 368 702	195 881 419	6 336 680	1 428 410	545 026	553 587	18 708 418	3 220 413	229 042 655
Additions	-	1 073 011	-	38 588	-	-	-	-	1 111 599
Disposal / Auctions				(498 661)	(288 486)	-		(787 147)	
Impairment			-	55 070	(172 660)	(260 963)		(178 475)	*(653 831)
Transfers									
/Adjustment			(105 775)						(105 775)
Cost as at 31 March 2022	2 368 702	196 954 430	^5 732 243	^1 233 584	^372 365	292 624	18 708 418	^3 041 939	^228 607 502

^ A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

ANNEXURE F

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

4. PROPERTY, PLANT AND EQUIPMENT (continued)

2022	Land	Buildings	Motor Vehicles	Comp Equipment	Office Equipment	Plant & Machinery	Capital Infrastructure	Office Furniture	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Depreciation as at 31 March 2022	-	3 935 512	227 844	96 560	33 522	25 113	374 168	331 407	5 024 126
Accumulated depreciation 01/04/21		13 135 561	3 277 686	760 147	194 379	154 356	1 763 583	985 429	20 271 141
Accumulated Depreciation	-	17 071 073	3 505 530	856 708	227 902	179 469	2 137 751	1 316 836	25 295 267
NBV as at 31 March 2022	2 368 702	179 883 357	2 226 714	376 876	144 464	113 155	16 570 667	1 725 103	203 312 234

*Recalculated amount for total impairment is N\$ 557 028 therefore a difference of N\$ 96 803 was observed

^ A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

ANNEXURE F

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

4. PROPERTY, PLANT AND EQUIPMENT (continued)	2023	2022
	N\$	N\$
Work in Progress		
Cost as at 1 April 2022	29 279 168	25 605 958
Additions	246 410	3 673 210
NBV as at 31 March 2023	29 525 578	29 279 168
Total Property, Plant and Equipment	230 486 999	*232 591 402

*Recalculated amount is N\$ 232 688 205 therefor a difference of N\$ 96 803 was observed for 2022

Buildings Restated amounts and details

Amounts adjusted are as follows

01/04/2022	All Project Consultants	669 595
01/04/2022	All Project Consultants	206 952
01/04/2022	Tushiko Investment Techno - Retention fee	64 976
01/04/2022	All Project Consultants	1 452 913
01/04/2022	Jack Mutua	39 048
		2 433 484

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

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

Invoices for HRC Office Park which were submitted late but they belong to prior years. Those invoices were added to HRC Office Park in the fixed asset register.

Adjustments of other assets - a reconciliation was done to correct the opening balances as per fixed asset register and an adjustment was done accordingly for opening balances as shown above under adjustments. A physical verification of assets has caused an adjustment on the opening cost and accumulated depreciations.

	2023	2022
	N\$	N\$
WORK IN PROGRESS	29 525 579	29 279 168
Construction of Sewer Services - Hoachanas	20 715 392	20 635 430
Construction of Rural Dev Centre - Gibeon	1 123 419	1 123 419
Construction of Services - Schlip Settle	4 294 385	4 294 385
Construction of Services - Klein Aub	3 392 383	3 225 934

5. INTANGIBLE ASSET - SOFTWARE

Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. Amortization is provided over the estimated useful life using the straight line method. The estimated useful lives for intangible asset classes are as follows:

Software acquired externally	10 years	10 % pa
------------------------------	----------	---------

Intangible assets - Software

Opening balance as at 1 April 2022	122 944	143 154
Accumulated amortisation	(20 210)	(20 210)
Net book value as at 31 March 2023	102 734	122 944

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

6. CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS - IPSAS 3

Notes in the Financial Statement for the year end 31 March 2023

A change in the estimated useful life of an item of equipment has resulted in the following change in depreciation for the year.

During the Financial year 2021/2022 the Regional Council conducted reassessment on the useful life on the five asset categories: office equipment, computer equipment, plant & machinery, motor vehicles and furniture & fittings. During 2019/2020 financial year the Regional Council only conducted assessment on two categories namely, computer equipment and motor vehicles.

Where the condition of an asset were recorded as "fair", "good", or "very good" the remaining useful life (RUL) were reset at the beginning of the financial year as 60%, 80% and 100% of the items estimated useful life (EUL).

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

7. CASH ON HAND AND BANK

Cash and cash equivalents comprise of cash on hand and all bank balances as at 31 March 2023 of the Regional Council. Hardap Regional Council banks its money with the following banking institutions: Bank Windhoek and Standard Bank of Namibia

	2023	2022 Restated	2022	Accounts affected by restated balances March 2022
	N\$	N\$	N\$	
Main current account	1 528 560	1 809 400	1 809 400	
Revenue account	4 705 455	6 709 502	6 709 502	
Capital current account	1 493 757	1 100 274	1 100 274	
Independence current account	29 876	31 266	31 266	
Social upliftment	1 145	101 163	101 163	
Settlement current account	21 208	46 188	46 188	
Traditional authority current account	8 044	10 255	10 255	
Micro project current account	1 872 654	1 683 847	1 683 847	
Build together receipt	754 687	635 892	635 892	
Fleet management account	21 822	163 248	163 248	
Housing fund	2 848 463	2 544 716	2 544 716	
Rural development account	2 702 027	2 558 029	2 558 029	
Regional disaster account	44 744	186 925	244 960	58 035
UNDP	-	51	51	-
Cash control Head Office	-	(400)	(1 829)	(1 429)
Cash control Hoachanas	-	662	1 216	554
Cash control Schlip	34 427	35 496	35 496	-
Cash control Klein Aub	73 485	(8 025)	-	8 025
Cash control Rehoboth Urban East	38 409	12 759	12 759	-
Cash control Kries	820	-	-	-
	16 179 583	17 621 248	17 686 433	

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

Retrospective restatement of errors and corrections on cash and cash equivalents

			Credit	Debit	Balance
			N\$	N\$	N\$
Cash and Cash Equivalents					
Balance as at 31/03/2022					17 686 433
01/04/2022	HOA202303 1 1	Prepaid electricity Hoachanas 2022	554	-	
01/04/2022	HOA202303	Head office cash control surpluses 2022	-	1 429	
01/04/2022	REKA20220402	Klein Aub cash control opening balance	8 025	-	
01/04/2022	DISAS202208 03	Reversal of wrong entry LJN Investment payment 22/03/2018 Disaster Account	58 035	-	
01/04/2022	REKA202204 01	COH balance 31032023 Klein Aub cash control	-	8 025	
01/04/2022	REKA20220401	Reversal of ledger Klein Aub cash control opening balance	8 025	-	
			74 639	9 454	(65 185)
Balance as at 01/04/2022					17 621 248

Head office cash control opening balance was in credit and a recon was done to rectify the error which in prior years reversal of disaster payment

8. INVENTORY - IPSAS 12

The Council keep inventory items in stock for internal consumption only; therefore, inventories are measured at cost at acquisition. In the case where inventory was received through non-exchange transaction (for no cost or for a nominal cost) the cost of the inventory is recognized at fair value at the date of acquisition. The cost of inventories comprises all cost of purchases cost of convention and other cost incurred in process of installation.

	2023	2022
	N\$	N\$
Consumable stores	192 130	292 291
Stationery	94 447	140 628
Cleaning materials	71 794	104 943
	25 889	46 720

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

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Receivables from Non-exchange transactions comprises of Value Added Tax (VAT) refund from Ministry of Finance.

NAMRA (VAT)	2023	N\$	Restated March 2022	2022
		N\$		N\$
Receiver of Revenue (VAT)	20 445 441		*21 380 512	32 243 911
	Credit		Debit	Mar-22
Balance as at 31/03/2022	Adjustment			
01/04/2022			2 087	-
01/04/2022			5 947	-
01/04/2022			3 968	-
01/04/2022			4 077	-
01/04/2022			4 076	-
01/04/2022			2 511	-
01/04/2022			162	-
01/04/2022			1 124	-
01/04/2022			591	-
01/04/2022			528	-
01/04/2022			883	-
01/04/2022			293	-
01/04/2022			770	-
01/04/2022			65	-
01/04/2022			261	-

REGIONAL COUNCIL FOR THE HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

9. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (Continued)

		Adjustment	Credit	Debit
			N\$	N\$
01/04/2022	DA2023/31	Disallowed VAT - NWR	65	-
01/04/2022	DA2023/33	Disallowed VAT - NWR	83	-
01/04/2022	DA2023/35	Disallowed VAT - NWR	130	-
01/04/2022	DA2023/37	Disallowed VAT - Agra	175	-
01/04/2022	DA2023/39	Disallowed VAT - Ry&Kry	563	-
01/04/2022	DA2023/41	Disallowed VAT - Agra	212	-
01/04/2022	DA2023/43	Disallowed VAT - Lapa Lange Catering	13 435	-
01/04/2022	DA2023/45	Disallowed VAT - MTC	42	-
01/04/2022	DA2023/47	Disallowed VAT - Agra	1 367	-
01/04/2022	DA2023/49	Disallowed VAT - Agra	292	-
01/04/2022	DA2023/51	Disallowed VAT - Ry&Kry	704	-
01/04/2022	DA2023/53	Disallowed VAT - Ry&Kry	803	-
01/04/2022	DA2023/55	Disallowed VAT - Ry&Kry	130	-
01/04/2022	DA2023/57	Disallowed VAT - Eye Track	867	-
01/04/2022	DA2023/59	Disallowed VAT - Ai Gubasen	3 813	-
01/04/2022	DA2023/61	Disallowed VAT - Eye Track	867	-
01/04/2022	DA2023/63	Disallowed VAT - Agra	932	-
01/04/2022	VATREC20220401	Late penalties, tax credit on VAT Returns 2008-202206	10 979 899	-
01/04/2022	DA2023/105	Disallowed VAT - China Civil Construction	160 952	-
01/04/2022	DA2023/107	Disallowed VAT - Spar	425	-

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

9. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (Continued)

		Credit		Debit	
		N\$		N\$	
	Adjustment				
01/04/2022	DA2023/109 Disallowed VAT - MTC		75		-
01/04/2022	DA2023/111 Disallowed VAT - Ry&Kry		130		-
01/04/2022	DA2023/113 Disallowed VAT - Agra		342		-
01/04/2022	DA2023/149 Disallowed VAT - Electricity		165		-
01/04/2022	DA2023/151 Disallowed VAT - Mtal Elektries Kontrakteurs		1 927		-
01/04/2022	DA2023/153 Disallowed VAT - Aranos TC December		716		-
01/04/2022	DA2023/155 Disallowed VAT - Nampost Courier		31		-
01/04/2022	DA2023/157 Disallowed VAT - Aranos TC		299		-
01/04/2022	DA2023/159 Disallowed VAT - Agra		195		-
01/04/2022	DA2023/161 Disallowed VAT - Agra		3 680		-
01/04/2022	DA2023/163 Disallowed VAT -OTB		569		-
01/04/2022	DA2023/165 Disallowed VAT -MTC		179		-
01/04/2022	DA2023/167 Disallowed VAT - Square Catering firefighting training		1 755		-
01/04/2022	DA2023/169 Disallowed VAT - Tren Tyre		7 944		-
01/04/2022	DA2023/171 Disallowed VAT - M&Z Motors		1 010		-
01/04/2022	DA2023/173 Disallowed VAT - RHB TC		266		-
01/04/2022	DA2023/175 Disallowed VAT - RHB TC		60		-
01/04/2022	DA2023/191 Disallowed VAT – MTC		202		-
01/04/2022	DA2023/177 Disallowed VAT - Virtual Technologies		5 788		-
01/04/2022	DA2023/179 Disallowed VAT - Ry & Kry boerewors		730		-
01/04/2022	DA2023/181 Disallowed VAT - Palm Hotel		3 170		-
01/04/2022	DA2023/183 Disallowed VAT - Stampriet VC		204		-

REGIONAL COUNCIL FOR THE HARDAP REGION

ANNEXURE F

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

9. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (Continued)

		Credit	Debit	Balance
		N\$	N\$	N\$
Adjustments				
01/04/2022	DA2023/185	Disallowed VAT - MTC	121	
01/04/2022	DA2023/187	Disallowed VAT - Hallie Investment	120	-
01/04/2022	DA2023/189	Disallowed VAT - NamPower	10	-
01/04/2022	AIJ709	AIJ Project Consultants	100 439	
01/04/2022	AIJ710*	AIJ Project Consultants	31 043	
01/04/2022	Cert47	Tushiko Investment Techno	9 746	
01/04/2022	AIJ851*	AIJ Consultants	217 937	
01/04/2022	HAR-25	Jack Mutua	5 857	
Total NAMRA adjustments		11 222 792	^365 023	10 857 769

Balance 01/04/2022

***21 386 142**

Disallowed invoices and penalties for prior years caused an adjustment unprocessed invoices for capital projects

*The restated balance of N\$ 21 380 512 does not agree to the reconciliation of N\$ 21 386 142 a difference of N\$ 5 630 is observed

^ A rounding difference of N\$1 is noted, the balance in the audit report aligns with the submitted financial statements.

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

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Receivables from exchange transactions comprises of our sales on electricity and water, build together payments and our employee related dues as at year end that do not arise out of a contract.

	2023	Restated March 2022	2022
	N\$	N\$	N\$
NamPower	*6 784 590	5 688 568	5 614 005
Other receivables	-	118 930	118 930
Customer control	-	301 406	301 406
Build together	5 528 810	4 021 058	3 946 495
Other: Salary and wages control	1 255 779	1 246 652	1 246 652
	-	522	522

Trade Receivables restated amount as at 01/04/2022 details

Balance as at 31/03/2022

Prior year adjustments - April 2022

01/04/2022	BPT0003	DP Nameb S&T advance	4 152	-
01/04/2022	DWSSC08	Balance 31/03/22 Ai Aibeb	9	-
01/04/2022	DWSSC02	Balance 31/03/22 B Mclary	1	-
01/04/2022	DWSSC29	Balance 31/03/22 EN Tolata	1 356	-
01/04/2022	DWSSC36	Balance 31/03/22 G Kaingob	40	-

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

REGIONAL COUNCIL FOR THE HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)

Prior year adjustments - April 2022						#Credit	#Debit
				N\$	N\$		
01/04/2022	DWSSC19	Balance 31/03/22 N Sameul		848	-		
01/04/2022	DWSSC21	Balance 31/03/22 T Jesula		180	-		
01/04/2022	GEN0024	Balance 31/03/22 BL Cloete		23	-		
01/04/2022	GEND006	Balance 31/03/22 CP Kozosi		453	-		
01/04/2022	GEND0023	Balance 31/03/22 EP Enkali		77	-		
01/04/2022	GEND003	Balance 31/03/22 E Iipinge		239	-		
01/04/2022	GEND021	Balance 31/03/22 G Namholo		605	-		
01/04/2022	GEND011	Balance 31/03/22 L Bampton		77	-		
01/04/2022	GEND019	Balance 31/03/22 M Witbooi		95	-		
01/04/2022	GEND023	Balance 31/03/22 S Uugwanganga		77	-		
01/04/2022	GEND025	Balance 31/03/22 VC Stephanus		95	-		
01/04/2022	LAN0005	Balance 31/03/2022 S Muhehwa		1 070	-		
31/03/2023	ST0103	Reversal of wrong entry OB E Assegaai		9	-		
01/04/2022	DWSSC29	Reversal of balances EN Tolata DWSSC		1 356	-		
01/04/2022	MICT0005	Reversal of balances L Khobetsi MICT		5 427	-		
31/03/2023	ST0167	Reversal Balance as @31/03/22 S&T ER Assegaai		9	-		
01/04/2022	ST0069	DP Nameb S&T advance		-	4 152		
01/04/2022	DWSSC39	Balance 31/03/22 A Kotzee		-	34		
01/04/2022	DWSSC31	Balance 31/03/22 EJ Jacobs		-	18		
01/04/2022	DWSSC10	Balance 31/03/22 HN Ntinda		-	774		
01/04/2022	DWSSC05	Balance 31/03/22 J Shukete		-	34		
01/04/2022	DWSSC24	Balance 31/03/22 L Katjingisua		-	34		

	Credit	Debit
1. Cash		
2. Accounts Receivable		
3. Inventory		
4. Prepaid Insurance		
5. Equipment		
6. Accumulated Depreciation		
7. Accounts Payable		
8. Notes Payable		
9. Long-Term Debt		
10. Equity		

Prior year adjustments - April 2022		N\$	N\$
01/04/2022	DWSSC38	Balance 31/03/22 L Kandjimwena	- 34
01/04/2022	DWSSC29	Balance 31/03/22 R Swartbooi	- 1 356
01/04/2022	DWSSC35	Balance 31/03/22 SS Cooper	- 34
01/04/2022	GEND022	Balance 31/03/22 HN Indongo	- 20
31/03/2023	ST0167	Balances as at 31/03/22 S&T E Assegaai	- 9
01/04/2022	DWSSC029	R Swartbooi DWSSC	- 1 356
01/04/2022	BTP	Correction of opening balance as at 2022	- 15 287
01/04/2022	ST0080	M Dax S&T attend training	- 2 815
01/04/2022	ST0080	M Dax S&T attend training	- 2 815
01/04/2022	ST0080	M Dax S&T DRM Plan	- 2 815
01/04/2022	ST0080	M Dax S&T DRM Plan	- 2 815
01/04/2022	KRI001	Balance 31/03/22 Kriess	- 4 377
01/04/2022	KH001	Balance 31/03/22 Kriess	- 4 377
01/04/2022	EFT2022/11/212	M Dax S&T training	2 815
01/04/2022	EFT2022/11/214	M Dax S&T DRM Plan	2 815
31/03/2023	ST0076	F Blom S&T drought relief	546
06/04/2022	12/03/08/03/39/92/310	S&T refund EG Hanse	5 285
06/04/2022	12/03/08/03/39/92/310	S&T refund EG Hanse	- 5 285
06/04/2022	12/03/08/03/39/92/310	S&T refund EG Hanse	- 5 285
29/04/2022	12/03/08/03/39/92/310	S&T refund M Mwabi & W Coetzee Karas RC	- 3 992

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

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)

		#Credit N\$	#Debit N\$	Balance N\$
Prior year adjustments - April 2022				
25/07/2022	12/03/08/03/39/92/311	58 888	-	
25/07/2022	12/03/08/03/39/92/311		58 888	
25/07/2022	12/03/08/03/39/92/311		58 888	
Trade Receivables New Balance 01/04/2022				
		96 553	165 487	\$(68 933)
				<u>*5 682 938</u>

Transactions which were supposed to be treated as receivables were not accounted for during 2022-2023 financial year like S&T paid on behalf of other ministries which was going to be refunded. Customer's balances were either overstated or understated so a reconciliation was done to correct customer balances.

*The restated balance of N\$ 5 688 568 does not agree to the reconciliation of N\$ 5 682 938 a difference of N\$ 5 630 is observed.

#The Council wrongly presented the debit as a negative and the credit as a positive, therefore however the debits are more than the credit, the Council have a negative adjustment of (N\$ 68 933), instead of a positive adjustment.

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

11. PAYABLES FROM EXCHANGE TRANSACTIONS

Payables include invoices received from suppliers but not yet settled.
 Salaries and wages control those are third party payments (deductions from salaries) settled in the following year.
 Accrued bonus, employee benefits not settled in the current financial year due to different periods of bonus payments.

	2023	Restated March 2022	2022
	N\$	N\$	N\$
	9 535 245	12 755 318	9 829 010
Trade Creditors	2 648 025	5 907 889	2 887 851
Other Payables	-	-	93 730
Provision for leave days	6 087 099	6 088 137	6 088 137
Provision for Accrued Bonus	694 837	613 768	613 768
Other Salary & wages control	105 284	145 524	145 524

	Credit	Debit	Balance
	N\$	N\$	N\$
Balance as at 31/03/2022			3 127 105
Prior year adjustments - April 2022			
01/04/2022 SUPBF2022/29 CN REH005 RHB TC	-	9	
01/04/2022 SUPBF2022/58 CN MAL003 Maltahohe VC	-	1	
01/04/2022 SUPBF2022/67 CN MTC001 MTC	-	1	

ANNEXURE F

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

				Credit	Debit
				N\$	N\$
11. PAYABLES FROM EXCHANGE TRANSACTIONS (Continued)					
Prior year adjustments - April 2022					
01/04/2022	SUPBF2022/91	CN	STA001	Stampriet VC	- 2
01/04/2022	002732202201	CN	ARA001	Aranos TC	- 2 467
01/04/2022	SUPBF2022/24	CN	FUR001	Furmart TC	- 1
01/04/2022	CRN0016	CRN	KAN-01	Credit Note	- 29 932
01/04/2022	CRN0017	CRN	KAN-01	Credit Note	- 42 253
	010377/000803/				
01/04/2022	202209	GRV	REH004	RHB TC	- 3 005
	010377/000803/				
01/04/2022	202209	GRV	REH004	RHB TC	- 41
01/04/2022	002729202109	GRV	ARA001	Aranos TC Municipal	- 960
01/04/2022	002729202109	GRV	ARA001	Aranos TC Municipal	- 309
01/04/2022	002729202109	GRV	ARA001	Aranos TC Municipal	- 515
01/04/2022	002729202109	GRV	ARA001	Aranos TC Municipal	- 2 750
01/04/2022	002729202109	GRV	ARA001	Aranos TC Municipal	- 286
01/04/2022	002729202110	GRV	ARA001	Aranos TC Municipal	- 4 849
01/04/2022	002729202110	GRV	ARA001	Aranos TC Municipal	- 508
01/04/2022	03/2021	IN	PVP001	PVP Investment	- 180

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

11. PAYABLES FROM EXCHANGE TRANSACTIONS (Continued)

				Credit	Debit	Balance
				N\$	N\$	N\$
Prior year adjustments - April 2022						
01/04/2022	SUPBF2022/09	IN	BLI001	Blitz Electr	2	-
01/04/2022	INV32425	IN	SCH002	Laptop UNDP Daweb Scheme	14 909	-
01/04/2022	SUPBF2022/37	IN	HAR001	Haraseb CC	36	-
01/04/2022	SUPBF2022/46	IN	JJF001	JJF Investments	1	-
01/04/2022	SUPBF2022/60	IN	MAR008	Mariental Build It	4	-
01/04/2022	SUPBF2022/83	IN	SAG001	Sage Software	4	-
01/04/2022	44317	IN	MEN001	Mendu Trading	15 424	-
01/04/2022	05/2021/01	IN	MEN001	Mendu Trading	15 424	-
01/04/2022	EFT05/03/2022	IN	REF001	Reflector process	28 962	-
SWANA						
MINSUR						
01/04/2022	REV2023/112	ITR	ANCE	BTP Insurance	30 071	
01/04/2022	AIJ709	SINV	AIJ001	AIJ Project Consultants	770 034	
01/04/2022	AIJ710*	SINV	AIJ001	AIJ Project Consultants	237 995	
01/04/2022	Cert47	SINV	TUS001	Tushiko Investment Techno	74 722	
01/04/2022	AIJ851*	SINV	AIJ001	AIJ Project Consultants	1 670 850	
01/04/2022	HAR-25	SINV	JAC001	Jack Mutua	44 905	
Accounts Payables				*2 958 861	*32 553	2 926 308
Trade Payables balance 01/04/2022						6 053 413

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

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

12. PAYABLES FROM NON EXCHANGE TRANSACTIONS

Capital projects invoices for prior years submitted late that is Jack Mutua, Tushiko and Ali project consultants; Swanam insurance for BTP overstated opening balance and Invoices for utilities not processed in the prior year.

Conditional grants income is deferred until the condition or the service has been met once done it will be recognized as income. Deferred income below for capital projects and rural development its funds received but not yet met the condition of the grants.

	Restated		
	2023	March 2022	2022
Deferred Income	N\$	N\$	N\$
Capital grants	1 174 811	896 181	896 181
Rural Development	2 710 730	2 659 241	2 659 241
	3 885 541	3 555 422	3 555 422
Total Trade and Other Payables	13 420 786	16 310 740	13 384 432

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

12. PAYABLES FROM NON EXCHANGE TRANSACTIONS (Continued)

Rural Development grants

Income is recognized according to the payments or expenses incurred during the financial year for each rural development project

Opening balance for RDC projects not spent in prior years	2 659 241
Receipts for the year (sanitation 1 156 000 +cash for work 230 769)	1 386 769
	4 046 010

Expenses

Cash food for work expenditure 2022/23	365 533
Micro finance expenditure 2022/23	166 173
Rural sanitation expenditure 2022/23	796 525
Cash food for work expenditure 2022/23	7 050
Amount recognized as income	1 335 281

Closing balance RDC

***2 710 730**

Opening Balance for conditional grants capital projects April 2022

Receipts during the year

Total NPC Capital Grants

896 181
4 578 005
***5 474 187**

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

ANNEXURE F

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

12. PAYABLES FROM NON EXCHANGE TRANSACTIONS (Continued)

Less what was paid and spent

Conditional grants

The amount of N\$ 4 299 375 equal to capital assets were recognized as revenue in the Statement of Financial Performance.

12/08/2022	EFT12/08/2022	AIJ Project Consultants	AIJ001	1 670 850
19/10/2022	EFT19/10/2022	AIJ Project Consultants	AIJ001	237 995
01/12/2022	EFT01/12/22(01)	Aqua Services & Engineering	AQU001	72 422
22/04/2022	EFT2022/04/02	China Civil Engineering	CHI001	1 233 962
04/06/2022	EFT2022/06/01	China Civil Engineering	CHI001	93 329
01/12/2022	EFT01/12/2022	Dunamis Consulting Engineers	DUN001	19 516
20/08/2022	EFT20/08/2022	Jack Mutua Architects	JAC001	44 905
04/04/2022	EFT2022/04/01	Sebke Civil	SEB002	451 753
30/03/2023	EFT30/03/2023	Sebke Civil	SEB002	191 416
27/04/2022	EFT2022/04/03	Talisman Hire	TAL002	122 227
14/12/2022	EFT14/12/2022	WinPlan	WIN002	161 000

Amount Transferred to Statement of financial performance

Balance as at 31/03/2023 still not spent for capital projects

4 299 375
1 174 811

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

13. REVENUE RECOGNITION

The Regional Council revenue is mainly made from Government grants and sales of services and goods at Settlement areas.

REVENUE FROM NON-EXCHANGE TRANSACTIONS - IPSAS 23

Hardap Regional Council recognizes government transfers as revenues when the transaction can be measured reliably and when the Council is in full control of the cash. The Regional Council budget for operational activities consists of grants received from the Ministry of Urban and Rural Development whereas the development budget is funded through National Planning Commission.

	2023	2022
	N\$	N\$
13.1 GOVERNMENT TRANSFERS	55 499 574	50 895 773
HARC/FA/FIN/Operational Grants/MURD	49 699 983	48 616 005
HARC/PME/TS/Capital Grants/NPC	4 299 375	1 923 171
HARC/FA/FIN/Rural Development Grant/Basic Sanitation	796 525	-
HARC/FA/FIN/Rural Development Grant/Cash / Food for Work	372 583	114 804
HARC/FA/FIN/Rural Development Grant/Micro Finance	166 173	-
Construction of Rural Development Centre	-	241 793
HARC/FA/FIN/Other Grants/Other	164 935	-

5 % CONTRIBUTION FROM LOCAL AUTHORITIES

The Regional Council received contribution from local authorities as per the provision of Section 77 (1) of the Local Authorities Act.

Mariental Municipality	709 256	688 896
Rehoboth Town Council	740 191	493 365
Aranos Town Council	29 083	28 946
Gochas Village Council	35 580	32 833
Stampriet Village Council	32 256	30 329
Kalkrand Village Council	32 677	32 677
Maltahohe Village Council	37 527	37 059
Gibeon Village Council	17 897	17 897
	1 634 467	1 362 000

REGIONAL COUNCIL FOR THE HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(Continued)

	2023	2022
	N\$	N\$
13.2 REVENUE FROM EXCHANGE TRANSACTIONS - INCOME FROM SETTLEMENT AREAS	*7 720 828	*7 403 475
HARC/FA/KLA/Electricity/Billed Services	443 047	-
HARC/FA/KLA/Electricity/Pre-Paid Services	923 719	-
Settlement rentals	-	12 266
Other income	-	7 422
Electricity boxes	-	8 405
Prepaid electricity sales	-	3 436 571
Prepaid water	-	155 174
Water connection	-	4 931
Water sales	-	1 014 554
HARC/FA/KLA/Water/Billed Services	625 549	-
HARC/FA/KLA/Water/Less: Self Consumption	1 830	-
HARC/FA/HOA/Buildings BTP Social houses	31 800	-
HARC/FA/HOA/Electricity/Billed Services	380 298	-
HARC/FA/HOA/Electricity/Pre-Paid Services	982 185	-
HARC/FA/HOA/Refuse/Billed Services	19	-
HARC/FA/HOA/Water/Billed Services	237 925	-
HARC/FA/HOA/Water/Less: Self Consumption	101 544	-
HARC/FA/KRI/Electricity/Billed Services	99 083	-
HARC/FA/KRI/Electricity/Pre-Paid Services	171 953	-
HARC/FA/KRI/Electricity/Electricity Boxes	815	-
HARC/FA/KRI/Sewerage/Billed Services	213	-
HARC/FA/KRI/Sewerage/Less: Revenue Foregone	213	-
HARC/FA/KRI/Water/Less: Self Consumption	805	-
HARC/FA/RR/Electricity/Pre-Paid Services	70	-
HARC/FA/RUE/Electricity/Pre-Paid Services	239 545	-
HARC/FA/RUW/Buildings BTP Social Houses	6 140	-
HARC/FA/SU/Electricity/Billed Services	587 136	1 668 193
HARC/FA/SU/Electricity/Pre-Paid Services	1 094 729	1 095 958
HARC/FA/SU/Electricity/Electricity Boxes	815	-
HARC/FA/Schlip/Sundry Income/Water Connection	219	-
HARC/FA/Schlip/Housing Allowance	3 926	-

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

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

	2023	2022
	N\$	N\$
13.3 REVENUE FROM EXCHANGE TRANSACTIONS - INCOME FROM SETTLEMENT AREAS (Continue)		
HARC/FA/Schlip/Electricity/Billed Services	325 103	-
HARC/FA/Schlip/Electricity/Pre-Paid Services	1 248 335	-
HARC/FA/Schlip/Electricity/Electricity Boxes	820	-
HARC/FA/Schlip/Water/Billed Services	212 993	-
Interest received - operational	*634 270	233 830
HARC/FA/FIN Capital Accounts/Interest Capitalized	31 896	-
HARC/FA/FIN/Fixed Deposits Bank Accounts	26 683	-
HARC/FA/FIN/Operational Bank Accounts	459 316	145 194
HARC/FA/FIN//Other	363	54 957
HARC/FA/FIN/Rural Development Accounts	80 994	33 679
HARC/FA/KLA/Interest Capitalized	35 017	-
HARC/FA/FIN/Commission & Fees Received/Commission	54 175	56 220
HARC/FA/FIN/Revenue/Bid Document Fees	12 000	428 200
HARC/FA/FIN/Licenses & Permits/Licenses/Fishing	12 700	12 024
Sundry Income	87 033	311 397
HARC/FA/FIN/Sundry Income/Burial Fees	50	-
HARC/FA/FIN/Copies, Faxes & Prints	120	-
HARC/FA/FIN/Other Income	86 863	311 397
Property Rentals and Hiring	*356 204	349 242
HARC/FA/ADM/Buildings	7 000	-
BTP Social House Rent	-	89 335
HARC/FA/ADM/Housing Allowance	277 070	259 907
HARC/FA/KLA/Buildings	34 383	-
HARC/FA/KLA/Halls	910	-
HARC/FA/Housing Allowance	36 840	-

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

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

	2023	2022
	N\$	N\$
13.3 REVENUE FROM EXCHANGE TRANSACTIONS - INCOME FROM SETTLEMENT AREAS (Continue)		
DRM Other Income	-	13 700
UNDP	-	902 613
HARC/FA/Insurance Claims	89 775	-
HARC/FA/PLA/Revenue/Build Together Interest	51 142	68 846
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	66 152 167	62 037 319
14. EXPENDITURE	69 236 682	64 815 204
Employee costs	34 589 725	34 068 453
Grants and subsidies to individuals - community social upliftment	274 700	317 209
Public days HIV/AIDS activities	231 112	241 880
Disaster risk management	477 553	617 877
Grants and donations to public	25 493	-
Community support micro project	1 725 648	976 523
Rural development projects	1 335 281	350 070
Subsistence and travel	1 649 812	1 845 275
Material and supplies	1 319 553	677 924
Transport cost	2 180 059	1 530 284
Utilities	13 076 856	12 008 635
Repairs and maintenance - other fixed assets	253 140	526 654
Property rentals and hiring	330 085	299 542
Advertising	21 300	22 575
Gardening and beautification	4 371	-
Insurance	395 409	636 391
General expenses	57 724	-
Pledges and gifts	12 495	-
Interest paid	101 135	-
Penalties and gifts	118 051	-
Bank charges	250 516	331 167
Security services	2 312 572	2 108 732
Sewerage removal	414 424	-
Training qualifying and non-qualifying, staff wellness	349 258	352 221

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

14. EXPENDITURE (Continued)

	2023	2022
	N\$	N\$
Professional/consultancy fees	397 821	128 975
Entertainment	539 100	303 914
Membership fees and subscription	356 983	358 180
Legal fees	46 744	-
Printing services	37 759	-
Bad debts provision	1 069 722	684 903
Depreciation	5 241 790	5 024 416
Profit and loss on disposal of assets	40 490	232 396
Affirmative action	-	29 778
Regional and settlement development	-	155 569
Condolences and gratitude	-	4 143
RACOC	-	26 529
CDC	-	17 870
Advisory committee	-	1 896
Capital expense	-	1 669
Traditional authority stationeries and other expenses	-	66 252
Ministry of lands	-	(14 954)
UNDP expenses - Daweb	-	882 256

Net deficit for the year

***(3 084 515)** **(2 777 885)**

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

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

15. Accumulated Fund

	2023	Restated 01/04/2022	2022
	N\$	N\$	N\$
Accumulated surplus	263 855 204	275 166 554	277 944 439
Net profit/loss this year	(3 084 514)	(11 311 351)	(2 777 885)
	*260 770 689	*263 855 204	275 166 554

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

The breakdown of the following is shown on the affected accounts

Adjustments to accumulated funds

Cash and cash equivalents	(65 185)
Fixed assets	35 494
Trade payables	(127 801)
Trade receivables	124 174
Other receivables -refunds on S&T	(49 611)
Other receivables: VAT	(11 228 422)
Total adjustment on retained earnings	(11 311 351)

16. BUDGET INFORMATION - IPSAS 24

Hardap Regional Council presents its approved budget on a cash basis and the financial statements on the accrual basis.

The approved budget covers the financial period from 1 April 2022 to 31 March 2023.

The budget and the accounting bases differ. The financial statements for the Hardap Regional Council are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements and budget documents are prepared for the same period. The Regional Council's budget is approved on cash basis.

**REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)**

17. BUDGET INFORMATION - IPSAS 24 (continued)

Reconciliation of actual results to a comparable basis for budget comparison:

Budgeted items	Actual	Adjustment	Comparable	Notes on adjustments
	Accrual basis Pastel		basis	
	N\$	N\$	N\$	
Revenue				
Government subsidies	49 699 983	-	49 699 983	
5 % rates & levy	1 634 467	1 583 232	51 235	Most municipalities are not paying what they are supposed to be contributing to the Regional Council especially those once with big amounts like Rehoboth and Mariental
Bank interest	634 270	147 907	486 363	Inclusion of capital accounts and BTP accounts
Revenue from settlement areas	7 720 828	918 523	6 802 304	Income recognized when invoice issued
Other: sale of fishing license, 2.5 % commission	66 875	-	66 875	
Sale of tender documents	12 000	-	12 000	Not much activity on tenders advertised
Renting of HRC equipment's	79 133	2 954	76 180	Income is recognized when service is rendered not when paid
Official accommodation	277 070	-	277 070	
Other GRN transfer/rural and capital	5 799 591	(330 118)	6 129 709	Refund was for prior periods current not yet audited and refunded
TOTAL INCOME	65 924 217	*66 363	*57 313 674	

*The amounts for adjustment and comparable basis is not tallying up to N\$ 66 363 and N\$ 57 313 674

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

18. BUDGET INFORMATION - IPSAS 24 (continued)

Budgeted items	Actual	Adjustment	Comparable	Notes on adjustments
	Accrual basis Pastel		basis Cash basis	
	N\$	N\$	N\$	
Expenditure				
Personnel expenditure	34 589 725	453 804	34 135 921	Provision for accrued bonus recognized and accrued leave days
Travel and subsistence allowance	1 649 812	75 654	1 574 158	Advances made for S&T and payments made for S&Ts from prior year
Materials and supplies	1 319 553	(86 770)	1 406 322	Expenses recognized when service rendered not paid plus VAT effect
Transport	2 180 059	795 010	1 385 049	Expenses recognized when service rendered not paid plus VAT effect
Utilities	13 076 856	(2 622 465)	15 699 321	Expenses recognized when service rendered not paid plus VAT effect
Maintenance expenses	253 140	(578 311)	831 451	Expenses recognized when service rendered not paid plus VAT effect
Property rental and related charges	330 085	60 591	269 494	Expenses recognized when service rendered not paid plus VAT effect
Other services and expenses	8 145 126	702 219	7 442 907	Depreciation & impairment expense
Goods And Other Services				
– Sub Total	*61 544 355	*(1 200 269)	*62 744 624	

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

19. BUDGET INFORMATION - IPSAS 24 (continued)

Budgeted items	Actual	Comparable		Notes on adjustments
	Accrual basis	Adjustment	Cash basis	
	Pastel	N\$	N\$	
Membership fees & subscription - domestic	356 983	(92 554)	449 537	Expenses recognized when service rendered not paid plus vat effect is included on the cash payments for budget comparisons
Rural development	1 335 281	-	1 335 281	
Individuals & non-profit organizations	274 700	(398 589)	673 289	Expenses recognized when service rendered not paid plus vat effect is included on the cash payments for budget comparisons
Public and departmental enterprises	231 112	71 112	160 000	Expenses recognized when service rendered not paid plus vat effect is included on the cash payments for budget comparisons
Subsidies & Other Current Transfers	2 198 076	*(420 030)	*2 618 106	
Capital projects - infrastructure and WIP	246 410	(4 052 966)	4 299 375	Accrued payments/suppliers of services supplied in prior years were paid +vat
Computer, furniture and office equipment	442 280	(63 143)	505 423	VAT effect
Acquisition Of Capital Assets-Subtotal	688 690	*(4 116 108)	4 804 798	
TOTAL	64 431 121	(5 736 407)	70 167 528	

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

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

20. VALUE ADDED TAXES (VAT)

Expenses and assets are recognized net of the amount of sales tax except when VAT charged on a purchase of assets or services is not recoverable from the Receiver of Revenue such amount is realised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of VAT recoverable from or payable to the Receiver of Revenue is included in the Statement of financial position as part of receivables or payables.

Computation on VAT control Account

	VAT return audited Yes / Not	Amount claimed	Amount Disallowed	Refund	Expected closing balance	Closing pastel balance 2023	Variance
Opening Balance as at 1 April 2022		32 243 911					
Prior year balance not paid		32 243 911					
Period							
04 April	No	129 053					
06 May - June	No	240 343					
08 July - August	No	1 543 203					
10 September - October	No	364 993					
12 November - December	No	99 751					
02 January - February	No	291 236					
04 -March	No	199 674					
TOTAL		*2 868 254	(11 201 259)	3 186 616	20 724 290	20 445 441	278 850

^* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

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

21. PROVISIONS - IPSAS 19

Provisions are recognised when the Regional Council has a present obligation (legal or constructive) as a result of a past event it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

	Bad Debtors	Current Leave days	Bonuses
	N\$	N\$	N\$
Balance at the beginning of the year April 2022	6 663 773	6 088 137	613 768
Additional provisions raised Provision utilized	1 069 722	(1 038)	81 069
Balance as at 31 March 2023	7 733 495	6 087 099	694 837

Note Disclosure: Provision for bad debtors was made for all customers ageing in 120 days plus.

	2023	2022
	N\$	N\$
22. PERSONNEL COST - IPSAS 39	*27 821 514	*27 168 910
Salaries & wages	21 386 614	20 826 501
Transport / car allowance	1 503 651	1 402 809
Housing allowance / subsidies	2 156 833	2 375 857
Overtime payments	422 888	298 334
Bonuses	1 804 511	1 710 249
Remote allowance	547 018	555 159
Remuneration of Councilors	2 772 965	2 772 949
Salary - Council Chairperson	638 075	638 075
Salary - members of management	1 050 224	1 050 216
Salary - ordinary council members	924 302	924 294
Councilors' pension	160 364	160 364

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

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

The Hardap Regional Council currently contributes pension to GIPF for both Public Office Bearers (POB) and for all permanent staff members. The monthly contributions are set as 25% & 10% respectively for POB and 7% & 16% for permanent staff members. The basis of contributions is calculated on their monthly salaries for both beneficiaries. Currently no actuarial valuations were performed by the Hardap Regional Council.

	2023	2022
	N\$	N\$
23. Other Condition of Services	3 995 228	*4 476 017
Employer contribution to pension – staff members	3 125 942	3 306 147
Employer contribution to pension – POB	400 909	400 909
Employer contribution to SSC – staff members	211 177	73 113
Employer contribution to SSC – POB	4 860	4 860
Leave gratuity	215 020	690 987
Contribution to compensation fund	37 320	-

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

24. Public Contributions and Donations

Ministry of Health and Social Services - Mariental Hospital minor maintenance N\$ N\$ 25 493.

25. DELEGATED FUNCTIONS

The Hardap Regional Council is currently performing the following functions as delegated by Central Government Ministries in accordance with the Decentralisation Enabling Act 2000 (Act No. 33 of 2000). When under delegation the Regional Council only acts as an agent for a particular line Ministry while the latter retains full control and overall responsibility to approve the related budget. Once the Line Ministry approve the budget it is then transferred to the Regional Council for execution.

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

	2023	2022
	N\$	N\$
INCOME	*96 691 169	*150 697 950
Ministry of Gender Equality and Child Welfare	3 945 841	5 189 393
Ministry of Communication & Technology	154 612	120 257
Ministry of Land Reform	245 409	592 400
Ministry of Education, Arts & Culture - Current account	82 080 098	103 924 129
Ministry of Education, Arts & Culture - Capital	672 606	5 970 485
Ministry of Education, Arts & Culture - Covid	117 854	26 387 124
Ministry of Works & Transport	1 497 493	2 001 250
Ministry Agriculture - Horticulture	911 924	1 346 338
Ministry of Agriculture - DWRSS	7 065 331	5 166 573
EXPENDITURE	#4 155 061	137 881 610
Ministry of Gender Equality and Child Welfare	4 026 126	4 546 139
Ministry of Communication & Technology	154 862	106 406
Ministry of Land Reform	340 101	468 678
Ministry of Education, Arts & Culture - Current account	83 682 189	102 181 069
Ministry of Education, Arts & Culture - Capital	2 637 949	4 000 000
Ministry of Education, Arts & Culture - Covid	6 719 634	19 757 035
Ministry of Works & Transport	1 487 972	1 769 061
Ministry Agriculture - Horticulture	1 263 316	878 937
Ministry of Agriculture - DWRSS	4 834 860	4 174 285
CURRENT YEAR SURPLUS / (DEFICIT)	*(8 455 840)	12 816 341
Ministry of Gender Equality and Child Welfare	(80 285)	643 254
Ministry of Communication & Technology	(250)	13 850
Ministry of Land Reform	(94 692)	123 722
Ministry of Education, Arts & Culture - Current account	(1 602 090)	1 743 061
Ministry of Education, Arts & Culture - Capital	(1 965 343)	1 970 485
Ministry of Education, Arts & Culture - Covid	(6 601 780)	6 630 089
Ministry of Works & Transport	(9 521)	232 190
Ministry Agriculture - Horticulture	(351 391)	467 402
Ministry of Agriculture - DWRSS	2 230 470	992 288

* A rounding difference of N\$1 is noted; the balances in the audit report aligns with the submitted financial statements.

The Council incorrectly tallied expenditure to N\$ 4 155 061 instead of N\$ 105 147 009

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

	2023	2022
	N\$	N\$
Bank Balances for Delegated Functions	*4 129 668	12 817 698
Ministry of Gender Equality and Child Welfare	562 969	643 254
Ministry of Communication & Technology	13 599	13 849
Ministry of Land Reform	29 030	123 722
Ministry of Education, Arts & Culture - Current account	140 971	1 743 060.91
Ministry of Education, Arts & Culture - Capital	5 142	1 970 485.28
Ministry of Education, Arts & Culture - Covid	28 309	6 630 089
Ministry of Works & Transport	9 521	232 190
Ministry Agriculture - Horticulture	117 368	468 760
Ministry of Agriculture - DWRSS	3 222 758	992 288

* A rounding difference of N\$1 is noted; the balance in the audit report aligns with the submitted financial statements.

26. SEGMENT REPORTING

Segment reporting is presented in a format which represents the various departments as the segments that make up the Regional Council operations.

The assets and liabilities generally support a wide range of service delivery activities across multiple (segments.) Revenue and expense related to departments are accounted for separately in the financial accounting system. All expenses are allocated among the department making up the segments based upon the approved allocation methodology.

27. EVENTS AFTER THE REPORTING DATE

Regional council reporting date is March, 2023. No material events, favourable or unfavourable, which would have impacted upon the statements, have been incurred between the reporting date and the date on which the financial statements were authorized for issue.