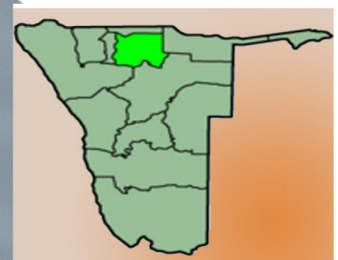




REPUBLIC OF NAMIBIA



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

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2006 AND 2007

Published by authority

Price (Vat excluded) N\$ 28.06
Report no 693

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 Oshikoto region for the financial years ended 31 March 2006 and 2007, 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, May 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE REGIONAL COUNCIL FOR THE OSHIKOTO REGION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2006 AND 2007**

1. INTRODUCTION

The Regional Council for the Oshikoto region was established with effect from 31 August 1992 under Section 2(1) of the Regional Councils Act, 1992 (Act 22 of 1992).

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

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

2. FINANCIAL STATEMENTS

The Regional Council's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 40(1) of the Regional Councils Act, 1992, **except that these were submitted on 20 November 2007 for the financial year ended 31 March 2007 and they were only completed on 18 August 2006 for the year ended 31 March 2006.** The abridged balance sheets, Annexure A, are a true reflection of the original.

The following annexures are also attached to this report:

- Annexure B: Statements of income and expenditure
- Annexure C: Cash flow statements*
- Annexure D: Notes to the financial statements

* The Council did not prepare cash flow statements for the years under review. These have been compiled by the auditors.

3. DELAY OF THE REPORT

The Office of the Auditor-General experienced a lack of capacity which contributed to the delay.

4. SCOPE OF THE AUDIT

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

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

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

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

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

4. AUDIT OBSERVATIONS AND COMMENTS

2007

4.1 Analysis of financial information (2006 & 2007)

The following differences were found between the trial balance which has been submitted for audit purposes and the amounts reflected in the financial statements of the Council

	Trail balance	Financial statement
	N\$	N\$
Expenditure:		
Depreciation	-	*662 412
Maintenance	156 749	161 923
Travelling and subsistence	707 047	706 607
Personnel expenses	9 762 571	10 112 664
Utilities	1 836 444	-
Other expenses	614 935	903 695
	13 077 746	12 547 301

Difference: N\$ 530 445

* This amount includes depreciation of N\$ 47 366 of the previous year.

	N\$	N\$
Income:		
Water sales	1 056 323	3 521 688
Other income	150 879	160 787
	1 207 202	3 682 475

Difference: N\$ 2 475 273

	N\$	N\$
Fixed assets:		
Machinery, equipment & vehicles	1 171 331	762 560
Office furniture, equipment & computers	564 307	358 030
	1 735 638	1 120 590

Difference: N\$ 615 048 (See expenditure *)

	N\$	N\$
Accounts receivable:		
Study loans	59 294	-
Trade debtors	102 674	2 645 949
Build Together debtors	1 386 116	1 803 863
Progress payments	346 092	-
	1 894 176	4 449 812

Difference: N\$ 2 555 636

	N\$	N\$
Bank balances/cash on hand::		
General expenses account	589 136	570 523
Petty cahs	1 954	-
	591 090	570 523

Difference: N\$ 20 567

	N\$	N\$
Crдитors:		
Joint Ibis	9 852	26 024
Payroll	-	344 954
Namwater	-	3 487 843
	9 852	3 858 821

Difference: N\$ 3 848 969

	N\$	N\$
Functions:		
Net surplus/(deficit)	(32 007)	193 239

Difference: N\$ 225 246

The total balance includes figures for: HIV/Aids, OVC World food program, Oshana RDC, World habitat day and World Aids day. These could not be reconciled to Note 9 of the financial statements.

	N\$	N\$
Fund accounts:		
Retained income	14 064 035	14 084 715
Development Fund	*41 512 219	41 512 219
Surplus for the year	2 367 349	274 018
Prior year adjustments	(212 052)	(68 345)
	57 731 551	55 802 607

Difference: N\$ 1 928 944

4.2. Investment in life cover (2006 & 2007)

2007

As per documents provided for audit purposes, the Council was supposed to pay premiums of N\$ 161 115.42 and N\$ 200 000 per annum respectively. The Council paid only N\$ 124 846.44 and N\$ 150 000.00, resulting in shortfall of N\$ 36 268.98 and N\$ 50 000.00.

2006

At the time of the audit it was found that the Council has two Fedsure policies with a local investment company with policy numbers: 74429 and 85495 dated 01 December 2002 and 01 March 2001 respectively. The Council insured the life of Mr. W. A. Damaseb, for a period of 10 years for both policies. Mr. W.A Damaseb is no longer employed by the Council.

During the year under review, the Council could not provide the audit team with a policy certificate for the Sanlam Channel Life Policy to verify the amount of N\$ 146 469 as reflected in the annual financial statements.

The Council could not provide proof that the policies were approved by the Minister as per Section 33(3) of the Regional Councils Act.

4.3 Fixed assets (2006)

4.3.1 Fixed assets transferred from the Ministry

The Council does not have a control register for all the assets transferred from the parent ministry at the formation of the Regional Council. These assets are not recorded anywhere in the control register of the Council.

4.3.2 Fixed assets register (2006)

At the time of the audit it was found that the Council does not have an updated fixed asset register in place for assets owned by the Council. There is no periodic inventory of the assets to confirm that the assets as reflected are physically still on hand, thus, the authenticity of the amount reflected in the balance sheet could not be verified.

Furthermore, the additions in the previous year of N\$ 5 321 974 were recorded as N\$ 8 890 776 in the relevant comparative financial statement, which lead to a difference of N\$ 3 568 802 of the opening balance at 1 April 2005. The opening cost value as at 1 April 2005 has further been overstated with N\$ 30 000. No proper explanation was given by the Council.

4.3.3 Assets under construction (2006)

During the year under review, the Council could not provide the audit team with an updated general ledger to verify all the amounts as reflected in the financial statements. Thus differences noted between the general ledger and the trial balance could not be traced.

4.4 Cash and bank (2006)

At the time of the audit, the following discrepancies regarding cash and bank were observed:

- (a) The Council could not provide the audit team with detailed cash-books.
- (b) The Council operated a petty cash account during the period under review but could not provide manual procedures as to how the petty cash account was controlled.

- (c) The Council had two (2) saving accounts with Namibia Post Office (NAMPOST). However, the Council could not provide related bank statements for these accounts.
- (d) The Council did not reconcile all the bank accounts.
- (e) The Council could not provide the audit team with a list of names of authorized staff members with their specimen signatures as to who are authorized or mandated by the Council to disburse the Council's funds.

4.5 Inventory (2006)

Although annual stock takings were carried out during the years under review, the Council did not prepare mini-reports for consumable items.

Instances were noted where the stock official issuing stock items is not affixing his or her signature at the spaces provided for such purposes.

4.6 Salaries and other allowances (2006)

Although monthly payrolls are printed and filed, periodic reconciliation is not being done on the payroll. Salary sheets for June, July, August and September were not available for audit purposes. Variance reports are not printed every month.

4.7 Salary advances and subsistence & travelling allowances

4.7.1 Salary advances (2006)

At the time of the audit the Council could not provide the audit team with the Council resolutions as a guiding document as to how much the staff can claim and under which circumstances salary advances may be requested.

4.7.2 Subsistence and travelling allowances (2006 & 2007)

2007

Date	Details	Cheque no.	Amount	Remarks
18/05/2006	F.W. Becker	005086	N\$ 700.00	No indication was given as to where the claimant was coming from to attend the meeting. Claimant is a member of the Tender Board but not employed by the Council.
18/05/2006	S.S.Angula-Mupopiwa	005079	2 183.09	Claimed amount does not agree with amount on supporting documents.
31/05/2006	I.N. Akawa	005109	363.10	Staff members that went to the same meeting claimed different amounts.
16/06/2006	C.A.J. Gonzalez	005204	151.20	Claimant is a member of the Tender Board and not employed by the Council.
21/07/2006	K.Kadhila	005301	788.70	Amount claimed does not agree with amount on supporting documents.
14/09/2006	W.Becker	005522	700.00	Claimant is a member of the Tender Board and not employed by the Council.
04/12/2006	K.Kadhila	005896	2 668.00	Claim form incomplete, only advance.
05/12/2006	M.Mbombo	005947	2 000.00	Amount was not calculated as per Rate 1 schedule.
18/01/2007	H.Nghihangua	006092	218.55	No supporting documents.

2006

At the time of the audit the Council could not provide the audit team with the Council resolutions as a guiding document as to what documents should be brought forward by staff members completing subsistence and travelling advances and when they are supposed to submit the claim form and other supporting documents to prove beyond reasonable doubt that the trip actually occurred.

The following discrepancies regarding Subsistence and Travelling Allowances were noted:

Date	Details	Cheque no.	Amount	Remarks
			N\$	
01/04/2005	N.J.Germans	003357	1 655.00	No supporting documents
04/05/2005	Sheyavali	003389	3 755.00	No supporting documents
14/07/2005	Klause	003815	2 100.00	No supporting documents
16/08/2005	M.Mbombo	003963	3 766.00	No supporting documents
14/09/2005	P.Mundjele	004095	2 736.00	No supporting documents
28/09/2005	S.Shidute	004145	2 430.00	No supporting documents
05/10/2005	T.A.Andjamba	004200	3 843.00	No supporting documents
13/10/2005	W.Kapenambili	004214	7 776.00	Claim form incomplete
20/12/2005	L.P.Hamatundu	004468	1 141.06	No supporting documents
21/12/2005	I.N.Akawa	004480	1 007.76	Claim does not correspond with invitation letter.
26/01/2006	K.Kadhila	004602	960.00	Amounts on cheque and invoice do not agree.
28/02/2006	P.Mundjele	004727	1 368.00	No supporting documents

(continued)

Date	Details	Cheque no.	Amount	Remarks
			N\$	
28/02/2006	M.Mbombo	004732	2 725.00	No supporting documents
28/02/2006	S.S.Angula	004735	1 789.46	No supporting documents
28/02/2006	J.Imbili	004737	1 174.00	No supporting documents
08/03/2006	S.S.Angula	004819	2 430.00	No supporting documents
09/03/2006	P.Mundjele	004830	1 712.00	No supporting documents
09/03/2006	H.Kankoshi	004832	2 396.00	No supporting documents

4.8 Salaries and wages (2007)

The remuneration for September was not certified for accuracy and correctness. Furthermore, for the month of October, a difference of N\$ 1 668.45 was noted between the salary sheet and the general ledger.

During the audit, the audit team revealed an overpayment of N\$ 974.00 made to Mrs. M. Richter, salary reference number, 20010220.

It was noted with great concern that the management cadre receives cell phone allowances on top of their salary which is not taxable, but best practice suggests that this money should be paid directly to the respective service provider who is contracted to the Council.

4.9 Capital projects (2006 & 2007)

2007

Cheque numbers 382 and 389 amounting to N\$ 99 803.03 (N\$ 7 033.40 and N\$ 92 769.63 respectively), were found to be stale at year end but no reversal was made.

2006

Cheques number 284 and 320 amounting to N\$ 114 642.79 (N\$ 24 061.84 and N\$ 90 580.95 respectively), paid to Global Construction could not be verified due to the unavailability of supporting documents.

An amount of N\$ 188 545.00, cheque number 35,1 was reflected in the general ledger as cancelled, but the bank statement reflects that the cheque has been processed.

4.10 General expenditure (2006 & 2007)

2007

It was observed that a payment made to Schoemans Office Systems on 15/02/2007 reflected an amount of N\$ 4 824, cheque number 6206 whilst the invoice was for N\$ 600.00 as per the attached supporting documents.

2006

The Council made payments to the following suppliers without supporting documents.

Date	Details	Cheque no.	Amount
			N\$
01/04/2005	Foundation Tech	003377	3 750.00
04/04/2005	Deita	003386	1 400.00
15/04/2005	S.A. Institute	003425	2 250.00
21/07/2005	Acamdret	003844	4 500.00
03/08/2005	Mandy Buhr	003934	15 250.00
13/09/2005	AIMS	004090	1 495.00
23/09/2005	Acamdret	004107	4 500.00
09/03/2006	P.Nashongo	004826	4 223.63
10/03/2006	New Vision	004844	3 500.00

4.11 Independence celebrations (2006)

The Council did not prepare a mini report for expenditure incurred during the independence celebrations.

4.12 Bank charges (2006)

At the time of the audit, the audit team could not satisfy themselves as to whether the Council actually summarised the amount of bank charges during the year.

4.13 Interest received (2006)

At the time of the audit, a difference of N\$ 182 157.72 was noted between the audited figure (N\$ 1 119 387.28) and the amount in the annual financial statements (N\$ 1 301 545.00).

4.14 Debtors

4.14.1 Customer control account (2006)

During the year under review, an amount of N\$ 102 674.00 for Pierre Smit Architects could not be verified for accuracy as no proper explanation was given by the Council concerning the debt.

4.14.2 Built Together debtors (2006 & 2007)

At the time of the audit, the Council could not provide the audit team with a customer control account to verify an amount of N\$ 1 386 116.40: 2007 and N\$ 1 436 881.81: 2006 for built together debtors, loans repayments and justification of the provision for bad debts of N\$ 463 239.00 for both financial years. Only payments amounting to N\$ 346 091.56: 2007 and N\$ 302 6329.77: 2006 were confirmed for the build together programme during the years under review.

4.15 Adjustments

2007

A contribution of N\$ 18 383 537 from Government for capital projects has been directly allocated to the capital projects account and is included in the adjustments to the accumulated funds. A further amount of N\$ 469 021 had to be included in the adjustments in order to balance with the figure shown in the balance sheet.

2006

The closing balance of the accumulated funds amounted to N\$ 20 832 261 whereas the opening balance according to the trial balance amounted to N\$ 37 481 878. An adjustment of N\$ 16 649 617 had to be made to balance with the accumulated funds as reflected in the balance sheet.

5. ACKNOWLEDGEMENT

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

6. DISCLAIMED AUDIT OPINION

The accounts of the Regional Council Oshikoto for the financial years ended 31 March 2006 and 2007 have been audited in terms of Section 38 of the Regional Councils Act, 1992 (Act 22 of 1992) and Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

I am unable to express an opinion on the respective financial statements due to the following reasons:

2007

- Vast differences appear between the amounts stated in the trial balance and those stated in the financial statements.
- The Build Together debtors could not be verified.
- An unexplained adjustment of N\$ 469 021 had to be made to the accumulated funds in order to balance the books.

2006

- The value of fixed assets which were transferred to the Council from the Ministry has not been disclosed in the balance sheet.
- No updated fixed asset register was in place and the existence and values of fixed assets reflected in the balance sheet could not be confirmed.
- A difference of N\$ 3 598 802 occurred between the closing value balance of fixed assets as at 31 March 2005 and the opening balance as at 1 April 2005.
- Not all bank accounts were reconciled.
Payrolls were unavailable for four months.
Subsistence and travelling claims as well as various general expenses had no supporting documents.
- Build Together debtors could not be confirmed.
- An unexplained adjustment of N\$ 16 649 617 had to be made to the accumulated funds in order to balance the books.

WINDHOEK, May 2009

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

BALANCE SHEET AS AT 31 MARCH

	Notes	2007 N\$	2006 N\$	2005 N\$
Assets		38 373 049	20 675 156	10 055 124
Property plant and equipment	3	36 524 048	18 951 001	7 658 223
Investments	5	1 849 001	1 724 155	2 396 901
Current assets		22 327 379	17 049 727	10 777 137
Accounts receivable	6	4 017 573	1 081 869	846 587
Cash and cash equivalents	7	18 309 806	15 967 858	9 930 550
Total assets		60 700 428	37 724 883	20 832 261
Equity and liabilities				
Accumulated Funds	10	56 841 607	37 715 031	20 832 261
Current liabilities				
Creditors	8	3 858 821	9 852	-
Total equity and liabilities		60 700 428	37 724 883	20 832 261

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH

	Notes	2007	2006	2005
			N\$	N\$
Income		18 573 732	14 057 076	15 195 965
Expenditure		19 531 172	15 125 468	12 713 106
Net operating surplus/(loss)		(957 440)	(1 068 392)	2 482 859
Interest on current account		1 231 458	1 301 545	392 253
Accumulated income/(deficit)		274 018	233 153	2 875 112
~ at the beginning of the year		37 715 031	20 832 261	17 843 706
~adjustments		18 852 558	16 649 617	113 443
~ at the end of the year	10	56 841 607	37 715 031	20 832 261

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

CASH FLOW STATEMENT AS AT 31 MARCH

	Notes	2007	2006	2005
		N\$	N\$	N\$
Cash flows from operating activities	Annexure B	274 018	233 153	2 875 112
Surplus over expenditure for the year adjusted for non-cash items:				
Depreciation for the year		615 046	273 949	374 503
Movement in current assets and liabilities	13	913 265	(225 430)	(335 163)
Net cash inflow from operations		1 802 329	281 672	2 914 452
Net cash flow of investing activities				
Property, plant and equipment:				
Adjustment opening balance		-	(3 598 802)	-
Property, plant and equipment acquired, value adjustments		(18 188 093)	(7 967 925)	(5 321 974)
Investments (acquired)/utilized		(124 846)	672 746	2 139 306
Net cash outflow form investing activities		(18 312 939)	(10 893 981)	(3 182 668)
Net change in cash and cash equivalents		(16 510 610)	(10 612 309)	(154 73)
Adjustments	12	18 852 558	16 649 617	-
CASH AND CASH EQUIVALENTS				
– Beginning of the year		15 967 858	9 930 550	10 085 323
– End of the year		18 309 806	15 967 858	9 930 550

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES

The Annual Financial Statements are prepared in accordance with and comply with Namibian Statements of Generally Accepted Accounting Practice.

The annual financial statements are prepared in line with the accrual concept. It should be noted, however, that income and expenditure in relation to Delegated Functions is accounted for during the year on a cash accounting concept, in line with the State Finance Act, 1992, however, since all liability in relation to Delegated Functions remains with the relevant Line Ministry and all unexpected Delegated Funds are returned to the State Account as at 31 March, this does not materially affect the Regional Council financial statements.

1.2 Property, Plant and Equipment

All fixed assets are stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight- line method to write off the cost of each asset to its residual value over its estimated useful economic life. The estimated useful economic lives for each category of asset are as follows:

2006 & 2007

Buildings	50 years	2% per annum
Machinery and equipment	5 years	20% per annum
Motor vehicles	5 years	20% per annum
Office furniture and equipment	3 years	33.3% per annum
Computer equipment	3 years	33.3% per annum

Land and infrastructure assets are not depreciated. It is assumed that land will appreciate in value over time, and that infrastructure assets (i.e. water, sewerage and electricity networks) will maintain their value due to the necessity of regular maintenance.

2. REVENUE**2.1 Government Transfers: MRLGH&RD**

The Council receives administrative grants from the Ministry of Regional and Local Government, Housing and Rural Development. The grants are for the day-to-day operations of the Council. In the current financial year, the Council received N\$ 13 626 022 (2006: N\$ 12 552 022).

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

2.2 Rates Levy from Local Authorities

The Council per the Regional Councils' Act of 1992, levies an amount equal to 5% of the rates levied on all rateable property in constituent local authority areas in this case the Tsumeb Municipality. In 2007, the Council did not receive any levies as compared to N\$ 269 760.72 in 2006.

The Council will actively pursue the outstanding levies from the local authority in the new financial year.

2.3 Interest Received

	2007	2006
	N\$	N\$
Capital Project Call Account	1 107 551	1 079 974
General Expense Call Account	70 060	-
Build Together Programme Call Account	50 894	-
Other Current Accounts	2 953	
	1 231 458	1 079 974

Interest for 2006 was grouped together.

2.4 Royalties

NORED Electricity (Pty) Ltd	197 407	193 734
	197 407	193 734

The Regional Council receives royalties in respect of surcharges levied on its behalf by NORED. The rates are based on approved tariffs by the Electricity Control Board. These tariffs vary from time to time.

2.5 Dividends

	2007	2006
	N\$	N\$
NORED Electricity (Pty) Ltd	-	221 571

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

3. PROPERTY, PLANT AND EQUIPMENT

	Assets under construction	Machinery vehicles	Office furniture, equipment & computers	Total
	N\$	N\$	N\$	N\$
Cost as at 1 April 2006	17 570 833	1 474 381	1 207 780	20 252 994
Capitalised Work in Progress	12 416 332	-	-	12 416 332
Additions	5 416 292	233 382	122 087	5 771 761
Cost as at 31 March 2007	35 403 457	1 707 763	1 329 867	38 441 087
Depreciation as at 1 April 2007	-	536 432	765 562	1 301 994
Charge for the year	-	408 771	206 275	615 046
Depreciation as at 31 March 2007	-	945 203	971 837	1 917 040
Net book value as at 31 March 2007	35 403 457	762 560	358 030	36 524 047
	Assets under construction	Machinery vehicles	Office furniture, equipment & computers	Total
	N\$	N\$	N\$	N\$
Cost as at 1 April 2005	6 953 466	939 981	792 821	8 686 268
Adjustments	3 598 802	-	-	3 598 802
Additions	7 018 565	534 400	414 960	7 967 925
Cost as at 31 March 2006	17 570 833	1 474 381	1 207 781	20 252 996 5
Depreciation as at 1 April 2005	-	391 012	637 033	1 028 045
Charge for the year	-	145 420	128 529	273 949
Depreciation as at 31 March 2006	-	536 432	765 562	1 301 994
Net book value as at 31 March 2006	17 570 833	937 949	442 219	18 951 001

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Assets under construction	Machinery vehicles	Office furniture, equipment & computers	Total
Cost as at 1 April 2004	2 297 614	507 541	559 139	3 364 294
Additions	4 655 852	432 440	233 682	5 321 974
Cost as at 31 March 2005	6 953 466	939 981	792 821	8 686 268
Depreciation as at 1 April 2004	-	203 016	450 526	653 542
Charge for the year	-	187 996	186 507	374 503
Depreciation as at 31 March 2005	-	391 012	637 033	1 028 045
Net book value as at 31 March 2005	6 953 466	548 969	155 788	7 658 223

	2007	2006	2005
	N\$	N\$	N\$
4. ASSETS CONSTRUCTED AND UNDER CONSTRUCTION			
Construction of Omuthiya Constituency Office	1 090 962	1 090 962	-
Planning Oshigambo Town	50 064	56 064	-
Survey Oshigambo Townlands	432 811	432 811	-
Planning Ontananga	188 545	188 545	-
Survey Onethindi	231 705	231 705	-
Planning Omuthiya	214 152	214 152	-
Survey Omuthiya	262 602	262 602	-
Construction of Olukonda Constituency Office	1 184 531	1 184 531	-
Construction of Onyaanya Constituency Office	784 055	784 055	-
Construction of Giunas Constituency Office	1 104 693	1 104 693	-
Construction of Omutele Constituency Office	6 605	6 605	-
Construction of Onayena Constituency Office	193 750	193 750	-
Regional Water Project	1 230 539	1 230 539	-
Upgrading of Streets Onayena	311 595	311 595	-
Survey Onyuulaye	566 369	566 369	-
Survey Onethindi Extention 3	536 895	536 895	-
Construction of Services Omuthiya	304 738	304 738	-

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

4. Assets constructed and under construction (continued)

	2007	2006	2005
	N\$	N\$	N\$
Construction of Water Reticulation Omuthiya	1 020 028	1 020 028	-
Construction of Reticulation Networks, pump station and s/line	1 620 153	1 620 153	-
Construction of Oxidation Ponds & Gravel Roads Omuthiya	705 585	705 585	-
Suevey of Town boundaries Omuthiya, Onayena & Onethindi	36 797	36 797	-
Construction of Consituency Offices	563 378	563 378	-
Survey Oshivelo	174 542	174 542	-
Construction of services Oshivelo P1-3	3 508 556	3 508 556	-
Construction of gravel roads & fencing Oshivelo	1 137 455	1 137 455	-
Cleaning of settlements	42 590	42 590	-
Councillor projects	1 134 102	61 138	-
Head Office – Omuthiya – Office construction	885 069	-	-
Head Office – Omuthiya – Services	6 894 932	-	-
Head Office – Professional fees	3 816 771	-	-
Okankolo – Office construction	559 137	-	-
Okankolo – Professional fees	270 530	-	-
Surveying – Settlements	1 238 268	-	-
Land purchase – Omuthiya	2 101 778	-	-
Office construction – Onayena	885 079	-	-
Professional fees – Onayena	108 096	-	-
Total	35 403 457	17 570 833	-

5. INVESTMENTS

FNB - Treasury Bills	-	150 000	150 000
FNB - Call Account	-	-	1 000 234
Sanlam Channel Life investment Policy	-	146 469	-
Fedsure investment	1 039 047	767 732	604 155
Fedsure investment	714 954	564 954	547 512
Etosha Safari Lodge	95 000	95 000	95 000
	1 849 001	1 724 155	2 396 901

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

		2007	2006	2005
		N\$	N\$	N\$
6. ACCOUNTS RECEIVABLE				
Trade debtors		2 645 949	108 226	-
Build together debtors		1 803 863	1 436 882	1 163 813
Other		31 000	-	-
Total		4 480 812	1 545 108	1 163 813
Less: Provision for doubtful debts		(463 239)	(463 239)	(463 239)
Assessment rates received from Local Authorities		-	-	146 013
		4 017 573	1 081 869	846 587
7. BANK BALANCES AND CASH ON HAND				
FNB General Expenses Current Account	62017952236	570 523	33 653	545 357
FNB General Expense Call Account	620626718132	349 033	6 805	-
FNB Capital Project Call Account	62065532220	13 737 628	13 071 246	5 342 607
FNB Capital Project Current Account	62022292578	981 070	968 530	2 190 104
FNB Built Together Disbursement Current Account	62009495567	61 453	1 120 551	888 212
FNB Built Together Inventory Current Account	62029163706	107 083	106 160	77 380
FNB Ondonga Traditional Authority Current Account	62032804777	200 684	1 169	-
FNB Settlement Current Account	62044217273	97 414	55 173	323 939
FNB Drought Aid Fund Current Account	62047971470	4 241	459	7 444
FNB Social Housing Scheme Current Account	62012289296	224 260	222 493	222 464
FNB Childhood Development Current Acc	62013645463	251 372	255 078	200 890
STD Regional Aids Co-Ordinating Current Account	21043952	18 226	9 771	-
FNB Petty Cash Account			1 954	-
FNB Independence Celebration Current Account	61547010035	456	479	37 172
FNB Transport Current Account	62024901515	72 874	26 834	1 592
Nampost Savings Bank Account	804829241	33 696	33 696	33 696
Nampost Savings Bank Account	804829129	53 807	53 807	53 807
People with disabilities	62061057694	-	-	4 152
Regional Aids Co-ord Committee	41615905		-	1 734
OVC/WFP Account	62106360431	14 876	-	-
RDC – Okashana	62106381411	190 251	-	-
Build Together Call Account	62110377696	1 340 859	-	-
Total		18 309 806	15 967 859	9 930 550

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

8. CREDITORS		2007	2006	2005
		N\$	N\$	N\$
Joint Ibis/HIVOS Project to Oshikoto Region		26 024	9 852	-
Payroll		344 954	-	-
Namwater		3 487 843	-	-
		3 858 821	9 852	-
9. DELEGATED FUNCTION FROM LINE MINISTRY				
Line Ministry	Delegated function			
Income		826 993	115 680	93 667
Ministry of Women Affairs	Early Childhood Development	65 300	63 450	89 841
Ministry of Regional & Local Government	National Draught Fund	761 693	52 230	-
	Social Housing Scheme	-	-	3 826
Expenditure		633 754	79 460	124 056
Ministry of Women Affairs	Early Childhood Development	62 467	21 444	123 455
Ministry of Regional & Local Government	Social Housing Scheme	-	-	601
National Drought Fund		571 287	58 016	-
		193 239	36 220	(30 389)
10. ACCUMULATED FUNDS				
Retained surplus		14 084 715	13 804 196	-
Development Capital Funds		41 512 219	23 128 682	-
Build Together Capital Fund		1 039 000	549 000	-
Surplus for the year		274 018	233 153	-
Prior Year Adjustments		(68 345)	-	-
Balance at the end of the year		56 841 607	37 715 031	-

REGIONAL COUNCIL OF THE OSHIKOTO REGION

11. DETAILED INCOME AND EXPENDITURE STATEMENT

	Notes	2007 N\$	2006 N\$	2005 N\$
INCOME				
Government transfer : MRLGH	2.1	13 626 022	12 552 022	12 850 041
Rates levy from local authorities	2.2	-	269 761	124 675
Rates, charges and fees (settlement areas)		3 521 688	868 150	1 135 979
Interest, dividends received	2.3	1 231 458	1 301 545	392 253
Other income		160 787	57 729	149 937
Royalties	2.4	197 407	193 734	-
Income – Disasters & emergencies		240 835	-	-
Profit on investments		-	-	841 666
Sub-total		18 978 197	15 242 941	15 494 551
Delegated functions	8	826 993	115 680	93 667
Total income		19 805 190	15 358 621	15 588 218
EXPENDITURE				
Depreciation expense	3	662 412	273 949	374 503
Materials and supplies		120 591	158 189	130 010
Maintenance expenses		161 923	96 703	94 255
Other expenditure		903 695	678 125	376 336
Property rental		398 152	401 264	77 356
Personnel expenditure		10 112 664	8 909 978	6 710 563
Travel and subsistence expenses		706 617	389 145	764 665
Transport expenses		507 078	496 855	535 387
Utilities		5 324 286	3 641 800	3 525 841
Interest paid		-	-	134
Subtotal		18 897 418	15 046 008	12 589 050
Delegated functions	8	633 754	79 460	124 056
Total expenditure		19 531 172	15 125 468	12 713 106
Surplus		274 018	233 153	2 875 112

REGIONAL COUNCIL OF THE OSHIKOTO REGION

DETAILED INCOME AND EXPENDITURE STATEMENT

	2007	2006	2005
	N\$	N\$	N\$
12. ADJUSTMENTS TO ACCUMULATED FUNDS			
Contribution grants: Capital projects	18 383 537	-	-
Total: Opening balances	469 021	16 649 617	-
Drought Aid Fund	-	-	*7 456
Regional Aids Co-ordinator Committee	-	-	*18 484
Nampost savings	-	-	*33 696
Nampost savings	-	-	*3 807
	18 852 558	16 649 617	113 443
13. MOVEMENT IN CURRENT ASSETS AND LIABILITIES			
Accounts receivable – (Increase)/decrease	(2 935 704)	(235 282)	(335 163)
Accounts payable – Increase/(decrease)	3 848 969	9 852	-
	913 265	(225 430)	(335 163)