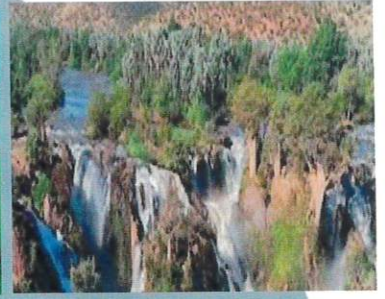
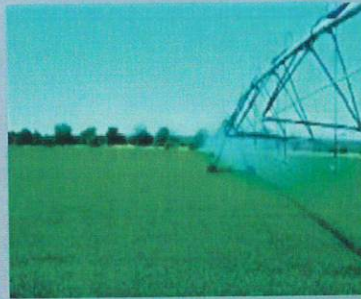




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE OMUSATI REGION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2021, 2022 AND 2023

Published by authority
Price (Vat excluded) N\$ 148.00
Report no: 57.00

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 2021, 2022 and 2023 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act No. 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

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

WINDHOEK, June 2024

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE REGIONAL COUNCIL OF OMUSATI
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2021, 2022 AND 2023**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Regional Council of Omusati for the financial years ended 31 March 2021, 2022 and 2023. These financial statements comprise the statement of financial position, statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the years then ended, summary of significant accounting policies and notes to the financial statements.

In my opinion, because of the significance of the matters discussed in the basis for adverse audit opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the Regional Council of Omusati as at 31 March 2021, 2022 and 2023 and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

An adverse audit opinion is being expressed due to the following reasons:

2.1 FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023

In 2020 as a first time adopter, the Council applied transitional provisions as per IPSAS 33, which is applicable for three (3) years, however, the Council continued to apply IPSAS 33 in preparation of the 2023 financial statements. IPSAS 33 is no longer applicable, as the transitional period ended in 2022.

2.2 COMPARATIVE INFORMATION – 2022

In 2020 as a first time adopter, the Council elects to present comparative information. The Council did not present comparative information for the 2022 financial statements as required by IPSAS 33 paragraph 78, read with IPSAS 1 paragraph 53 and 53A.

2.3 DIFFERENCES BETWEEN THE OPENING BALANCE AND CLOSING BALANCE

A difference of N\$ 1 156 893 was noted between the 2021 opening balance and 2020 closing balance on the Current Portion of Employees Benefits (statement of financial position).

A difference of N\$ 1 635 456 was noted between 2021 opening balances and 2020 closing balances on Accumulated Funds (statement of financial position).

A difference of N\$ 2 136 961 on trade and other payables was noted between note 6 and the amount disclosed as 2021 opening balance on the face of the financial statement.

A difference of N\$ 4 791 506 on other expenses was noted between note 9 and the amount disclosed as 2021 opening balance on the face of the financial statement.

2.4 INVESTMENTS IN NORED

The Council holds 15 shares out of 105 shares in Regional Council Electricity Company (RCEC), which holds shares in NORED (Pty) Ltd, which equates to 14% and equals 4.62% in NORED. This investment is disclosed at the nominal value of N\$ 15.

This investment should have been accounted for using the Equity Method, in terms of paragraph 22 of IPSAS 36.

2.5 PRESENTATION OF THE STATEMENT OF FINANCIAL POSITION

The statement of financial position for the years under review presented by the Council is not in accordance with IPSAS 1.

The information presented on the face of the statement of financial position does not comply with IPSAS 1 paragraph 88.

The Council balanced off the total Net assets/equity with the total assets rather than the Net assets.

2.6 CASH FLOW STATEMENT

The presentation of the cash flow statement for the years under review is contrary to the Council's accounting policies. The accounting policies indicated that the cash flow statement shall be prepared using the indirect method, however, the Council prepared its cash flow using the direct method.

The Council did not prepare the Notes to the Cash Flow Statement as required by IPSAS 2.

The Net increase/(decrease) in cash and cash equivalents disclosed in the statement of cash flow for 2021 and 2022 financial years is not balancing with the sum total of net cash flows from operating and financing activities. An (under)/overstatement of N\$ 6 601 872 and (N\$ 1 028 003) were observed respectively.

2.7 STATEMENT OF CHANGES IN NET ASSETS/EQUITY

A difference of N\$ 2 239 977 was noted between the accumulated surplus/ (deficit) disclosed in the statement of changes in net asset/equity (N\$ 113 004 037) and the statement of financial position (N\$ 110 764 060), for the financial year ended 2023.

2.8 DISCLOSURE OF PRIOR PERIOD ERRORS

The auditors observed *changes in accounting policies errors and corrections* of N\$ 1 690 065 (2023), N\$ 98 138 688 (2022) and N\$ 11 830 805 (2021) disclosed in the statement of changes in net assets/equity. The Council did not disclose the following, as per IPSAS 3(54):

- (a) The nature of the prior period error;
- (b) For each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- (c) The amount of the correction at the beginning of the earliest prior period presented; and
- (d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

2.9 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The Council did not prepare a reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget versus Actual amounts in the Statement of Cash Flows for the years ended.

A reconciliation of Net cash flow from operating activities to surplus/ (deficit) for 2021 financial year prepared by the Council does not reconcile to the net cash flow from operating activities disclosed in the cash flow statement.

The Council did not prepare a reconciliation of Net cash flow from operating activities to surplus/ (deficit) for the financial years ended 2022 and 2023.

2.10 RELATED PARTY DISCLOSURE

For the 2023 financial year, the Council did not disclose the aggregate remuneration of key management personnel and the number of individuals receiving remuneration within this category as per IPSAS 20 paragraph 34.

2.11 PROVISION FOR LEAVE DAYS

The Council classified leave days to the value of N\$ 14 184 278 (2023), N\$ 13 355 122 (2022) and N\$ 13 967 226 (2021) as non-current liabilities instead of classifying them under current liabilities.

IPSAS 39, Paragraph 9 states that short-term employees' benefits (including paid annual leave) are employees' benefits that are expected to be settled wholly before twelve (12) months after the end of the reporting period in which the employees render the related services. IPSAS 1, Paragraph 80 states that liability shall be classified as current when it is due to be settled within twelve months after the reporting date, or when, the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.12 DISCLOSURE OF PROVISIONS

The Council did not disclose: (a) The carrying amount at the beginning and end of the period; (b) Additional provisions made in the period, including increases to existing provisions; (c) Amounts used (that is, incurred and charged against the provision) during the period; and (d) Unused amounts reversed during the period, for each class of provision as required by IPSAS 19, Paragraph 97.

For the years under review, the Council did not recognise a provision of its dumping site at Okalongo and Onesi Settlements for rehabilitation and restoration after its useful life, per IPSAS 19, paragraph 27.

2.13 ENVIRONMENTAL CLEARANCE CERTIFICATE

The dumping sites at Okalongo and Onesi Settlements are under the ownership and control of the Council. The auditors observed that the Council is operating these sites without an environmental clearance certificate, as per Section 27 (1) (2) (3) of the Environmental Management Act, 2007 (Act No. 7 of 2007).

2.14 VALUATION OF LAND AND BUILDINGS

IPSAS 17, Paragraph 74 states that, land and buildings are separable assets and are accounted for separately, even when they are acquired together. Land has an unlimited useful life and therefore is not depreciated. Buildings have a limited useful life and therefore are depreciable assets. Land is currently being depreciated as it is combined with the value of buildings.

2.15 NON-SUBMISSION OF SUPPORTING DOCUMENTS FOR CAPITAL

The Council could not provide certificates of completion and last payment certificates for capitalized projects, to substantiate an amount of N\$ 4 753 222 which is recorded in the Asset Register as Capital Infrastructure for the year ended 2023.

2.16 TRADE AND OTHER RECEIVABLES

Differences amounting to N\$ 1 801 556 (2021), N\$ 1 150 084 (2022), and N\$ 3 612 120 (2023) were observed between the financial statement and recalculated debtors age analysis.

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 the audit of the financial statements as a whole, and in forming an audit 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. I have nothing to report in this regard.

5. AUDIT OF KEY PERFORMANCE INFORMATION (KPI)

I conducted an audit on the performance information of the Regional Council of Omusati for the financial year ended March 2023 consecutively with the audit of financial statements for the years ended 31 March 2021, 2022, and 2023.

Five (5) strategic objectives with all 37 represented KPIs were selected from the Strategic Plan.

Strategic objective
Promote health and support efforts to reduce communicable diseases
Strengthening socio-economic development
Enhance Regional infrastructure development
To increase in those seeking biomedical intervention
Strengthening the capacity of members of vulnerable households

Audit Criteria

The audit was mainly concentrated on three (3) criteria namely:

- Compliance with laws, regulations and relevant policies and guidelines about the reporting of performance information;
- Usefulness of reported performance information in terms of measurability and relevancy of indicators as well as consistency of use of indicators throughout the period under review; and
- Reliability of reported performance information in terms of whether the actual reported performance did occur and was reported accurately.

Summary of methods applied

The auditors reviewed the extended Strategic Plan, Chief Regional Officer performance agreement, annual work plan review, and other relevant documentation for the 2023 financial year to confirm whether the Strategic Plan objectives targets and KPIs have been correctly cascaded to the Annual Plan and are reported in the Annual Performance Report.

In order to determine whether there has been activity with regard to the KPI, the auditors requested for documentary proof of actions taken.

Key Audit Findings

KPIs on a number of jobs created for each of the sampled project could not be verified.

Conclusion on the subject matter

The Council achieved 57% of the selected KPIs.

6. 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 International Public Sector Accounting Standards (IPSAS), and for such internal control as management determines is necessary to enable the preparation of the 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 Council'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 Council 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.

7. 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. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 to it in the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit 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 the 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.

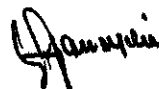
8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 40(1) of the Regional Council Act, 1992 (Act No. 22 of 1992), except that they were submitted on the 06 September 2021 (2021), 05 September 2022 (2022) and 31 August 2023 (2023) instead of three (3) months after the year end as required by the Act.

9. ACKNOWLEDGEMENT

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

WINDHOEK, June 2024



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

KEY ENTITY INFORMATION AND MANAGEMENT

Physical Address:

Namaungu Street
Outapi
Namibia

Postal Address:

Private Bag 523
Outapi
Namibia

Banks:

First National Bank
Bank Windhoek
Nampost
Standard Bank

Principal activities

To administer the Regional Council affairs within the proclaimed area of Omusati Region.

Mandate

Our mandate is derived from the from the Namibian Constitution, Chapter12, Article 103 and Section 28 of the Regional Council Act, 1992 (Act No. 22 of 1992) to govern, plan and coordinate and implement socio-economic development activities of the Region to improve the living conditions of inhabitants of the Region in a sustainable manner.

Vision statement

A model of integrated regional development that is socially stable and economically advanced.

Mission statement

Omusati Regional Council is dedicated to plan facilitate coordinate and implement integrated and sustainable regional development and provide quality services in collaboration with all its stakeholders to improve the living standards for all in the region.

Core Values

The day-to-day behaviours of all employees are identified as:

- Integrity;
- Accountability;
- Innovation;
- Participation; and
- Dedication.

ACCOUNTING OFFICER'S RESPONSIBILITIES

Section 40 of the Regional Council Act, 1992 (Act No. 22 of 1992) as amended require the Accounting Officer to prepare financial statements that give a true and fair view of the state affairs of a Regional Council for and as at the end of financial year-end. This responsibility includes: (i) maintaining adequate financial management and ensuring that those continue to be effective throughout the reporting period; (ii) maintaining proper accounting records that disclose the reasonable accuracy at any time of the financial position of any entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements ensuring that controls relevant to the preparation and fair presentation of financial statements and ensuring that they are free from material misstatements whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for Omusati Regional Council financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with International Public Sectors Accounting Standards (IPSAS) and the manner required by the Regional Council Act, 1992 (Act No. 22 of 1992) and State Finance Act, 1991 (Act No. 31 of 1991). The Accounting Officer believes that the entity's financial statements give a true and fair view of the state of entity transactions during the financial years ended 31 March 2023, 2022, and 2021 and the entity's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the entity which have been relied upon in the preparation of the entity financial statements and the adequacy of the systems of internal financial control.

The annual financial statements set out from page 11, which have been prepared on a going concern basis, were approved on 28 August 2023 (2023), 29 August 2022 (2022), and 31 August 2021 (2021) and were signed by:

Approval of financial statements:

Gervasius Kashindi
Chief Regional Council

Andreas Shintama
Chairperson of Management
Committee

ANNEXURE A

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

	Note	2023 N\$	2022 N\$	2021 N\$	2020 N\$
ASSETS					
Current assets					
		29 277 646	28 300 196	21 719 769	21 301 889
Cash and Cash Equivalents	4	9 875 330	11 412 138	6 613 293	9 776 518
Trade and Other Receivables	5	19 240 947	16 753 264	14 758 429	11 127 739
Inventories		153 939	134 795	348 047	397 632
Prepayments		7 430	-	-	-
Non-current assets					
		102 883 021	99 453 177	93 234 318	92 535 686
Trade and Other Receivables		779 297	805 408	-	-
Investment		15	15	15	-
Infrastructure, Plant and Equipment	14	9 711 298	677 913	91 783 642	88 427 068
Land & Buildings	15	88 197 568	89 997 518	-	-
Work In Progress	3	4 194 843	7 972 322	1 450 661	4 108 618
Total assets		132 160 667	127 753 373	114 954 087	113 837 575
NET ASSETS AND LIABILITIES					
Current Liabilities					
		7 212 327	9 383 966	4 057 940	14 699 929
Trade and Other Payables	6	6 038 348	8 273 093	2 899 413	14 676 050
Consumer Deposit		-	-	30 604	23 879
Current portion of employee Benefits		1 173 979	1 110 872	1 127 922	*1 156 893
Non-current liabilities					
		14 184 278	13 355 122	13 967 226	14 289 403
Employee Benefits		14 184 278	13 355 122	13 967 226	14 289 403
Net assets					
		110 764 060	105 014 286	96 928 922	84 848 243
Accumulated Fund	13	105 134 706	98 138 688	96 928 922	84 848 243
Surplus/(Deficit)		5 629 354	6 875 598	-	-
Total net asset and liabilities		132 160 667	127 753 373	114 954 087	113 837 575

*Figure not in prior year tabled report. Observation reported as a basis of audit opinion.

ANNEXURE B

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

		2023	2022	2021	2020
	Note	N\$	N\$	N\$	N\$
Revenue from Exchange Transactions		7 359 127	6 904 048	8 031 307	9 317 737
Revenue from exchange transactions	19	7 336 626	6 797 118	3 506 177	5 941 159
Other Revenue	21	22 501	106 930	-	-
Income From Water		-	-	4 525 130	3 376 578
Revenue from non-exchange Transactions		74 411 759	70 646 599	63 138 071	67 550 370
Transfers from government entities	22	195 713	319 793	732 378	-
Fees, fines, Penalties and Licenses	1818	195 713	319 793	732 378	-
5% Rates and Taxes Contribution	17	1 744 868	1 621 600	1 626 267	-
Non-exchange transaction	20	1 971 333	714 573	-	-
Royalties		-	-	651 563	764 067
Total Revenue		81 770 886	77 550 647	71 169 377	76 868 107
Expenses		76 156 894	70 675 049	70 919 503	75 232 651
Wages, Salaries, and Employees Benefits	11	49 945 653	47 379 396	40 867 856	46 079 774
Grants and Other Transfer payments	8	2 570	6 329	-	-
Supplies and Consumables used	10	486 729	914 868	-	-
Depreciation and Amortization Expenses	7	2 111 686	2 087 583	2 238 420	2 888 839
Other Expenses	9	23 486 748	20 171 546	28 045 897	27 292 521
Non-operational expense - Finance Cost	16	123 508	115 327	-	-
Leave Days and Bonus Provision		-	-	(322 177)	(1 118 379)
Bad Debt Expenses		-	-	89 509	89 896
Surplus /(Deficit) for the period		5 613 992	6 875 598	249 872	1 635 456

ANNEXURE C

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

	Accumulated Surplus/Deficits
	N\$
Balance as at 01 April 2019	84 733 668
Changes in accounting policies errors and corrections	(1 520 881)
Correction prior year	
Reinstated Balance	83 212 787
Surplus for the period	1 635 456
Balance as at 01 April 2020	84 848 243
Changes in accounting policies errors and corrections	11 830 805
Reinstated Balance	96 679 048
Surplus for the period	249 873 95
Balance as at 31 March 2021	96 928 922
Balance as at 01 April 2021	96 679 048
Changes in accounting policies errors and corrections	
Correction prior year	1 209 766
Reinstated Balance	97 888 814
Surplus for the period	249 874
Balance as at 01 April 2021	98 138 687
Changes in accounting policies errors and corrections	98 138 687
Surplus for the period	6 875 597
Balance as at 31 March 2022	105 014 285
Balance as at 01 April 2022	105 699 981
Changes in accounting policies errors and corrections	-
Correction prior year	-
Reinstated Balance	105 699 981
Balance as at 01 April 2022	105 699 981
Changes in accounting policies errors and corrections	1 690 065
Surplus for the period	5 613 991
Balance as at 31 March 2023	113 004 037

ANNEXURE D

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts	90 221 875	79 797 610	67 545 413	73 707 740
Sales of goods and services	18 983 566	11 256 696	-	-
Grants	70 499 845	67 990 633	60 127 862	66 786 303
Interest	583 762	170 551	-	-
Other receipts	154 701	379 730	-	-
Receipts from exchange and non-exchange transaction	-	-	7 417 551	6 921 437
Payment	82 552 780	75 979 291	68 928 479	71 046 258
Employees Cost	49 053 389	48 008 549	68 928 479	71 046 258
Suppliers	33 375 883	27 855 415	-	-
Finance Cost/Interest paid	123 508	115 327	-	-
Net cash flows from operating activities	7 669 095	3 818 319	(1 383 066)	2 661 482
CASH FLOWS FROM INVESTING ACTIVITIES	9 205 902	5 621 346	(752 155)	(3 028 547)
Purchase of plant and equipment	4 687 048	909 584	(752 155)	(3 028 547)
Work in progress	4 518 854	4 711 762	-	-
Net cash flows from investing activities	9 205 902	5 621 346	(752 155)	(3 028 547)

REGIONAL COUNCIL OF OMUSATI

ANNEXURE D

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH (Continued)

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
CASH FLOWS FINANCING ACTIVITIES	-	-	-	-
Net cash increase /(decrease) in cash and cash equivalents	(1 536 807)	*4 810 266	*(3 163 225)	(405 800)
Cash and cash equivalents at beginning of period	11 412 138	6 613 293	9 776 518	10 182 318
Cash and cash equivalents at end of period	9 875 330	11 412 138	3 613 293	9 776 518

* Difference reported as basis for an audit opinion.

Observation: The cash flow statement is not balancing.

ANNEXURE E

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

OPERATION FUND

	Original Budget	Budget adjustments	Final adjusted budget	Actual outcome	Unautho- rised expendit- ure	Variance	%	Reference
	N\$	N\$	N\$	N\$	N\$	N\$	%	
Revenue	62 211 956	63 614 878	64 675 090	62 466 131	-	2 208 959	1 288	
Balance B/F	(3 027 657)	(3 027 657)	(3 027 657)	(3 027 657)	-	-	100	R1
Government transfers	57 284 629	58 687 551	58 687 551	58 687 551	-	1 437 994	76	R2
Income from Water sales	6 000 000	6 000 000	6 000 000	4 562 006	-	1 29 037	57	R3
Refuse Removal	300 000	300 000	300 000	170 963	-	269 675	16	R4
Interest Received	319 513	319 513	319 513	49 838	-	(20 058)	501	R5
Discount Received	5 000	5 000	5 000	25 058	-	10 500	-	R6
Settlement of Assets	10 500	10 500	10 500	-	-	10 500	-	
Donation	10 000	10 000	10 000	-	-	10 000	-	
Photocopy Sales and Other								
Income	315 000	315 000	315 000	83 141	-	231 859	26	R7
Bid fees (60%)	160 000	160 000	160 000	-	-	160 000	-	R8
Refund: S&T, Telephone cell etc.	10 000	10 000	10 000	19 135	-	(9 135)	191	R9
Commission received on Insurance	52 600	52 600	52 600	63 513	-	(10 913)	121	R10
VAT Refund	772 371	772 371	1 832 583	1 832 583	-	-	100	

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

ANNEXURE E

OPERATION FUND (continued)

	Original Budget	Budget adjustments	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance	%	Reference
Expenditure	62 211 957	62 614 278	62 614 278	67 859 941	-	(5 245 663)	1 287	
Remuneration	41 156 556	41 365 158	41 365 158	40 433 919	-	931 239	98	-
Employers' contribution to GIPF and MOP	5 310 695	5 313 403	5 313 403	5 316 794	-	(3 391)	100	-
Other Condition of Services	3 449 385	3 449 385	3 449 385	3 228 079	-	221 306	94	-
Contract Employee Improvement of	222 659	-	-	-	-	-	100	-
Remuneration Structure Travel and Subsistence	-	-	-	-	-	-	-	-
Allowance	415 000	915 000	915 000	1 235 716	-	(320 716)	135	R11
Materials and Supplies Expenses	543 996	793 996	793 996	705 156	-	88 840	89	
Transport	1 262 000	1 502 000	1 502 000	2 378 236	-	(876 236)	158	R12
Utilities	4 518 864	4 078 273	4 078 273	9 128 048	-	(5 049 775)	224	R13
Maintenance Expenses Property Rental and Related Charges	224 950	190 950	190 950	153 599	-	37 351	80	
804 500	804 500	804 500	964 645	-	-	(160 145)	120	R14
Other Services and Expenses	3 737 652	3 660 913	3 660 913	3 319 092	-	341 821	91	

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

OPERATION FUND (continued)

	Original Budget	Budget adjustments	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance	%	Reference
Expenditure (continued)								
Membership Fees and Subscription: Domestic	87 000	87 000	87 000	41 000	-	46 000	47	R15
Government organisation Individual and Non-Profit Organizations	-	-	-	7 541	-	8 459	47	R16
Public and Department Enterprises and Industries	16 000	16 000	16 000	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	(549 416)	-238	R17
Vehicles	408 700	398 700	398 700	948 116	-	-	-	
Operational Equipment	-	-	-	-	-	-	-	
Machinery and Plants	54 000	39 000	39 000	-	-	39 000	-	

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)**

OPERATION FUND (continued)

	Original Budget	Budget adjustments 1	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance %	Reference
Membership Fees and Subscription: Domestic Individual And Non-Profit Organizations	87 000	87 000	87 000	41 000	-	46 000	47 R15
Public and Department Enterprises and Industries	16 000	16 000	16 000	7 541	-	8 459	47 R16
Subsidies and Other Current Transfer-Subtotal	103 000	103 000	103 000	48 541	-	54 459	94
Furniture and Office Equipment	408 700	398 700	398 700	948 116	-	(549 416)	- R17
Operational Equipment	54 000	39 000	39 000	-	-	39 000	-
Acquisition of Capital Assets-Subtotal	462 700	437 700	437 700	948 116	-	(510 416)	-
Total Expenditure	62 211 957	62 614 278	62 614 278	67 859 941	-	(3 184 851)	1 287

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2023 (continued)**

OPERATION FUND (continued)

Operation Fund variance analysis

The Regional Council's budget statement was prepared using the cash basis of accounting and the financial statements have been prepared using the Accrual Basis. As a result of the timing of IPSAS adoption the Council did not make budget provisions for the items set out under Non-cash items.

These items have contributed to the variance in the actual and budgeted figures at subtotal and grand total level. Revenue from both non-exchange and exchange transactions budgeted is less by 2% at the grand total level.

- R1: Due to non-payment by customers.
- R2: Due to non-payment by customers.
- R3: Less Amount kept in the account.
- R4: Settlement discount by Nampost.
- R5: No Assets disposed of during the 2022-2023FY.
- R6: No donation received during the 2023-2023 FY.
- R7: Less photocopy sales due to a limited budget for stationery.
- R8: Amount received was only transferred in 1st Quarter of 2023.
- R9: Refund of excess airtime cell phone.
- R10: Staff undertaking policies institution and policy.
- R11: Due to attending unbudgeted delegated function's activities.
- R12: Due to aging fleet unserviceable compliance to relevant Authority (Road Authority) dedicated activities by other OMAs i.e. drought relief food.
- R13: Due to Historical Debts carried because of budget cut since 2017/2018 FY.

Expenses

The Regional Council has been operating on a tight budget for the past three (3) financial years due to the COVID-19 pandemic and the economic downturn coupled with a general increment in prices. Additionally, it is notable that during the budget allocation, there was no budget consultation with the Ministry of Urban and Rural Development (MURD) for the Regional Council to provide its input based on the historical expenditure and needs making it very difficult for the Regional Council to meet its short-term obligation for goods and services rendered by suppliers. Equally, the line Ministry has indicated that it will not be able to provide additional financial assistance due to financial constraints.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2023 (continued)**

OPERATION FUND

Expenses (Continued)

This has put the Regional Council in a very difficult position, which results in the Regional Council making Provision for Statutory expenditures i.e. Continuous Services Other Compulsory and Retainer fees.

Since the Regional Council operates on accruals basis there are outstanding payments for goods and services rendered as at 31 March 2023 amounting to N\$ 6 038 348.39 thus a 3% over commitment compared to the authorized budget.

Project where off set by statutory and unavoidable expenditures such as Utilities (Water and Electricity).

This is attributed to higher than anticipated demand as a result of an increase in consumption and general increment in basic charges and unforeseen expenditures like fuel due to draught distribution and certain equipment's that are worn out and unserviceable e.g. fleets.

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

DEVELOPMENT FUND-PLANNING

	Original Budget	Budget adjust ments	Final adjusted budget	Actual outcome	Unautho rised expendit ure	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Revenue	17 496 104	-	-	14 257 449	-	3 238 656	1 816
Balance B/F	5 911 915	-	-	5 911 915	-	-	100
Outapi Town Council (5% Contribution)	1 086 910	-	-	835 414	-	251 495	76
Okahao Town Council (5% Contribution)	600 000	-	-	451 847	-	148 153	75
Oshikaku Town Council (5% Contribution)	272 500	-	-	272 299	-	201	99
Ruacana Town Council (5% Contribution)	176 379	-	-	355 006	-	(178 626)	201
Tsandi Village Council (5% Contribution)	90 000	-	-	101 715	-	(11 715)	113
Lease Hold and Basic charges	500 000	-	-	818 355.52	-	(318 356)	164
Rental Income	600 000	-	-	226 523	-	373 477	37
Bid Fees (40%)	150 000	-	-	54 160	-	95 840	36
Royalties and Dividends	600 000	-	-	712 488	-	(112 487)	118
Refund VAT and Others	670 000	-	-	456 861	-	213 139	68
Capitalised Interest Received	40 000	-	-	304 137	-	(264 137)	760
Transfer Road Fund Administration (RFA)	1 176 400	-	-	-	-	1 176 400	-
Construction of Services Infrastructure -Okalongo Settlement (NPC)	2 811 000	-	-	1 547 689	-	1 263 311	55
Construction of Services Infrastructure -Onesi Settlement (NPC)	2 811 000	-	-	2 209 039	-	601 960	78

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

DEVELOPMENT FUND-PLANNING (continued)

	Original Budget adjustments	Budget adjustments	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Expenditure	17 496 104	-	-	11 201 809	-	6 294 295	57
Electrification of Growth points (Okahao and Tsandi Constituencies)	600 000	-	-	-	-	600 000	-
Electrification of Growth points (Ogongo and Otamanzi Constituencies)-B/F	509 000	-	-	-	-	509 000	100
Construction of Services Infrastructure -Onesi Settlement (NPC)	2 811 000	-	-	2 209 040	-	601 690	79
Construction of Services Infrastructure -Onandjamba Settlement (NPC)	2 811 000	-	-	1 547 689	-	1 263 311	55
Construction of Services Infrastructure -Onesi Settlement (NPC Ponds and Rerouting of Sewer Line and Construction of Sewer at Erf 116-B/F)	408 651	-	-	408 651	-	-	100

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)**

DEVELOPMENT FUND-PLANNING (continued)

	Original Budget	Budget adjustments	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Expenditure (continued)							
Construction of Services Infrastructure - Okalongo (NPC Fencing off additional evaporation ponds, Repair manhole and raising manholes, Supply, deliver and install pump Machines, Construction of Sewer at Extension 1 Phase 1 and Retention for Sewer Reticulation at extension 2 Phase 3)-B/F	1 933 926	-	-	1 849 897	-	84 029	96
Maintenance of Road Settlement (RFA)	1 232 400	-	-	1 232 400	-	-	-
Maintenance of Roads Settlement (RFA-Retention	29 787	-	-	29 787	-	-	100
Constituency Development Projects (Anamulenge, Elim, Etayi, Okalongo, Oshikuku, Otamanzi, Outapi & Okahao) Fire Hydrant (Assessment by Consultant)	1 233 746	-	-	736 332	-	497 414	60
Construction of Oxidation Pond (Evaporation) in Okalongo Settlement Phase 2	1 540 000	-	-	827 267	-	712 733	54
Construction of Bachelor Flats at Constituency Office-Etayi	2 225 790	-	-	1 646 949	-	578 841	74
	880 000	-	-	-	-	880 000	-

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

DEVELOPMENT FUND-PLANNING (continued)

	Original Budget	Budget adjustments	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Expenditure (continue)							
Construction of three Erven erven to Sewer Reticulation-Ogongo Settlement	270 000	-	-	227 143	-	42 857	84
Amendment Ext Proper 1 and 2 Plans and planning Ext 3 and 4-Okalongo Settlement	371 040	-	-	371 041	-	-	100
Amendment Ext Proper 1 and 2 Surveying-Okalongo Settlement	232 597	-	-	31 335	-	201 262	30
Cadastral Surveying of portions 9, 10 and 11 in Okalongo Settlement B/F	80 000	-	-	71 020	-	8 980	89
Homestead compensation-Late Haimo Mumbala (Okalongo Settlement)B/F	287 167	-	-	-	-	287 167	-
Bank Charges	40 000	-	-	13 258	-	26 742	33

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)

DEVELOPMENT FUND-RURAL DIVISION

	Original Budget	Budget adjustments	Final adjusted budget	Actual outcome	Unauthor ised expenditu re	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Revenue	6 656 042	-	-	5 839 430	-	816 607	462
Balance B/F	2 774 504	-	-	2 774 504	-	-	100
Transfer from the Ministry (Ogongo RDC)	1 000 000	-	-	129 065	-	870 935	13
Rural Sanitation NPC	2 308 000	-	-	2 308 000	-	-	100
Food Cash for Work	461 538	-	-	461 538.46	-	-	100
Interest Received	112 000	-	-	166 323	-	(54 323)	149
Expenditures	6 656 043	-	-	2 096 980	-	4 559 063	32
Micro Finance Scheme B/F	562 342	-	-	398 693	-	163 649	71
Food/ Cash for Work	461 538	-	-	-	-	461 538	-
Regional Specific Action Plan (B/F)	66 137	-	-	47 648	-	18 489	72
Micro Finance (B/F)	435 592	-	-	412 310	-	23 283	95
Construction of RDC (B/F)	85 165	-	-	85 165	-	-	100
Construction of RDC	1 000 000	-	-	188 996	-	811 004	19
Sanitation Facility in Okalongo Settlement	227 826	-	-	-	-	227 826	-

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023
(continued)**

OPERATIONAL FUND – RURAL DIVISION (continued)

Original Budget	N\$	Budget adjustments	N\$	Final adjusted budget	N\$	Actual outcome	N\$	Unauthorised expenditure	N\$	Variance	N\$	Variance	%
Expenditures(continued)													
Rural Sanitation NPC(B/F)	1 504 442	-	-	-	-	961 572	-	-	-	542 870	-	64	
Rural Sanitation NPC	2 308 000	-	-	-	-	-	-	-	-	2 308 000	-	-	
Bank Charges	5 000	-	-	-	-	2 596	-	-	-	2 404	-	52	

Planning and Development Variance Analysis

Due to the slow authorization of the budget, the Regional Council could not collect as per the budget. This is due to late transfer of funds into the Council's account for Capital projects and Rural Services programme. Additionally, due to the Covid-19 outbreak the Council's own collection is notably very low resulting in slow implementation of the projects budgeted to be financed under own sources i.e. 5% contribution from Local Authorities resulting in non-contribution as stipulated in the Regional Councils Act, 1992 (Act No. 22 of 1992) as amended. It is worth mentioning that the collection from Lease Hold and Basic Charges on Operation amounting to N\$ 818 355.52 has not been transferred to Development Fund due to the low cash flow on Operation Fund. The Road Fund Administration (RFA) funds did not transfer funds earmarked for Road Maintenance in Settlements Areas.

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

OPERATIONAL FUND

	Original Budget	Budget adjust ments	Final adjusted budget	Actual outcome	Unautho rised expendi ture	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Revenue: Exchange and non-exchange transactions	66 256 037	-	-	65 113 579	-	1 141 458	1 018
Balance B/F	1 108 787	-	-	1 108 787	-	-	100
Government transfers	57 457 000	-	-	57 457 002	-	(2)	100
Income from Water sales	5 401 408	-	-	4 816 219	-	585 189	89
Refuse Removal	283 500	-	-	147 897	-	135 603	52
Interest Received	242 000	-	-	10 940	-	231 060	5
Discount Received	22 050	-	-	36 986	-	(14 936)	168
Settlement of Assets	10 500	-	-	-	-	10 500	0
Donation	10 500	-	-	-	-	10 500	0
Photocopy Sales and Other Income	315 000	-	-	60 408	-	254 592	19
Bid fees (60%)	80 000	-	-	160 500	-	(80 500)	201
Refund: S&T, Telephone, cell etc.	105 000	-	-	100 154	-	4 846	95
Commission received on Insurance	52 599	-	-	46 993	-	5 606	89
VAT Refund	1 167 693	-	-	1 167 693	-	-	100

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2022
(continued)

ANNEXURE E

OPERATIONAL FUND (continued)

	Original Budget	Budget adjust ments	Final adjusted budget	Actual outcome	Unauth orised expend iture	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Expenditure	66 043 765	-	-	67 812 314	-	(1 768 549)	103
Remuneration	39 728 427	-	-	39 644 075	-	84 352	100
Employers contribution to GIFP and MOP	5 141 989	-	-	5 173 470	-	(31 481)	100
Other Condition of Services	3 544 618	-	-	3 442 354	-	102 264	97
Contract Employee	-	-	-	-	-	-	100
Travel and Subsistence Allowance	850 901	-	-	1 005 753	-	(154 852)	118
Materials and Supplies Expenses	743 500	-	-	888 911	-	(145 412)	120
Transport	2 545 300	-	-	2 704 144	-	(158 844)	106
Utilities	8 257 646	-	-	10 078 029	-	(1 820 383)	122
Maintenance Expenses	265 000	-	-	254 670	-	10 330	96
Property Rental and Related Charges	770 000	-	-	912 807	-	(142 807)	119
Other Services and Expenses	3 437 797	-	-	3 065 870	-	371 927	89
Membership Fees and Subscription: Domestic	85 000	-	-	82 000	-	3 000	96
Individual And Non-Profit Organizations	16 000	-	-	8 459	-	-	53
Furniture and Office Equipment	622 587	-	-	551 772	-	70 815	89
Vehicles	-	-	-	-	-	-	-
Operational Equipment, Machinery and Plants	35 000	-	-	-	-	35 000	-

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2022 (continued)**

OPERATION FUND VARIANCE ANALYSIS

Items not forming part of cash budget basis. The Regional Council's budget statement was prepared using the cash basis of accounting and the financial statements have been prepared using the Accrual Basis. Because of the timing of IPSAS, adoption the Council did not make budget provisions for the items set out under "Non-cash Items". These items have contributed to the variance in the actual and budgeted figures at subtotal and grand total level. Revenue from both non-exchange and exchange transactions budgeted is less by 2% at grand total level.

This is attributable to commission paid to the Council when staff members are taking facilities with the financial institution and policy and the Council in return is compensated for collecting premium on behalf of financial institution. Discount Received over performed by 68% over the base line. This a rebate received from Nampost for purchasing airtime in bulk, however, it should be noted that this is non-cash item. Covid-19 had a significant impact towards the implementation of the Regional Council's Capital Project after the Covid-19 restriction were lifted the Council had more bids running before end of the financial year under review, thereby realizing the revenue from Bid Fees and thus a 101% collection above the baseline.

The Council has under collected from Interest Received because it does not retain a huge amount of cash in its bank accounts. No donation has been received in cash for from individual or organizations. The Council has received 42 Camping tents worth N\$ 146 998 from NILALEG in collaboration with NDT, 18 Mahangu 25kg, 40 Trees, 15 pairs of shoes amounting to N\$ 6 000. Nothing has been collected from the Settlement of assets.

Expenses

The Regional Council has been operating on a tight budget for the past Three (3) financial years due to Covid-19 pandemic and the economic downturn coupled with a general increment in prices. Additionally, it is notable that during the budget allocation, there was no budget consultation with the Ministry of Urban and Rural Development (MURD) for the Regional Council to provide its input based on the historical expenditure and needs making it very difficult for the Regional Council to meet its short-term obligation for goods and services rendered by suppliers. Equally, the line Ministry has indicated that it will not be able to provide additional financial assistance due to the financial constraints. This has put the Regional Council in a very difficult position, which results in the Regional Council making Provision for Statutory expenditures i.e. continuous services, other compulsory and retainer fees.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2022 (continued)**

Operation Fund variance analysis (continued)

Since the Regional Council operates on accruals basis there are outstanding payments for goods and services rendered as at 31 March 2022 amounting to N\$ 3 403 324 thus a 3% over commitment compared to the authorized budget.

Project where off set by statutory and unavoidable expenditures such as Utilities (Water and Electricity). This is attributed to higher than anticipated demand as a result of an increase in consumption and general increment in basic charges and unforeseen expenditures like fuel due to draught distribution and certain equipment's that are worn out and unserviceable e.g. fleets.

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2022
(continued)**

DEVELOPMENT FUND-PLANNING DIVISION

	Original Budget	Budget adjust ments	Final adjusted budget	Actual outcome	Unauthorised expenditure	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Revenue	17 657 730	-	-	12 079 288	-	5 578 442	68
Balance B/F	414 341			414 341	-	-	100
Outapi Town Council (5% Contribution)	960 764			635 642		325 122	66
Okaha0 Town Council (5% Contribution)	425 000	-	-	436 159	-	(11 159)	103
Oshikuku Town Council (5% Contribution)	287 500	-	-	176 865		110 635	62
Ruacana Town Council (5% Contribution)	176 925	-	-	162 144		14 781	92
Tsandi Village Council (5% Contribution)	90 000	-	-	50 000		40 000	56
Lease Hold and Basic charges	500 000	-	-	818 356		(381 356)	164
Rental Income	300 000	-	-	111 019		188 981	37
Bid Fees (40%)	200 000	-	-	109 440		90 560	55
Royalties and Dividends	500 000	-	-	647 440		(147 440)	129
Refund VAT and Others	1 200 000	-	-	1 200 000		-	100
Capitalised Interest Received	15 000	-	-	67 016		(52 016)	447
Transfer Road Fund Administration (RFA)	588 200	-	-	-		588 200	-
Construction of Services Infrastructure - Okalongo NPC	6 000 000	-	-	4 000 000		2 000 000	67
Construction of Services Infrastructure -Onesi NPC	6 000 000	-	-	3 250 865		2 749 314	54

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2022
(continued)

DEVELOPMENT FUND - PLANNING DIVISION (continued)

	Original Budget	Budget adjustm ents	Final adjuste d budget	Actual outcome	Unauth orised expend iture	Variance	Variance e
	N\$	N\$	N\$	N\$	N\$	N\$	%
Expenditure	17 657 730	-	-	5 980 916	-	11 676 814	34
Construction of Services Infrastructure -Okalongo NPC	6 000 000	-	-	2 842 034	-	2 242 034	47
Construction of Services Infrastructure -Onesi NPC	6 000 000	-	-	2 066 074	-	3 933 926	34
Electrification of growth Point-Ogongo & Otamanzi	509 000	-	-	-	-	509 000	-
Maintenance of Roads in Settlement-Okalongo	588 200	-	-	-	-	588 200	-
Constituency Development Projects	1 703 955	-	-	450 074	-	1 253 881	26
Fire Hydrant Assessment	500 000	-	-	70 153	-	429 847	14
Construction of a Storeroom-Ogongo Co	500 000	-	-	487 861	-	12 139	98
Amendment Ext Proper 1 and 2 Okalongo Settlement	371 040	-	-	-	-	371 041	-
Surveying Amendment Ext Proper 1 and 2 Okalongo Settlement	1 030 198	-	-	-	-	1 030 198	-
Homestead Compensation-Late Mumbala Haimbala	287 167	-	-	-	-	287 167	-
Construction of Pumpstation-Ogongo Settlement Retention	105 000	-	-	31 335	-	73 665	30
Supply and Deliver and Installation Winch-Ogongo Pump	19 670	-	-	12 562	-	7 108	64
Repair the Liner at Onesi Settlement Ponds	3 500	-	-	3 450	-	50	99
Bank Charges	40 000	-	-	17 374	-	22 626	43

ANNEXURE E

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2022
(continued)**

DEVELOPMENT FUND-RURAL DIVISION

	Original Budget	Budget adjustm ents	Final adjusted budget	Actual outcome	Unautho rised expendit ure	Variance	Variance
	N\$	N\$	N\$	N\$	N\$	N\$	%
Revenue	6 197 741	-	-	5 800 197	-	397 544	94
Balance B/F	2 907 017	-	-	2 907 017	-	-	100
Micro Finance Scheme	461 538	-	-	461 538	-	-	100
Food/ Cash for Work	461 538	-	-	461 538	-	-	100
Interest Received	213 647	-	-	17 953	-	195 694	8
Rural Development Centre-Ogongo	1 000 000	-	-	798 150	-	201 850	80
Rural Sanitation NPC	1 154 000	-	-	1 154 000	-	-	100
Expenditures	5 879 902	-	-	3 145 628	-	2 739 307	400
Micro Finance Scheme	835 236	-	-	374 260	-	460 977	45
Food/ Cash for Work	645 080	-	-	82 738	-	562 342	13
Bank Charges	5 033	-	-	1 463	-	3 570	29
Rural Development Centre-Ogongo	1 003 677	-	-	716 903	-	286 774	71
Rural Employment Scheme	7 000	-	-	6 851	-	149	98
Rural Sanitation NPC	2 948 741	-	-	1 563 999	-	1 384 742	53
Regional Specific Action plan	440 168	-	-	399 415	-	40 753	91

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2022 (continued)**

Planning and Development Variance Analysis

Due to the slow authorization of the budget, the Regional Council could not collect as per the budget. This is due to late transfer of funds into the Council's account for Capital projects and Rural Services programme. Additionally, due to the Covid-19 outbreak, the Council's own collection is notably very low resulting in slow implementation of the projects budgeted to be financed under own sources i.e. 5% contribution from Local Authorities resulting in non-contribution as stipulated in the Regional Councils Act, 1992 (Act No. 22 of 1992) as amended. It is worth mentioning that the collection from Lease Hold and Basic Charges on Operation amounting to N\$ 818 356 has not been transferred to Development Fund due to the low cash flow on Operation Fund. The Road Fund Administration (RFA) did not transfer funds earmarked for Road Maintenance in Settlements Areas.

Given the above circumstances beyond the Regional Council's control, the Councils income collection for Capital projects is thus at 68% resulting in 34% budget execution rate on the expenditure.

The Regional Council has proposed a compensation of Homesteads amounting to N\$ 2 569 764, however, during the budget authorization by the line Ministry, the proposed amount was not authorised because there were no secured sources of compensating the homestead to pave ways for development in Settlement areas.

For the year under review, the Regional Council did not undertake any projects for the Build Together programme, because the Terms of Reference were not clear from the line Ministry regarding the execution of the budget and implementation thereof. However, the Council has established a Build Together Committee headed by the Chief Development Planner and the construction for Build Together housing has now commenced, including the unspent funds for the year under review.

The overall income collections for Rural Services Programme is less by 6.4% with the budget execution in terms of expenditure of 53% due to inaccessibility to some sites during the rainy season.

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2021 (continued)

	Original Budget	Actual outcome	Variance	Variance
	N\$	N\$	N\$	%
Receipts	67 059 571	71 169 377	(4 109 806)	106
Receipts from Exchange Transactions	5 965 114	8 031 307	(2 066 192)	374
Other Income-Exchange	1 465 114	3 506 177	(2 041 063)	135
Income From Water	4 500 000	4 525 130	(25 130)	239
Receipts from Non-exchange Transactions	61 094 457	63 138 070	(2 043 613)	522
Government Subsidy	58 610 941	60 127 862	(1 516 921)	103
Rates from Local Authorities	2 179 016	1 626 267	552 749	103
Royalties	-	651 563	(651 563)	75
Other Income-Non-Exchange	304 500	732 378	(427 878)	241
Payments	73 346 184	70 919 505	2 426 679	187
Employees Related Cost	42 243 693	40 867 856	1 375 837	97
General Expenses	31 102 491	28 045 897	3 056 594	90
Depreciation and Amortisation Expenses	-	2 238 420	(2 238 420)	-
Leave Days and Bonus Provision	-	(322 177)	322 177	-
Bad Debt Expenses	-	89 509	(89 509)	-
Net Receipts/(Payments) From Operating Activities	-	249 871	-	-
Capital Expenditures: Property, Plant and Equipment	-	(752 155)	-	-
Net Receipts/(Payments)		502 284		
Reconciliation to the Surplus/(Deficit)		(249 874)	-	-
Net Receipts/(Payments) From Operating Activities		2 005 751	-	-
Non-Cash Items		2 238 420	-	-
Depreciation and Amortisation Expenses		2 238 420	-	-
Leave Days and Bonus Provision		(322 177)	-	-
Bad Debt Expenses		89 509	-	-
		1 755 877	-	-

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 31 MARCH 2021 (continued)

Analysis of variances

Items not forming part of cash budget basis. The Regional Council's budget statement was prepared using the cash basis of accounting, and the financial statements have been prepared using the accrual basis of accounting. As a result of the timing of IPSASs adoption the Council did not make budget provisions for the items set out under "items not forming cash basis of accounting". These items have contributed to the variance in the actual and budgeted figures at subtotal and grand total level.

Exchange revenue

Revenue from both non-exchange and exchange transactions is 35% higher than budgeted at grand total level. This is attributable to commission paid to the Council when staff members are taking facilities with the financial institutions, and the Council in return is compensated for collecting premium on behalf of financial institution. Additionally, the Council has received interest from banks because the Council's projects implementation is delayed by the Covid-19 global pandemic. Revenue from permission to occupy rose, which is attributable to an increase in home seekers within the Omusati Regional Council area. The Council is anticipating to improve budget forecasts to aid future planning and resource utilisation.

Non-exchange revenue

Revenue from exchange transactions has been higher than budgeted by 33% at subtotal level. The reporting of financial information using International Public Sector Accounting Standards requires that the Council improves its budgeting to reflect circumstances that are likely to obtain at year end. Revenue from exchange transactions has been higher than budgeted by 3% at subtotal level.

Expenses

The Regional Council has operated within a 10% range below budgeted expenditure excluding items that do not form part of cash basis budgeting (refer first heading under "analysis of variances") above. There are certain sub-votes that have underperform due to bureaucracy in procurement items mostly for Capital projects and Rural Development Projects, but were off-set by statutory and unavoided expenditures such as Utilities (Water and Electricity). This is attributed to higher than anticipated demand as a result of an increase in consumption and general increment in basic charges and unforeseen expenditures like fuel, due to draught distribution and certain equipment's that are worn out and unserviceable.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEARS 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 period of up to 3 years to recognize and/or measure certain assets and liabilities. The financial statements are presented in Namibia dollars which is the functional and reporting currency and all values are rounded off to the nearest thousand (N\$ 000). At the face of the Financial Statements, the Omusati Regional Council disclosure has changed instead of disclosing individual line items to accommodate the changes as advised by the Office of the Auditor –General, as details are narrated in the notes. Also, 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.

In its transition to accrual basis IPSASs, 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 2021, 2022 and 2023.

The Regional Council intends to recognize and/or measure its assets and liabilities as specified in IPSAS 33 paragraphs 39 and 40 by 2024 or an earlier period where the relevant items are recognized and/or measured in the financial statements in accordance with applicable or relevant IPSAS.

The income and expenditure in relation to Delegated Functions is accounted for during the year on under review on a cash accounting basis and in line with Budgeting Guidelines for Delegated Function. Since all liabilities relating to the delegated functions remains with the line Ministry and all unspent Delegated Funds are returned to the State Account, thus it does not materially affect the Regional Council's financial statements.

Omusati Regional Council present its approved budget on a cash basis and financial statements on the accrual basis.

The budget is approved on a cash basis by classification. The approved budget covers the fiscal period from 01 April 2020 to 31 March 2023 and it includes all Directorates within the Regional Council.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEARS ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

The excess of actual expenditure over the financial budget of 15% (25% over approved budget) for the Directorate of General Services was due to response of to the of Drought relief and Covid-19. There were no other material differences between the final budget and the actual amounts.

The budget and the accounting bases differ. The financial statements for the whole of Regional Council are prepared on the accrual basis using classification based on the nature of expenses in the statement of financial performance. The financial statements are consolidated statements that include all Directorates from 01 April 2020 to 31 March 2023. There is a basis difference: the budget is prepared on a cash basis, and the financial statements are prepared on the accrual basis.

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.

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 accrual's basis of accounting.

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

**REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)**

Basis of preparation and significant accounting policies (continued)

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. 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.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

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). On (date) an amount of N\$XXX was deducted from the Operational Fund call Account No 62179836427 through Court order Case No HC-NLD-CIV-ACT-CON-2017/0018. The said matter was communicated and is receiving the Government Attorney's attention, and the Regional Council expects to recover the said amount through the Ministry of Justice.

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 to add value to the Regional Council's financial reporting.

IPSAS 19 Provisions contingent liabilities and contingent assets

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.

On 12 October 2022, Mr. JA Puleston, the Deputy Sheriff/Messenger of the High Court of Oshakati, has served the Regional Council with a Notice of Attachment in Execution dated 12 October 2022, an inventory dated 12 October 2022 and Oshakati High Court documents pending a Court Case between Omaka Mining and Engineering cc vs Omusati Regional Council Case No. HC-NLD-CIV-ACT-CON-2017/0018 in which Mr. Pulestone has seized and laid under jurisdiction attachment the Regional Council Call Account No: 62179836427 held at First National Bank, Outapi Branch for an amount of N\$ 1 414 845 together with interests and costs as per Court Order issued on 18 August 2022. Further, Mr. Pulestone has instructed the Bank to put a hold on the amount held in the Account No. 6217986427 pending his further instructions.

**REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)**

Basis of preparation and significant accounting policies (continued)

In addition, on the instructions of Mr. Pulestone, the amount of N\$ 911 306 was withdrawn from the attached account on 31 October 2022 towards the payment of 1 414 845 owed to Omaka Mining and Engineering cc as per Court Order. Although the matter is in the hands of the Office of Government Attorney, the attachment of the Council account has a knock effect on the cash flow of the Council.

IPSAS 20 Related party disclosures

The objective of this standard is to set the disclosure requirements for transactions between the 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). Concerning 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. Employee benefits for the Chief Regional Officer, Management cadre, and Councillors are disclosed as follows as required by the standard:

	*2023	2022	2021
	N\$	N\$	N\$
Total Salaries package	-	10 469 624	10 271 578
Number (7 Managers and Chief Regional Officer)	-	5 945 463	5 740 391
Salary Package for Councillors	-	4 524 162	4 531 187
Number of Councillors - 9 Councillors 2015-2020 and 9 Regional Councillors 2020-2025 term.			

*Not disclosed.

ANNEXURE F

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

The Council has erroneously paid a pro-rata annual bonus to Honourable Mathews Gabriel in April 2020. The error occurred due to the automated VIP Payroll system that automates the bonus every anniversary month. A letter has been written to inform the Honourable about the appointment letter that stipulates the error about the implementation of his salary and benefits, such error will be corrected for any over or under-payments, and he is requested to indicate how he will refund the said amount in writing. A refund amounting to N\$ 7 028 has been refunded to the Council as per the receipt dated 24 August 2021.

IPSAS 24 Presentation of budget information in financial statements

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

The Council has not disclosed reconciliation between actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts during the year under review, because the previous format used for preparing the annual financial statements was not fully IPSAS compliant, and thus now has made it impossible to compare the current vs previous years using the same format, the Council will fully comply when preparing 2022/2023 annual financial statement.

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

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

The 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 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 analysed by nature in the statement of surplus or deficit.

The accounting policies that relate to the IPSASs set out above will be developed and adopted by the Council, and will be applied in presenting its financial information for the year beginning 01 April 2022. 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 second-time adopter of IPSASs, the Council has taken advantage of transitional exemptions that provide a 3-year relief for the following IPSASs:

IPSAS 12 Inventories; and
IPSAS 17 Property, plant and equipment.

1.4 Significant judgments and sources of estimation uncertainty

In the preparation of these annual financial statement, 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 judgment is inherent in the making of estimates. Actual results in future could differ from these estimates which could be material to the annual financial statements.

ANNEXURE F

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

The Council may receive information after the date of adoption of IPSAS about estimates that it had made under the previous basis of accounting. The 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.

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. The Council has at the reporting date a contingent asset amounting to N\$ 911 307 (2023). This amount was incurred through a court order Case No HC-NLD-CIV-ACT-CON-2017/0018 between Omaka Mining and Engineering cc vs Omusati Regional Council in which the deputy Sheriff has seized and laid under judicial attachment (frozen). The said matter was communicated and is receiving the Government Attorney's attention, and the Regional Council expects to recover the said amount through the Ministry of Justice. It is worth disclosing the present obligation for which the Council is expected to settle within the next 12 months and it can reliably be measured as per the valuator's reports (2021).

Accounts receivables loans and other receivables

The 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.

**REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)**

Basis of preparation and significant accounting policies (continued)

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.

1.5 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.

1.6 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 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.

1.7 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.

1.7.1 Revenue from Exchange Transactions

An exchange transaction is one in which the 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 a liability settled between knowledgeable willing parties in an arm's length transaction.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

Recognition

Rendering of services when the outcome of a transaction involving the rendering of services can be estimated reliably the 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;
- 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 a 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. The stage of completion is determined by surveys of work performed.

1.7.2 Revenue from non-exchange transactions

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

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction the 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 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 recognized 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.

1.8 Investments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Financial instruments are to be classified as equity instruments in accordance with the substance of the contractual arrangement when the instrument first satisfied the recognition criteria in IPSAS 28 (Paragraph 13). The Regional Council holds an equity instrument in Northern Electricity Distribution (NORED) of 15 shares with N\$ 1 in value and has accounted for it in accordance with IPSAS 28 Financial Instruments: Presentation. It is also worth mentioning that the bone of contention issue of investment in NORED is currently dealt with by the Regional Councils and MURD with the assistance of the Office of the Auditor-General to find an amicable solution.

1.9 Property, plant and equipment

The 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). The Council disclose PPE in terms of IPASAS 17 and investment property in terms of IPSAS 16. The Council does not disclose open land as an asset. Infrastructure such as road network, sewer system, water and power supply systems which have added value to vacant land are to be classified as Property, Plant and Equipment.

ANNEXURE F

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

In the previous basis of accounting, the Council's accounting policy for the recognition and measurement of items of PPE is not consistent with IPSAS 17 Property, Plant, and Equipment. However, the Council is in the process of amending the accounting policies to comply/consistent with the adopted standards 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 recognized 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 Council; and
- The cost of the item can be measured reliably.

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.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

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 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 that 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 an 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 that is not depreciated.

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 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 the 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 the 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. Errors include the effects of mathematical mistakes misunderstanding in applying accounting policies oversights and misinterpretations of facts. Where those errors are thought to be significant, an adjustment will be entered into financial statements comparative balances as restated figures.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

ANNEXURE F

Basis of preparation and significant accounting policies (continued)

Errors, that are found and not significant, will not result in prior year adjustment and will be corrected as a current year entry. In addition, errors because of information, which was not known to the Council or could not have reasonably been determined when financial statements were authorized for issue will be corrected in the current year and accumulated profit/loss, will be reinstated.

Profit or loss from the disposal of these assets is 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
Capital Infrastructure	Straight line	50	2
Computer Equipment's	Straight line	3	33.33

1.9.1 Site restoration and dismantling costs

The 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 because of having used the item during a particular period for the purposes other than to produce inventories during the period.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

This accounting policy is attributable to the dumpsites under ownership and control of the 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 in 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 the impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.10 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 realizable value. Net realizable 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. 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 realizable 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 realizable value is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

1.11 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; and
- 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.

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 outflow 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 Council has an onerous contract, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.12 Employee benefits

Employee benefits are all forms of consideration given by the 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; and
- Termination benefits.

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

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

1.12.1 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 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.

1.12.2 Post-employment benefits

These are employee benefits that fall due after the completion of employment. They include pension and job-related early retirement. The 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 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 Council recognizes pension contributions payable as an expense in the statement of surplus or deficit.

1.12.3 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.

1.12.4 Termination benefits

These are benefits paid because of the 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.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

1.13 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.

1.14 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure made in vain and would have been avoided had reasonable care been exercised. The Council recognizes all fruitless and unauthorized expenditures 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.

1.15 Conditional grants and receipts

Revenue received from conditional grants and donations is recognized as revenue to the extent that the 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 recognized.

1.16 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 Council and the fair value of the assets can be measured reliably.

1.17 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 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.

REGIONAL COUNCIL OF OMUSATI
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH (continued)

Basis of preparation and significant accounting policies (continued)

1.18 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.

1.19 Fines

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

1.20 Transfers

The 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.

1.21 Cash and cash equivalents

Cash and cash equivalents include all cash balance 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 G

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

2. Reconciliation of Infrastructure, Plant and Equipment as at 31 March 2023

	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
	Land and Buildings	Motor Vehicle	Capital Infrastructure	Furniture fixtures and Fittings	Plant and Machinery	Office Equipment	Computer Equipment	Total	Total
Cost Opening Balance 01/04/2022	111 734 517	8 346 046	-	4 099 971	6 740 754	1 603 084	2 955 189	135 399 617	135 399 617
Additions 2022/2023 FY	-	-	9 228 266	61 003	-	-	55 851	9 345 120	9 345 120
Total Cost	111 734 517	8 346 046	9 228 266	4 160 974	6 740 754	1 603 084	3 011 040	144 744 737	144 744 737
Accumulated Depreciate 01/04/2022	21 736 999	8 297 150	-	3 885 586	6 724 031	1 592 977	2 545 052	44 781 796	44 781 796
Depreciation for 2022/2023	1 799 950	43 476	63 713	76 155	3 345	967	124 080	2 111 686	2 111 686
Accumulated Depreciate 31/03/2023	(23 536 950)	(8 340 627)	(63 713)	(3 961 741)	(6 727 375)	(1 593 943)	(2 669 132)	(46 893 481)	(46 893 481)
Net Book Value as at 31/03/2023	88 197 568	5 420	9 164 553	199 233	13 379	20 068	341 907	97 851 256	97 851 256

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

ANNEXURE C

3. Reconciliation of Infrastructure, Plant and Equipment as at 31 March 2023 (continued)

The Council took advantage of the transitional provisions in IPSAS 33 regarding the process of adoption and implementation. There are no assets held as security by creditors. Additionally, there are no assets that are held for sale as at 31 March 2023. The Council has assets under construction (Work in Progress) worth N\$ 4 194 843 for services in Settlement areas (Okalongo and Onesij). It should however be noted that assets disclosed in the annual financial statement may not fully comply with IPSAS 17, Property, Plant and Equipment due to the nature, time, and cost involved in attaching the fair value, the Council might have assets needed/required to measure them for inclusion in the 2023/2024 annual financial statements. However, the Council has embarked on a process of rectifying the fixed assets register by identifying assets with value and zero value and incorrect historical cost. Thereafter, the Council will retire items that were authorized by Treasury for auction and donation. A list of zero value and incorrect historical cost items with corresponding locations will be compiled. Finally, the Council will estimate the lifespan of the asset and thereafter revalue the asset. It is also worth mentioning that assets that were recommended for auction during the 2022/2023 financial year amounting to N\$ 73 627 (redundant and obsolete N\$ 8 144 and, (worn out and damaged N\$ 65 483) will be auctioned by Ministry of Works and Transport as per the program scheduled for 29-30 January 2024 in Outapi. Subsequently, the Council has for the purpose of subsequent depreciation used deemed cost as at the date of transition to become the cost of an item. The deemed cost concept assumes that the subsequent depreciation or amortization that the entity had initially recognized the asset or liability at the given date and that its cost was equal to the deemed cost.

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

		Reconciliation of Infrastructure, Plant and Equipment as at 31 March 2021					
		Furniture and fixtures					
	N\$	Motor Vehicle	Fittings and fixtures	Plant and Machinery	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening Balance 01/04/2020	87 557 537	336 597	262 290	30 669	22 653	217 320	88 427 068
Cost	107 814 201	8 346 046	3 968 324	6 740 754	1 603 084	2 577 087	131 049 497
Accumulated Depreciation	(20 256 664)	(8 009 449)	(3 706 034)	(6 710 085)	(1 580 431)	(2 359 767)	(42 622 429)
Additions	669 267	-	9 786	-	-	73 103	752 156
Transfer from work in progress	2 698 536	-	-	-	-	-	2 698 536
Disposal	-	-	-	-	-	-	-
Other changes: correction of errors in depreciation calculation	2 144 301	-	-	-	-	-	144 3012
Sub-total	93 069 641	336 597	272 076	30 669	22 654	290 423	94 022 061
Depreciation	(1 795 889)	(187 239)	(123 695)	(9 115)	(7 602)	(114 880)	(2 238 420)
Revaluations	-	-	-	-	-	-	-
Total	91 273 752	149 359	148 381	21 554	15 052	175 543	91 783 641

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

2. Reconciliation of Infrastructure, Plant and Equipment as at 31 March 2022

	Land and Buildings NS	Motor Vehicle NS	Furniture and fixtures and Fittings NS	Plant and Machinery NS	Office Equipment NS	Computer Equipment NS	Total NS
Cost Opening Balance 01/04/2021	111 182 005	8 346 046	3 978 109	6 740 754	1 603 084	2 650 190	134 500 190
Additions 2021/2022 FY	552 512	-	121 366	-	-	304 999	978 876
Other changes: Correction of errors and depreciation calculation	-	-	496	-	-	-	496
Total Cost	111 734 517	8 346 046	4 099 971	6 740 754	1 603 085	2 955 189	135 479 066
Accumulated Depreciation 01/04/2021	19 908 252	8 196 688	3 829 728	6 719 200	1 588 033	2 474 648	42 716 548
Depreciation for 2021/2022	1 828 748	105 882	60 915	4 831	4 944	82 263	2 087 583
Accumulated Depreciation 31/03/2022	21 736 999	8 302 570	3 89 643	6 724 031	1 592 977	2 556 911	44 804 131
Net Book Value as at 31/03/2022	89 997 518	43 476	209 329	16 723	10 108	398 277	90 675 431

REGIONAL COUNCIL OF OMUSATI

ANNEXURE G

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

2. Reconciliation of Infrastructure, Plant and Equipment as at 31 March 2023

	Land and Buildings	Motor Vehicle	Capital Infrastructure	Furniture and fixtures	Plant and Machinery	Office Equipment	Computer Equipment	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening Balance 01/04/2022	111 734 517	8 346 046	-	4 099 971	6 740 754	1 603 084	2 955 189	135 399 617
Additions 2022/2023 FY	-	-	9 228 266	61 003	-	-	55 851	9 345 120
Other changes: correction of errors in depreciation calculation								
Total Cost	111 734 517	8 346 046	9 228 266	4 160 974	6 740 754	1 603 84	3 011 040	144 824 682
Accumulated Depreciation 31/03/2023	21 736 999	8 297 150	-	3 885 586	6 724 031	1 592 977	2 545 052	44 781 796
Depreciation for 2022/2023	1 799 950	43 476	63 713	76 155	3 345	967	124 080	2 111 686
Accumulated Depreciation 31/03/2023	23 536 950	8 346 046	63 713	3 966 780	6 727 375	1 593 943	2 680 991	46 915 816
Net Book Value as at 31/03/2023	88 197 568	-	9 164 553	194 177	13 379	9 141	330 049	97 908 866

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

2. Reconciliation of Infrastructure, Plant and Equipment (continued)

The Council took advantage of the transitional provisions in IFRS 33, and in the process of 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 IFRS 17, Property, Plant and Equipment due to the nature and the time at which the Regional Council might have assets 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 2021).

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

ANNEXURE G

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
3. Non-Current Assets: Work In Progress	4 194 844	7 972 322	1 450 662	4 108 618
Construction Of Pump House & Sewer Pump Machine-Okalongo	-	2 270 436	-	-
Construction of Sewer Rectification- Erf116 & Re-Rout Sewer line-Onesi	1 291 795	1 291 795	-	-
Construction of Sewer Reticulation Ext 1 Phase1-Okalongo	-	729 288	-	182 240
Construction of Evaporation Pond-Okalongo Phase2	1 601 652	169 522	40 580	2 516 296
Construction of Sewer Pond-Onesi	-	1 401 193	-	-
Construction of Sewer Reticulation-Ogongo Settlement	197 516	-	-	-
Construction of Sewer Services-Okalongo Settlement	-	1 303 141	1 410 082	1 410 082
Fencing of Additional Evaporation Pond-Okalongo	-	806 947	-	-
Installation of Fire Hydrant - Head Office	719 363	-	-	-
Planning and Surveying Of Okalongo Ext 3 and 4	322 644	-	-	-
Surveying of Okalongo Settlement	61 874	-	-	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
4. Cash and Cash equivalent	9 875 330	11 412 138	6 613 293	9 776 518
Bank - 32 days accounts	1 044 686	968 177	910 828	849 152
Bank - BW-disaster fund	(6 903)	(2 578)	109	11 734
Bank - call	309 831	307 127	306 924	306 679
Bank - call	21 946	60 349	38 608	24 763
Bank - call	3 789 588	2 744 361	2 897 214	5 202 640
Bank - call account	16 472	30 143	9 803	1 078 855
Bank - current account	19 441	21 870	24 181	26 577
Bank - current account	639 527	431 986	518 033	383 828
Bank - current account	17 677	1 589	7 864	257 694
Bank - post office call account	103 682	107 107	552 146	465 875
Bank call account	3 604 905	4 305 501	400 914	58 140
Bank call account	297 533	939 760	933 241	680 011
Bank current account	16 944	1 496 745	13 428	430 569

REGIONAL COUNCIL OF OMUSATI

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
5. Trade and other Receivables	19 240 947	16 753 264	14 758 429	11 127 739
Account receivable	6 375 036	5 526 003	4 777 760	5 960 797
Accounts receivable	8 669 813	7 255 670	823 746	805 807
Accounts receivable	-	-	7 002 267	3 879 218
Accounts receivable - miscellaneous fund	136 400	136 400	136 400	136 400
Accrued income	-	-	234 287	-
Advances	1 534 019	780 008	-	-
Funds receivable from other funds	818 371	-	-	-
MAWF-rural water supply	-	-	-	-
OPM account	69 027	84 863	-	1 000
Provision for bad debt	(235 601)	(235 601)	(235 601)	207 025
Public participation	-	-	-	(146 092)
Road fund administration	-	-	-	22 351
S&T line ministries	176 255	160 504	40 348	18 135
Suspense account	-	-	1 667	243 098
Suspense account	-	-	5 214	-
VAT control account	2 394 590	1 976 350	2 108 741	-
VAT control account	(301 098)	1 025 430	-	-
VAT control account	60 995	43 637	-	-
VAT refund & others	(456 861)	-	-	-
Accounts payables recurring	-	-	(136 400)	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
6. Trade and other payables	**6 038 348	8 273 093	2 899 414	*12 539 089
Account payable	53 911	1 702	-	988 634
Account payable	8 293	-	-	6 371 273
Account payable	(29 596)	6 403	-	5 782
Account payable	136 400	136 400	-	-
Accounts payable - recurrent fund	567	567	112 562	144 903
Accrued expense	44 046	4 168 931	-	9 718
Accrued expenses	5 414 359	3 403 324	2 510 827	453 933
Accrued expenses	1 409	293 379	202 340	2 002 841
Accrued expenses	39 615	36 692	-	-
Consumer deposit (income)	891 395	73 024	-	9 735
Funds payable to other funds	-	11 418	-	-
Funds payable to recurrent fund	9 523	9 523	9 523	9 523
Oshikuku & Okahao beneficiaries Retention	348 878	-	40 580	-
Salaries control account	(500)	-	-	-
Suspense account	(1 667)	(1 667)	70	-
Suspense account	-	70	-	-
Suspense account	(898 635)	117 869	-	-
Tsandi Village Council beneficiaries	20 350	15 458	23 512	14 747
Rural development	-	-	-	2 528 000

Rural development

*Balance not matching with prior year tabled report. Difference reported as basis of audit.
**Balance not matching with the Statement of Financial Position. Difference of N\$ 17 668 noted as immaterial.

REGIONAL COUNCIL OF OMUSATI

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
7. Depreciation and amortization	2 111 686	2 087 583	2 238 420	2 888 839
Depreciation - capital infrastructures	63 713	-	187 239	292 490
Depreciation - computer equipment	124 080	82 263	114 880	156 996
Depreciation - furniture fixtures and fitting	76 155	60 915	123 695	175 638
Depreciation - land and building	1 799 950	1 828 748	1 795 889	-
Depreciation - office equipment	967	4 944	-	2 159 269
Depreciation - plants and machineries	3 345	4 831	7 602	95 056
Depreciation - vehicles	43 476	105 882	9 115	9 390
	2 570	6 329	-	-
8. Grants and other transfer payment				
Grants/donations paid - Oongo constituency	851	-	-	-
Grants/donations paid - Etayi constituency	720	-	-	-
Grants/donations paid - Okalongo constituency	-	876	-	-
Grants/donations paid - Onesi constituency	-	591	-	-
Grants/donations paid - Oshikuku constituency	-	1 000	-	-
Grants/donations paid - Tsandi constituency	-	862	-	-
Grants/donation paid - Chairperson of Regional Council	-	3 000	-	-
Grants/donations paid - Otamanzi constituency	1 000	-	-	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense	23 486 748	20 171 546	28 046 660	*32 084 027
World habitant Day	-	-	(10 000)	(10 000)
Accessories & batteries	9 100	42 873	46 000	41 024
Advertising - other media	32 180	148 343	177 979	106 096
Allowance for students on attachment	-	-	12 456	24 912
Arc dinner	-	17 240	-	-
Assessment of fresh water intrusion-Okalongo	-	184 296	-	-
Assessment of fire hydrant	-	61 003	-	-
Assets for Honourable Councillors	42 820	228 964	31 495	-
Audit committee fees	50 236	-	-	-
Bank charges	-	-	1 734	2 258
Bank charges	-	-	31 873	14 851
Bank charges	-	-	3 766	2 721
Bank charges	-	-	2 491	3 253
Bank charges	-	-	91 208	82 088
Bank charges	-	-	11 907	1 347
Bank charges	-	-	5 314	58 486
Build Together houses construction (materials)	-	3 370	534 057	-
Building renovation	-	-	-	-
CACOC meetings - Anamulenge	1 040	-	-	860
CACOC meetings - Elim	-	-	-	816
CACOC meetings - Etayi	1 033	625	544	-
CACOC meetings - Ogonngo	1 039	825	840	839

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
CACOC meetings - Okahao	-	720	-	825
CACOC meetings - Okalongo	-	-	836	-
CACOC meetings - Onesi	1 030	663	-	863
CACOC meetings - Oshikuku	1 021	722	864	764
CACOC meetings - Otamanzi	-	-	859	910
CACOC meetings - Outapi	895	750	-	500
CACOC meetings - Ruacana	-	656	650	604
CACOC meetings - Tsandi	176	798	860	864
CACOC refresher training	-	-	-	500
CACOC salaries - HIV/AIDS coordination	188 916	-	236 408	296 444
Car hire (private garage)	83 241	27 207	30 699	14 878
Cash food for work	-	-	-	(893 538)
Cash food for work - Anamulenge constituency	66 710	-	-	522
Cash food for work - Elim constituency	-	-	-	127 080
Cash food for work - Etayi constituency	65 963	-	-	4 252
Cash food for work - Ogongo constituency	66 522	-	-	-
Cash food for work - Okahao constituency	129	-	-	100 197
Cash food for work - Okalongo constituency	47 278	74 471	268 893	90 498
Cash food for work - Onesi constituency	-	-	-	148 561
Cash food for work - Oshikuku constituency	58 778	2 884	-	10 350
Cash food for work - Otamanzi constituency	-	-	-	117 526
Cash food for work - Outapi constituency	34 016	-	-	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Cash food for work - Tsandi constituency	-	-	-	148 309
Cash food for work - Ruacana constituency	14 131	-	-	147 773
Casual labour	-	-	87 866	31 753
Chairperson entertainment	8 394	1 590	-	-
Claims against Council	-	18 750	-	400
Cleaning materials - regional office	-	-	213 432	59 935
Cleaning of sumps at settlements	-	-	46 989	-
Comp. Supplies & accessories- general services	-	-	420 336	373 060
Constituency development projects - Anamulenge	-	-	28 135	-
Constituency development projects - Elim	68 516	34 117	-	114 095
Constituency development projects - Etayi	112 726	36 505	239 340	-
Constituency development projects - Ogongo	108 116	-	238 285	-
Constituency development projects - Okahao	148 226	-	-	-
Constituency development projects - Okalongo	-	34 795	113 539	-
Constituency development projects - Onesi	-	36 811	-	98 358
Constituency development projects - Oshikuku	-	37 169	126 907	71 178
Constituency development projects - Otamanzi	114 558	36 877	-	-
Constituency development projects - Outapi	113 655	36 603	47 301	-
Constituency development projects - Ruacana	-	-	41 785	-
Constituency development projects - Tsandi	-	34 559	-	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Construction Of Houses- Oongo Settlement	336 233	-	-	-
Construction Of Houses- Okalongo Settlement	-	-	139	-
Construction Of Houses- Onesi Settlement	345 607	-	-	-
Daily Subsistence Allowance (S&T)	-	-	-	20 760
Disaster Account - Head Office	-	-	4 235	-
Disaster Risk Management - Elim	4 711	4 893	4 989	2 482
Disaster Risk Management - Oongo	5 000	2 661	-	4 500
Disaster Risk Management - Okahao	2 808	-	-	-
Disaster Risk Management - Oshikuku	-	4 349	4 983	-
Disaster Risk Management - Otamanzi	4 742	4 793	4 920	-
Disaster Risk Management - Ruacana	-	4 896	3 215	-
Disaster Risk Management - Tsandi	217	4 877	3 192	4 900
Disaster Risk Management- Etayi	4 875	1 700	4 569	4 799
Disaster Risk Management- Okalongo	-	5 140	5 000	2 699
Disaster Risk Management- Onesi	4 995	4 139	4 959	-
Disaster Risk Management- Outapi	4 896	4 896	4 920	-
Disaster Risk Management- Anamulenge	4 900	4 896	2 680	4 860
Electricity	1 520 556	1 474 546	1 433 970	1 766 199
Electrification of Growth Points	-	224 976	-	1 226 194
Employees Wellness	-	-	-	19 992
Employer Contribution To Pension	-	-	5 079 090	4 971 913

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Employer Contribution to Social Security	-	-	424 220	127 502
Entertainment -RME CDC RDCC EDU forum	-	-	-	2 400
Entertainment - Constituency (Etayi)	-	-	-	4 908
Entertainment - Constituency (Ogongo)	-	-	-	1 211
Entertainment - Constituency (Okahao)	-	-	-	2 520
Entertainment - Constituency (Outapi)	-	-	-	2 448
Entertainment - Constituency (Tsandi)	-	-	-	2 333
Entertainment - Councilor (Okahao)	-	-	-	4 256
Entertainment - Councilor (Okalongo)	-	-	-	6 813
Entertainment - Councilor (Anamulenge)	10 000	9 914	-	-
Entertainment - Councilor (Etayi)	8 654	9 440	9 992	-
Entertainment - Councilor (Onesi)	8 407	8 800	-	-
Entertainment - Councilor (Oshikuku)	770	8 057	9 230	-
Entertainment - Councilor (Oramanzi)	4 836	14 331	-	1 080
Entertainment - Councilor (Outapi)	9 924	8 800	9 957	572
Entertainment - Councilor (Tsandi)	3 911	8 866	9 957	3 810
Entertainment - Councilor (Ruacana)	-	-	9 646	2 130
Entertainment - Councilor - Ogongo	10 000	8 511	8 200	-
Entertainment - official	133 716	28 098	29 155	34 912
Established committees - Ogongo settlement	1 683	265	1 498	1 000
Established committees-Elim Constituency	-	-	1 490	-

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Established Committees-Etayi Constituency	1 731	950	1 360	3 288
Established Committees-Head Office	9 879	-	10 211	11 792
Established Committees-Ogongo Constituency	1 690	711	1 489	3 394
Established Committees-Okahao Constituency	-	863	1 480	4 232
Established Committees-Okalongo Constituency	-	490	1 497	1 485
Established Committees-Okalongo Settlement	-	905	-	2 983
Established Committees-Onesi Constituency	1 000	-	840	800
Established Committees-Onesi Settlement	-	480	1 475	3 637
Established Committees-Oshikuku Constituency	1 720	1 000	1 490	-
Established Committees-Otamanzi Constituency	-	490	1 403	4 100
Established Committees-Outapi Constituency	1 640	930	500	3 980
Established Committees-Ruacana Constituency	-	932	1 462	2 208
Established Committees-Tsandi Constituency	998	702	637	2 791
Fence: Otamanzi Constituency Hall And Flats	-	-	-	1 922
Fence: Otamanzi Constituency Hall &Flats	-	-	136 676	-
Food Security Action Plan - Anamulenge Constituency	-	14 088	49 966	-
Food Security Action Plan - Etayi Constituency	20 017	33 704	-	-
Food Security Action Plan - Ogongo Constituency	-	66 556	-	-
Food Security Action Plan - Okalongo Constituency	-	4 995	-	-
Food Security Action Plan - Onesi Constituency	-	-	68 818	-
Food Security Action Plan - Oshikuku Constituency	5 475	50 491	16 790	-
Food Security Action Plan - Outapi Constituency	-	46 087	20 196	-
	-	-	26 192	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Fuel And Lubricants	2 040 064	1 719 955	1 039 772	1 389 014
Gala Dinners & Festivals Entertainment	-	-	-	3 000
Gardening And Tools	-	-	(77)	1 380
Gazetting Fees	-	-	-	2 061
General Office Supplies - General Services	-	-	289 644	209 159
Grants / Donation Paid - Ogongo Constituency	-	-	980	1 500
Grants / Donations Paid - Anamulenge Constituency	-	-	1 000	1 500
Grants / Donations Paid - Etayi Constituency	-	-	1 000	1 342
Grants / Donations Paid - Okahao Constituency	-	-	-	500
Grants / Donations Paid - Okalongo Constituency	-	-	1 000	1 500
Grants / Donations Paid - Onesi Constituency	-	-	937	500
Grants / Donations Paid - Oshikuku Constituency	-	-	1 000	-
Grants / Donations Paid - Outapi Constituency	-	-	937	1 500
Grants / Donations Paid - Ruacana Constituency	-	-	536	1 406
Grants / Donations Paid - Tsandi Constituency	-	-	896	500
Grants/ Donation Paid - Chairperson Of Regional Councillors	-	-	937	3 000
Grants/ Donations Paid -Otamanzi	-	-	-	-
Homestead Compensations	3 492 834	-	-	-
Insurance	2 203	2 269	2 102	1 948
Insurance	1 468 829	1 044 954	1 203 134	1 169 306
Internet, E-Mail Costs & Subscriptions	28 601	10 171	10 637	6 886
KM & Others means of transport	240 910	100 954	105 578	134 623

REGIONAL COUNCIL OF OMUSATI

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Leave Gratuity	-	-	958 158	546 894
Maintenance Of Manhole-Okalongo	-	214 257	-	-
Maintenance - Building	11 468	7 121	509	-
Maintenance - Cleaning Septic Tanks	21 950	35 800	-	2 975
Maintenance - Computer Equipment	9 763	7 947	5 530	25 872
Maintenance - Furniture And Fittings	-	32 388	6 106	34 258
Maintenance - Office Equipment	33 217	7 811	36 611	3 784
Maintenance - Other Properties	12 168	27 588	10 529	245 926
Maintenance - Sewer Pump Machine	50 692	6 647	-	2 800
Maintenance - Water Pipes & Meters	-	509	(596)	-
Membership Fee And Subscription - Architecture	82 000	82 000	80 000	80 000
Micro Finance - Anamulenge Constituency	32 820	24 924	8 624	-
Micro Finance - Elim Constituency	4 719	29 341	37 760	-
Micro Finance - Etayi Constituency	20 337	36 008	14 000	-
Micro Finance - Ogongo Constituency	20 865	45 062	5 540	-
Micro Finance - Okahao Constituency	44 312	25 153	-	-
Micro Finance - Okalongo Constituency	4 560	66 004	-	-
Micro Finance - Onesi Constituency	14 035	45 470	16 071	-
Micro Finance - Oshikuku Constituency	42 462	28 109	-	-
Micro Finance - Otamanzi Constituency	36 000	20 312	11 828	-
Micro Finance - Outapi Constituency	19 934	50 290	-	-
Micro Finance - Ruacana Constituency	28 654	20 800	17 435	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Micro Finance - Tsandi Constituency	11 094	47 129	12 750	-
Motor Vehicle Tools	-	4 880	4 529	-
Municipal Charges	1 069 660	864 040	700 652	804 733
New Pump Station Ogongo Proper	-	27 248	-	-
Occupational Health Safety-Covid 19	1 443	51 765	139 891	-
Ogongo Treatment Plant	-	-	-	87 394
Okalongo Settlement Economic Sustainability Study	-	-	126 132	-
OPM Disaster Account	95	(535)	67 006	996 415
Other Licences	384 726	361 308	359 439	345 311
P/Bag Rental Postage & Courier	62 567	119 201	88 680	140 507
Photocopy Paper Supplies	-	-	187 808	199 344
Planning And Surveying Of Okalongo Ext 3 And 4	-	-	-	331 448
Planning of Onesi Extension 1 & New Reception	-	-	26 979	655 500
Printing and Distribution	-	-	67 473	61 878
Printing and Distribution	78 422	67 718	-	-
Professional Services	421 607	198 678	217 425	198 684
Promotional Materials	-	-	8 820	35 995
Properties Rental - Office Machineries	487 934	388 728	487 839	409 047
Property Rental - Other Properties	-	-	-	8 920
Property Rental - Settlement Offices	342 894	355 988	393 420	429 779
Protective Clothing	-	-	73 738	9 971
RACOC Meetings - HIV/AIDS Coordination	11 374	4 505	2 394	2 400

REGIONAL COUNCIL OF OMUSATI

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Refuse Removal	176 925	244 780	251 962	310 751
Rehabilitation Of ORC-Outapi Houses Fence	-	-	147 786	-
Repairs Spare Parts & Servicing Vehicles	454 589	564 243	705 396	421 220
Repair And Replace Slice Gate-Onesi Oxidation Pond	-	3 000	5 698	108 270
Road Maintenance In Settlements	25 901	983 790	-	619 854
Rural Development Centre	167 542	650 903	521 149	3 298 475
Rural Employment Scheme Elim Constituency	-	6 851	-	-
Rural Employment Scheme Outapi Constituency	-	-	20 650	-
Rural Employment Scheme-Anamulenge	-	-	12 580	-
Rural Sanitation - Anamulenge Constituency	85 500	299 242	292 697	-
Rural Sanitation - Elim Constituency	77 163	85 500	273 624	194 181
Rural Sanitation - Etayi Constituency	85 500	173 872	188 100	175 605
Rural Sanitation - Ogongo Constituency	85 500	159 848	188 100	141 853
Rural Sanitation - Okahao Constituency	85 500	85 498	291 200	175 506
Rural Sanitation - Okalongoi Constituency	85 500	85 500	277 510	182 233
Rural Sanitation - Onesi Constituency	-	74 348	359 100	-
Rural Sanitation - Oshikuku Constituency	85 500	205 200	153 900	192 725
Rural Sanitation - Otamanzi Constituency	85 505	82 702	273 600	179 851
Rural Sanitation - Outapi Constituency	85 500	85 500	273 616	180 395
Rural Sanitation - Ruacana Constituency	85 500	85 500	299 404	117 650
Rural Sanitation - Tsandi Constituency	3 294	85 629	274 240	177 681
S&T Domestic	199 267	26 545	547 298	1 206 633

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Security	351 979	223 926	197 854	371 069
Service Bonus Accrued (Provision)	-	-	(28 971)	38 735
Sport Activities	3 500	-	-	5 000
Supply Deliver and Installation Winch-Ogongo Settlement Pump	-	10 923	-	-
Support Group Meetings - Elim	-	-	-	811
Support Group Meetings - Ogonjo	1 039	825	815	800
Support Group Meetings - Okahao	-	-	-	775
Support Group Meetings - Okalongo	-	-	811	814
Support Group Meetings - Onesi	1 040	717	810	800
Support Group Meetings - Oshikuku	1 040	694	800	-
Support Group Meetings - Otamanzi	904	-	755	808
Support Group Meetings - Outapi	940	750	795	-
Support Group Meetings - Ruacana	1 032	-	796	-
Support Group Meetings - Tsandi	867	824	589	814
Support Group Meetings -Etayi	890	640	813	-
Support to Poor Rural Farmers - Elim Constituency	8 922	-	-	-
Support to Poor Rural Farmers - Outapi Constituency	79 309	43 439	-	-
Surveillance Cameras	4 500	82 746	-	-
Telephone, Cell phones & Fax	1 458 222	1 318 897	1 096 305	1 235 167
Training - Courses / Workshop/Conferences	75 568	149 974	74 352	212 166
Tyres	43 412	114 915	125 599	98 730
Vehicle License fee	91 227	92 689	91 430	102 529

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

ANNEXURE G

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
9. Other expense (continued)				
Vehicle Tracking Devices	-	-	25 080	-
Water	4 910 266	4 778 235	3 739 249	3 965 720
Water Meters, Pipes & Fittings	-	-	17 468	22 734
World Aids Day - HIV/AIDS Coordination	26 660	-	-	9 202
World Food Day	-	-	8 270	73 197

*Difference reported as basis of audit opinion.

10. Supplies and consumables

Cleaning materials - regional office	486 729	914 868	-	-
Computer. Supplies & accessories- general services	88 934	132 096	-	-
General office supplies - general services	123 475	370 947	-	-
Photocopy paper supplies	118 437	224 873	-	-
Protective clothing	97 318	89 171	-	-
Water meters pipes & fittings	40 516	73 227	-	-
	18 050	24 555	-	-

11. Wages, Salaries and employee benefits

Allowance For Students On Attachment	49 945 653	47 379 396	40 867 856	46 079 774
Casual Labour	19 420	30 206	-	-
Contract Employee	31 899	20 114	-	-
Employee Wellness	-	211 773	334 604	437 068
Employer Contribution To Pension	3 722	8 500	-	-
Employer Contribution To Social Security	5 316 794	5 173 470	-	-
Housing Subsidies	410 843	137 199	-	-
	2 009 428	1 708 428	1 538 502	1 347 402

ANNEXURE G

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

	2023	2022	2021	2020
	NS	NS	NS	NS

12. Wages, Salaries and employee benefits
(continued)

Leave Days Accrued	829 157	612 104	-	-
Leave Gratuities	849 225	1 074 784	-	-
Salaries & Wages	40 412 057	39 644 075	38 994 750	38 648 995
Service Bonus Accrued	63 107	17 049	-	-

13. Accumulated Funds	105 134 706	98 138 688	96 679 048	*83 212 787
Accumulated funds	2 689 351	2 644 312	2 568 394	2 529 370
Accumulated funds	107 603 729	100 156 178	100 079 494	90 112 969
Accumulated funds	(2 578)	109	2 016	-
Accumulated funds	192 598	194 705	196 856	197 101
Accumulated funds	(7 866 753)	(7 561 293)	(10 430 600)	(11 879 190)
Accumulated funds	2 518 360	2 704 677	4 262 872	2 252 538

* Balance not matching with the Statement of Financial Position. Difference reported as basis of audit opinion.

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
14. Infrastructure, Plant and Equipment	9 711 298	6 777 913	91 783 642	88 427 068
Accumulated Depreciation - Computer Equipment	2 680 991	2 556 911	2 474 648	2 359 768
Accumulated Depreciation - Office Equipment	1 593 943	1 592 977	19 908 252	20 256 664
Accumulated Depreciation - Plant and Machinery	6 727 375	6 724 031	1 588 033	1 580 431
Accumulated Depreciation - Vehicles	8 346 046	8 302 570	6 719 200	6 710 085
Accumulated Depreciation - Furniture, Fixture & Fittings	3 966 798	3 890 643	8 196 688	8 009 449
Fixed Assets - Computer Equipment	(3 011 040)	(2 955 189)	(3 829 728)	(3 706 034)
Fixed Assets - Capital Infrastructures	9 228 266	-	2 650 190	2 577 088
Accumulated Depreciation - Capital Infrastructures	(63 713)	-	3 978 109	3 968 324
Fixed Assets - Furniture, Fixtures & Fittings	4 160 974	4 099 971	111 182 005	107 652 255
Fixed Assets - Office Equipment	1 603 084	1 603 084	1 603 084	1 603 084
Fixed Assets - Plants and Machineries	6 740 754	6 740 754	6 740 754	6 740 754
Fixed Assets - Vehicles	8 346 046	8 346 046	8 346 046	8 346 046
Construction of boundary wall for Cuban experts	-	-	-	161 947
15. Land and Buildings	88 197 568	89 997 518	-	-
Accumulated Depreciation - Land and Buildings	(23 536 950)	(21 736 999)	-	-
Fixed Assets - Land and Buildings	111 734 517	111 734 517	-	-

ANNEXURE G

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

	2023	2022	2021	2020
	NS	NS	NS	NS
16. Finance Cost	123 508	115 327	-	-
Bank Charges	1 819	1 716	-	-
Bank Charges	13 258	17 374	-	-
Bank Charges	4 230	4 022	-	-
Bank Charges	2 739	2 331	-	-
Bank Charges	98 994	88 416	-	-
Bank Charges	2 468	1 468	-	-
17. 5% Rates and Taxes Contribution	1 744 868	1 621 600	1 626 267	-
Okahao Town Council - 5% Rates Contribution	545 515	524 867	-	-
Oshikuku Town Council - 5% Rates Contribution	251 881	66 887	-	-
Outapi Town Council - 5% Rates Contribution	828 083	800 576	-	-
Ruacana Town Council - 5% Rates Contribution	97 839	162 144	-	-
Tsandi Village Council - 5% Rates Contribution	21 550	67 127	-	-
<i>2021 financial year did not have a detailed description of what made up the balance.</i>				
18. Fees, fines, penalties and licenses	195 713	319 793	732 378	291 359
Bid Fees	132 200	112 300	604 608	158 760
Bid Fees (60%)	-	160 500	114 992	105 840
Commission - Insurance	63 513	46 993	-	-
Discount Received	-	-	2 778	26 759
Grant/Donations Received	-	-	10 000	-

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
19. Revenue from Exchange Transaction	7 336 626	6 797 118	3 506 177	* 5 649 800
Accrued Income	(234 287)	(234 287)	-	-
Commission - Insurance	-	-	53 438	48 635
Income From Basic Charges (Water Sewer)	543 605	539 938	532 274	174 145
Income From Basic Other Income Exchange	-	-	-	327 602
Income From Build Plans	5 625	16 214	5 822	3 447
Income From P.T.O / Erven	-	-	-	293 491
Income from Sewerage	99 215	6 973	91 738	115 557
Income from Water	3 389 692	3 461 164	-	-
Income Photocopies, Other Sale & Claim	86 219	62 009	150 308	204 454
Income Erven	1 036 323	1 021 369	967 887	635 791
Insurance	-	-	-	1 709
Interest Received	60 451	49 024	46 845	81 763
Interest Received	304 137	69 198	16 669	92 418
Interest Received	3 014	224	-	1 151
Interest Received	49 838	34 153	340	3 009
Interest Received	166 324	17 953	31 520	147 779
Interest Received	-	-	113 648	201 937
Interest Received	-	-	38 362	39 005
Other Income	-	-	300	619 854
Other Income	-	-	5 128	9 833
Other Income	-	-	-	20 650
Refunds	-	-	-	1 125

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$

18. Revenue from Exchange Transaction (continued)	2023	2022	2021	2020
Refunds			393 432	29 066
Refunds			10 764	
Rental Income	940 816	806 268	806 958	2 173 100
Rental Income	8 273	7 889	8 100	8 553
Sales Income			7 843	2 293
Royalties	632 324	610 477		

*Balance not matching with balance on the face of statement of financial performance. A difference of N\$ 291 359 noted as not material.

20. Revenue from non-Exchange Transaction	2023	2022	2021	2020
Discount received	6 265	36 986	-	-
Income from interest on overdue accounts	1 868 047	677 588	-	-
Tsandi Village Council (5% Contribution)	97 021	-	-	-
	1 971 333	714 573		

21. Other Revenue	2023	2022	2021	2020
Other Income	320	150	-	-
Other Income	5 766	6 447	-	-
Refund	-	179	-	-
Refunds	12 113	100 154	-	-
Sales Income	4 302	-	-	-
	22 501	106 930		

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
22. Transfer from Government entities	70 499 845	67 990 633	60 127 862	*65 892 765
Cash Food For Work	461 538	461 538	461 538	-
Government Subsidy	-	800	68 864	1 000 000
Micro Finance	-	461 538	461 538	-
Road Fund Administration	575 106	653 512	524 826	-
Rural Development Centre	192 674	661 531	1 154 000	3 298 475
Rural Sanitation	2 308 000	1 154 000	57 457 096	3 500 000
Subsidy Income - Government	58 687 548	57 456 202	-	55 457 094
Subsidy Income - Government	8 274 979	7 141 511	-	2 555 696
World Food Day	-	-	-	81 500

*Balance not matching with balance on the face of statement of financial performance. A difference of N\$ 893 538 noted.

ANNEXURE G

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

Delegated Functions

The Omusati Regional Council is currently performing the following delegated functions by Central Government Ministries in accordance with Decentralization Enabling Act, 2000 (Act No. 33 of 2000). During delegation, the Council only acts as an agent for a Delegating Line Ministry, the latter retaining full control and overall accountability for the approved budget. Once the Ministry approve the budget it is then transferred to the Council for execution.

	2023	2022	2021	2020
Income	212 497 884	243 016 410	271 661 852	235 675 935
Ministry of Information Communication and Technology	152 469	327 445	737 165	631 245
Ministry of Education Arts and Culture	188 196 058	225 749 208	241 948 425	209 703 550
Ministry of Agriculture of Agriculture Water Land Reform-DAPEES	6 216 303	3 436 633	4 371 874	2 658 502
Ministry of Agriculture of Agriculture Water Land Reform-Directorate of Land & Resettlement	516 641	447 355	457 636	501 959
Ministry of Agriculture of Agriculture Water Land Reform-Directorate. of Rural Water Supply	8 352 712	4 651 463	11 439 823	9 109 105
Ministry of Works and Transport- Directorate of Maintenance	1 333 816	1 555 620	1 963 911	1 633 110
Ministry of Gender Equality and Child Welfare	7 729 885	6 848 684	10 743 018	11 438 465

ANNEXURE G

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

	2023	2022	2021	2020
	N\$	N\$	N\$	N\$
Expenditure	199 377 180	190 239 554	200 162 741	211 912 505
Ministry of Information Communication and Technology	114 665	154 002	80 472	49 543
Ministry of Education Arts and Culture	187 891 053	178 609 310	178 609 310	202 533 267
Ministry of Agriculture of Agriculture Water Land Reform- DAPEES	2 399 871	1 238 171	2 485 241	245 035
Ministry of Agriculture of Agriculture Water Land Reform- Directorate Land & Resettlement.	310 043	270 896	342 505	427 663
Ministry of Agriculture of Agriculture Water Land Reform- Directorate. Rural Water Supply	2 546 043	2 570 735	8 467 459	2 444 508
Ministry of Works and Transport- Directorate of Maintenance	1 154 727	1 468 492	1 501 463	1 544 695
Ministry of Gender, Equality and Child Welfare	4 960 777	5 927 948	8 676 291	4 667 793
Bank Balance as at 31. March	12 959 871	8 367 167	71 499 111	23 763 431
Ministry of Information Communication and Technology	34 623	14 211	656 693	581 702
Ministry of Education Arts and Culture	287 196	3 189 442	63 339 114	7 170 283
Ministry of Agriculture of Agriculture Water Land Reform- DAPEES	3 809 639	2 198 462	1 886 633	2 413 466
Ministry of Agriculture of Agriculture Water Land Reform- Directorate Land & Resettlement.	196 502	176 459	115 131	74 296
Ministry of Agriculture of Agriculture Water Land Reform- Directorate. Rural Water Supply	5 729 665	1 780 729	2 972 364	6 664 597
Ministry of Works and Transport- Directorate of Maintenance	172 867	87 128	462 449	88 415
Ministry of Gender Equality and Child Welfare	2 729 379	920 737	2 066 727	6 770 673

