



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE //KHARAS REGION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011, 2012 AND 2013

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Regional Council of the //Kharas region for the financial years ended 31 March 2011, 2012 and 2013, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, November 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE //KHARAS REGIONAL COUNCIL
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2011, 2012 AND 2013**

1. INTRODUCTION

This report on the accounts of the //Kharas Regional Council for the financial years ended 31 March 2011, 2012 and 2013 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991(Act 31 of 1991), as amended.

Figures in the report are rounded off to the nearest Namibia dollar. Deficits are indicated in (brackets).

1.1 Report on the Financial Statements

The Regional Council's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 40 (1) of the Regional Councils Act, 1992, except that they were only submitted on 28 May 2014 instead of three months after the end of the financial year as stipulated in the Act. I have audited the accompanying financial statements of the //Kharas Regional Council for the financial year ended 31 March 2011, 2012 and 2013.

The abridged balance sheet, supplied by the Accounting Officer is attached as Annexure A.

Annexure B: Income statement

Annexure C: Cash flow statement

Annexure D: Notes to the financial statements

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 40 (1) of the Regional Council's Act, Act 22 of 1992, read with Section 12 & 13 of the State Finance Act, 1991 (Act 31 of 1991), and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

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

Powers and duties

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. ACKNOWLEDGEMENT

The courtesy and assistance extended to the Auditor-General and his staff members by the Regional Council's staff during the audit is appreciated.

5. AUDIT OBSERVATIONS

5.1 EXPENDITURE

Non-submission of payment vouchers

Payment vouchers to the amount of N\$ 71 005 (2011), N\$ 204 971 (2012) and N\$ 3 395 020 (2013) were not submitted for audit purposes.

Recommendations

The Accounting Officer is recommended to ensure that all documents requested are provided to the auditors for audit purposes.

Management Comment

Unfortunately Council could not trace those documents.

5.2 FIXED ASSETS

Non-submission of Tender documents

Tender documents to the amount of N\$ 111 960 (2011) and N\$ 781 859 (2012) were not submitted for audit purposes.

Recommendations

The Accounting Officer is strongly recommended that the Council should ensure that all the necessary supporting documents are provided for audit purposes.

5.3 PAYMENT VOUCHERS RECORDED IN THE WRONG PERIOD

Payment vouchers for capital projects amounting to N\$ 4 227 287 were paid during 2009/2010 financial year, but were only disclosed and recorded in 2010/2011 financial year.

Management comment

The issue of certificates of work completed not approved were taken up with planning and they are aware that they should present them to Council. Due payments made might be an oversight from both Planning and Finance.

Recommendations

It is recommended that the Council should ensure that all Capital project payments are recorded and disclosed in the financial year they occurred.

5.4 NONE SUBMISSION OF PAYMENT VOUCHERS

Payment vouchers amounting to N\$ 1 148 892 (2011) were not provided for audit purposes.

Recommendations

It is recommended that all the payment vouchers should be properly filed and made available for audit purposes.

Management Comment

The recommendation is appreciated and the Council has identified the filing of vouchers as a weakness and it is receiving the necessary attention.

5.5 INVENTORY

The Council did not disclose inventory for 2011/2012 and 2012/2013 financial years.

Recommendation

Council should ensure that inventory is disclosed in the annual financial statements.

5.6 ADJUSTMENTS

Unexplained adjustments on cash flow amounting to N\$ 199 310 (2013), N\$ 8 709 (2012) and N\$ 32 835 575 (2011) were made by the Council.

Recommendation

The Accounting Officer should explain the adjustments made.

6. BASIS FOR DISCLAIMER AUDIT OPINION

I am unable to express an opinion due to the following reasons:

- Payment vouchers to the amount of N\$ 3 670 996 in respect of expenditures were not submitted for audit purposes;
- Tender documents to the amount of N\$ 893 819 in respect of fixed assets were not submitted for audit purposes;
- Payment vouchers for capital projects amounting to N\$ 4 227 287 were paid in (2009/2010) financial year, but were only disclosed and recorded in (2010/2011) financial year;
- Payment vouchers for capital projects to the amount of N\$ 1 148 892 were not provided for audit purposes;
- None disclosure of inventory in the financial statements; and
- Unexplained adjustments amounting to N\$ 32 835 575, (N\$ 8 709) and N\$ 199 310 reported in 2011, 2012 and 2013 financial years respectively.

7. DISCLAIMER AUDIT OPINION

The accounts of the //Kharas Regional Council for the years ended 31 March 2011,2012 and 2013 have been audited in terms of Section 38 of the Regional Council Act,1992 (Act 22 of 1992) and section 25 (1) (b) of the State Finance act, 1991 (Act 31 of 1991) .

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

WINDHOEK, November 2015

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL FOR THE //KHARAS REGION

BALANCE SHEET AS AT 31 MARCH

	Notes	2013 N\$	2012 N\$	2011 N\$	2010 N\$
ASSETS					
Non-current assets		121 775 364	100 736 343	58 124 294	64 552 889
Fixed Assets	4	121 219 123	99 980 794	57 377 452	63 321 976
Investments	5	556 241	755 549	746 842	1 230 913
Current assets		54 840 695	63 011 616	71 877 565	7 957 251
Accounts receivable	6	19 881 114	14 910 030	6 217 256	2 577 970
Cash and bank	7	34 959 581	48 101 586	65 660 309	5 379 281
Total assets		176 616 059	163 747 959	130 001 859	72 510 140
EQUITY AND LIABILITIES					
		173 841 485	161 244 710	128 352 909	34 723 104
Capital Development Fund		193 768 000	169 472 000	135 472 000	-
Build-Together Fund		4 515 000	4 008 000	3 327 000	-
Accumulated Funds		(24 468 515)	(12 235 290)	(10 446 091)	34 723 104
Current liabilities		2 801 616 574	2 503 249	1 648 950	37 787 036
Capital Project fund		-	-	-	35 225 720
Accounts payable		2 801 574	2 503 249	1 648 950	2 561 316
Total equity and liabilities		176 616 059	163 747 959	130 001 859	72 510 140

REGIONAL COUNCIL FOR THE //KHARAS REGION

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	Notes	2013 N\$	2012 N\$	2011 N\$	2010 N\$
Income	8	32 161 356	31 412 631	30 043 374	68 727 250
Expenditure	9	46 207 317	35 919 415	27 848 123	21 525 052
		(14 045 961)	(4 506 784)	2 195 251	47 202 198
Less capital project expenditure		-	-	-	(14 055 064)
Nett operating surplus/ (Deficit)		(14 045 961)	(4 506 784)	2 195 251	33 147 134
Interest earned		1 812 736	2 717 585	2 640 224	1 575 970
Accumulated income/ (Deficit)		(12 233 225)	(1 789 199)	4 835 475	34 723 104
Accumulated funds					
- Adjustments		-	-	(50 004 670)	(21 562 103)
- At the beginning of the year		(12 233 225)	(10 446 091)	34 723 104	21 562 103
End of the year		(24 468 515)	(12 235 290)	(10 446 091)	34 723 104

REGIONAL COUNCIL FOR THE //KHARAS REGION

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

Cash flow from operating activities		2013	2012	2011	2010
		N\$	N\$	N\$	N\$
Cash receipt from customers		32 161 356	31 412 631	30 043 374	66 824 938
Cash paid to suppliers		(50 680 766)	(43 766 599)	(49 868 870)	(35 580 116)
Cash utilised by operations		10 (18 519 410)	(12 353 968)	(19 825 496)	31 224 822
Interest earned		1 812 736	2 717 585	2 640 224	1 575 970
		(16 706 674)	(9 636 383)	(17 185 272)	32 800 792
Cash flow from investing activities		(21 238 331)	(42 603 340)	(18 371 420)	(13 557 900)
Nett Capital expenditure (increase)/Decrease in investment		(21 238 331)	(42 603 340)	(19 411 732)	(13 115 635)
			-	1 040 312	(422 265)
Cash flow from financing activities		24 803 000	34 681 000	60 612 000	-
BTP Revolving Fund		507 000	681 000		
Capital Development fund		24 296 000	34 000 000	60 612 000	-
Nett (increase)/decrease in cash and Cash equivalents		(13 142 005)	(17 558 723)	25 055 308	19 262 892
CASH AND CASH EQUIVALENTS					
- At the beginning of the year		48 101 586	65 660 309	40 605 001	21 342 109
End of the year		34 959 581	48 101 586	65 660 309	40 605 001

REGIONAL COUNCIL OF THE //KHARAS REGION**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the statements of Generally Accepted Accounting Practice.

The annual financial statements are prepared under the historic cost convention. The following accounting policies are consistent, in all material respects, with those of the previous year. The annual financial statements are prepared in line with the accrual concept. It should be noted, however, that income and expenditures in relation to Delegated functions is accounted for during the year on a cash accounting concept in line with the State Finance Act, 1992, however since all liability in relation to Delegated functions remains with the Line Ministry, this does not materially affect the Regional Council financial statements.

All fixed assets are stated at Historic cost less Accumulated depreciation. Depreciation is calculated using the straight line method to write-off the cost of each asset to its residual value over its useful life.

The estimated useful lives for the year under review are as follows:

Buildings	50 Years
Machinery & Equipment	5 Years
Vehicles	5 Years
Office furniture & equipment	3 Years
Computer equipment	3 Years
Other fixed assets	5 Years

REGIONAL COUNCIL OF THE //KHARAS REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

2. GRANTS AND DONATIONS

The Regional Council is currently performing the following functions (under certain conditions) delegated by central governmental line ministries as indicated in accordance with Decentralisation Enabling Act of 2000.

Under delegation, the Regional Council acts as an agent on behalf of the relevant line ministries. The relevant lines Ministries, however, retain overall responsibilities to approve the related budget. Their budget allocation is transferred to the Regional Council via cash transfers.

3. DELEGATED FUNDS

	2013	2012	2011	2010
	N\$	N\$	N\$	N\$
Monies Received	3 233 095	3 724 016	2 046 653	852 510
Delegated funds	3 233 095	3 724 016	2 046 653	852 510
Monies paid out	(2 982 367)	(1 556 795)	(818 153)	(150 996)
HIV - Expenses	(960)	-	(4 266)	-
Drought relief	(151 889)	(257 156)	(223 801)	(25 445)
Early Childhood Development Fund	(135 606)	(84 944)	(82 916)	(64 451)
Road Fund Administration	(940 786)	(241 493)	(124 795)	-
Rural Development Projects	(1 719 856)	(920 535)	-	-
Traditional Authority	(559)	(2 947)	(1 981)	-
Cash for work	(32 561)	(49 720)	(380 394)	(61 100)
Nett delegated funds	250 728	2 167 221	1228 500	701 514

REGIONAL COUNCIL OF THE //KHARAS REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

4. FIXED ASSETS

2013	Land and Buildings	Motor Vehicles	Office furniture, equipment &Computers	Other fixed assets	Assets under construction	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2012	8 476 915	4 246 251	19 935 730	4 890	87 734 447	120 398 233
Less: Written off	-	-	-	-	-	-
Adjustments 2012	-	-	-	-	-	-
Additions	1 301 968	696 908	13 912 884	-	-	15 911 760
Cost as at 31 March 2013	9 778 883	4 943 159	33 848 614	4 890	87 734 447	136 309 993
Less Depreciation						
Balance as at 1 April 2012	1 063 472	2 754 162	4 360 884	4 715	-	8 183 233
Adjustment	-	-	-	-	-	-
Charge for the year	184 204	535 700	6 187 558	175	-	6 907 637
Accumulated Depreciation	1 247 676	3 289 862	10 548 442	4 890	-	15 090 870
Net book value as at 31 March 2013	8 531 207	1 653 297	23 300 172	-	87 734 447	121 219 123

REGIONAL COUNCIL OF THE //KHARAS REGION

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

2012	Land and	Motor	Office	Other	Assets under	Total
	Buildings	Vehicles	furniture, equipment & Computers	fixed assets	Construction	
	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at						
01 April 2011	8 476 915	3 234 964	10 175 397	4 890	75 500 239	97 392 405
Less: Written off	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Additions	-	1 011 287	9 760 337	-	-	10 771 624
Cost as at						
31 March 2012	8 476 915	4 246 251	19 935 734	4 890	75 500 239	108 164 029
Less: Depreciation						
Balance as at						
01 April 2011	898 554	2 292 395	2 165 582	4 017	-	5 360 548
Adjustment	-	-	-	-	-	-
Charge for the year	164 916	461 767	2 195 306	698	-	2 822 687
Accumulated						
Depreciation	1 063 470	2 754 162	4 360 888	4 715	-	8 183 235
Net book value as at						
31 March 2012	7 413 445	1 492 089	15 574 846	175	75 500 239	99 980 794

REGIONAL COUNCIL OF THE //KHARAS REGION

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

2011	Land and Buildings	Motor Vehicles	Office furniture equipment & Computers	Other fixed assets	Assets under Construction	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 01 April 2010	8 245 824	3 055 658	2 045 224	632 988	40 845 836	54 825 530
Less: Written off	-	-	-	-	-	-
Adjustments 2010	-	(177 096)	(498 724)	(628 098)	-	(1 303 918)
Additions	231 091	356 402	8 628 896	-	-	9 216 389
Cost as at 31 March 2011	8 476 915	3 234 964	10 175 396	4 890	40 845 836	62 738 001
Less: Depreciation						
Balance as at 01 April 2010	-	985 031	866 856	78 101	-	1 929 988
Adjustment	733 639	912 098	428 392	(74 822)	-	1 999 307
Charge for the year	164 916	395 266	870 334	738	-	1 431 254
Accumulated Depreciation	898 555	2 292 395	2 165 582	4 017	-	5 360 549
Net book value as at 31 March 2011	7 578 360	942 569	8 009 814	873	40 845 836	57 377 452

REGIONAL COUNCIL OF THE //KHARAS REGION

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

2010	Land and Buildings	Motor Vehicles	Office furniture equipment & Computers	Other fixed assets	Assets under Construction	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 01 April 2009	8 245 824	2 049 755	1 839 082	612 422	38 169 386	50 916 469
Less: Written off	-	(151 579)	(2 550)	-	-	(154 129)
Adjustments	-	697 482	-	-	-	697 482
Additions	-	460 000	208 692	20 566	13 102 884	13 792 142
Cost as at 31 March 2010	8 245 824	3 055 658	2 045 224	632 988	51 272 270	65 251 964
Less: Depreciation						
Balance as at 01 April 2009	-	697 483	694 393	15 735	-	1 407 611
Adjustments	-		(6 910)	-	-	(6 910)
Charge for the year	-	287 548	179 373	62 366	-	529 287
Accumulated Depreciation	-	985 031	866 857	78 101	-	1 929 988
Net book value as at 31 March 2010	8 245 824	2 070 627	1 178 367	554 887	51 272 270	63 321 976

REGIONAL COUNCIL OF THE //KHARAS REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2013 (Continued)

	2013	2012	2011	2010
	N\$	N\$	N\$	N\$
5. INVESTMENTS				
Shares in other companies - Sored	556 241	556 241	556 241	-
Insurance companies	-	199 308	190 601	1 230 913
	556 241	755 549	746 842	1 230 913
6. ACCOUNTS RECEIVABLES				
Debtors Control	6 558 425	5 549 725	3 940 497	-
Stock on hand	-	-	109 883	-
Value Added Tax	13 322 688	9 360 305	2 166 876	-
	19 881 114	14 910 030	6 217 256	-
7. CASH AND BANK				
Karas investors Congress	31 236	30 784	30 151	29 115
5% Assessment rates	1 199 744	695 519	1 008 678	518 121
Stannic fleet management	19 625	105	105 630	95 786
Early Childhood development	223 756	48 446	87 462	96 243
Main account	(1 573 889)	(288 123)	3 236 483	52 554
Build Together	5 331	5 601	5 844	6 093
Rural Electricity	270 411	735 404	255 030	198 060
Regional Drought Aid Fund	-	-	-	6 823
Gutenhaus SH project	11 054	11 312	11 555	11 803
Aus settlement area	356 087	752 764	484 676	105 149
Capital Projects	28 799 784	39 936 733	52 458 304	35 225 720
Karas investors Conference	-	-	-	680
BTP Disburement Receipt Account	108 125	104 200	100 532	79 755
KRC BTP Disbursement	517 389	748 185	1 635 028	1 331 616
Karas Drought relief	-	-	328 721	261 410
Karas Rural Development project	2 874 028	2 411 153	-	-
Traditional Authority Fund	18 489	19 134	20 912	21 146
Karas Development Trust	33 218	68 106	2 73 473	291 834
Karas Regional Council Account	21 941	21 568	21 132	20 642
FNB Call Account	601 358	169 703	3 083 326	1 355 587
Independence Celebration Account	8 214	8 156	8 075	6 129

REGIONAL COUNCIL OF THE //KHARAS REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2013 (Continued)

	2013	2012	2011	2010
	N\$	N\$	N\$	N\$
Noordoewer Call Account	-	-	-	16 164
Ariamsvlei Call Account	-	-	-	32 083
Warmbad FNB Account	134 985	109 734	268 834	10 215
Grunau FNB Account	79 048	33 225	56 516	9 868
Call Contingency Account	269 677	968 244	1 059 004	729 125
Noordoewer settlement area	315 159	1 052 636	495 010	25 941
Kosis Settlement Area	28 605	302 997	52 659	21 733
Ariamsvlei FNB Account	478 075	96 420	485 105	45 606
Cash Control - AUS	23 215	5 689	37 749	-
Cash Control - Kosis	11 735	13 209	8 980	-
Cash Control - Grunau	13 129	30 966	2 390	-
Cash Control - Noordoewer	2 794	1 502	23 209	-
Cash Control - Warmbad	408	1 923	2 160	-
Cash Control - Ariamsvlei	76 848	6 291	13 681	-
	34 959 579	48 101 586	65 660 309	40 605 001
TOTAL CASH AND BANK IN HAND	34 959 578	48 101 586	65 660 309	40 605 001
<i>Less: Capital project funds</i>	(28 799 784)	(39 936 733)	(52 458 304)	(35 225 720)
Nett: BANK AND CASH IN HAND	6 159 794	8 164 853	13 202 005	5 379 281

REGIONAL COUNCIL OF THE //KHARAS REGION

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

8. INCOME	2013	2012	2011	2010
	N\$	N\$	N\$	N\$
Government transfers - MRLGHRD	22 212 920	21 160 740	22 168 112	16 499 751
Grant - MRLGHRD - Capital projects	-	-	-	43 070 000
Assessment rates	1 096 587	1 043 263	989 027	650 497
Build together Project	37 784	35 336	32 670	4 974
Rates, charges & fees (Settlement areas)	4 699 247	4 523 149	3 942 778	2 552 596
Delegated Functions	3 233 095	3 724 016	2 046 653	852 510
Sundry income	796 723	916 600	753 087	3 194 610
Accrued income	-	-	-	1 902 312
Karas Development Trust Income	85 000	9 527	111 046	-
Total income	32 161 356	31 412 631	30 043 374	68 727 250

REGIONAL COUNCIL OF THE //KHARAS REGION

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

9. EXPENDITURE	2013	2012	2011	2010
	N\$	N\$	N\$	N\$
Salaries & Wages	15 724 342	13 254 747	11 316 436	10 456 375
Employers Contribution	1 848 178	1 510 565	1 230 490	-
Other Conditions of Services	835 754	785 490	267 994	-
Property rentals	123 573	130 487	103 173	207 350
Transport expenses	1 832 249	2 110 251	1 960 559	1 840 393
Build together expenses	-	-	-	253 983
Depreciation	6 907 638	2 822 686	1 431 255	529 288
Electricity, water & utilities	5 732 127	4 549 796	3 876 447	4 606 297
Materials & Supplies	584 827	476 892	157 634	206 704
Repairs & maintenance	529 566	585 177	567 216	369 809
Other Services and Expenses	1 789 255	2 269 419	1 650 544	947 332
Travel & accomodation	2 534 868	2 554 809	2 578 520	1 956 524
Membership Fess & Subscription	103 690	92 333	96 753	-
Grants and Subsidies	220 607	282 444	167 853	-
Delegated funds	2 982 366	1 556 794	181 153	150 997
Current Transfers To Indv And To Public	3 726 606	550 555	1 036 710	-
Constituency Development Fund	608 891	2 180 253	458 598	-
Karas Development Trust expenses	122 779	206 716	129 788	-
Total expenditure	46 207 317	35 919 415	27 848 123	21 525 052
NETT OPERATING SURPLUS/ (DEFITIT) FOR THE YEAR	(14 045 962)	(4 506 784)	2 195 251	47 202 198
Interest received	1 812 736	2 717 585	2 640 224	1 575 970
SURPLUS/ (DEFICIT) FOR THE YEAR	(12 233 225)	(1 789 199)	4 835 475	48 778 168

REGIONAL COUNCIL OF THE //KHARAS REGION

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

10. CASH UTILISED BY OPERATIONS

	2013	2012	2011	2010
	N\$	N\$	N\$	N\$
Surplus/ (Deficit) for the year	(12 233 225)	(1 789 199)	4 835 475	48 778 168
Adjustments for:				
Accumulated fund adjustments	-	-	(50 004 670)	(21 562 103)
Unexplained adjustments	199 310	(8 709)	32 835 575	-
Interest earned	(1 812 736)	(2 717 585)	(2 640 224)	
Operating income before changes in working capital	(13 846 651)	(4 515 493)	(15 273 844)	25 640 095
Changes in working capital:				
(Increase)/ decrease in debtors	(4 971 084)	(8 692 774)	(3 639 286)	(1 585 757)
(Decrease)/ increase in creditors	298 325	854 299	(912 366)	2 561 316
	(18 519 410)	(12 353 968)	(19 825 496)	26 615 654