



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL FOR THE KUNENE REGION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2009 AND 2010

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Regional Council for the Kunene region for the financial years ended 31 March 2009 and 2010, 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, August 2012

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE REGIONAL COUNCIL FOR THE KUNENE REGION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2009 AND 2010**

1. INTRODUCTION

The Regional Council for the Kunene region was established under Section 2(1) of the Regional Councils Act, 1992 (Act 22 of 1992).

The financial powers, duties and functions of the Council are stipulated in Article 108 of the Namibian Constitution and Section 28 of the Regional Councils Act. Sections 39 and 40 of the Act require that accounting records of the Council shall be kept and its financial statements shall be prepared by its Chief Regional Officer.

Figures in the report are rounded off to the nearest Namibia dollar.

2. 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 these were only signed on 13 September 2011 instead of three months after the end of the financial year as stipulated in the Act.**

The abridged balance sheets, Annexure A, are a true reflection of the originals. The following annexures are also attached to this report:

Annexure B: Income and expenditure statements
Annexure C: Cash flow statements
Annexure D: Notes to the financial statements

3. SCOPE OF THE AUDIT

The Chief Regional Officer of the Regional Council is responsible for the preparation of the financial statements and of ensuring the regularity of the financial transactions. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit as carried out by staff of the Office the Auditor-General, included:

- Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of the financial statements.

The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- The financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
- in all material respects expenditure and income have been applied to the purposes intended by the Regional Councils Act; and
- the financial transactions conform to the authorities which govern them.

4 AUDIT OBSERVATIONS AND COMMENTS

4.1 Analysis of financial information

4.1.1 Differences in comparative figures was observed as follows:

BALANCE SHEET

2008/2009 financial year

Description	2008/09	2007/08	Difference
	N\$	N\$	N\$
Fixed assets	17 966 571	18 169 938	(203 367)
Current assets	18 014 636	18 277 387	(262 751)
Current liabilities	-	402 160	(402 160)
Capital employed	39 806 746	39 988 775	(182 029)

2009/2010 financial year

Description	2009/10	2008/09	Difference
	N\$	N\$	N\$
Fixed assets	18 940 178	18 871 095	69 083
Current assets	25 999 866	26 001 904	(2 038)
Capital employed	48 768 322	43 649 082	5 119 240

4.1.2 Differences between the annual financial statements and notes to the annual financial statements

- The account balance for accounts receivable (2009 and 2010) and sundry creditors (2009) differ from the balances reflected at the notes to the annual financial statements.
- The account balance of fixed assets differs from the account balances at the notes to the annual financial statements (2010).

4.1.3 Errors in account balances

- The accumulated depreciation of the prior year (2008) was not brought forward to the current year (2009).
- The opening balance of office furniture, equipment & machinery at cost as at 01/04/2008 was wrongly brought forward as N\$ 1 404 424 instead of N\$ 1 366 732 resulting in an overstatement of N\$ 37 692.
- Total cost for fixed assets as at 31/03/2009 was wrongly stated as N\$ 23 899 924 instead of N\$ 28 405 942 resulting in an understatement of N\$ 4 505 918. Total net book value was therefore also misstated by the said amount.
- There were no notes to the annual financial statements for the sundry creditors & debtors control accounts (2009 & 2010).

Management comment

Fixed assets

There is a difference in current year figures and prior year figures and this situation may arise due to the prior year adjustments made to fixed assets register. However, plan is underway of linking the assets register to the accounting system Pastel/Evolution.

The fixed assets and stock inventory will be linked to the Pastel/Evolution accounting system in the Finance division. Administration division (Procurement section) allowing updates to be automatically done in the systems. This may also help the Council by reducing the work load for the Finance division.

The procurement section will be able to process the supplier's invoices into the system whilst the Finance division will only process payments and reconciliations.

These recommendations are for the sole purpose of how, to best use or strengthen the Council's resources, technology, processes and integrate the fixed assets systems with the accounting system to ensure that the Council achieves assets information goals and further eliminate this discrepancy.

Total current assets

The total current assets decreased due to the bank overdrafts.

Total current liabilities

There were no current liabilities for the years under review.

Total capital employed

The difference was due to prior year adjustment.

INCOME STATEMENT

2008/2009 financial year

Description	2008/09	2007/08	Difference
	N\$	N\$	N\$
Expenditures	15 890 543	15 911 881	(21 338)
TOTAL	15 890 543	15 911 881	(21 338)

4.1.4 The cash flow statement differed with N\$ 47 567 (2008/2009) when compared to the cash and bank balance in the balance sheet.

4.1.5 The cash flow statement differed with N\$ 167 279 (2009/10) when compared to the balance sheet. These amounts are identical to the figure presented as sundry creditors.

Adjustments

4.1.6 An unexplained adjustment of N\$ 160 005 (2009/10) and N\$ 10 189 003 (2008/09) was made to the financial statements of the Council, to balance the accounts of the Council. The Council should investigate the reasons for this and report back to the Auditor-General for audit purposes.

4.2 Comparison of trial balance figures with the annual financial statement figures

2008/2009 financial year

Description	Balance sheet	Trial balance	Difference
	N\$	N\$	N\$
Fixed assets	18 871 095	18 833 404	37 691
Investments	(1 081 492)	3 788 544	(4 870 036)
Current assets	26 001 904	24 864 428	1 137 476
Current liabilities	104 735	(966 471)	1 071 206
Capital employed	43 649 082	43 667 698	(18 616)

2009/2010 financial year

Description	Balance sheet	Trial balance	Difference
	N\$	N\$	N\$
Investments	(1 081 492)	3 788 544	(4 870 036)
Current assets	27 080 184	23 736 785	3 343 399
Current liabilities	1 085 044	(1 313 204)	2 398 248
Capital employed	51 068 767	51 031 451	37 316

Description	Balance sheet	Trial balance	Difference
	N\$	N\$	N\$
Total expenditure	20 016 694	20 036 694	(20 000)
TOTAL	20 016 694	20 036 694	(20 000)

4.3 Comparison of the closing balances of the prior year for assets at cost & accumulated depreciation with the opening balances of the current year.

2008/2009 financial year

Description	Balance at 31/03/2008	Balance at 01/04/2008	Difference
	N\$	N\$	N\$
Total fixed assets @ cost	22 434 797	22 472 489	(37 692)
Total accumulated depreciation	4 264 859	-	4 264 859

2009/2010 financial year

Description	Balance at 31/03/2009	Balance at 01/04/2009	Difference
	N\$	N\$	N\$
Total fixed assets @ cost	28 405 842	23 147 014	5 258 828
Total accumulated depreciation	5 066 519	5 766 518	(699 999)

4.4 Income

4.4.1 5% rates and taxes charges

2008/2009 financial year

4.4.1.1 It was noted that there were a lot of miss-allocated income that was processed in the 5% rates and taxes account as well as duplication of transaction, therefore this account could be overstated in the annual financial statements.

Khorixas	Bank statement total	N\$
	General ledger total	7 083
	Difference	<u>39 368</u>
		<u>(32 285)</u>

Outjo	Bank statement total	N\$
	General ledger total	10 000
	Difference	<u>20 000</u>
		<u>(10 000)</u>

Furthermore, it was observed that the 5% rates and taxes account for Khorixas Town Council and Outjo Municipality was not properly maintained because supporting documents were not provided to substantiate the payment period and amounts due to the Council.

2009/2010 financial year

4.4.1.2 A difference of N\$ 31 254 was observed between the general ledger and the bank statements.

Furthermore, it was observed that a fixed amount of (N\$ 6500) was agreed upon between the Regional Council and the Khorixas Town Council which is contrary to the Local Authorities Act that states that: *“Each Local Authority must transfer 5% of assessment rates levied on all rateable property to the relevant Regional Council”*

The overall control within this account area was weak and no supporting documents were available to substantiate the billing period.

Management comment

Point was noted from the auditor’s finding, however, the Council does accrue it’s income without actually receiving it, which is the basis of the accrual accounting system (Financial Accounting Policies and Procedures Manual).

4.4.2 Interest & royalties received

The following difference was noted:

	2009/2010	2009/2010
	N\$	N\$
Bank statement	265 892	1 480 135
General ledger	232 848	1 622 779
Difference	33 043	(142 643)

Management comment

The Council takes note of the auditor’s finding and will rectify the error as per auditor’s recommendation.

The Council will make sure that reconciliation will be properly done as per auditor’s recommendation.

4.4.3 Rates, charges & fees (Settlement income)

2008/2009 financial year

4.4.3.1 There is no consistency in the use and issuing of receipt books.

4.4.3.2 The record keeping of the yellow cards is not maintained properly; receipt numbers, dates and amounts are not recorded in the yellow cards and the consumption of water is an estimated figure as it appears to be constant throughout the whole year.

4.4.3.3 The recording of the rates, charges and fees account in the general ledger is not properly maintained as it only contains one customer which is the Ministry of Health and Social Services while the Fransfontein settlement is providing water services to many other customers.

4.4.3.4 Income of N\$ 18 954 was received from the Fransfontein settlement for rates, charges and fees and recorded in a manual cash-book that is kept at the settlement but was undisclosed in the general ledger and the annual financial statements.

Reconciliations and management checks are not done, therefore the rates, charges and fees account could be misstated in the annual financial statements.

4.5 Account receivables/Debtors

4.5.1 Debtors to the value of N\$ 130 820 for the rates, charges and fees of Fransfontein were not reflected in the customer detailed ledger as well as in the annual financial statements therefore, the figure for the debtors control account could be misstated.

2009/2010 financial year

4.5.2 It was observed by the auditors that no transactions were recorded for the current year even though numerous payments were received from the respective debtors.

4.5.3 It was observed that numerous debtors had credit balances. These were however, not presented as prepayments in the financial statements as is required by Generally Accepted Accounting Practice.

4.5.4 Build Together program debtors

The Regional Council could not provide the auditors with the beneficiary files for the Build Together customers because the files were kept at the settlement offices while the auditors have requested the Council before the commencement of the audit to submit all documents that are kept at the settlements to the Regional Council for audit purposes. For this reason important audit tests could not be carried out on the Build Together account area to confirm the reliability and accuracy of financial information disclosed.

4.6. Expenditure

2008/2009 financial year

4.6.1 The amounts of N\$ 4 500 and N\$ 2 500 in respect of cheques no 8827 and 7970 were wrongly processed in the general ledger as N\$ 45 000 and N\$ 28 147 respectively.

2009/2010 financial year

4.6.2 The amount of N\$ 3 318 was wrongly processed in the general ledger as N\$ 33 318.

4.6.3 Subsistence & travelling

2008/2009 financial year

Vouchers and cheques to the amount of N\$ 28 136 could not be obtained for audit purposes.

4.6.4 Expenditure – Funds

2009/2010 financial year

Supporting documents to the amount of N\$ 77 478 were not attached to the expense vouchers.

4.7 Investments

2008/2009 and 2009/10 financial year

4.7.1 Investments were wrongly reflected at N\$ 1 081 492 instead of N\$ 0. As a result, investments are wrongly disclosed.

4.7.2 At the time of the audit it was observed that the premiums for the whole financial year were incorrectly processed from the cash-book to the general ledger to the amount of N\$ 399 996.

4.8 Payroll

VIP salary report vs general ledger

2008/2009 financial year

4.8.1 A difference amounting to N\$ 301 000 was observed between the VIP salary report and the general ledger.

2009/2010 financial year

4.8.2 A difference of N\$ 86 663 was observed between the VIP salary report and the general ledger.

4.9 Cash and Bank

Bank reconciliation and cash-book

2008/2009 financial year

4.9.1 The following bank accounts were reconciled. Differences were observed between the cash-book and the bank reconciliation;

Account details	Bank reconciliation	Cash-book	Difference
	N\$	N\$	N\$
FNB Cheque account	279 274	274 886	4 389
FNB Capital account	858 502	1 039 802	(181 300)
FNB HIV AIDS account	(281)	(217)	(64)
FNB Call Account	1 768 881	1 751 146	17 735

2009/2010 financial year

4.9.2 At the time of the audit it was observed that the bank reconciliation did not reconcile and differences were noted on the bank reconciliation for the following bank account:

Account details	Bank reconciliation	Cash-book	Difference
	N\$	N\$	N\$
FNB Cheque account	514 842	(736 213)	1 251 055
FNB Revenue account	404 027	399 750	4 276
BWK Cash for Work call account	(61 402)	(56 950)	(4 452)

4.9.3 Stale cheques

2008/2009 financial year

Stale cheques amounting to N\$ 55 411 were observed for the FNB Cheque account.

4.10. Fixed assets

4.10.1 Fixed asset register

2008/2009 and 2009/2010 financial years

The Council did not update the fixed asset register and work in progress register for both financial years under review and office furniture and fittings were not accounted for.

4.10.2 Fixed asset register vs General ledger

2008/2009 financial year

The following differences were observed between the general ledger and asset register:

Description	General ledger	Fixed assets register	Difference
	N\$	N\$	N\$
At cost:			
Work in progress	9 750 254	9 661 960	88 294
Machinery and vehicles	5 616 095	5 416 095	200 000
Depreciation:			
Machinery and vehicles	4 123 148	3 923 148	200 000

2009/2010 financial year

Description	General ledger	Fixed assets register	Difference
	N\$	N\$	N\$
At cost:			
Land and building	7 932 784	7 829 150	103 633
Plant, machinery and equipment	916 200	949 499	(33 299)
Motor vehicles	5 500 483	5 192 971	307 512
Office furniture and fittings	1 192 154	-	1 192 154
Computer equipment	463 679	422 148	41 531
Work in progress	16 052 369	13 978 999	2 073 370

Description	General ledger	Fixed asset register	Difference
	N\$	N\$	N\$
Depreciation:			
Land and building	552 189	870 639	(318 451)
Plant, machinery and equipment	708 333	804 554	(96 221)
Motor vehicles	3 509 698	4 054 917	(545 219)
Office furniture and fittings	767 663	-	767 663
Computer equipment	364 666	408 823	(44 157)

4.10.3 Fixed asset register and annual financial statements

2008/2009 financial year

The following differences were observed between the fixed asset register and the annual financial statement:

Description	Annual financial statement	Fixed asset register	Difference
	N\$	N\$	N\$
At cost:			
Work in progress	14 218 481	9 661 960	4 556 521
Machinery and vehicles	4 916 095	5 416 095	(500 000)
Office furniture, equipment & computers	1 442 116	1 404 424	37 692
Machinery and vehicles	3 423 148	3 923 148	500 000
Depreciation:			
Machinery and vehicles	3 423 148	3 923 148	500 000

2009/2010 financial year

Description	Annual financial statement	Fixed asset register	Difference
	N\$	N\$	N\$
At cost:			
Land and building	7 932 783	7 829 150	103 633
Plant, machinery and equipment	907 867	949 499	(41 632)
Motor vehicles	4 916 095	5 192 971	(276 876)
Office furniture and fittings	1 031 998	-	1 031 998
Computer equipment	422 148	422 148	-
Work in progress	16 052 369	13 978 999	2 073 370

Description	Annual financial statement	Fixed asset register	Difference
	N\$	N\$	N\$
Depreciation:			
Land and building	552 189	870 639	(318 450)
Plant, machinery and equipment	700 000	804 554	(104 554)
Motor vehicles	3 509 698	4 054 917	(545 219)
Office furniture and fittings	767 662	-	767 662
Computer equipment	364 665	408 823	(44 158)

4.11 Inventory/stock

For the second consecutive year the Council did not prepare a mini-report for consumable stock for the years under review, hence the figure for consumable stock/inventory was not disclosed in the annual financial statements.

5. ACKNOWLEDGEMENT

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

6. QUALIFIED AUDIT OPINION

The accounts of the Regional Council for the Kunene region for the financial years ended 31 March 2009 and 2010 have been audited in terms of Section 38 of the Regional Councils Act, 1992 (Act 22 of 1992) and Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

This opinion has been qualified due to the following reasons:

- Differences between the opening and closing balances for the 2008/09 and 2009/10 to the amounts of (N\$ 1 0505 307) and N\$ 5 186 285 respectively were observed.
- Total cost for fixed assets was understated to the amount of N\$ 4 505 918.
- An unexplained adjustment of N\$ 160 005 (2009/2010) and N\$ 10 189 0 03 (2008/2009) was made.
- Investment was wrongly reflected as a negative balance in the balance sheet.
- Inventory was not accounted for.

Except for the above-mentioned remarks, I certify as a result of my audit that, in my opinion, the accounts fairly present the transactions during the respective years and the financial position of the Council as at 31 March 2009 and 2010.

WINDHOEK, August 2012

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL FOR THE KUNENE REGION

BALANCE SHEET AS AT 31 MARCH

	Notes	2010 N\$	2009 N\$	2008 N\$
ASSETS				
Non-current assets		25 073 628	17 751 912	20 908 921
Fixed assets	2	26 155 120	18 833 404	18 169 938
Investments	5	(1 081 492)	(1 081 492)	2 738 983
Current assets		27 080 184	26 001 904	19 482 014
Cash on hand and bank	3	20 063 648	20 979 821	18 277 387
Accounts receivable	4	7 016 536	5 022 083	1 204 627
Total assets		52 153 812	43 753 816	40 390 935
EQUITY AND LIABILITIES				
Accumulated Funds		51 068 767	43 649 082	39 988 775
Development Fund: Capital projects		32 795 225	24 795 225	24 759 981
Development Fund: Build Together		5 947 576	5 014 576	5 014 576
Accumulated Funds		12 325 966	13 839 281	10 214 218
Current liabilities		1 085 044	104 735	402 160
Bank overdraft	6.1	917 761	57 167	402 160
Sundry creditors	6.2	167 283	47 568	-
Total equity and liabilities		52 153 811	43 753 817	40 390 935

REGIONAL COUNCIL FOR THE KUNENE REGION

INCOME STATEMENT AS AT 31 MARCH

	Notes	2010	2009	2008
		N\$	N\$	N\$
Income	8	17 615 015	14 297 444	12 616 779
Expenditure	9	(20 016 694)	(22 478 187)	(16 395 876)
Net operating surplus/(loss)		(2 401 679)	(8 180 743)	(3 779 097)
Interest earned	7	1 048 369	1 616 803	752 728
		(1 353 310)	(6 563 940)	(3 026 369)
Accumulated funds				
- At the beginning of the year		13 839 281	10 214 218	15 370 647
- Adjustments		(160 005)	10 189 003	(2 130 060)
End of the year		12 325 966	13 839 281	10 214 218

REGIONAL COUNCIL FOR THE KUNENE REGION

CASH FLOW STATEMENT FOR THE YEARS ENDED 31 MARCH

	Notes	2010 N\$	2009 N\$	2008 N\$
Cash flow from operating activities				
Cash receipt from customers		17 615 015	14 297 444	12 616 779
Cash paid to suppliers		(22 171 152)	16 106 640	(18 934 780)
Cash (utilised) by operations	10	(4 556 137)	(1 809 196)	(6 318 001)
Plus: Interest received	7	1 048 369	1 616 803	752 728
Increase in fund accounts		8 933 000	35 244	5 301 788
Net cash flow operating activities		5 425 232	(157 149)	(263 485)
Cash flow from investing activities				
(Increase)/decrease in investment		-	3 820 475	(1 224 963)
Net capital expenditure		(7 321 716)	(663 466)	(1 917 820)
Net (decrease)/increase in cash and cash equivalents		(1 896 484)	2 999 860	(3 406 268)
CASH AND CASH EQUIVALENTS				
Beginning of the year		20 875 087	17 875 227	21 281 495
End of the year		18 978 603	20 875 087	17 875 227

REGIONAL COUNCIL FOR THE KUNENE REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES

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

- 1.1** The annual financial statements are prepared in line with the accruals concept. It should be noted, however, that income and expenditure in relation to Delegated Functions is accounted for during the year on a cash accounting concept in line with the State Finance Act, 1992. However, since all liability in relation to delegated functions remains with the relevant Line Ministry and all unexpensed Delegated Funds are returned to the State Account as at 31 March, this does not materially affect the Regional Council's financial statements.
- 1.2** All fixed assets are stated at Historic cost less Accumulated depreciation. Depreciation is calculated using the straight line method to write-off the cost of each asset over their estimated useful lives as follows:

Buildings	50 Years	2% pa
Machinery & equipment	5 Years	20% pa
Vehicles	5 Years	20% pa
Office furniture & equipment	3 Years	33.33% pa
Computer equipment	3 Years	33.33% pa

2. FIXED ASSETS

	Land and buildings	Work in progress	Vehicles	Office furniture, equipment & computer	Total
	N\$	N\$	N\$	N\$	N\$
2008					
Cost as at 1 April 2007	7 141 174	3 640 148	3 289 175	760 021	14 830 518
Additions/(Disposals)	-	4 682 672	1 626 920	606 711	6 916 303
Revaluations	687 976	-	-	-	687 976
Cost as at 31 March 2008	7 829 150	8 322 820	4 916 095	1 366 732	22 434 797
Accumulated depreciation as at 31 March 2007	145 738	-	1 027 032	435 948	1 608 718
Charge for the year	393 402	-	1 811 137	451 602	2 656 141
Accumulated depreciation as at 31 March 2008	539 140	-	2 838 169	887 550	4 264 859
Net book value as at 31 March 2008	7 290 010	8 322 820	2 077 926	479 182	18 169 938

REGIONAL COUNCIL FOR THE KUNENE REGION

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

FIXED ASSETS (continued)

2009	Land and buildings	Work in progress	Machinery & vehicles	Office furniture, equipment & computer	Total
	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2008	7 829 150	8 322 820	4 916 095	1 404 424	17 966 571
Additions/(Disposals)	-	5 895 661	-	37 692	5 933 353
Cost as at 31 March 2009	7 829 150	14 218 481	4 916 095	1 442 116	23 899 924
Accumulated depreciation as at 1 April 2008	-	-	-	-	-
Charge for the year	539 140	-	3 423 148	1 104 232	5 066 520
Accumulated depreciation as at 31 March 2009	539 140	-	3 423 148	1 104 232	5 066 520
Net book value as at 31 March 2009	7 290 010	14 218 481	1 492 947	337 884	18 833 404

REGIONAL COUNCIL FOR THE KUNENE REGION

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

FIXED ASSETS (continued)

2010	Land and buildings	Work in progress	Machinery & vehicles	Office furniture, equipment & computer	Total
	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2009	7 829 150	8 322 820	5 616 095	1 378 949	23 147 014
Additions/(Disposals)	103 633	7 729 549	207 867	75 197	8 116 246
Cost as at 31 March 2010	7 932 783	16 052 369	5 823 962	1 454 146	31 263 260
Accumulated depreciation as at 1 April 2009	539 140	-	4 123 148	1 104 230	5 766 518
Charge for the year	13 049	-	86 550	28 097	127 696
Accumulated depreciation as at 31 March 2010	552 189	-	4 209 698	1 108 876	5 870 763
Net book value as at 31 March 2008	7 380 594	16 052 369	1 614 264	345 270	25 392 497

REGIONAL COUNCIL FOR THE KUNENE REGION

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

	2010	2009	2008
	N\$	N\$	N\$
3. CASH AT BANK			
FNB Cheque account	-	274 886	-
FNB Revenue account	399 750	1 354 048	626 710
FNB Traditional Authority account	26 662	26 662	27 285
FNB Build Together Receipt account	155 354	89 270	34 120
FNB Build Together Revolving account	2 160 409	1 954 090	3 200 160
FNB Build Together call account	342 415	1 148 986	252 838
FNB Capital projects call account	11 973 960	3 523 742	-
FNB Capital account	82 633	1 039 802	3 461 249
FNB Disaster fund account	-	393 262	229 559
FNB Cash for work account	1 928	1 928	1 928
KRC dev trust fund	127 744	129 637	-
FNB HIV/AIDS account	1 463	-	1 288
FNB Call account 2	735 837	1 751 146	5 107 555
BWK Cash for work account	339 851	108 384	-
FNB Gender Equality account	73 578	115 711	58 200
Inter Bank transfer account	-	17 758	-
FNB Call account 1	3 642 064	9 050 509	5 276 495
BWK Cash for work call account	-	-	-
	20 063 648	20 979 821	18 277 387

4. ACCOUNTS RECEIVABLE

Debtors Control	-	-	832 387
Value added tax (V.A.T)	-	2 038	23 818
Contractor on debit (Build Together Scheme)	-	-	100 282
Sundry debtors (Emergency Management Unit)	585 651	980 858	137 547
Subsistence and travel advance	-	-	110 593
Build Together Program	-	3 816 952	-
Institutions	-	78 083	-
Private	-	17 093	-
Formal Housing SA	-	135 761	-
	585 651	5 030 785	1 204 627

5. INVESTMENTS

Investment	3 788 544	3 788 544	-
Insurance companies	(4 870 036)	(4 870 036)	2 738 983
	(1 081 492)	(1 081 492)	2 738 983

REGIONAL COUNCIL FOR THE KUNENE REGION

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

	2010	2009	2008
	N\$	N\$	N\$
6.1 CURRENT LIABILITIES			
Bank overdraft			
FNB Cheque account	736 308	-	252 030
FNB Call account	-	-	150 130
BWK Cash for work call account	56 950	56 950	-
Cash control account	-	27 656	-
HIV/AIDS Cheque account	-	217	-
Disaster fund cheque account	124 502	-	-
	917 760	84 823	402 160
6.2 Sundry creditors			
GIPF	-	23 115	-
Salary advance control account	-	5 500	-
	-	28 615	-
7. INTEREST EARNED			
Interest earned	1 024 839	1 145 374	752 728
Dividend	23 530	471 429	-
	1 048 369	1 616 803	752 728
8. INCOME			
Subsidies & grants	15 733 000	12 750 000	12 050 000
5% Assessment rates	63 755	59 369	88 412
Water & electricity - Settlements	4 523	22 879	5 500
Grants and donations	779 309	785 561	2 000
Other income	88 417	69 389	40 940
Delegated Functions	946 011	610 246	429 927
	17 615 015	14 297 444	12 616 779

REGIONAL COUNCIL FOR THE KUNENE REGION

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

	2010	2009	2008
	N\$	N\$	N\$
9. EXPENDITURE			
Subsidies and donations	695 645	978 910	196 275
Utilities	3 145 490	2 103 079	2 184 636
Maintenance expenses	420 815	262 913	153 384
Personnel expenditure	8 315 244	6 355 277	5 855 289
Interest charges	-	472	396
Other expenditure	2 345 219	1 609 751	1 976 374
Property rental	47 342	74 389	158 436
Depreciation expenses	136 029	5 766 519	1 362 796
Motor vehicles expenses	2 685 357	2 425 302	2 375 069
Travel & accommodation	1 625 257	1 955 137	1 398 183
Settlement areas	-	-	251 043
DELEGATED FUNCTIONS	600 293	946 438	483 995
	20 016 694	22 478 187	16 395 876
10. CASH (UTILISED)/GENERATED BY OPERATIONS			
Net (deficit)/surplus before adjustments and interest received	(2 401 679)	(8 180 743)	(3 779 097)
Adjustments to accumulated fund	(160 005)	10 189 003	(2 130 060)
Operating (deficit)/surplus before changes in working capital	(2 561 684)	2 008 260	(5 909 157)
Changes in working capital (increase)/decrease in trade and other receivables	(1 994 453)	(3 817 456)	(408 844)
Cash (utilised) by operations	(4 556 137)	(1 809 196)	(6 318 001)