



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OMUSATI REGION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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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 Omusati region for the financial year ended 31 March 2020, 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 2021

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 OMUSATI
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. QUALIFIED AUDIT OPINION

I have audited the financial statements of the Regional Council of Omusati for the financial year ended 31 March 2020. These financial statements comprise the statement of financial position, statement of profit and loss, statement of changes in equity, statement of cash flows and notes to the annual financial statements.

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Omusati Regional Council as at 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). 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 in Namibia 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. The qualified audit opinion is expressed due to the following:

- Non-compliance with IPSAS 24 that requires a comparison of budget amount and the actual amount arising from execution of the budget to be included in the financial statements;
- Non-compliance with paragraph 142 of IPSAS 33 that requires a first-time adopter to present a reconciliation of its closing balances reported under its previous basis of accounting;
- The expenses are captured VAT inclusive and no separate VAT control account is prepared;
- The trade receivable is overstated with N\$ 2 540 664;
- The trade payable is overstated with N\$ 6 445 088;
- No adequate basis in place for accurately calculating Nored electricity production and sales;
- The Council have not collected the 5% rates from Local Authorities; and
- No clearance certificate issued and no provision for decommissioning disclosure in terms of IPSAS 19 was provided.

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 have nothing to report in this regard.

4. OTHER INFORMATION

Management is responsible for the other information. The auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does 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. If based on the work I have performed I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

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 legislation 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 of 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 a 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, 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.

- 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.
- 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.
- 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.

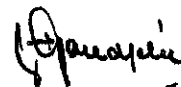
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide those charged with governance with a 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 of most significance in the audit of the financial statements of 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.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements for the financial year ended 31 March 2020 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 85 of the Local Authorities Act, 1992 (Act No. 23 of 1992), except that they were only submitted 4th September 2020 instead of three months (3 months) after the year end as required by the Act.

WINDHOEK, August 2021



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	Note	2020 N\$	2019 N\$
ASSETS			
Non-current assets		92 535 687	92 395 979
Property, Plant and Equipment	2	88 427 069	90 989 212
Work In Progress	3	4 108 618	1 406 767
Current assets		21 301 889	20 528 519
Cash and Cash Equivalents	4	9 776 518	10 182 318
Trade and Other Receivables	5	11 127 739	7 958 721
Inventories		397 632	2 387 480
Total assets		113 837 576	112 924 498
LIABILITIES			
Non-current liabilities		14 289 403	15 446 517
Employee Benefits		14 289 403	15 446 517
Current Liabilities		14 699 929	12 744 313
Trade and Other Payables	6	14 676 050	12 729 085
Consumer Deposit		23 879	15 228
Net assets		84 848 243	84 733 668
Accumulated Surplus/Deficit		84 848 243	84 733 668
Total net asset and liabilities		113 837 575	112 924 498

ANNEXURE B

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 MARCH**

		2020	2019
	Note	N\$	N\$
Total revenue		76 868 107	77 303 012
Total exchange revenue		9 317 737	7 575 447
Income from water		3 376 578	2 315 662
Income from Sewerage		115 557	48 635
Income from Refuse Removal		21 343	204 236
Income from PTO/Erven	7	929 283	827 349
Rates from Local Authorities		-	829 248
Rental Income	8	2 181 653	316 197
Income from Bid Fees	9	264 600	336 000
Income from Basic Charges: Water and Sewerage	10	501 746	271 385
Interest Received	11	567 062	638 803
Other Income	12	1 167 824	1 765 278
Profit on Disposal of Property, Plant and Equipment		-	22 654
Total non-exchange revenue		67 550 370	69 727 565
Government Subsidy	13	66 786 303	69 048 294
Royalties from NORED		764 067	679 271
Expenses		75 232 651	76 268 014
Employees Related Cost	14	46 079 774	46 620 801
General Expenses	15	15 145 535	15 607 782
Fueling and Lubricants		1 389 014	1 590 812
Purchasing of Water		3 965 720	2 879 057
Electricity Consumption		1 766 199	1 738 665
Telephone, Cellphone and Fax	16	1 242 053	1 410 257
Insurance	17	1 171 254	1 142 460
Rural Development Expenditures: Rural Sanitation	18	1 717 680	305 900
Rural Development Expenditures: Cash Food for Work	19	895 067	1 394 025
Depreciation and Amortization Expenses	20	2 888 840	3 503 480
Leave Days and Bonus Provision	21	(1 118 379)	747 75
Bad Debt Expenses		89 896	-
Surplus/deficit for the period		1 635 456	1 034 998

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019**

	Accumulated Surplus/Deficits
	<u>N\$</u>
Balance as at 1 April 2018	79 794 437
Changes in accounting policies, errors and corrections	3 904 233
Reinstated Accumulated Surplus (Loss)	83 698 670
Surplus and Deficit for the year ended 31 March 2019	1 034 998
Balance as at 1 April 2019	84 733 668
Changes in accounting policies errors and corrections	(1 520 881)
Reinstated Accumulated Surplus (Loss)	83 212 787
Surplus/Deficit for the period	1 635 456
Balance as at 31 March 2020	84 848 243

ANNEXURE D

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	<u>2020</u>
		N\$
Cash flows from operating activities		2 622 740
Receipts from exchange and Other non-exchange transaction		6 921 437
Government Subsidy		66 786 303
Cash paid to suppliers and on behalf of employees		(71 084 993)
Cash flow from investing activities		(3 028 547)
Purchase of property plant and equipment	22	(3 028 547)
Net increase/decrease in cash and cash equivalents		(405 800)
Cash and cash equivalents at the beginning of the year		10 182 318
Cash and cash equivalents at the end of the year		9 776 518

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. Basis of preparation and significant accounting policies

The financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards (IPSASs). The financial statements have been prepared using the historical accounting basis. IPSAS 33 allows a first-time adopter a period of up to 3 years to recognize and/or measure certain assets and liabilities.

In its transition to accrual basis IPSAS The Regional Council took advantage of exemptions that affect fair presentation for reporting financial information relating to International Public Sector Accounting Standards specified under IPSAS 33 First Time Adoption of Accrual Basis International Public Sector Accounting Standards paragraph 36. As a result the Regional Council is not able to make an explicit and unreserved statement of compliance with accrual basis IPSAS in preparing its Transitional IPSAS Financial Statements for the reporting period ended 31 March 2020.

The Regional Council intends to recognize and/or measure its assets and liabilities as specified in IPSAS 33 paragraphs 39 and 40 by 2022 or an earlier period where the relevant items are recognized and/or measured in the financial statements in accordance with applicable or relevant IPSAS.

Presentation currency and rounding

The financial statements are presented in Namibia dollars which is the Regional Council's presentation and functional currency.

1.1 Changes in accounting policy

The Omusati Regional Council accounting policies applied to all IPSASs adopted may not be consistent in some instances with how financial information was being reported in prior financial periods and beyond.

IPSAS 3 allows a change in accounting policy where such a change:

- a) Is required by an IPSAS; and
- b) Results in the financial statements providing faithfully representative and more

Relevant information about effects of transactions other events and conditions on the entity's financial position financial performance and cash flows.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.2 Transitional exemptions that do not affect fair presentation

In its transitional financial statements the Omusati Regional Council adopted the following IPSAS which do not affect fair presentation and applied their provisions in full unless stated otherwise.

IPSAS 1 Presentation of financial statements

This standard sets out considerations for the presentation of financial statements and offers guidance for the structure of these statements and minimum requirements for their content under the accruals basis of accounting.

Further the standard encourages the presentation of comparative figures but does not make the presentation of comparative figures mandatory. In its first year of the three-year transitional period. The Regional Council opts to present comparative figures.

IPSAS 2 Statement of cash flows

This standard requires the provision of information about the changes in cash and cash-equivalents during the financial period from operating investing and financing activities.

The statement of cash flow shall report cash flows from three categories namely operating activities investing activities and financing activities. The statement of cash flow shall be prepared using the indirect method. The net surplus or deficit of the Regional Council shall be adjusted for the effects of non-cash transactions.

IPSAS 3 Accounting policies changes in accounting estimates and errors

This standard prescribes the criteria for selecting and changing accounting policies together with the accounting treatment and disclosures of changes in accounting policies changes in accounting estimates and errors.

The changes to accounting policies shall be applied retrospectively by restating prior year financial statements unless impracticable changes in accounting estimate shall be applied in the financial period of change and prospectively. All changes relating to IPSAS adoption shall be applied in the year of adoption and prospectively except for opening balances which will be restated for initial transition to IPSAS. Correction of material errors in the preparation of financial statements of one or more periods are corrected retrospectively by restating comparative period amounts.

**REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**

Where IPSAS does not provide guidance as to whether a change is a change in accounting policy or a change in accounting estimate the change shall be considered a change in accounting estimate

IPSAS 14 Events after the reporting date

This standard prescribes when the entity should adjust its financial statements for events after the reporting date and the disclosures that the entity should give about the date when the financial statements were authorized for issue and about events after the reporting period.

The standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate (if those responsible for the preparation of financial statements or the governing Council determine after the reporting date that there is no realistic alternative but to do so).

The Regional Council shall disclose the date when financial statements were authorized for issue and the name and identity of the person giving that authorization. No other body shall have the power to amend or direct the amendment of financial statements except the Auditor General directing such amendment in terms of statutory audit for the purposes of adding value to the Regional Council's financial reporting.

IPSAS 19 Provisions contingent liabilities and contingent assets

The objective of this standard is to identify the circumstances in which provisions contingent liabilities and contingent assets should be recognised how they should be measured and the required disclosures in the financial statements.

The Regional Council is guided by the definition of an obligation as per the standard. The Regional Council shall record an obligation that derives from a contract (through its implicit and/or explicit terms) legislation or operation of the law (legal obligation) and an obligation that derives from the Regional Council's actions whereby an established pattern of past practice published policies or sufficiently specific current statement the Regional Council has indicated to other parties that it will accept certain responsibilities; and as a result the entity has created a valid expectation on the part of those other parties that it will discharge the obligation.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

IPSAS 20 Related party disclosures

The objective of this standard is to set the disclosure requirements for transactions between Omusati Regional Council and its related parties in certain circumstances. Related party relationships are disclosed in the notes to the financial statements. Transactions where they occur within a normal relationship of supplier and recipient and on arms-length terms are also disclosed. The Regional Council shall disclose related party transactions and management remuneration (including an analysis by type of remuneration). With respect to related parties the Regional Council shall disclose the nature of the related party relationship and type of transactions that have occurred.

Management is regarded as a related party and comprises the Chairperson Management Committee Member, Council Members, Chief Regional Officer and all other managers reporting directly to the Chief Regional Officer.

IPSAS 24 Presentation of budget information in financial statements

Requires a comparison of budget amounts and actual amounts arising from execution of the budget to be included in the financial statements of the Regional Council since it is required to make publicly available its approved budget and for which the Regional Council is therefore held accountable.

The Regional Council shall disclose reconciliation between actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts during the second transitional period (2021).

The Regional Council shall disclose the budgetary basis and classification basis adopted in the approved budget and the financial period of the approved budget. Explanation of variances between the final budget and actual as presented in the comparison shall be disclosed to in the notes to the financial statements.

IPSAS 31 Intangible assets

This standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another standard. This standard requires an entity to recognize an intangible asset if and only if specified criteria are met. This standard further specifies how to measure the carrying amount of intangible assets and requires specific disclosures about intangible assets.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

The standard IPSAS 31 forms part of the regime of standards whose adoption affect fair presentation as per IPSAS 33 paragraph 33. The Regional Council judges it can comply with this standard in full on its initial adoption of accrual basis IPSAS.

The Regional Council shall disclose useful lives amortization methods gross carrying amount and any accumulated amortization at the beginning and end of the period line items of the statement of surplus or deficit in which amortization of intangible assets is included and a reconciliation of the carrying amount at the beginning and end of the period. The Regional Council shall further disclose a movement table showing changes in carrying amount and accumulated amortization and details about impairment of intangible assets if any in the notes to the financial statements.

Expense recognition

Under IPSAS there is no specific standard that prescribes the accounting treatment of expenses and expense recognition.

The accounting for this area arises from the fundamental principle of accrual basis accounting. As per IPSAS 1 presentation of financial statements under the accrual basis expenses are recognised when the transaction or event that causes the expense occurs. Expenses shall be analyzed by nature in the statement of surplus or deficit.

The accounting policies which relate to the IPSASs set out above will be developed and adopted by the Regional Council and will be applied in presenting its financial information for the year beginning 01 April 2020. The accounting policies form part of these financial statements and are subject to continuous review and improvement during the transitional period.

1.3 Transitional exemptions that affect fair presentation.

As a first-time adopter of International Public Sector Accounting Standards (IPSASs) the Regional Council has taken advantage of transitional exemptions that provide a 3-year relief for the following IPSASs:

IPSAS 12 Inventories

IPSAS 17 Property plant and equipment

IPSAS 29 Financial instruments: Recognition and measurement

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.4 IPSASs not adopted by Omusati Regional Council

The International Public Sector Accounting Standards listed below have not yet been adopted for the purposes of reporting financial information for the year ended 31 March 2020. Management shall apply any of the IPSAS where the Regional Council's future transactions render it necessary to apply the provisions of the respective IPSAS

IPSAS 4 The effects of changes in foreign exchange rates

IPSAS 5 Borrowing costs

IPSAS 10 Financial reporting in hyperinflationary times

IPSAS 11 Construction contracts

IPSAS 13 Leases

IPSAS 16 Investment property

IPSAS 26 Impairment of cash-generating assets

IPSAS 27 Agriculture

IPSAS 32 Service concession arrangements: Grantor

IPSAS 34 Separate financial statements

IPSAS 36 Investment in associates and joint ventures

IPSAS 37 Joint arrangements

IPSAS 38 Disclosure of interest in other entities

IPSAS 40 Public sector combinations

1.5 Significant judgments and sources of estimation uncertainty

In the preparation of these annual financial statements management is required to make estimates and assumptions that affect the amounts presented in these annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the making of estimates. Actual results in the future could differ from these estimates which could be material to the annual financial statements.

The Regional Council may receive information after the date of adoption of IPSAS about estimates that it had made under the previous basis of accounting. The Regional Council shall account for such information in the same way as non-adjusting events in accordance with IPSAS 14 Events after the reporting period. This however shall not apply where estimates were in error or the adjustment is due to differences in accounting policies.

**REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**

Provisions contingent liabilities and contingent assets

Management shall establish the requirements for the recognition of provisions and disclosure of contingent liabilities and contingent assets. An event that existed as at the reporting date management's actions are only accounted for as a provision to the extent that there is a present obligation for which the outflow of economic benefits is probable and can be reliably measured.

Accounts receivables loans and other receivables

The Regional Council assesses its accounts receivables loans and other receivables at the end of each reporting date. In determining whether an impairment loss should be recorded in surplus or deficit management makes judgment based on past practices or observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

As a prudent precaution on accounts receivables management shall make an allowance for credit losses where an allowance for credit losses shall be shown as an expense in the statement of surplus or deficit.

Accounts receivables shall be presented on the face of the statement net of allowance for receivables. Management judges that the directive from the government requiring that all local authorities and Regional Councils reconnect water services (where disconnected due to outstanding customer payments) will increase uncollectable receivables as those customers were already defaulting on payments before the corona virus pandemic.

Allowance for slow moving obsolete or damaged inventory items

Inventory items shall be written down to the lower of cost and net realizable value.

Useful lives of items of property plant and equipment

Management determines the useful lives of all items of property, plant and equipment and the related depreciation charges. Management shall assess the useful lives of items of property plant and equipment every year and where useful lives are less than previously estimated a review shall be performed to increase the useful lives of the respective items.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.6 Offsetting

Offsetting Assets and liabilities and revenue and expenses are reported in these financial statements separately and shall not be offset unless required or permitted by an IPSAS.

1.7 Going concern

These financial statements have been prepared using accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and the settlement of liabilities contingent obligations and commitments will occur in the ordinary course of the Regional Council's operations. Management judges that considerations for the potential implications of the pandemic and the measures taken to control it when assessing the entity's ability to continue as a going concern are critical.

1.8 Revenue

Revenue comprises the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets other than increases relating to contributions from owners.

1.8.1 Revenue from exchange transactions

An exchange transaction is one in which the Regional Council receives assets or services or has liabilities extinguished and directly gives approximately equal value to the other part in exchange.

Fair value is the amount for which an asset can be exchanged or liability settled between knowledgeable willing parties in an arm's length transaction.

Recognition

Rendering of services when the outcome of a transaction involving the rendering of services can be estimated reliably the Regional Council shall recognize revenue by reference to the stage of completion of the transaction at the reporting date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that future economic benefits or service potential associated with the transaction will flow to the entity.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

- The stage of completion of the transaction at the reporting date can be measured reliably; and;
- The costs incurred for the transaction and the costs to complete the transaction can be estimated reliably.

When services are performed by an indeterminate number of acts over specified time frame revenue is recognized on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion.

When a specific act is much more significant than any other acts the recognition of revenue is postponed until after the execution of that significant act. When the outcome of a transaction involving the rendering of services cannot be estimated reliably revenue is only recognised to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

1.8.2 Revenue from non-exchange transactions

Regional Council is not required to change its accounting policies in respect of the recognition and measurement of revenue from non-exchange transactions for reporting periods beginning on a date within 3 years of first-time adoption of this standard.

The Regional Council's will apply the transitional provisions to the extent necessary to achieve compliance with IPSAS. Amounts collected by the Regional Council as agent of the government or other third parties (Build-together- Tsandi and Oshikuku) do not meet the definition of revenue.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction the Regional Council receives value from another party without directly giving approximately equal value in exchange.

Transfers are future economic benefits or service potential from non-exchange transactions other than taxes.

The Regional Council recognizes revenue from fees and fines when the event occurs and the asset recognition criteria is met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount deferred income is recognised instead of revenue. Other non-exchange revenue is recognised when it is probable that future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be reliably measured.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.9 Investments

The Regional Council holds an equity instrument in Northern Electricity Distribution (NORED), in accordance with IPSAS 28 Financial Instruments: Presentation. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

IPSAS 33 provides that a first-time adopter applies the criteria in IPSAS 28 financial instruments classified as equity instruments in accordance with the substance of the contractual arrangement when the instrument first satisfied the recognition criteria in IPSAS 28 (Paragraphs 13).

1.10 Property, plant and equipment

The Regional Council has adopted IPSAS as set out in the basis for preparation paragraph above. Amongst the IPSASs adopted is IPSAS 17 Property, Plant and Equipment (PPE).

In the previous basis of accounting the Regional Council accounting policy for the recognition and measurement of items of PPE is not in consistent with IPSAS 17 Property, Plant and Equipment. However the Regional Council is in the process of amending the accounting policies to be in compliance/consistent with the adopted standards in order to correctly recognize and/or measure its items of property, plant and equipment for inclusion in the financial statements during the transitional period beginning 01 April 2021. The process of recognizing and measuring items of property plant and equipment necessitates a continuous development of accounting policies relating to those items of PPE subsequently brought to the statement of financial position.

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services rental to others or for administrative purposes and expected to be used for more than one period.

Recognition

The cost of an item of Property plant and equipment is recognised as an asset when the following criteria are met:

- It is probable that future economic benefits or service potential associated with the item of PPE flow to the Regional Council.
The cost of the item can be measured reliably.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

Initial measurement

An item of property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and the other cost attributable to bringing the asset to its present location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at cost.

Where an item of PPE is acquired in exchange for non-monetary asset(s) or monetary asset(s) or a combination of monetary and non-monetary asset(s) the asset acquired is initially measured at fair value. If the acquired item's fair value was not determinable it's deemed cost is the carrying amount of the asset(s) given up.

Where an asset is acquired through a non-exchange transaction its cost is its fair value at the date of acquisition. When significant components of an item of PPE have different useful lives they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE includes costs incurred initially to acquire or construct an item of PPE and costs subsequently incurred to add to and/or to replace part of the item of PPE. If a replacement cost is recognised in the carrying amount of an item of PPE the carrying amount of the replaced item of PPE is derecognized.

The initial estimate of the costs of dismantling and removing the item and restoring the site in which it is located is also included in the cost of PPE where the Regional Council has an obligation to incur such an expenditure and the obligation arises as a result of acquiring the asset or using it for the purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of PPE ceases when the item is in the location and condition necessary for it to be operated in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in PPE.

Major inspection costs which are a condition of continuing use of an item of PPE and which meet the recognition criteria above are included as a replacement in the cost of item of PPE. Any remaining inspection costs from the previous inspection are derecognized.

PPE is carried at cost less accumulated depreciation and any impairment losses except for land which is not depreciated.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

PPE items are depreciated using the straight-line depreciation method over the item's useful life. Items of PPE shall not have any residual value as they shall be fully employed in the provision of goods and/or services. For plant and equipment useful lives and depreciation method shall be reviewed annually and changes shall be recognised prospectively as a change in accounting estimate in the statements of surplus or deficit.

Assets that are fully depreciated and are no longer used in the production of goods and/or services are held at a dollar value in the fixed asset register for the purposes of completeness and monitoring pending disposal.

Items of PPE are derecognized when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. Gains or losses arising from de-recognition of an item of PPE are recognised in the statement of surplus or deficit as other income.

The gain or loss arising from de-recognition of an item of PPE is determined as the difference between the net disposal proceeds (if any) and the carrying amount of the item.

Profit or loss from the disposal of these assets are included in the cash flow statement under operating activities. Each part of any item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in the statement of surplus or deficit unless if it is included in the cost of another asset. Items of property plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The useful lives of items of property, plant and equipment have been assessed as follows:

Type of Asset	Depreciation method	Useful live (Years)	%
Buildings and Land	Straight line	50	2%
Plant and Machinery	Straight line	5	20%
Office Equipment	Straight line	3	33.33%
Motor Vehicles	Straight line	5	20%
Furniture Fixtures and Fittings	Straight line	5	20%
Computer Equipment's	Straight line	3	33.33%

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.10.1 Site restoration and dismantling costs

The Regional Council has an obligation to dismantle remove and/or restore items of property plant and equipment in circumstances where dismantlement removal or restoration is necessitated.

At recognition of an item of PPE the cost shall include the initial estimates of costs of dismantling and removing the item and restoring the site on which it is located as a consequence of having used the item during a particular period for the purposes other than to produce inventories during the period.

This accounting policy is attributable to the dumpsites under ownership and control of the Regional Council (Okalongo and Onesi Settlement).

Measurement using the cost model:

- a) Subject to (b) changes in the liability are added to or deducted from the cost of the related asset in the current period;
- b) If a decrease in the liability exceeds the carrying amount of the asset the excess is recognised immediately in the statement of surplus or deficit;
- c) If the adjustment results in an addition to the cost of the asset the Regional Council considers whether this is an indication that the carrying amount of the asset is not fully recoverable. If it is such an indication the asset is tested for impairment by testing its recoverable amount and any impairment loss is recognised the statement of accumulated surplus or deficit on the date of the adoption of IPSAS and/or in subsequent accounting periods within the transitional period. The Regional Council may rely on further guidance in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash generating assets.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction then their cost is the fair value at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sell exchange or distribution.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

The cost of inventories comprises all costs of purchase costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories shall be determined using the first in first out formula (FIFO). The same formula is used for all inventories having a similar nature and use to the Regional Council.

When inventories are sold and/or used the carrying amounts of those inventories are recognised as expenses in the period in which the related revenue is recognised. If there is no related revenue the expenses are recognised when the goods are distributed or services are rendered.

The amount of any write-down of inventories to net realisable value and all losses on inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories arising from an increase in net realisable value are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Provisions and contingencies

Provisions are recognised when:

- The Regional Council has a present obligation as a result of past events
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation
- A reliable estimate can be made of the obligation.

The amount of the provision is the best estimate of the expenditure expected to be required to settle the obligation at the reporting date.

Where the effect of the time value of money is material the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle the provision is reimbursed by another part the reimbursement is recognised when and only when it is virtually certain that the reimbursement will be received. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an out flow of resources embodying economic benefits or service potential will be required to settle the obligation.

A provision is used only for the expenditures for which the provision was initially recognised. Provisions are not recognised for future operating deficits. If the Regional Council has an onerous contract, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.13 Employee benefits

Employee benefits are all forms of consideration given by the Regional Council in exchange for services rendered by the employees.

There are four categories of employee benefits:

- Short term employee benefits
- Post-employment benefits
- Other long-term employee benefits
- Termination benefits

The categories are explained below together with the Regional Council's employee benefits included in these categories.

Short term employee benefits

Short term employee benefits are benefits payable within a year of the end of the year in which an employee rendered services. Within the context of the Regional Council this category includes wages and salaries fixed and variable allowances, social security contributions, paid sick leave and variable short-term remuneration. The costs of these employee benefits are recognised in the statement of surplus or deficit when the service is rendered or the rights to benefits are accrued.

Post-employment benefits

These are employee benefits that fall due after the completion of employment. They include pension and job related early retirement. The Regional Council's pension plan is administered by the Government Institutions Pension Fund (GIPF).

The pension plan is regarded as a group scheme involving more than one employer qualifying it as a defined contribution plan because:

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

- The affiliated employers have no supplementary obligation to make additional contributions in the event of a deficit to GIPF nor are they entitled to any surpluses in addition to paying the premium set/required by GIPF;

Accordingly in measuring the obligation arising from the pension plan the Regional Council recognizes pension contributions payable as an expense in the statement of surplus or deficit.

Other long-term employee benefits

These are employee benefits which do not wholly fall due within a year of the end of the period in which the employee renders the service.

Termination benefits

These are benefits paid as a result of the Regional Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. The costs are recognised in full in the statement of surplus or deficit as soon as a decision is made. Termination benefits are recognised at the present value of the obligation.

1.14 Unauthorized expenditure

Unauthorized expenditure means:

- Overspending on a vote or a main division within a vote; and
- Expenditure not in accordance with the purpose of a vote in the case of a main division not in accordance with the purpose of a main division.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure made in vain and would have been avoided had reasonable care been exercised.

The Regional Council recognizes all fruitless and unauthorized expenditure in the statement of surplus or deficit in the year in which they are incurred.

The expenditure is classified in accordance with the nature of the expense and where recovered it is subsequently recognised as revenue in the statement of surplus or deficit.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.16 Conditional grants and receipts

Revenue received from conditional grants and donations is recognised as revenue to the extent that the Regional Council has complied with any of the criteria conditions or obligations embodied in the agreement. To the extent that the criteria conditions or obligations have not been met a liability is recognised.

1.17 Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that future economic benefits or service potential will flow to the Regional Council and the fair value of the assets can be measured reliably.

1.18 Gifts and donations

Gifts and donations including goods in kind that satisfy the definition of an asset are recognised as assets and revenue when it is probable that future economic benefits or service potential will flow to the Regional Council and the fair value of the assets can be measured reliably.

An asset acquired through a non-exchange transaction shall initially be measured at its fair value at the date of acquisition.

Revenue from non-exchange transactions shall be measured at the amount of the increase in net assets recognised by the entity.

1.19 Investments

Where the carrying amount of an investment is greater than the recoverable amount the investment must be written down to its recoverable amount and an impairment loss is charged to the statement of surplus or deficit in the year in which the impairment has occurred.

1.20 Fines

Assets arising from fines are measured at the best estimate of the inflow of resources to the Regional Council.

1.21 Transfers

The Regional Council recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfies the recognition criteria as an asset.

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.22 Cash and cash equivalents

Cash and cash equivalents include all cash balances deposits held at call at financial institutions and short term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash. Liquid investments with an original maturity exceeding three months are excluded from cash and cash equivalents and reported under accounts receivables.

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)**

2. Property, plant and equipment	Land & Buildings	Motor Vehicle	Furniture, fixture & Fittings	Plant & Machinery	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
1-Apr-2018	90 425 346	1 489 366	483 457	16 849	230 340	298 957	92 944 314
Cost	106 396 162	8 346 046	3 837 391	6 710 604	1 573 256	2 310 965	129 174 424
Less: Acc. Depreciation	15 970 816	6 856 680	3 353 934	6 693 755	1 342 916	2 012 009	36 230 110
Additions	1 256 092	-	98 689	-	873	192 723	1 548 378
31-Mar-2019	89 554 859	629 087	405 684	9 910	88 754	300 917	90 989 211
Cost	107 652 254	8 346 046	3 936 080	6 710 604	1 574 129	2 503 688	130 722 801
Less: Acc. Depreciation	18 097 395	7 716 959	3 530 396	6 700 694	1 485 375	2 202 771	39 733 590

**REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (continued)**

ANNEXURE E

	Land and Buildings	Motor Vehicle	Furniture, Fixture & Fittings	Plant and Machinery	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
1-Apr-19	89 554 859	629 087	405 684	9 910	88 754	300 917	90 989 211
Cost	107 652 254	8 346 046	3 936 080	6 710 604	1 574 129	2 503 688	130 722 801
Less: Acc. Depreciation	18 097 395	7 716 959	3 530 396	6 700 694	1 485 375	2 202 771	39 733 590
Additions	161 947	-	32 243	30 150	28 956	73 399	326 695
31-Mar-20	87 557 537	336 597	262 290	30 669	22 653	217 320	88 427 067
Cost	107 814 201	8 346 046	3 968 324	6 740 754	1 603 084	2 577 087	131 049 496
Less: Acc. Depreciation	20 256 664	8 009 449	3 706 034	6 710 085	1 580 431	2 359 767	42 622 430

The Regional Council took advantage of the transitional provisions in IPSAS 33 and in the process adoption and implementation it is possible that some assets may not have been recognised and/or measured in these financial statements.

Those that were measured may not fully comply with IPSAS 17 Property Plant and Equipment due to the nature and the time which the Regional Council might have needed/required to measure them for inclusion in the 2019/20 Annual Financial Statements. There are no assets that are held as security by creditors additionally there are no assets that are held for sale as at the reporting date (31 March 2020).

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
3. Working in Progress	4 108 618	1 406 767
Construction of Sewer Services-Okalongo	1 410 082	48 812
Construction of Oxidation Pond Service- Onesi	2 516 296	1 357 955
Construction of ORC Car Parking	182 240	-
4. Cash and Cash Equivalent	9 776 517	10 182 316
Call Account	24 763	1 452 332
Current Account	383 828	1 040 105
Post office-Call Account	465 875	775 278
48 Hour Cash Accelerator	-	209 643
Current Account	430 569	420 252
Call Account	58 140	1 576 562
Current Account	1 078 855	865 162
Call Account	5 202 640	1 699 307
Current Account	257 694	380 433
Call Account	680 011	658 460
32 Days Account	849 152	771 282
BW-Disaster fund	11 734	-
Current account	26 577	28 925
Call account	306 679	304 575

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
5. Trade and Other Receivables	11 127 739	7 958 721
Accounts Receivable	3 879 218	2 873 498
S&T Line Ministries	243 098	306 799
OPM Account	207 025	207 025
Public Participation Survey	22 351	22 351
Accounts Receivable - miscellaneous fund	136 400	136 400
MAWF - Rural Water Supply and Sanitation	1 000	-
Provision for Bad Debt	(146 092)	(56 196)
Account Receivable	5 960 797	3 675 733
Road Fund Administration	18 135	18 135
Account Receivables	805 807	774 976
6. Trade and Other Payables	14 676 049	12 729 086
Account Payable	6 380 134	6 445 088
Accrued Expenses	453 933	731 970
Accouable Payable-DSA and Other Creditors	(8 862)	-
Account Payable	988 634	988 634
Vat Control Account	843 668	-
Rural Development Centre	2 528 000	2 528 000
Accrued Expenses	144 903	423 122
Funds Payable to Recurrent Fund	9 735	-
Account Payable	5 782	196 562
Accrued Expenses	2 002 841	105 370
Oshikuku & Okahao Beneficiaries	9 523	19 006
Tsandi Village Council Beneficiaries	14 747	36 776
Accrued Expenses	9 718	-
Provision for Service Bonus	1 156 893	1 118 158
Accounts Payable - Recurrent Fund	136 400	136 400

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
7. Income from PTO/Ervens	929 282	827 349
Income Pto/Ervens	635 791	271 077
Income From P.T.O	293 491	556 272
8. Rental Income	2 181 653	316 197
Rental Income	2 173 100	305 777
Rental Income	8 553	10 420
9. Income from Bid Fees	264 600	336 000
Tender Fees	105 840	174 240
Tender / Bid Fees	158 760	161 760
10. Income from Basic Charges	501 747	271 385
Income From Basic Charges (Water&Sewer)	174 145	64 636
Income From Basic Charges (Water&Sewer)	327 602	206 749
11. Interest Received	567 062	638 803
Interest Received-Operation Fund	147 779	150 447
Interest Received-Development Fund	92 418	255 861
Interest Received-Rular Fund	201 937	110 658
Interest Received-Bf Debtors Over Due Account	39 005	39 376
Interest Received-Build Together Fund	81 763	78 702
Interest Received-Disaster Fund	1 151	-
Interest Received	3 009	3 759

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
12. Other Income	1 167 825	1 765 278
Commission - Insurance	48 635	44 576
Income Photocopies , Other Sale & Claim	204 454	120 476
Income From Build Plans	3 447	5 386
Discount Received	26 759	9 647
Other Income	9 833	309 483
Refunds	229 066	79 203
Sales Income	2 293	-
Other Income	619 854	2 163
Refund	1 125	-
Vat Refund & Others	-	779 359
Other Income	20 650	414 000
Insurance(Life Bon/Hou Owner Policy)	1 709	985
13. Government Subsidy	66 786 303	69 048 294
Subsidy Income - Government	55 457 094	63 384 860
Subsidy Income - Government	2 555 696	2 567 470
Rural Sanitation	3 500 000	2 307 692
Cash Food For Work	893 538	788 272
Rural Development Centre	3 298 475	-
World Food Day (Main)	81 500	-
GRN Subsidy	1 000 000	-
14. Employees Related Cost	46 079 774	46 620 801
Salaries & Wages	38 648 995	38 971 090
Employer Contribution To Pension	4 971 913	4 971 685
Contract Employee	437 068	480 140
Employer Contribution To Social Security	127 502	417 971
Housing Subsidies	1 347 402	1 269 829
Leave Gratuities	546 894	510 086

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
15. General Expenses	15 165 537	15 627 659
Casual Labor	31 753	25 732
Allowance For Students On Attachment	24 912	33 216
Employee Wellness	19 992	53 928
S&T Domestic	1 206 633	1 515 938
Km & Others Means Of Transport	134 623	228 361
Cleaning Materials - Regional Office	59 935	68 606
Gardening And Tools	1 380	17 962
Comp. Supplies & Accessories- General Services	373 060	399 882
General Office Supplies - General Services	209 159	357 719
Protective Clothing	9 971	19 970
Photocopy Paper Supplies	199 344	283 105
Water Meters, Pipes & Fittings	22 734	147 772
Repairs, Spare Parts & Servicing-Vehicles	421 220	701 688
Tyres	98 730	192 949
Vehicle License Fee	102 529	84 572
Accessories & Batteries	41 024	42 889
Car Hire (Private Garage)	14 878	42 298
Other Licenses	345 311	216 738
P/Bag Rental, Postage & Courier	140 507	157 585
Municipal Charges	804 733	1 009 491
Maintenance - Computer Equipment	25 872	13 223
Maintenance - Office Equipment	3 784	94 852
Maintenance - Other Property	245 926	22 266
Maintenance - Furniture And Fittings	34 258	44 940
Maintenance - Sewer Pump Machine	2 800	120 517
Maintenance - Cleaning Septic Tanks	2 975	-
Properties Rental - Office Machinery	409 047	528 963

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
Property Rental- Settlement Offices	429 779	166 066
Property Rental - Other Property	8 920	-
Advertising - Other Media	106 096	84 715
Bank Charges	82 088	96 400
Claims Against Council	400	200
Entertainment - Official	34 912	128 382
Entertainment - (Remu,Cdc,Rdcc,Eduforum)	2 400	8 010
Cacoc Salaries - Hiv/Aids Coordination	296 444	286 995
Printing And Distribution	61 878	114 146
Promotional Materials	35 995	72 802
Refuse Removal	310 751	315 960
Security	371 069	221 310
Professional Services	198 684	261 128
Training - Courses / Workshop/Conferences	212 166	563 415
Entertainment - Councilor (Okahao)	4 256	9 593
Entertainment - Councilor (Okalongo)	6 813	10 000
Entertainment - Councilor (Otamanzi)	1 080	9 608
Entertainment - Councilor (Outapi)	572	9 700
Entertainment - Councilor (Ruacana)	2 130	8 584
Entertainment - Councilor (Tsandi)	3 810	9 885
Gala Dinners & Festivals Entertainment	3 000	-
Entertainment - Constituency Etayi	4 908	12 022
Entertainment - Constituency Okahao	2 520	8 673
Entertainment - Constituency Outapi	2 448	10 779
Entertainment - Constituency Tsandi	2 333	8 236
Entertainment - Constituency Ogongo	1 211	12 158
Disaster Risk Management- Anamulenge	4 860	6 221

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
Disaster Risk Management- Etayi	4 799	17 233
Disaster Risk Management - Tsandi	4 900	20 843
Disaster Risk Management- Okalongo	2 699	20 856
Disaster Risk Management - Elim	2 482	14 823
Disaster Risk Management - Ogongo	4 500	19 369
Established Committees-Etayi Constituency	3 288	2 500
Established Committees-Ogongo Constituency	3 394	4 500
Established Committees-Okahao Constituency	4 232	1 625
Established Committees-Okalongo Constituency	1 485	3 100
Established Committees-Onesi Constituency	800	2 759
Established Committees-Otamanzi Constituency	4 100	-
Established Committees-Outapi Constituency	3 980	2 636
Established Committees-Ruacana Constituency	2 208	2 850
Established Committees-Tsandi Constituency	2 791	2 580
Established Committees-Onesi Settlement	3 637	3 649
Established Committees-Okalongo Settlement	2 983	1 560
Established Committees - Ogongo Settlement	1 000	4 425
Racoc Meetings - Hiv/Aids Coordination	2 400	10 932
World Aids Day - Hiv/Aids Coordination	9 202	15 275
Cacoc Refresher Training	500	4 893
Gazetting Fees	2 061	-
Sport Activities	5 000	-
Cacoc Meetings - Elim	860	-
Cacoc Meetings - Etayi	816	-
Cacoc Meetings - Ogongo	839	-
Cacoc Meetings - Okahao	825	-
Cacoc Meetings - Onesi	863	-

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
Cacoc Meetings - Oshikuku	764	-
Cacoc Meetings - Otamanzi	910	-
Cacoc Meetings - Outapi	500	-
Cacoc Meetings - Ruacana	604	-
Cacoc Meetings - Tsandi	864	-
Support Group Meetings - Elim	811	-
Support Group Meetings - Ogongo	800	-
Support Group Meetings - Okahao	775	-
Support Group Meetings - Okalongo	814	-
Support Group Meetings - Onesi	800	-
Support Group Meetings - Otamanzi	808	-
Support Group Meetings - Tsandi	814	-
Established Committees-Head Office	11 792	-
Membership Fee And Subscription - Arc	80 000	127 809
Grants/ Donation Paid - Chairperson Of RC	3 000	8 493
Grants / Donations Paid - Anamulenge Constituency	1 500	2 300
Grants / Donations Paid - Etayi Constituency	1 342	-
Grants / Donation Paid - Ogongo Constituency	1 500	2 300
Grants / Donations Paid - Okahao Constituency	500	-
Grants / Donations Paid - Okalongo Constituency	1 500	2 300
Grants / Donations Paid - Onesi Constituency	500	-
Grants / Donations Paid - Outapi Constituency	1 500	2 293
Grants / Donations Paid - Ruacana Constituency	1 406	-
Grants / Donations Paid - Tsandi Constituency	500	1 397
S&T Overseas	-	139 959
Motor Vehicle Tools	-	2 928
Maintenance - Building	-	42 782

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
Maintenance - Fence	-	20 000
Entertainment - Councilor (Etyai)	-	9 000
Entertainment - Councilor - Ogongo	-	9 862
Entertainment - Councilor (Oshikuku)	-	9 309
Entertainment - Constituency Anamulenge	-	12 423
Entertainment - Constituency Elim	-	8 372
Entertainment - Constituency Okalongo	-	11 841
Entertainment - Constituency Onesi	-	12 475
Entertainment - Constituency Oshikuku	-	10 427
Entertainment - Constituency Otamanzi	-	9 317
Entertainment - Constituency Ruacana	-	11 900
Disaster Risk Management - Ruacana	-	19 020
Disaster Risk Management- Outapi	-	21 191
Disaster Risk Management - Oshikuku	-	20 972
Disaster Risk Management- Onesi	-	21 231
Disaster Risk Management – Okahao	-	15 103
Established Committees-Anamulenge Const	-	4 006
Surveillance Cameras	-	140 000
Cacoc Meetings - Hiv/Aid Coordination	-	12 460
Support group Meetings - Hiv/Aids Coordination	-	6 185
Support group Projects - Hiv/Aids Coordination	-	13 933
Membership Fees & Subscriptions - International	-	3 900
Grants/ Donations Paid -Otamanzi	-	500
Traditional Authority Expenses	-	12 001
Constituency Dev Projects - Elim	114 095	315 809
Constituency Dev Projects - Onesi	98 358	116 909
Constituency Dev Projects - Oshikuku	71 178	88 467
Replacement Of Street Lights - Head Office	108 270	-

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
Bank Charges	14 851	21 735
Planning And Surveying Of Okalongo Ext 3 And 4	331 448	445 249
Planning Of Onesi Extension 1& New Reception	655 500	87 057
Electrification Of Growth Points	1 226 194	1 591 407
Road Maintenance In Settlements	619 854	-
Ogongo Treatment Plant	87 394	-
Fence:Otamanzi Consituency Hall And Flats	1 922	-
Constituency Dev Projects - Anamulenge	-	22 743
Constituency Dev Projects - Etayi	-	21 839
Constituency Dev Projects - Ogongo	-	24 412
Constituency Dev Projects - Okahao	-	266 855
Constituency Dev Projects - Okalongo	-	22 192
Constituency Dev Projects - Otamanzi	-	290 289
Constituency Dev Projects - Outapi	-	37 863
Constituency Dev Projects - Ruacana	-	256 072
Constituency Dev Projects – Tsandi	-	304 237
Construction Of Services- Tsandi	-	184 493
Remedial Work Treatment Plant Ogongo Settlement	-	226 610
Remedial Work For Sewerage Treatment - Onesi	-	561 963
Bank Charges	1 347	1 130
Rural Development Centre	3 298 475	613 518
World Food Day	73 197	-
World Habitant Day	10 000	10 000
One Region One Initiative (OROI)	-	347 788
Daily Subsistence Allowance (S&T)	20 760	-
Bank Charges	2 258	1 709
Bt Houses Construction (Materials)	58 486	-
Bank Charges	2 721	-
OPM Disaster Account	996 415	-
Bank Charges	3 253	2 766

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
16. Telephone, Cellphone and Fax	1 242 053	1 410 257
Internet, E-Mail Costs & Subscriptions	6 886	-
Telephone, Cellphones & Fax	1 235 167	1 410 257
17. Insurance	1 171 254	1 142 584
Insurance-Operational Fund	1 169 306	1 140 751
Insurance-Build Together Fund	1 948	1 833
18. Rural Development Expenditure: Rural Sanitation	1 717 680	305 900
Rural Sanitation - Elim Constituency	194 181	-
Rural Sanitation - Etayi Constituency	175 605	-
Rural Sanitation - Ogongo Constituency	141 853	42 556
Rural Sanitation - Okahao Constituency	175 506	-
Rural Sanitation - Okalongoi Constituency	182 233	-
Rural Sanitation - Oshikuku Constituency	192 725	-
Rural Sanitation - Otamanzi Constituency	179 851	-
Rural Sanitation - Outapii Constituency	180 395	-
Rural Sanitation - Ruacanai Constituency	117 650	73 531
Rural Sanitation - Tsandi Constituency	177 681	-
Rural Sanitation - Onesi Constituency	-	189 813

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
19. Rural Development Expenditures: Cash Food for Work	895 068	1 394 025
Cash Food For Work - Anamulenge Constituency	522	212 271
Cash Food For Work - Elim Constituency	127 080	22 244
Cash Food For Work - Etayi Constituency	4 252	166 830
Cash Food For Work - Okahao Constituency	100 197	44 980
Cash Food For Work - Okalongo Constituency	90 498	82 222
Cash Food For Work - Onesi Constituency	148 561	24 233
Cash Food For Work - Oshikuku Constituency	10 350	267 535
Cash Food For Work - Otamanzi Constituency	117 526	24 400
Cash Food For Work - Ruacana Constituency	147 773	24 005
Cash Food For Work - Tsandi Constituency	148 309	22 873
Cash Food For Work - Ogongo Constituency	-	230 279
Cash Food For Work - Outapi Constituency	-	272 153
20. Depreciation and Amortization Expenses	2 888 839	3 503 480
Depreciation - Computer Equipments	156 996	190 763
Depreciation - Furnitures, Fixtures And Fitting	175 638	176 462
Depreciation - Land And Building	2 159 269	-
Depreciation - Office Equipment	95 056	142 458
Depreciation - Plants And Machineries	9 390	6 939
Depreciation - Vehicles	292 490	860 279
Depreciation - Land And Building	-	2 126 579
21. Leave Days and Bonus Provision	(1 118 379)	2 351 449
Service Bonus Accrued (Provision)	38 735	1 138 337
Leave Days Accrued (Provision)	(1 157 114)	1 213 112

REGIONAL COUNCIL OF OMUSATI
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

22.	Debit	Credit
	N\$	N\$
Reconciliation for cash generated from operation:		
Surplus/Deficit for the period		1 635 456
Non-cash items:		249 579
Depreciation and Amortization Expenses		2 888 839
Leave Days and Bonus Provision		(1 118 379)
Changes in Accounting Policies Error and Corrections		(1 520 881)
Cash generated from operation before changes in working capital		1 056 643
Changes in working capital:		1 522 759
Trade and Other Receivables		(2 383 971)
Inventory		1 989 849
Trade and Other Payables		1 908 229
Consumer Deposit		8 651
Net cash flow from operating activities		2 579 402

