



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE OSHANA
REGION**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Oshana Regional Council for the financial year ended 31 March 2018, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, February 2019

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 OSHANA
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

1. UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Regional Council of Oshana for the financial year ended 31 March 2018. These financial statements comprise the Statement of Financial Position, Statement of Financial Performance, and Statement of Changes in Net Assets, Statement of Cash Flow and Notes to Financial Statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly the financial position of the Oshana Regional Council as at 31 March 2018 and its financial performance and cash flow for the year then ended in accordance with the International Public Sector Accounting Standards.

2. BASIS OF 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.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have nothing to report in this regard.

4. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with the 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 the 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 Generally Recognised Accounting Practice and legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the entity's financial reporting process.

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

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

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also;

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

evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

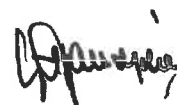
7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (COMPLIANCE)

The financial statements were submitted to the Office of the Auditor-General by the Accounting Officer in compliance with Section 87 (1) of the Regional Council Act, Act 22 of 1992, except that they were only submitted on 3 September 2018, instead of three months after year-end as required by the Act.

The compliance audit was conducted to review the procurement processes within Oshana Regional Council for the year ended 31 March 2018 audit. Public procurement is the process by which public entities acquire goods services and works from third parties to meet customer and service user needs.

CONCLUSION

The management of Oshana Regional Council have submitted all requested documents. Nothing has come to my attention that causes me to believe that there is non-compliance to the Public Procurement Act, Act 15 of 2015.



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, February 2019

**REGIONAL COUNCIL OF THE OSHANA REGION
BALANCE SHEET AS AT 31 MARCH**

	Note	2018 N\$	2017 N\$
ASSETS			
Non-current assets		41 259 907	67 520 380
Property, plant and equipment	2	9 111 289	5 784 215
Work in Progress	3	27 148 618	56 736 165
Investments (Shares in Nored)		5 000 000	5 000 000
Current assets		20 948 136	20 251 747
Trade and other receivables	5	6 082 960	7 288 113
Bank and cash on hand	7	14 597 572	12 740 013
Stock on hand	4	267 604	223 621
Total assets		62 208 043	87 772 127
EQUITY AND LIABILITIES			
Equity		36 767 764	61 306 291
Accumulated Fund		36 767 764	61 306 291
Current Liabilities		25 440 279	26 465 836
Development Fund		3 983 324	7 030 284
Trade and other payables	6	21 456 955	19 435 552
Total equity and liabilities		62 208 043	87 772 127

**REGIONAL COUNCIL OF THE OSHANA REGION
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH**

	Note	<u>2018</u>	<u>2017</u>
		N\$	N\$
Income	11.1	72 656 942	71 476 919
Expenditure	11.2	96 193 281	88 153 599
Operating surplus/(deficit)		<u>(23 536 339)</u>	<u>(16 676 680)</u>
Interest Received		264 847	855 361
Net surplus/(deficit) for the year		<u><u>(23 271 492)</u></u>	<u><u>(15 821 319)</u></u>

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

	Note	N\$
Retain Earnings Balance as at 31 March 2016		108 656 373
Adjustment to Retain Earning		<u>(31 528 763)</u>
		77 127 610
Surplus for the year 2017		<u>(15 821 319)</u>
		61 306 291
Adjustment to Retain Earning	10	<u>(1 267 037)</u>
		60 039 254
Surplus for the year 2018		<u>(23 271 492)</u>
Total Accumulated Funds as at 31 March 2018		<u>36 767 762</u>

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

	Note	2018 N\$	2017 N\$
Cash flow from operating activities			
Cash Received from Customers		81 694 746	67 161 166
Adjustment		22 500	-
Cash Paid for Goods and Services		(24 515 363)	(20 757 112)
Cash Paid for Employees		(44 476 828)	(42 366 963)
Cash Paid for Interest and Bank Charges		(94 753)	(96 202)
Cash generated by operations		12 630 302	3 940 889
Cash Flow from investing activities			
Purchases of PPE - WIP		(10 275 003)	(12 658 720)
Purchases of Properties, Plants and Equipment		(497 740)	(22 034 776)
Total Cash movement		(10 772 743)	(34 693 496)
Net Increase/(Decrease) in Cash		1 857 559	(30 752 607)
-Beginning of the year		12 740 013	43 492 620
- End of the year		14 597 572	12 740 013

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

THE OSHANA REGIONAL COUNCIL ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENT

The Regional Council's Annual Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Namibia Dollars, which is the functional and reporting currency of the Regional Council and all values are rounded to the nearest thousand (N\$000). The accounting policies have been consistently applied to all the years presented.

The income and expenditure in relation to Delegated Functions is accounted for during the year on under review on a cash accounting basis, in line with the State Finance Act, 1992. Since all liabilities relating to the delegated functions remains with the line Ministry and all unexpended Delegated Funds are returned to the State Account, it does not materially affect the Regional Council financial statements.

2. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost or at valuation where assets have been acquired by grant or donation, less depreciation written off over the expected useful lives as determined by the Regional Council from time to time.

Fixed Assets acquired with loan funds are not depreciated until the loan is repaid, unless the expected lifetime of the asset is less than the repayment period of the loan in which case the depreciation is calculated on the shortfall. A fixed assets acquired with government grant is depreciated in full during the year the asset is put in use.

The estimated useful economic lives for each category of the asset are as follows:

Buildings	50 years
Machinery and Equipment	5 years
Motor vehicles	5 years
Office Furniture and Equipment	5 years
Computer equipment	3 years
Capital Infrastructure	1 year

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

**REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

PROPERTY, PLANT AND EQUIPMENT

31-Mar-18	Capital Infrastructure	Land & Buildings	Vehicles	Computers & Other Electronic	Office Equipment	Furniture, Fixture & Fittings	Plant and Machinery	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2017	53 358 333	39 293 493	8 960 706	2 822 652	708 584	2 451 885	-	107 595 653
Adjustment	-	-	-	4 565	-	32 833	-	37 398
Additions	12 726 374	23 195 546	334 264	25 217	9 687	64 915	919 899	37 275 902
Cost as at 31 March 2018	66 084 707	62 489 039	9 294 970	2 852 434	718 271	2 549 633	919 899	144 908 953
Depreciation as at 31 March 2018	(64 199 359)	(58 606 802)	(8 018 301)	(2 280 878)	(524 503)	(2 133 326)	(34 496)	(135 797 665)
Net book value as at 31 March 2018	1 885 348	3 882 237	1 276 669	571 556	193 768	416 307	885 403	9 111 288

**REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)**

31-Mar-17	Capital Infrastructure	Land & Buildings	Vehicles	Computers & Other Electronic	Office Equipment	Furniture, Fixture & Fittings	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2016	35 694 402	36 485 968	8 122 399	2 118 989	700 220	2 446 533	85 568 511
Additions	17 663 931	2 807 525	838 307	703 663	8 363	12 987	22 034 776
Disposal	-	-	-	-	-	(7 634)	(7 634)
Cost as at 31 March 2017	53 358 333	39 293 493	8 960 706	2 822 652	708 583	2 451 886	107 595 653
Depreciation as at 31 March 2017	(53 358 333)	(36 760 723)	(7 489 013)	(1 815 244)	(442 374)	(1 945 751)	(101 811 438)
Net book value as at 31 March 2017	-	2 532 770	1 471 693	1 007 408	266 209	506 135	5 784 215

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

	2018	2017
	N\$	N\$
3. WORK IN PROGRESS	27 148 618	56 736 165
W.I.P. Construction of Elect Eheke PII	-	2 972 889
W.I.P. Elect Eheke	-	520 266
W.I.P. Eheke Road	6 193 564	6 152 185
W.I.P Construction of Gravel Road Uukwangul PII + PIII	-	5 948 080
Construction of Road & Storm Water Eheke PIII	7 811 845	7 811 845
Construction additional Offices ONARC	-	21 357 110
W.I.P. Storeroom	-	742 028
Work in Progress	6 910 208	6 630 158
W.I.P New Oshakati	4 165 767	43 381
W.I.P Accomodation	627 534	591 719
W.I.P for Revamping	-	346 447
W.I.P Improvement of	-	778 883
W.I.P Fencing of Staffs	-	230 988
W.I.P Constraction of Staffs	1 439 700	813 673
W.I.P Construction of	-	189 413
Fencing of Eheke	-	730 128
Plant and Machinery	-	876 972

4. INVENTORIES

Inventories are measured at lower cost and net realizable value. The cost of inventories should comprise all cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

	2018	2017
	N\$	N\$
Inventory Category	267 604	223 621
Cartridges	86 718	100 820
Cleaning Materials	45 999	24 953
Protective Clothes	41 048	33 344
Stationaries	83 592	49 429
Cooldrinks and Snacks	8 188	11 908
Other Inventory	2 059	3 167

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

5. TRADE RECEIVABLES

Trade receivables are carried at anticipated realizable value. All outstanding amount at year end which are older than 90 days are provided as provision for doubtful debts. Bad debts are written off during the year in which they are identified.

	2018	2017
	N\$	N\$
	6 082 960	7 288 113
Trade Receivables	4 403 272	4 332 873
Subsistence and travel advances	42 032	138 837
Deposits on property rentals	6 050	6 050
Advance payment to Suppliers	33 173	88 783
Receiver of Revenue VAT	1 598 433	2 721 570
OPM Drought Fund	-	-

6. TRADE PAYABLES

	21 456 955	19 435 552
Trade Creditors	2 748 370	3 851 543
Provision for Leave	13 491 086	12 057 462
Provision for Doubtful	1 899 014	1 851 836
Ministry of Education	5 597	5 597
Consumer deposits	9 790	12 148
Salary and wages control	43 851	60 933
Ministry AWF	95 231	328 331
Advance payment by Customers	77 495	31 417
Suspense Account	2 357 245	-
Provision for Accrued Bonus	729 276	844 167
Purchases Accrual	-	392 118

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Oshana Regional Council banks its money with the following banking institutions: First National Bank of Namibia, Bank Windhoek and Standard Bank of Namibia.

	2018	2017
	N\$	N\$
CASH ON HAND AND BANK	14 597 572	12 740 013
Standard Bank- Current account	(3 506)	(2 637 481)
Standard Bank- Call account	47 607	1 486 993
Standard Bank- Equity Provision Fund	6 225	8 046
Cash Plus Investment	655 880	609 708
Standard Bank - Drought Relief	619	2 230
Standard Bank - Ombuga Tree Planting Project	29 570	29 444
Standard Bank- Oshana Community	1 656 723	1 111 651
Standard Bank- Emergency Fund	59 769	59 789
First National Bank- Capital Projects	(36 558)	28 439
First National Bank- Call account	3 300 080	5 469 628
Bank Windhoek- Revenue account	2 848 297	2 170 099
Bank Windhoek - Oshana Rural Development Project	6 113 330	4 379 721
Oshana Rural Development	(80 464)	21 746

8. REVENUE

Revenue consist of the following:

8.1 Government Transfers: MURD

The Oshana Regional Council receives administrative grants from the Ministry of Urban and Rural Development. The grants are for the day-to-day operations of the Regional Council.

	2018	2017
	N\$	N\$
Government Subsidies	58 412 818	48 162 427

**REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)**

8.2 Rates levy from Local Authorities

The Oshana Regional Council as per the Regional Council's Act of 1992, levies an amount equal to 5% of the rates levied on all rateable property situated in Local Authority areas.

	2018	2017
	N\$	N\$
5 % levies from Local Authorities	2 779 186	2 696 907

8.3 Royalties and surcharges

The Oshana Regional Council receives royalties in respect of surcharges levied on its behalf by NORED Electricity (Pty) Ltd.

	2018	2017
	N\$	N\$
Royalties and Surcharges	225 938	366 294

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

9. DELEGATED FUNCTIONS

The Oshana Regional Council is currently performing the following functions as delegated by Central Government Ministries, in accordance with the Decentralization Enabling Act 2000 (Act 33 of 2000).

When under delegation, the Regional Council only acts as an agent for a particular line Ministry, while the latter retains full control and overall responsibility to approve the related budget. Once the Ministry approve the budget it is then transferred to the Regional Council for execution.

Only transactions of Ministry of Gender Equality and Child Welfare are part of the Regional Council operations because it is not yet decentralized, however the Council is taking care of financial transactions at regional level.

Description	2018	2017
	N\$	N\$
Income		
Minister of Gender Equality and Child Welfare	2 193 445	1 645 636
Minister of Education, Art and Culture	116 086 230	161 115 809
Minister of Works-Department of Maintenance	1 354 287	6 558 034
Minister of Land Reform	142 892	
Minister of Information	207 500	
Expenditure		
Minister of Gender Equality and Child Welfare	1 632 044	1 734 260
Minister of Education, Art and Culture	104 092 277	189 345 477
Minister of Works-Department of Maintenance	1 586 617	6 662 894
Minister of Land Reform	117 045	
Minister of Information	80 647	
Bank Balance		
Ministry of Gender Equality and Child ware fare	1 634 223	1 111 651
Ministry of Education, Art and Culture	11 993 952	8 561 725
Ministry of Works- Department of Maintenance	48 554	280 884
Ministry of Land Reform	37 242	11 395
	126 852	

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

10. ADJUSTMENT TO RETAIN EARNINGS

	2018
	N\$
	1 267 037
Accumulated depreciation for blinds bought in 2017 but were not capitalised	2 116
Accumulated depreciation for camera lens bought in 2017 but were not capitalised	1 395
Adjustment to Retain Earning	10 540
Allocate money received from Ministry of Gender Equality and Child Welfare	(10 491)
Community shade	5 090
Construction of bulk water	9 366
Construction of Road in Eheke	27 818
Construction of staff house	36 905
Construction of staff house	49 403
Construction of storm water	173 098
Construction of storm water	6 207
Consumer Deposit- 2016/17- ERA006 Re allocate to the correct GL	300
Consumer Deposit- 2016/17- JUL014 Re allocate to the correct GL	300
Consumer Deposit- 2016/17- NDJ001 Re allocate to the correct GL	300
Consumer Deposit- 2016/17- SLY002 Re allocate to the correct GL	300
Consumer Deposit- 2016/17-KAT002 re allocate to the correct GL	300
Correction of 2016-2017 Vat outstanding Balance	355 352
CORRECTION EXPENDITURE POSTED TWICE IN 2017FY (MUL001	(75)
CORRECTION EXPENDITURE POSTED TWICE IN 2017FY (MUL001)	(529)
CORRECTION EXPEPENDITURE PROCEED TWICE(NOR003)	(4 772)
Correction of expenditure posted twice in 2017 FY (WOE001)	(4 970)
Disallowed Transaction for Mbelle Panel	1 576
Disallowed Transaction for Provision of Free toilet-Ap Trading	460 996
Disallowed Transaction for Six Star payment	99 174
Expenses for 2016/17 reversed in 2017/18	(4 062)
Interest 2016/17	(5)
Interest 2016/17	(247)
Lease hold fee 2016/17	(300)
Lease hold fee 2016/17	(1 800)
Quotation Reversed	(8 993)
Re-allocate blinds bought in 2017fy(HSD)	(7 665)
Re-allocate Camera lens bought in 2016 to the correct GL 0101>030	(4 565)
Re-allocated blinds bought in 2016 FY to the correct GL Acc	(25 168)
reverse, inv processed twice	(217)

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

10. ADJUSTMENT TO RETAIN EARNINGS (continued)

	2018 N\$
reverse, inv processed twice	(7 009)
reverse, inv processed twice	(2 609)
VAT Disallowed FROM PERIOD 3 /2017	235
VAT Disallowed FROM PERIOD 3 /2017	29
VAT Disallowed FROM PERIOD 3 /2017	1 238
VAT Disallowed FROM PERIOD 3 /2017	95
VAT Disallowed FROM PERIOD 3 /2017	1 419
VAT Disallowed FROM PERIOD 3 /2017	335
VAT Disallowed FROM PERIOD 3 /2017	518
VAT Disallowed FROM PERIOD 3 /2017	5 494
VAT Disallowed FROM PERIOD 3 /2017	3 053
VAT Disallowed FROM PERIOD 3 /2017	646
VAT Disallowed FROM PERIOD 3 /2017	646
VAT Disallowed FROM PERIOD 3 /2017	646
VAT Disallowance P5/2017	1 474
VAT Disallowance P5/2017	96 457
VAT Disallowance P5/2017	2 434
VAT Disallowance P5/2017	2 270
VAT Disallowance P5/2017	892
VAT Disallowance P5/2017	3 754
VAT Disallowance P5/2017	264
VAT Disallowance P5/2017	722
VAT Disallowance P5/2017	343
VAT Disallowance P5/2017	9 514
Old Expenses for Gender reversed	(22 500)

REGIONAL COUNCIL OF THE OSHANA REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(Continued)

	2018	2016
	N\$	N\$
11. INCOME AND EXPENDITURE		
11.1 Income		
Government Transfers MURD	8.1 58 412 818	48 162 427
Rates Levy (5 %) from Local Authorities	8.2 2 779 186	2 696 907
Other income	3 060 585	2 650 826
Deferred Income	6 210 908	16 321 123
Sub-total	70 463 497	69 831 283
Delegated Functions	2 193 445	1 645 636
TOTAL INCOME	72 656 942	71 476 919
11.2 Expenditure		
Remuneration	46 895 625	43 783 365
Subsistence & travel	436 113	1 247 918
Materials and supplies	337 977	368 099
Transport expenses	1 113 203	1 355 036
Utilities	3 789 255	3 357 023
Maintenance expenses	651 375	984 651
Property rental & related charges	1 170 755	1 384 340
Other services & expenses	2 651 402	4 083 605
Membership fees & sub domestic	444 490	835 458
Depreciation expenses	33 982 708	19 887 959
Rural Development expenses	3 088 334	9 128 861
Sub-total	94 561 237	86 416 315
Delegated Functions	1 632 044	1 737 284
TOTAL EXPENDITURE	96 193 281	88 153 599
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	(23 536 339)	(16 676 680)
NET FINANCIAL INCOME		
Interest received	264 847	855 361
SURPLUS/(DEFICIT) FOR THE YEAR	(23 271 492)	(15 821 319)