



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OMUSATI REGION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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 2024 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.

WINDHOEK, June 2025

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE REGIONAL COUNCIL OF OMUSATI
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Regional Council of Omusati for the financial year ended 31 March 2024. 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 year 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 2024 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR 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 DIFFERENCES BETWEEN THE FACE OF FINANCIAL STATEMENT AND NOTES

- The cash flow of N\$ 11 188 552 and note 16 amounting to N\$ 21 300 197 has a difference of (N\$ 10 111 645) for sales of goods and services;
- The cash flow of N\$ 24 659 312 and note 21 amounting to N\$ 35 236 373 has a difference of (N\$ 10 577 061) for payments to supplier;
- The cash flow of N\$ 9 458 072 and note 22 amount of N\$ 506 567 has a difference of N\$ 8 951 501 for purchase of plant and equipment; and
- The statement of financial position comparative figures (N\$ 5 919 181) and note 5 amounting to N\$ 7 636 821 has a difference of (N\$ 1 717 640) for trade and other payables.

2.2 RECONCILIATION OF NET CASH FLOW

The Council did not prepare a reconciliation of net cash flow from operating activities as required by IPSAS 2(29), which states that an “Entities reporting cash flows from operating activities using the direct method are also encouraged to provide a reconciliation of the surplus/deficit from ordinary activities with the net cash flow from operating activities. This reconciliation may be provided as part of the cash flow statement or in the notes to the financial statements”.

2.3 RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS

The Council’s budget is prepared on a cash basis, and the financial statement is on an accrual basis. The Council, however, did not disclose a reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements as required by IPSAS 24(47)(b), which states that:

The actual amounts presented on a comparable basis to the budget, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the following actual amounts presented in the financial statements, identifying separately any basis, timing, and entity differences if a basis other than the accrual basis is adopted for the budget, net cash flows from operating activities, investing activities, and financing activities.

The reconciliation shall be disclosed on the face of the statement of comparison of budget and actual amounts, or in the notes to the financial statements.

2.4 PHYSICAL VERIFICATION OF INFRASTRUCTURE, PLANT, AND EQUIPMENT

Assets valued at N\$ 2 226 319 could not be physically verified for existence. The auditors were unable to conduct verification for the selected sample because the Council’s unique identification number on the assets is not the same as the code in the fixed asset register.

2.5 OTHER INVESTMENTS: RCEC

The Council's financial statements reflect an investment in the Regional Council Electricity Company (RCEC), recorded at a carrying value of N\$ 15; however, no evidence was provided to determine that an impairment assessment was conducted. IPSAS 29: *Financial Instruments: Recognition and Measurement*, requires entities to assess financial assets for impairment at each reporting date. The absence of an impairment assessment may therefore result in the misstatement of assets in the financial statements.

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. 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.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional skepticism 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.

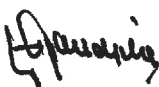
7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 22 November 2024 instead of three (3) months after the year end as required by the Act.

8. ACKNOWLEDGEMENT

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

WINDHOEK, June 2025


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

KEY ENTITY INFORMATION AND MANAGEMENT

Physical Address:	Erf 1080 c/o Namaungu and Isack Pondo Street Outapi Namibia
Postal Address:	Private Bag 523 Outapi Namibia
Banks:	First National Bank Bank Windhoek Nampost Standard Bank

Principal activities

To coordinate the implementation of socio-economic development programs in Omusati Region.

Mandate

Our mandate is derived from Article 103 of Namibian Constitution read with Section 28 of the Regional Council, 1992 (Act No. 22 of 1992) as amended is to govern and plan the social, economic, physical and infrastructural development and 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

Integrity	-	Striving to consistently do what one says, with honesty and openness, keep promises, being reliable, adhering to high moral standards and principles.
Accountability	-	Always being responsible and answerable for results and accepting consequences of our actions.
Innovation	-	Proactive finding a new way of doing things for relevant issues, challenging the Status quo.
Participation	-	Taking part and involving our stakeholders to give suggestions, advice and share ideas in planning and implementation.
Dedication	-	Meeting deadlines, consistently working to quality standards and working with sense of willingness or being committed to doing more.

ACCOUNTING OFFICER'S RESPONSIBILITIES

According Section 40 of the Regional Council Act, 1992 (Act No.22 of 1992) as amended, the accounting officer of a Regional Council shall within three (3) months or such much longer periods as in the Auditor-General may approve, after the end of the financial year of the Regional Council make out financial statements in such form as may be determined by the Auditor-General in respect of that financial year and submit such financial statements to the Auditor-General.

This responsibility include: (i) maintaining adequate financial management and ensuring that those continue to be effective throughout the reporting period; (ii) maintaining proper accounting records which disclose the reasonable accuracy at any time of financial position of the 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 accept responsibility for Omusati Regional Council financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates in conformity with International Public Sectors Accounting Standards (IPSAS), the Regional Council Act, 1992 (Act No. 22 of 1992) as amended and State Finance Act, 1991 (Act No. 31 of 1991). The accounting officer is of an opinion that the entity's financial statements give a fair view of the state of entity transactions during the financial year ended 31 March 2024 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 as well as adequacy of the systems of internal financial control.

The annual financial statements as set out on pages 7 to 57 have been prepared on the going concern basis, were approved on 16 August 2024 and signed by:

Gervasius Kashindi
Chief Regional Council
Committee

Andreas Shintama
Chairperson of Management

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

	Note	2024 N\$	2023 N\$
ASSETS			
Current assets		34 542 413	29 143 260
Cash and cash equivalents	2	10 572 977	9 875 630
Trade and other receivables	3	23 589 589	19 106 261
Inventory		379 847	153 939
Prepayments		-	7 430
Non-current assets		110 391 419	103 021 002
Trade and other receivables		967 042	917 278
Other investment: RCEC		15	15
Infrastructure, plant and equipment	4	22 230 191	13 906 141
Buildings	4	87 194 171	88 197 568
TOTAL ASSETS		144 933 832	132 164 262
Current Liabilities			
		12 081 685	7 093 160
Trade and other payables	5	8 766 210	*5 919 181
Current portion of employees benefits		3 315 475	1 173 979
Non-current liabilities		-	14 184 278
Employee benefits		-	14 184 278
TOTAL LIABILITIES		12 081 685	21 277 439
NET ASSET/ EQUITY			
		132 852 147	110 886 829
Accumulated surplus/deficit		124 411 898	105 201 267
Surplus/(deficit)		8 440 249	5 685 562
TOTAL NET ASSETS/ EQUITY		144 933 832	132 164 268

*Observation: not agreeing to the note.

REGIONAL COUNCIL OF OMUSATI

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH

		2024	2023
	Note	N\$	N\$
Revenue		84 923 083	81 842 014
Fees, fines, penalties and licenses	6	206 334	196 013
Revenue from exchange transactions	7	*11 761 035	*11 123 655
Transfer from government entity	8	72 942 094	70 499 845
Other revenue	9	13 620	22 501
Expenses		76 482 834	76 156 453
Wages, salaries and employees benefits	10	50 570 462	49 945 653
Grants and other transfer payments	11	2 245	2 570
Supplies and consumables	12	190 344	486 729
Depreciation and amortisation expenses	13	2 137 419	2 111 686
Other expenses	14	*23 427 952	* 23 486 313
Finance cost	15	* 154 404	123 508
Surplus/(Deficit) for the period		8 440 249	5 685 562

*Differences observed between the balances on the face of the financial statements and the corresponding notes.

- Revenue from exchange transactions N\$ 902 129 (2024) N\$ 468 575 (2023)
- Other expenses N\$ 4 998 (2024) N\$ 20 017 (2023)
- Finance cost N\$ 4 014

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

	N\$
Closing balance as 31 March 2023	110 886 829
Correction or errors	13 525 069
Reinstated balance	124 411 898
Surplus/Deficit	8 440 249
Balance as at 31 March 2024	132 852 147

Explanation of adjustment to the accumulated funds (under review year)

During the review and finalization of the financial statement for the year under review, several adjustments were processes to correct prior misclassifications and omissions. These adjustments were necessary to ensure compliance with applicable accounting standard and correct fund reporting. The impact of these adjustments resulted in changes to the accumulated fund balances. Below is a summary of the key adjustments made:

1. Correction of 5% Rates and Taxes revenue from Local Authorities

It was identified that the 5% revenue from Local Authorities (rates and taxes), received in terms of the Regional Councils Act, was incorrectly credited to the development fund instead of the operational fund.

Adjustment: The revenue was reallocated from the development fund to the operational fund to correctly reflect it as operational revenue.

2. Processing of accounts receivable debit notes for 2022/2023 financial year

Debtors account were updated to process outstanding receivable debit notes related to the 2022/2023 financial year due to adjusted gazette tariffs. These amounts were previously not captured.

Adjustment: The accounts receivable balance was updated, increasing revenue and reflecting the correct outstanding amounts due from clients.

3. Processing of interest and homeowners policy on building together loans (2020-2023)

Interest and homeowners policy charges on build together loans for the period 2020 to 2023 were not run and processed in the system. Adjustment: The financial records were updated to recognize the accrued interest and home owner's policy amounts for the past periods.

4. Correction of Value Added Tax (VAT)

VAT was previously wrongly processed against the build together fund and rural development fund, which are not VAT funds.

Adjustment: VAT entries were reversed from these funds and correctly processed to the operational fund where applicable. These adjustments have resulted in the reclassification of revenue, proper recognition of accrued income, and correction of fund balances, ensuring that the financial statements fairly present the Council's financial position in line with applicable accounting standards. The accumulated fund balances for the development fund, operational fund, build together fund, and rural development fund have been corrected accordingly.

Explanation of adjustment to the Accumulated funds (under review year) (continued)

5. Contingent liability- Accumulated leave days (disclosed in term of IPSAS 19)

As at 31 March 2018, the estimated value of accumulated leave days owed to staff amounted to N\$ 12 660 296.

In accordance with the provisions of IPSAS19- provisions, contingent liabilities and contingent assets, the obligation relating to employees accumulated leave days does not meet the criteria for recognition as a liability on the face of the financial statements. Consequently, the amount is disclosed as a contingent liability, to be settled as and when employees exercise their leave entitlements or upon termination of employment.

ANNEXURE D

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

		2024	2023
	Note	N\$	N\$
Cash flow from operating activities			
Receipts		84 923 083	90 221 874
Sales of goods and services	16	11 188 552	18 983 566
Grants	17	72 942 094	70 499 845
Interest	18	635 215	583 762
Other receipts	19	157 613	154 701
Payments		74 767 664	82 552 780
Employees cost	20	49 952 948	49 053 389
Suppliers	21	24 659 312	33 375 883
Finance cost/ paid		154 404	123 508
Other payments		1 000	-
Net cash flows from operating activities		10 155 419	7 669 094
Cash flows from investing activities		(9 458 072)	*9 205 902
Purchase of plant and equipment	22	9 458 072	4 687 048
Cash flows from financing activities		-	-
Proceeds from borrowing		-	-
Repayments of borrowing		-	-
Distribution/dividend to government		-	-
Net cash increase (decrease) in cash and cash equivalents		697 347	(1 536 807)
Cash and cash equivalents: at beginning of period	3	9 875 330	11 412 138
Cash and cash equivalents at end of period	3	10 572 677	9 875 331

*N\$ 9 205 902 is a balancing figure.

Differences were observed between the balances on the face of the cash flow and the corresponding notes. Material differences are reported at the basis of audit opinion paragraph.

ANNEXURE E

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Description	Note	Original budget	Budget adjustments	Virementation/ re alignment	Final budget	Actual income/expenditure	Unauthorized expenditure	Variance	Actual income/expenditure As % of Final Budget	Actual outcome as % of original Budget	Reference
		N\$	N\$	N\$	N\$	N\$	N\$	N\$			
Financial performance											
Transfers recognised operational		58 691 458	733 603		59 425 061	59 425 601		540	100	101	
Own revenue		13 442 950			13 442 950	11 337 672		2 105 278	84	84	
Total revenue (excluding capital transfers & contributions)		72 134 408	733 603		72 868 011	70 763 273		2 104 738	-	98	
Employee costs		52 992 396		1 242 500	51 749 896	49 706 651		2 043 245	96	94	
Depreciation & asset Impairment		-	-	-	-	2 137 419	-	2 137 419	-	-	
Finance charges		68 250	-	-	68 250	127 840		59 590	187	187	R1
Transfers & grants		90 500	-	-	90 500	104 746		14 246	116	116	R2
Other expenditure		11 859 424	-	585 954	12 445 378	20 986 779		8 541 401	169	177	R3
Total expenditure		65 010 570		1 828 454	64 354 024	73 063 435		8 709 411	114	112	
Surplus/(deficit) for the year		7 123 839	733 603	1 828 454	8 513 988	2 300 162		10 814 149	27	32	R4

REGIONAL COUNCIL OF OMUSATI

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Description	Note	Original budget	Budget adjustments	Virement/ re alignment	Final budget	Actual income/expenditure	Unauthorized expenditure	Variance	Actual income/expenditure As % of Final Budget	Actual outcome as % of Original Budget	Reference
		N\$	N\$	N\$	N\$	N\$	N\$	N\$			
Capital expenditure & Funds Sources											
Transfers recognised capital and development partners		34 776 356			34 776 356	10 940 238		23 836 117	31	31	
Internally Generated Funds		308 878			308 878	569 929		261 051	185	185	R5
Total Sources of Capital Funds		35 085 234			35 085 234	11 510 167		23 575 066	33	33	
Net Cash From (Used) Operating		8 943 379									
Net Cash From (Used) investing		8 992 577									
Net Cash From (Used) Financing											
Cash/Cash Equivalent at the Year End		10 572 977									

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

RECONCILIATION IN THE NOTES TO THE FINANCIAL STATEMENTS

Reconciliations of Budget Surplus/Deficit with the Surplus/ Deficit in the Statement of Financial Performance

		N\$
Net Surplus/ Deficit Per the Statement of Financial Performance		8 042 635
Adjusted for:		
Fair Value Adjustments		
Impairments Recognised/Reversed		
Surplus/Deficit on the sale Assets		
Depreciation and Amortisation Expenses		2 137 419
Net Surplus/Deficit per approved budget		*

Explanation

R1- Due to – due to multiple internet banking transacting

R2- Accruals for 2022-2023 financial year

R3- Accruals for 2022-2023 financial year

R5- due to the funds kept in the bank account while awaiting for payments to be effected

***Observation:** Reconciliation not reconciled to the net surplus/(deficit).

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024**

Basis of preparation and significant accounting policies

The financial statements have been prepared in accordance with accrual basis and International Public Sector Accounting Standards (IPSAS) 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 been changed instead of disclosing individual line items to accommodate the changes as advised by the Auditor-General. The details are narrated in the notes.

The Regional Council intends to recognize and/or measure its assets and liabilities by 2025 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 under review on a cash accounting basis and in line with Budgeting Guidelines for Delegated Functions. Since all liabilities relating to the delegated Functions remains with the Line Ministries and all unspent Delegated Funds are returned to the State Account. Thus they do not materially affect the Regional Council financial statements.

Omusati Regional Council present its authorised budget on a cash basis and financial statement on the accrual basis.

The budget is approved and authorised on a cash basis by classification. The authorized budget covers the fiscal period from 01 April 2023 to 31 March 2024 and it includes all Directorates within the Regional Council.

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 Directorate from 01 April 2023 to 31 March 2024. There is a basis difference. The budget is prepared on a cash basis and the financial statements on the accrual basis.

1.1 Changes in the accounting policy

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

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

1.1 Changes in the accounting policy (continued)

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.

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 opted to present comparative figures.

IPSAS 2 Statement of cash flows

This standard requires the provision of information about the changes in cash and cash equivalents during the financial period from operating investing and financing activities. The statement of cash flow shall report cash flows from three categories namely operating activities investing activities and financing activities. The statement of cash flow shall be prepared using the direct 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 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 in accounting policy or accounting estimate the change shall be considered a change in accounting estimate.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

Changes in the accounting policy (continued)

Correction of prior period error-provision for non-current employees (leave days)

During the 202/2024 financial year, the Council reviewed the treatment of accumulated leave days in line with guidance received from the Office of the Auditor-General (OAG). The OAG advised that accumulated leave days as at 31 March should be capped and derecognised from the liability as per the public service staff rules (PSSR D.I/II) and treated as a correction of prior period error.

Nature of the prior period error:

The Council previously included leave days that had technically lapsed but were carried forward, overstating the non-current employee benefits provision. This was inconsistent with the applicable PSSR and IPSAS 3.

Correction made:

The error was corrected in the 2023/2024 financial year by:

Debiting: Noncurrent employee benefits provision

Crediting: Accumulated fund

Financial impact of correction:

Description	Amount (N\$)
Correction to accumulated fund (reduction of liability)	12 660 296

Impact of the correction:

There is no impact on the 2023/2024 surplus/deficit as the adjustment was made directly through the accumulated fund.

The opening balance of the accumulated fund for 2023/2024 was adjusted by N\$ 12 660 296.

Comparative figures were not restated due to the materiality assessment and practicability of retrospective adjustment.

Lapsed leave days were initially excluded in 2022/2023 but reinstated in 2023/2024 after clarifications that they are payable upon termination.

Factors influencing movements in leave provision include salary adjustments, staff movement, and actual utilisation of leave days.

The correction has been accounted for in the 2023/2024 financial year through the accumulated fund. No restatement of comparative figures was made as the adjustment only affected the opening balances.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

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 approved for issue and about events after the reporting period.

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

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

IPSAS 19 Provisions contingent liabilities and contingent assets

The objective of this standard is to identify the circumstances in which provisions contingent liabilities and contingent assets should be recognised how they should be measured and the required disclosures in the financial statements. The Regional Council is guided by the definition of an obligation as per the standard.

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

IPSAS 20 Related party disclosures

The objective of this standard is to set the disclosure requirements for transactions between Omusati Regional Council and its related parties in certain circumstances.

Individual as well as their close family members and or entities are related parties if one party has the ability directly or indirectly to control or joint control the other party or exercise significance over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises of the Chairperson Management Committee Members Council Members Chief Regional Officer and other Directors and Deputy Directors. The related party Disclosure forms were discussed by the Management Committee and yet to be approved by the Regional Council by the time the Annual Financial Statements is submitted.

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 arm's length terms are also disclosed.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

IPSAS 20 Related party disclosures (continued)

The Regional Council shall disclose related party transactions and management remuneration. With respect to related parties the Regional Council shall disclose the nature of the related party relationship and type of transactions that have occurred.

IPSAS 24 Presentation of budget information in financial statements

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

The Regional Council shall disclose the budgetary basis and classification basis adopted in the authorized budget and the financial period of the authorized budget. Explanation of variances between the final budget and actual as presented in the comparison shall be disclosed 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. The Regional Council judges it can comply with this standard in full on its initial adoption of accrual basis IPSAS.

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

Expense recognition

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

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

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

Expense recognition (continued)

The accounting policies which relate to the IPSASs set out above will be developed and adopted by the Regional Council and will be applied in presenting its financial information for the year beginning 01 April 2024. The accounting policies form part of these financial statements and are subject to continuous review and improvement during the transitional period.

1.2 Significant judgements and sources of estimation uncertainty

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

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

Provisions contingent liabilities and contingent assets

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

Accounts receivables loans and other receivables

The Regional Council shall assesses its accounts receivables loans and other receivables at the end of each reporting date with effect from 01 April 2024. In determining whether an impairment loss should be recorded in surplus or deficit management makes judgement 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
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

Useful lives of items of property plant and equipment

The 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.

1.3 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.

1.4 Going concern

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

1.5 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.

1.5.1 Revenue from exchange transactions

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

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

Recognition

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

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
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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 timeframe revenue is recognized on a straight-line basis over the specified timeframe unless there is evidence that some other method better represents the stage of completion.

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

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

1.5.2 Revenue from non-exchange transactions

Non exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction the Regional Council receives value from another party without directly giving approximately equal value in exchange. Transfers are future economic benefits or service potential from non-exchange transactions other than taxes.

The Regional Council recognizes revenue from fees and fines when the event occurs and the asset recognition criteria is met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount deferred income is 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.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

1.6 Investments

An equity instrument is any contract that evidence a residual 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 satisfy the recognition criteria in IPSAS 28 (Paragraph 13). The Regional Council holds an equity instrument of 15 shares with N\$ 1 in value in Regional Council Electricity Company (RCEC) which is dormant company. The Regional Council has classified investment in RCEC as other investment since the shareholding is less than 20% and it does not meet the requirement of a joint control neither significant influence i.e. over the operation and financial decision in RCEC.

1.7 Property, plant and equipment (PPE)

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

The Regional Council has adopted IPSASs as set out in the accrual basis for preparation of financial statement. Amongst the IPSASs adopted is IPSAS 17: Property, plant and equipment. The Regional Council disclose PPE in terms of IPSAS 17 and investment property in terms on IPSAS 16. The Council does not disclose open land as an asset. Infrastructure such as roads network sewer reticulation water and power supply systems which have added value to vacant land classified as property plant and equipment.

In the previous basis of accounting the Regional Council accounting policy for the recognition and measurement of items of PPE may not be IPSAS 17 Property, plant and equipment compliant. However the Regional Council is in the process of amending the accounting policies to comply with the adopted standards in order to correctly recognize and/or measure its items of property plant and equipment for inclusion in the financial statements.

The Motor Vehicle class has so far been imported in the new migrated in the new financial system while the rest of the assets are yet to be corrected and identify their location. 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.

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 Regional Council.
- The cost of the item can be measured reliably

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)**

Property, plant and equipment (continued)

Initial measurement

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

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

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

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

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

Recognition of costs in the carrying amount of an item of PPE ceases when the item is in the location and condition necessary for it to be operated in the manner intended by management. Major spare parts and standby equipment which are expected to be used for more than one period are included in PPE.

Major inspection costs which are a condition of continuing use of an item of PPE and which meet the recognition criteria above are included as a replacement in the cost of item of PPE. Any remaining inspection costs from the previous inspection are derecognized. PPE is carried at cost less accumulated depreciation and any impairment losses except for land which is not depreciated.

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YEAR ENDED 31 MARCH 2024 (continued)

1.7 Property, plant and equipment (continued)

Assets that are fully depreciated and no longer used in the production of goods and/or services are held at a dollar value in the fixed asset register for the purposes of completeness and monitoring pending disposal. Items of PPE are derecognized when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. Gains or losses arising from derecognition of an item of PPE are recognised in the statement of surplus or deficit as other income. The gain or loss arising from de recognition of an item of PPE is determined as the difference between the net disposal proceeds (if any) and the carrying amount of the item.

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.

Errors which are found and not significant will not result in prior year adjustment will be corrected as a current year entry. In addition errors as a result 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 are included in the cash flow statement under operating activities. Each part of any item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in the statement of surplus or deficit unless if it is included in the cost of another asset.

The useful lives of items of property plant and equipment have been assessed as follows:

Type of Asset	Depreciation method	Useful live (Years)	%
Land		infinite	-
Building	Straight line	50	2
Plant and machinery	Straight line	5	20
Office equipment	Straight line	3	33.33
Motor vehicle	Straight line	5	20
Furniture, fixtures and fitting	Straight line	5	20
Capital infrastructure	Straight line	50	2
Computer equipment	Straight line	3	33.33

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1.7.1 Site restoration and dismantling costs

The Regional Council has an obligation to dismantle remove and/or restore items of property plant and equipment in circumstances where dismantlement removal or restoration is necessitated. At recognition of an item of PPE the cost shall include the initial estimates of costs of dismantling and removing the item and restoring the site on which it is located because of having used the item during a particular period for the purposes other than to produce inventories during the period.

Measures taken towards addressing the establishment of dump site at Okalongo Settlement/Onandjaba Village Council and Onesi Settlement

- a) The site for the dump has been identified pending the environmental study;
- b) Efforts are being made to solicit funds from Construction of Construction of Okalongo/Onandjaba Village Council Office; and
- c) The Council is preparing a request for the virement for the amount of N\$ 200 000.00 from the Construction of Okalongo/Onandjaba Village Council Office for the environmental study.
- d) For Onesi Settlement the Council is busy with the identification of a suitable site thereafter it will solicit funds for the environmental study.

This accounting policy is attributable to the dumpsites under ownership and control of the Regional Council.

Measurement using the cost model:

- a) Subject to 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 impairment of cash generating assets and/or impairment of non-cash generating assets.

1.8 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.

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YEAR ENDED 31 MARCH 2024 (continued)**

Inventories (continued)

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

The cost of inventories shall be determined using the First In First out (FIFO) formula. 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 are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
YEAR ENDED 31 MARCH 2024 (continued)

1.10 Employee benefits

Bank-Capped Leave Balances

In accordance with the Office of the Prime Minister's Circular issued the Council has recorded all leave days accumulated by staff members as at 31 March 2018. As a result a total amount of N\$ 12 762 787 has been bank capped. This represents the monetary value of leave days accrued by employees up to 31 March 2018 calculated based on their respective remuneration as of that date.

The bank-capped leave balances will remain recorded for future reference but are not recognized as a liability in the financial statements. This treatment aligns with the directive's requirements and reflects the Council's compliance with applicable regulations.

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

There are four categories of employee benefits:

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

Termination benefits

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

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days to employees at year end and on the total remuneration package of the employee. All unused leave will be paid out to the specific employee at the end of the employee's term. Accumulated leave is vesting.

1.10.1 Short term employee benefits

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

1.10.2 Post-employment benefits

These are employee benefits that fall due after the termination of employment. They include pension and job-related special retirement. The Regional Council's pension plan is administered by the Government Institutions Pension Fund (GIPF). This fund is a multi-employer fund. The contribution fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefits funds are actuarially valued triennially on the projected unit

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Credit Method basis. Deficits are recovered through lump payments or increased future contributions on a proportional basis from all participating government institutions.

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 Regional Council recognizes pension contributions payable as an expense in the statement of surplus or deficit.

1.10.3 Other long term employee benefits

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

1.10.4 Termination benefits

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

1.11 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

1.12 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure made in vain and would have been avoided had reasonable care been exercised. The Regional Council recognizes all fruitless and unauthorized expenditure in the statement of surplus or deficit in the year in which they are incurred. The expenditure is classified in accordance with the nature of the expense and where recovered it is subsequently recognised as revenue in the statement of surplus or deficit.

1.13 Conditional grants and receipts

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

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YEAR ENDED 31 MARCH 2024 (continued)

1.14 Bequests

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

1.15 Gifts and donations

Gifts and donations including goods in kind that satisfy the definition of an asset are recognised as assets and revenue when it is probable that future economic benefits or service potential will flow to the Regional Council and the fair value of the assets can be measured reliably. An asset acquired through a non-exchange transaction shall initially be measured at its fair value at the date of acquisition. Revenue from non-exchange transactions shall be measured at the amount of the increase in net assets recognised by the entity.

1.16 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. The Regional Council has classified investment in Regional Council Council Electricity Company (RCEC) as Other Investment since the shareholding is less than 20% and it does not meet the requirement of a joint control neither significant influence i.e. over the operation and financial decision in RCEC.

1.17 Fines

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

1.18 Transfers

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

1.19 Cash and cash equivalent

Cash and cash equivalent include all cash balances deposits held 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.

The total available bank balance of N\$ 10 572 977 includes an amount of N\$ 6 672 984, N\$ 3 566 550 and N\$ 333 443 held at Bank Windhoek, First National Bank, Nampost and Standard Bank respectively. Included in the bank balance held at Standard Bank is an amount of N\$ 300 000 held by bank as collateral for fleet management facility with Standard Bank.

REGIONAL COUNCIL OF OMUSATI
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YEAR ENDED 31 MARCH 2024 (continued)

Other Disclosure

1. Legal proceedings and financial implications of the court-ordered attachment of Omusati Regional Council's Funds

Omusati Regional Council has been served with a notice of attachment in execution dated 12/10/2022 an inventory dated 12/10/2022 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 resulting in an operation fund bank call account No: 62179836427 frozen. 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 Puleston has seized and laid under judicial attachment (frozen) the Regional Council Call Account No 62179836427 held at First National Bank Outapi Branch for an amount of N\$ 1 305 000 with tax charges and legal costs as per Court Order issued on 18 August 2022.

Further Mr Puleston has instructed the Bank to put a hold on the amount held in the Account No 62179836427 pending his further instructions. In the process the Council has lost access to an amount of N\$ 1 804 473 transferred unto the Deputy sheriff trust account as part of settling the interest amounting to One Million Three hundred and Five thousand Namibian (N\$ 1 305 000) tax and legal cost amounting to Four Hundred Ninety Nine Thousand, Four hundred Seventy Three Namibia Dollars N\$ 499 473. The Council has launched its legal challenge to recover the money through the High Court.

As a result the Regional Council has received an Internal Memo dated 30th July 2024 and the High Court Judgement dated 25 July 2024 from advocate the Government Attorney informing the Council that the application by Omusati Regional Council for the High Court to rule against the attachment of its account by the Deputy Sheriff and recovery totalling One million Eight hundred and Four thousand Four hundred and Seventy-Three Namibia Dollars (N\$ 1 804 473) from the Deputy Sheriff and Omaka Mining and Engineering cc was dismissed in the judgment on 25 July 2024.

Advocate Lindrowski K Tibinyane of the Government attorney who deals with the case has advised that if the Council is not satisfied with the judgement it should instruct him to launch an appeal against the High Court judgment in the Supreme Court.

In response the Regional Council has instructed Advocate Tibinyane to appeal against the High Court judgment at Supreme Court in a letter dated 6 August 2024.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE
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2. Oshigongi shomeya community water project account

The Council holds a bank account at Bank Windhoek, account number 8032576846, registered under the name Oshigongi Shomeya Community Water Project. This account was opened in accordance with Council Resolution No. 08/OMC/03/2023 for the sole purpose of managing funds for Oshigongi Shomeya community water project.

The Funds in this account are entirely provided by the Social Security Commission, and the Regional Council Acts only as an agent in administering these funds on behalf of Social Security. As such, in compliance with IPSAS 35 (consolidated financial statements) and IPSAS 23 (revenue from Non-Exchange Transactions), this account is not recognized as part of the Council's cash and cash equivalents in the annual financial statements.

As at 31 March 2024, the balance on this account was N\$ 209 555.

The Council ensures that transactions related to this account are separately accounted for and reported to the relevant stakeholders.

3. Build together loan reconciliation (concessionary loans)

The Council provides build together loans to benefits at concessionary rates. Below is the reconciliation of the carrying amount of these loans for the year ended 31 March 2024, in compliance with IPSAS 30, 37(a):

Description	Amount (N\$)
Balance as at 01 April 2023	917 278
New loans issued	-
Loan repayment received	(27 300)
Interest accrued	74 252
Write off/ impairment (if any)	-
Insurance	2 813
Closing balance 31 March 2024	967 042

The balance represents loans disbursed under the build together programme, net of repayments, accrued interest, and insurance charges. No new loans were issued, and no impairment or write-offs were recognized during the year.

REGIONAL COUNCIL OF OMUSATI

STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE YEAR ENDED 31 MARCH 2024

(continued)

1. EXPLANATORY NOTES

Compensation of related parties

Incumbent	Fees for services	Basic Salaries	Bonus	Allowance	Employer Contribution to GIPF	Employer Contribution to SSC	Total Remuneration
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
<u>Chairperson of MC</u> Andreas Shintama	-	465 767	-	*172 304	116 442	648	755 161
<u>National Council</u> Leonard Shikulo	-	-	-	-	-	-	-
Gerhard Shiimi	-	-	-	-	-	-	-
Laurentius M Iipinge	-	-	-	-	-	-	-
<u>Management Committee</u> Mathew Gabriel	-	315 948	-	209 164	78 987	972	605 071
Johannes Iiyambo	-	315 948	-	209 164	78 987	972	605 071
Immanuel Shikongo	-	315 948	-	209 164	78 987	972	605 071

ANNEXURE F

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE YEAR ENDED 31 MARCH 2024
(continued)**

1. EXPLANATORY NOTES (continued)

Incumbent	Fees for services	Basic Salaries	Bonus	Allowance	Employer Contribution to GIPF	Employer Contribution to SSC	Total Remuneration
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Other Councillors							
Daniel M Iilende	-	252 987	-	209 161	63 247	972	526 370
Hans S Haikali	-	252 987	-	209 161	63 247	972	526 370
Junias Amunkete	-	252 987	-	209 161	63 247	-	526 370
Tyles Angala	-	252 987	-	209 161	63 247	81	526 370
Simon P Festus	-	252 987	-	209 161	63 247	972	526 370
Total for Councillors	-	2 678 546	-	1 845 616	669 637	6 561	5 200 359

Honourable Councillors

* Chairperson is allocated a motor vehicle with a perk benefit of N\$ 9 173 per month which is subjected to income tax.

REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE YEAR ENDED 31 MARCH 2024
(continued)

EXPLANATORY NOTES (continued)

Independent Audit Committee

Incumbent	Amount (N\$)
Kegumbo Ambondo	70 8801
Aksel Nangolo	48 338
Titus Kanyanda	21 479
Hon Matheus Gabriel	*
Antonius Shapumba	13 348
Total	154 045

*Payment made in respect of Hon. Matheus Gabriel for kilometers travelled in connection with meetings attended is categorized under other expenditure as the Hon. Member is part of the Regional Council.

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE YEAR ENDED 31 MARCH 2024
(continued)**

1. EXPLANATORY NOTES (continued)

Management Cadre

Incumbent:	Basic Salaries	Bonus	Allowance	Employer Contribution to GIPF	Employer Contribution to SSC	Total Remuneration
	N\$	N\$	N\$	N\$	N\$	N\$
Chief Regional Officer: Gervasius Kashindi	606 726	50 561	288 675	105 166	792	1 052 099
Director: Planning and Development Abisai Shaningwa (Retired)	280 261	46 710	98 016.42	44 842	486	470 315.39
Deputy Director Planning: Emmanuel Nafele	91 589	-	42 485	14 654	162	148 890
Director: General Services: Nangombe Iiyambo	510 148	46 710	230 052	89 097	972	876 979
Deputy Director Rural Services: Kaarina Anguku	508 530	42 307	205 791	81 365	972	838 964
Deputy Director Planning: Nathanael Amadhila	517 836	43 153	205 791	82 854	972	850 605

**REGIONAL COUNCIL OF OMUSATI
STATEMENT OF ACCOUNTING POLICIES AND EXPLANATORY NOTES FOR THE YEAR ENDED 31 MARCH 2024
(continued)**

1. EXPLANATORY NOTES (continued)

Management Cadre

Incumbent:	Basic Salaries	Bonus	Allowance	Employer Contribution to GIPF	Employer Contribution to SSC	Total Remuneration
	N\$	N\$	N\$	N\$	N\$	N\$
Deputy Director Rural Services: Joel Nekwaya	517 836	43 153	210 969	82 854	972	855 784
Director: Administration: Erwin Kamati	517 836	43 153	205 791	82 854	972	850 605
Deputy Director: HRM : Modestus Senalye	517 836	43 153	205 791	82 854	972	850 606
Total for Senior managers	4 068 597	358 900	1 693 360	666 539	7 272	6 794 847
Total for management	6 747 143	358 900	3 538 976	1 336 175	14 013	11 995 207

ANNEXURE G

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

	2024	2023
	N\$	N\$
2. Cash and cash equivalents	10 572 977	9 875 630
Bank - call	449 990	21 946
Bank - current account	1 305 787	639 827
Bank - post office call account	424 958	103 682
Bank - current account	7 498	17 677
Bank - call account	236 085	297 533
Bank - 32 days accounts	1 142 232	1 044 686
Bank - current account	84 670	16 944
Bank - call account	2 177 683	3 604 905
Bank - current account	328 663	16 472
Bank - current account	3 904 534	3 789 588
Bank - current account	16 913	19 441
Bank - call	316 530	309 831
Bank - current account	9 037	-
Bank - BW disaster fund	168 397	(6 903)

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
3. Trade and other receivables	23 589 589	19 106 261
Exchange	19 090 481	16 578 278
Accounts receivable	11 349 986	8 669 223
Advances	1 015 991	1 534 019
Account receivable	6 724 505	6 375 036
Non - Exchange	4 499 108	2 527 983
S&T line ministries	266 283	176 255
OPM account	139 231	69 027
VAT control account	(1 077 995)	(301 098)
Provision for bad debt	(235 601)	(235 601)
Master of high court	1 804 473	-
VAT control account	-	63 300
Suspense a/c	1 000	-
Funds receivable from other funds	-	818 371
VAT control account	3 601 717	2 394 590
VAT refund & others	-	(456 861)

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

4. Reconciliation of Infrastructure, plant and equipment as at 31 March 2024

	Buildings	Motor vehicle	Capital Infrastructure	Furniture fixtures and fittings	Plant and machinery	Office equipment	Computer equipment	Total
Cost opening balance 01 April 2023	111 734 517	8 346 046	9 228 266	4 160 974	6 740 754	1 603 084	3 011 040	144 824 681
Additions 2023/2024 FY	760 555		4 587 933	74 300	-		717 788	6 140 576
Other changes: correction of errors and depreciation calculation	-	-	-	-	-	9 141	-	9 141
Total cost	112 495 072	8 346 046	13 816 199	4 235 274	6 740 754	1 612 225	3 728 828	150 974 398
Disposal	-	-	-	-	-	-	-	-
Accumulated Dep 01 April 2023	23 536 950	8 346 046	63 713	3 966 798	6 727 375	1 603 084	2 680 991	46 924 958
Depreciation for 2023/2024	1 763 951	-	183 291	39 508	2 676	-	147 993	2 137 419
Accumulated Dep 31/03/2024	(25 300 901)	(8 346 046)	(247 004)	(4 006 306)	(6 730 051)	(1 603 084)	(2 828 983)	(49 062 375)
Net book value as at 31/03/2024	87 194 171	-	13 569 195	228 968	10 703	9 141	899 845	101 912 023

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

4. Reconciliation of Infrastructure, plant and equipment as at 31 March 2024

There are no assets held as security by creditors. Additionally, there are no assets that are held for sale as at 31 March 2024. The Council has assets under construction (Work in Progress) worth

N\$ 7 512 341 for services in Settlement areas (Okalongo and Onesi).

The Regional Council recognizes assets that continue to be in active use, despite being fully depreciated and having a net book value of zero. These assets still provide ongoing economic benefits and contribute to the Council's operations. A detailed schedule of these assets, categorized by type, cost, accumulated depreciation, and net book value, is presented in the annexure below:

Category	Cost (N\$)	Accumulated Depreciation (N\$)	Net Book Value (N\$)
Computer equipment	2 341 248	2 341 248	1
Furniture, fixtures and fittings	3 837 391	3 837 391	1
Motor vehicles	8 346 046	8 346 046	1
Plant and machinery	6 703 604	6 703 604	1
Office equipment	1 603 084	1 603 084	1
Total	22 831 374	22 831 374	

ANNEXURE G

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
5. Trade and other payable	8 766 210	7 636 821
Account payable	1 332 246	1 106
Accrued expenses	6 782 848	5 421 112
Salaries control account	-	500
Suspense a/c	11 513	898 635
Consumer deposit (income)	42 659	39 615
Funds payable to other funds	-	891 395
Suspense account	500	1 667
Oshikuku & Okahao beneficiaries	9 523	9 523
Tsandi village council beneficiaries	26 872	20 350
Account payable	-	(53 911)
Accrued expense	-	567
Account payable	5 782	11 929
Accrued expenses	1 409	1 409
Retention	525 629	348 878
Accrued expenses	-	44 046
Account payable	27 230	-
6. Fees , fines, Penalties and licenses	206 334	196 013
Commission insurance	62 342	63 513
Bid fees (60%)	136 292	300
Bid fees	7 700	132 200

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

	2024	2023
	N\$	N\$
7. Revenue from exchange transactions	12 663 164	11 592 230
Income photocopies other sale & claim	126 383	86 219
Income from water	3 659 491	3 389 692
Income from sewerage	114 554	99 215
Income from refuse	267 375	245 058
Income PTO/ervens	1 119 310	1 036 323
Rental income	8 232	8 273
Royalties	432 319	-
Income from basic charges (water and sewer)	601 056	543 605
Income from build plans	4 892	5 625
Received	89 489	49 838
Outapi Town Council (5% contribution)	904 562	-
Okahao Town Council (5% contribution)	559 938	-
Oshikuku Town Council (5% contribution)	187 929	-
Ruacana Town Council (5% contribution)	155 932	-
Tsandi Village Council (5% contribution)	131 738	97 021
Income from on overdue accounts	2 056 805	1 868 047
Discount received	684	6 265
On building together loan	74 252	68 496
Received	74 821	60 451
Received	263 101	166 324
Accrued income	234 287	234 287
Received	200 351	304 137
Royalties	54 093	632 324
Rental income	766 689	940 816
Okahao Town Council 5% rates contribution	19 483	545 515
Oshikuku Town Council 5% rates contribution	3 183	251 881

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
7 Revenue from exchange transactions		
(continued)		
Outapi Town Council 5% rates contribution	227 687	828 083
Ruacana Town Council 5% rates contribution	162 685	97 839
Tsandi Town Council 5% rates contribution	153 695	21 550
Received	7 452	3 014
Received	607	-
Received	89	-
Build Together	-	2 333
8. Transfers from other government entities	72 942 094	70 499 845
Subsidy income Ogongo	59 675 059	58 687 548
Rural sanitation	2 498 000	2 308 000
Micro finance	692 308	-
Rural development centre	504 809	192 674
Cash food for work	-	461 538
Subsidy income government	8 223 357	8 274 979
Road fund administration	842 561	575 106
GRN subsidy	410 000	-
Income and contribution received	96 000	-
9. Other revenue	13 620	22 501
Other income	8 774	5 766
Sales income	3 032	4 302
Other income	1 814	320
Refunds	-	12 113

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

	2024	2023
	N\$	N\$
10. Wages, salaries and employees benefits	50 570 462	49 945 653
Salaries & wages	40 226 925	40 412 057
Employer contribution to pension	5 083 603	5 316 794
Employer contribution to social security	252 633	410 843
Housing subsidies	2 153 185	2 009 428
Leave gratuities	2 080 998	849 225
Casual labour	80 002	31 899
Allowance for students on attachment	26 602	19 420
Employee wellness	49 000	3 722
Service bonus accrued	(65 698)	63 107
Leave days accrued	683 212	829 157
11. Grants and other transfer payments	2 245	2 570
Grants / donation paid: Ogongo constituency	500	851
Grants / donations paid: Onesi constituency	756	-
Grants / donations paid: Ruacana constituency	989	-
Grants / donations paid: Etayi constituency	-	720
Grants/ donations paid: Otamanzi constituency	-	1 000
12. Supplies and consumables used	190 352	486 729
Cleaning materials: Regional Office	40 556	88 934
Comp. supplies & accessories general services	20 909	123 475
General office supplies: general services	26 240	118 437
Protective clothing	6 252	40 516
Photocopy paper supplies	71 622	97 318
Water meters pipes & fittings	24 773	18 050

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

	2024	2023
	N\$	N\$
13. Depreciation and amortization expenses	2 137 419	2 111 686
Computer equipment	147 993	124 080
Furniture, fixtures and fitting	39 508	76 155
Plants and machineries	2 676	3 345
Office equipment	-	967
Vehicles	-	43 476
Building	1 763 951	1 799 950
Capital infrastructures	183 291	63 713
14. Other expenses	23 422 954	23 466 296
S&T overseas	8 556	-
S&T domestic	781 231	198 832
KM & others means of transport	607 657	240 910
Repairs, spare parts & servicing vehicles	709 252	454 589
Tyres	92 942	43 412
Vehicle licence fee	74 062	91 227
Accessories & batteries	18 707	9 100
Fuel and lubricants	1 084 126	2 040 064
Car hire (private garage)	11 456	83 241
Electricity	1 626 485	1 520 556
Internet, email costs & subscriptions	20 182	28 601
Other licences	44 516	384 726
P/Bag rental postage & courier	78 650	62 567
Water	4 602 013	4 910 266
Telephone, cellphones & fax	1 405 923	1 458 222
Municipal charges	983 942	1 069 660
Maintenance building	5 897	11 468

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
14. Other expenses (continued)		
Maintenance: computer equipment	9 401	9 763
Maintenance: office equipment	5 763	33 217
Maintenance: other properties	15 635	12 168
Maintenance: furniture and fittings	18 344	-
Maintenance: sewer pump machine	25 354	50 692
Properties rental: office machineries	768 280	487 934
Property rental: settlement offices	505 986	342 894
Advertising: other media	47 640	32 180
Entertainment official	26 005	133 716
CACOC salaries HIV/AIDS coordination	98 758	188 916
Insurance	1 518 635	1 468 829
Printing and distribution	54 452	78 422
Refuse removal	256 269	176 925
Security	385 970	351 979
Professional services	587 665	421 607
Training courses / workshop/conferences	170 984	75 568
Entertainment councilor (Anamulenge)	10 000	10 000
Entertainment councilor (Etagi)	9 999	8 654
Entertainment councilor (Oshikuku)	5 464	770
Entertainment councilor (Outapi)	11 137	9 924
Entertainment councilor (Tsandi)	8 500	3 911
Gala dinners & festivals entertainment	5 800	-
Entertainment councilor (Onesi)	9 995	8 407
Disaster risk management Etagi	1 495	4 875
Disaster risk management Tsandi	3 200	217

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

	2024	2023
	N\$	N\$
14. Other expenses (continued)		
Disaster risk management: Ruacana	3 812	-
Disaster risk management: Oshikuku	4 949	-
Disaster risk management: Ogongo	1 278	5 000
Disaster risk management: Okahao	1 489	2 808
Established committees: Etayi constituency	530	1 731
Established committees: Ogongo constituency	525	1 690
Established committees: Okahao constituency	593	-
Established committees: Oshikuku constituency	525	1 720
Established committees: Otamanzi constituency	914	-
Established committees: Outapi constituency	530	1 640
Established committees: Okalongo settlement	492	
Established committees: Ogongo settlement	512	1 683
World AIDs day HIV/AIDs coordination	6 995	26 660
Sport activities	214 739	3 500
CACOC meetings: Okahao	593	-
Support group meetings: Okahao	593	-
Enterprise risk management framework	89 513	-
Chairperson entertainment	19 275	8 394
Audit committee fees	112 209	50 236
Membership fee and subscription arc	82 000	82 000
Commemoration of annual African day decentralization	231 672	-
Regional Council annual wellness sport week	9 338	-
Assets for honorable councilors	-	42 820
Maintenance: cleaning septic tanks	-	21 950
Entertainment councilor: Ogongo	-	10 000
Entertainment councilor (Otamanzi)	-	4 836

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

	2024	2023
	N\$	N\$
14. Other expenses (continued)		
Disaster risk management: Anamulenge	-	4 900
Disaster risk management: Outapi	-	4 896
Disaster risk management: Otamanzi	-	4 742
Disaster risk management: Onesi	-	4 995
Disaster risk management: Elim	-	4 711
Established committees: Onesi constituency	-	1 000
Established committees: Tsandi constituency	-	998
Surveillance cameras	-	4 500
RACOC meetings HIV/AIDs coordination	-	11 374
CACOC meetings: Anamulenge	-	1 040
CACOC meetings: Etayi	-	1 033
CACOC meetings: Ogongo	-	1 039
CACOC meetings: Onesi	-	1 030
CACOC meetings: Oshikuku	-	1 021
CACOC meetings: Outapi	-	895
CACOC meetings: Tsandi	-	176
Support group meetings: Etayi	-	890
Support group meetings: Ogongo	-	1 039
Support group meetings: Onesi	-	1 040
Support group meetings: Oshikuku	-	1 040
Support group meetings: Otamanzi	-	904
Support group meetings: Outapi	-	940
Support group meetings: Ruacana	-	1 032
Support group meetings: Tsandi	-	867
Established committees: Head office	-	9 879
Occupational health safety COVID 19	-	1 443

REGIONAL COUNCIL OF OMUSATI

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

	2024	2023
	N\$	N\$
14. Other expenses (continued)		
Insurances	215	2 203
Construction of houses: Onesi settlement	23 826	345 607
Construction of houses: Ogongo settlement	-	336 233
Rural development centre	190 000	167 542
Cash food for work: Ogongo constituency	36 063	66 522
Cash food for work: Okahao constituency	66 608	129
Cash food for work: Okalongo constituency	34 700	47 278
Cash food for work: Onesi constituency	54 053	-
Cash food for work: Oshikuku constituency	21	58 778
Cash food for work: Otamanzi constituency	67 245	-
Cash food for work: Outapi constituency	23 200	34 016
Cash food for work: Ruacana constituency	47 032	14 131
Cash food for work: Tsandi constituency	62 118	-
Rural sanitation: Anamulenge constituency	229 320	85 500
Rural sanitation: Elim constituency	216 000	77 163
Rural sanitation: Etayi constituency	229 320	85 500
Rural sanitation: Ogongo constituency	361 129	85 500
Rural sanitation: Okahao constituency	229 320	85 500
Rural sanitation: Okalongo constituency	176 870	85 500
Rural sanitation: Onesi constituency	229 320	-
Rural sanitation: Oshikuku constituency	237 262	85 500
Rural sanitation: Otamanzi constituency	230 290	85 505
Rural sanitation: Outapi constituency	229 320	85 500
Rural sanitation: Ruacana constituency	233 205	85 500
Rural sanitation: Tsandi constituency	311 691	3 294
Support to poor rural farmers: Outapi constituency	28 875	79 309
RD 01 EE 403	-	20 337

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

	2024	2023
	N\$	N\$
14. Other expenses (continued)		
Micro finance - Anamulenge constituency	-	32 820
Micro finance - Elim constituency	-	4 719
Micro finance - Ogongo constituency	-	20 865
Micro finance - Okahao constituency	-	44 312
Micro finance - Okalongo constituency	-	4 560
Micro finance - Onesi constituency t	-	14 035
Micro finance - Oshikuku constituency	-	42 462
Micro finance - Otamanzi constituency	-	36 000
Micro finance - Outapi constituency	-	19 934
Micro finance - Ruacana constituency	-	28 654
Micro finance - Tsandi constituency	-	11 094
Food security action plan - Oshikuku constituency	-	5 475
Cash food for work - Anamulenge constituency	-	66 710
Cash food for work - Etayi constituency	-	65 963
Support to poor rural farmers - Elim constituency	-	8 922
Constituency development projects - Anamulenge	110 133	-
Constituency development projects - Oshikuku	115 805	-
Homestead compensations	1 084 023	3 492 834
Road maintenance in settlements	695 991	25 901
Cleaning of sumps at settlements	29 700	-
Constituency development projects - Elim	-	68 516
Constituency development projects - Etayi	-	112 726
Constituency development projects - Ogongo	-	108 116
Constituency development projects - Okahao	-	148 226
Constituency development projects - Otamanzi	-	114 558
Constituency development projects - Outapi	-	113 655

ANNEXURE G

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
14. Other expenses (continued)		
OPM disaster account	258 034	95
Food security action plan - Etayi constituency	82 861	-
15. Finance cost	150 390	123 508
Bank charges	127 840	98 994
Bank charges	1 894	1 819
Bank charges	2 619	2 468
Bank charges	10 253	13 258
Bank charges	3 281	2 739
Bank charges	4 503	4 230
16. Sales of goods and services	21 300 197	18 983 566
Build Together fund	34 108	31 003
Operation fund	15 090 669	10 412 326
Rural Development	2 666 117	-
Development fund	3 508 608	8 540 237
Disaster fund	607	-
Wellness fund	89	-
17. Grants	72 942 094	70 499 845
Operation fund	59 675 059	58 687 548
Rural Development	3 695 117	2 962 212
Development fund	9 065 918	8 850 085
Disaster fund	410 000	-
Wellness fund	96 000	-

ANNEXURE G

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
18. Interest	635 215	583 762
Build together fund	74 821	60 451
Operation fund	89 489	49 838
Rural Development	263 101	166 324
Development fund	200 351	304 137
Miscellaneous fund	7 452	3 014
19. Other receipts	157 222	155 001
Operation fund	144 676	18 179
Development fund	12 546	136 822
20. Employee cost	49 952 948	49 053 389
Salaries & wages	40 226 925	40 412 057
Employer contribution to pension	5 083 603	5 316 794
Employer contribution to social security	252 633	410 843
Housing subsidies	2 153 185	2 009 428
Leave gratuities	2 080 998	849 225
Casual labour	80 002	31 899
Allowance for students on attachment	26 602	19 420
Employee wellness	49 000	3 722
21. Suppliers	35 236 373	33 375 883
Build Together fund	81 117	639 263
Operation fund	22 997 180	19 588 497
Rural Development	6 193 579	2 094 512
Development fund	5 650 656	11 053 515
Miscellaneous fund	-	-
Disaster fund	230 804	95
Wellness fund	83 038	-

ANNEXURE G

REGIONAL COUNCIL OF OMUSATI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2024	2023
	N\$	N\$
Other Payments	1 000	-
Rural Development	1 000	-
 22. Purchase of plant and equipment	 506 567	 4 687 048
Operation fund	506 567	260 997
Rural Development	-	
Development fund	-	4 426 051
 23. Work in progress	 7 512 340	 4 518 854
Development fund	7 512 340	4 518 854

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

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 phase the Regional Council only acts as an agent for a Delegating Line Ministry with the latter retaining full control and overall accountability for the approved budget. Once the Delegating Line Ministries approve the budget it is then transferred to the Regional Council for execution.

	2024	2023
	N\$	N\$
Income		
Ministry of Information Communication and Technology	724 715	152 469
Ministry of Education Arts and Culture	200 770 018	188 196 058
Ministry of Agriculture Water Land Reform: DAPEES	10 477 271	6 216 303
Ministry of Agriculture Water Land Reform Division: Land	655 550	516 641
Ministry of Agriculture Water Land Reform Dir. Rural Water Supply	11 165 739	8 352 712
Ministry of Works and Transport Division of Maintenance and Inspection	1 617 477	1 333 816
Ministry of Gender Equality, Poverty Eradication and Social Welfare	8 461 457	7 729 885
Expenditure		
Ministry of Information Communication and Technology	326 449	114 665
Ministry of Education Arts and Culture	194 894 853	187 891 053
Ministry of Agriculture Water Land Reform: DAPEES	6 950 889	2 399 871
Ministry of Agriculture Water Land Reform Division: Land	57 572	310 043
Ministry of Agriculture Water Land Reform Dir. Rural Water Supply	5 292 883	2 546 043
Ministry of Works and Transport Division of Maintenance and Inspection	1 447 661	1 154 727
Ministry of Gender Equality, Poverty Eradication and Social Welfare	6 734 126	4 960 777

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

	2024	2023
	N\$	N\$
Bank Balance as at 31 March 2024		
Ministry of Information Communication and Technology	398 267	34 623
Ministry of Education Arts and Culture	5 875 165	287 196
Ministry of Agriculture Water Land Reform: DAPEES	3 526 382	3 809 639
Ministry of Agriculture Water Land Reform Division: Land	597 978	196 502
Ministry of Agriculture Water Land Reform Dir. Rural Water Supply	5 872 856	5 729 665
Ministry of Works and Transport Division of Maintenance and Inspection	170 046	172 867
Ministry of Gender Equality, Poverty Eradication and Social Welfare	1 727 331	2 729 379