



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
REGIONAL COUNCIL OF THE ZAMBEZI REGION  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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**REPUBLIC OF NAMIBIA**



**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the Regional Council of the Zambezi Region for the financial years ended 31 March 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27 (4) of the Act.

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**WINDHOEK, April 2023**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
REGIONAL COUNCIL OF ZAMBEZI  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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**1. ADVERSE AUDIT OPINION**

I have audited the financial statements of the Regional Council of Zambezi for the financial year ended 31 March 2020. These financial statements comprise the opening statement of financial position for 2019, statement of financial position, statement of financial performance, statement of changes in net assets, statement of cash flow for the year then ended.

In my opinion because of the significance of the matters discussed in the Basis for Adverse Audit Opinion paragraph the accompanying financial statements do not give a true and fair view of the financial position of the Regional Council of Zambezi as at 31 March 2020 and its financial performance and their cash flow for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

**2. BASIS OF 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 Institution together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. An Adverse audit opinion is being expressed due to the following:

**2.1 Leave days' provision**

A difference of N\$ 796 844 was observed between the Regional Council calculation that was based on 280 days and the auditor's calculation which was based on 260 days as per PSSR DII leave gratuity. Furthermore, the Regional Council did not provide the document where the 280 days was stipulated.

**2.2 Government Houses**

In terms Section 35 of the Public Service Act, 1995 (Act 13 of 1995) of circular PSSR D.VII/VI stated that a management cadre who occupies official quarters must either purchase the quarters or vacate it within 3 months of receiving the benefit.

The auditors observed that the Chief Regional Officer and Deputy Director Planning that serve as management cadre are non-compliant with Section 35 of the Public Service Act, 1995 (Act 13 of 1995).

### **2.3 Fixed Asset Register**

The Regional Council maintains a fixed asset register, however the fixed asset register does not contain full details of each asset as required by procedure manual;

When the auditors compared the fixed asset register and the submitted financial statements submitted for audit: The following observations were made;

- The Property plant and equipment are poorly drafted and have numerous casting errors and incorrect figures;
- The financial statements indicate that the Regional Council disposed of assets amounting to N\$ 276 784 851, however there were no disposals that took place during the 2020 financial year;

### **2.4 Fruitless Expenditure**

The Regional Council incurred expenditures amounting to N\$ 589 147 (as at 31 March 2020), and N\$ 6 433 541 (to date) for renovating the Legislative Assembly Hall

The auditors could not be provided with any title deed, or any transfer of ownership resolution. Furthermore, the building is not disclosed in the fixed asset register under buildings, but disclosed as work in progress (does not qualify to be recognized as work in progress);

### **2.5 Other receivables – Value Added Tax**

It was noted that the value added tax (VAT) returns during the financial period were not reconciled to the closing VAT balance on the annual financial statement. Therefore, a material difference amounting to N\$ 2 577 040 was noted;

### **2.6 Cash and Cash Equivalent**

The cash control account is supposed to be cleared/ have a nil balance at year end, all transfers should be correctly allocated to the respective bank accounts. The cash control account had a balance of N\$ 555 939 at year end.

Furthermore, a difference amounting to N\$ 6 648 310 was noted between the bank confirmation and the financial statements;

### **2.7 Account Payables**

Debit balances amounting to N\$ 4 169 870 were not reclassified to current assets; however the Regional Council set it off against the credit balance.

## **2.8 Contract of employment- Chief Regional Officer**

The auditors observed that the extension of contract for employment of the Chief Regional Officer Effective 01 March 2016 until 28 February 2021 was not recommended by Public Service Commission.

The Attorney General's Office advice that the contract resulted in ultra vires action. Therefore, the auditors observed that Council have approached Treasury in terms of section 11 subsection (3 ) that request Treasury to waive the claim against such person under section 16(1)(c)(i) or to authorize under section 20 that he or she be discharged from liability.

No evidence was provided to the auditors as to whether this matter was resolved;

## **2.9 Service level Agreement**

The Procurement Act No. 15, Act of 2015 part 8 section 62, provides clear guidelines on the setting up of contracts to ensure that performance levels can be monitored.

The auditors noted that the Regional Council makes use of a consultant for Pastel software license, however no service level agreement was entered into; and

## **2.10 Investment in Nored**

The Council did not disclose the shares held in Nored in their financial statement as required by IPSAS 28.

## **3. KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgment, were of most significance in the 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 the 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. 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 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 legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the entity's ability to continue as a going concern disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for 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 uses 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



auditor's 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.
- 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.
- 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.

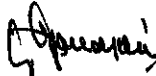
## **7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

The financial statements were submitted to the Office of the Auditor-General by the Accounting Officer in compliance with Section 40 (1) of the Regional Council Act, 1992, (Act 22 of 1992).

## **8. ACKNOWLEDGEMENT**

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

**WINDHOEK, April 2023**

  
**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

## **General information**

Regional Council of Zambezi was established under Regional Council Act, (Act 22 of 1992) as amended and was entrusted with the responsibility of implementing central Government policies at regional level, with the mandate to govern and plan the socio-economic, physical and infrastructural development of the region, as well as to improve the living conditions of the inhabitants of the region and to ensure sustainable development. 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. The accounts of Regional Council of Zambezi for the year ended 31 March 2020 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act 31 of 1991) and the Regional Council Act, (Act 22 of 1992).

Regional Council of Zambezi is required to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the Regional Council's responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Regional Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Public Sector Accounting Standards (IPSAS) along with transitional IPSAS 33. The Office of the Auditor-General is engaged to express an independent opinion on the Annual Financial Statements.

The Regional Council acknowledges that it is ultimately responsible for the system of internal financial control established and places considerable importance on maintaining a strong control environment. To enable the Regional Council to meet these responsibilities, standards are set for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Regional Council and all employees are required to maintain the highest ethical standards in ensuring the Regional Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Regional Council is on identifying, assessing, managing and monitoring all known forms of risk across the Regional Council. While operating risk cannot be fully eliminated, the Regional Council endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within the predetermined procedures and constraints.

## **Regional Councillors**

Below are the names of the Councillors of the Regional Council of Zambezi as at 31 March 2020

Hon. B. B. Munali (Chairperson)

Hon. C.S. Sipapela

Hon. J. M. Likando

Hon. W. M. Simushi

Hon. I. S. Chunga

Hon. D.S. Muluti

Hon. P.M. Mwala

## **Management Committee Members**

Below are the names of the members of the management committee of the Regional Council of Zambezi as at 31 March 2020

Hon. B. B. Munali (Chairperson)

Hon. D. S. Muluti

Hon. P. M. Mwala

Regional Council Administrative Management as at 31st March 2020

Below are the names of the Management Cadre of the Regional Council of Zambezi

R. M. Ndopu-Lubinda	Chief Regional Officer
B. M. Walubita	Director: Development Planning
S. N. Simwanza	Director: Finance and Administration
R. K. Chaka	Deputy Director: Human Resources Management
C. N. Sibitwani	Deputy Director: Finance
C. S. Mubita	Deputy Director: Planning
C. M. Mukata	Deputy Director: Monitoring and Evaluation
Vacant	Deputy Director: Technical Services
Vacant	Deputy Director: Rural Services
Vacant	Deputy Director: Administration

### **Business address**

Ngoma/ Hospital Road  
RC Office Park  
Katima Mulilo  
Namibia

### **Postal address**

P.O. Box 5002  
Katima Mulilo  
Namibia

### **Business Contacts**

Telephone: (264) 66 261700/2

### **E-mail:**

Regina.Ndopu/lubinda@zambezi.gov.na

Website: [www.zambezi.gov.na](http://www.zambezi.gov.na)

### **Bankers**

Bank Windhoek  
Standard Bank  
First National Bank

**Independent Auditors**

Auditor General  
Office of the Auditor General  
123 Robert Mugabe  
Private Bag 13299  
Windhoek

**Principal Legal Adviser**

Government Attorney  
Office of the Attorney-General  
145, Sanlam Centre  
Private Bag 13248  
Windhoek

## **Chief Regional Officers Responsibilities and Approval**

In terms of section 40 of the Regional Council Act, 22 of 1992, the Accounting Officer of a Regional Council shall within three months or such longer period as the Auditor-General may approve, after the end of a 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.

The Chief Regional Officer is responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year ended on 31 March 2020. These responsibilities include: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the council; (iii) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the council; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstance.

The Regional Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Regional Council has reviewed its cash flow forecast for the year to 31 March 2020 and, in light of this review and current financial position, it is satisfied that the regional Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Council's financial statements were approved by the Chief Regional Officer on the \_\_\_\_\_ 2021 and signed by her.

\_\_\_\_\_  
**R.M. Ndopu-Lubinda**  
**Chief Regional Officer**

\_\_\_\_\_  
**Date**



**REGIONAL COUNCIL OF ZAMBEZI**  
**OPENING STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31**  
**MARCH**

	<b>2019</b>
	N\$
<b>ASSETS</b>	
<b>Current Assets</b>	<b>92 920 066</b>
Cash and Cash Equivalents	67 524 833
Account Receivables (exchange transactions)	11 556 788
Taxation (VAT)	13 553 636
Inventories	284 809
<b>Non-Current Assets</b>	<b>271 399 525</b>
Property, Plant and Equipment	15 659 416
Work in Progress capital Project	255 740 109
<b>TOTAL ASSETS</b>	<b>364 319 591</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	<b>18 766 817</b>
Trade and other payables from exchange transactions	1 914 990
Trade and other payables from Non-exchange transactions	16 851 827
<b>Non-Current Liabilities</b>	-
<b>Total liabilities</b>	<b>18 766 817</b>
	<b>345 552 774</b>
Accumulated surplus	29 964 697
Capital Development Fund	330 278 606
Build Together Funds	151 695
Retained Earnings (Accumulated)	(11 605 817)
Retained Earnings (Current year)	(3 236 407)
<b>NET ASSETS</b>	<b>364 319 591</b>

## ANNEXURE B

**REGIONAL COUNCIL OF ZAMBEZI**  
**STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH**

	Note	<u>2020</u> N\$
<b>ASSETS</b>		
<b>Current Assets</b>		<b>88 775 003</b>
Cash and Cash Equivalents	9	61 881 354
Receivables from exchange transactions	7	7 021 708
Receivables from non-exchange transactions	7	4 324 822
Taxation (VAT)	7	14 739 271
Inventories	6	807 848
<b>Non-Current Assets</b>		<b>164 590 215</b>
Property, Plant and Equipment	3	164 590 215
<b>TOTAL ASSETS</b>		<b>253 365 218</b>
<b>Current Liabilities</b>		<b>26 186 943</b>
Employee Benefit obligation	8	10 358 967
Trade and other payables from exchange transactions	8	1 268 049
Trade and other payables from Non-exchange transactions	8	14 559 927
<b>Non-Current Liabilities</b>		<b>-</b>
<b>Total liabilities</b>		<b>26 186 943</b>
Accumulated surplus	10	227 178 275
<b>Total Net Assets and Liability</b>		<b><u>253 365 218</u></b>



## REGIONAL COUNCIL OF ZAMBEZI

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH

	Note	<u>2020</u> N\$
<b>REVENUE</b>		
<b>REVENUE FROM NON- EXCHANGE TRANSACTIONS</b>		
Government Subsidy	11	42 430 669
Transfers from other Offices and Ministries	11	597 899
5% Rates Contribution from Local Authorities	11	1 408 280
Donations	11	14 400
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		
	11	3 442 329
<b>TOTAL REVENUE</b>		<b>47 893 578</b>
<b>OPERATING EXPENDITURE</b>		
Council & Staff Remunerations	12	37 003 905
Subsistence and Travel Allowances	13	1 531 921
Material and Supplies	14	2 465 297
Transport Expenses	15	2 519 057
Utilities	16	2 543 805
Maintenance	17	657 316
Properties and other related expenses	18	246 305
Other related expenses	19	4 019 405
Membership Fees and subscription	20	175 252
Grants and transfer	21	846 415
Current transfer	22	6 280 200
Depreciation Expense	23	1 472 434
<b>SURPLUS/DEFICIT FOR THE YEAR</b>		<b>(11 867 734)</b>

## ANNEXURE D

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

	Note	<u>2020</u> N\$
Internal reserve	10	3 378 328
Adjustment from prior year	10	240 220 904
Accumulated funds	10	(4 553 223)
Accumulated funds current	10	(11 867 735)
<b>Balance at 31 March 2020</b>		<b><u>227 178 275</u></b>

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

	<b>2020</b>
	N\$
<b>Cash flows from operating activities</b>	
<b>Receipts</b>	<b>47 893 578</b>
Government Subsidies	42 430 669
Grant income	14 400
Local Authority 5% levy	1 408 280
Interest received	3 042 746
Rent receivable	
Other receipts	399 583
Delegated functions	597 899
<b>Payments</b>	<b>59 761 312</b>
Personnel expenditure	37 003 905
Goods and Other Services	13 869 429
Interest and Bank Charges	113 676
Subsidies and Other current transfer	1 021 668
Other payments	1 472 434
Delegated functions	6 280 200
<b>Net Cash Flow from Operating Activities</b>	<b>(11 867 734)</b>
<b>Cash Flow from Investing Activities</b>	<b>(172 988 395)</b>
Purchase of PPE and Intangible	(172 988 395)
Cash flow from Financing Activities	-
Net cash used in financing activities	-
Net Increase (Decrease) in cash and cash equivalent	(5 962 417)
Cash and Cash Equivalent as of 1st April 2019	67 843 771
Cash and Cash Equivalent as of 31st March 2020	<b>61 881 354</b>

**REGIONAL COUNCIL OF ZAMBEZI  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INFORMATION FOR 31 MARCH**

	Original			Differences	%
	Budget	Final Budget	Actual		
	N\$	N\$	N\$	N\$	
<b>Revenue</b>	<b>64 495 447</b>	<b>64 495 447</b>	<b>56 867 332</b>	<b>7 628 115</b>	<b>12</b>
Government Subsidy	41 416 452	41 416 452	41 416 452	-	-
Property rentals	50 000	50 000	-	50 000	100
Income from Kongola Settlement	20 000	20 000	-	20 000	100
Others (interest, Tenders, fishing, etc.)	1 360 000	1 360 000	2 037 705	(677 705)	(49)
Land Compensation	6 970 000	6 970 000	6 970 000	-	-
Royalties	250 000	250 000	197 692	52 308	21
VAT Refund (Operation)	6 258 212	6 258 212	2 000 000	4 258 212	68
2% Commission	70 000	70 000	52 262	17 738	25
Bank Balance as of 1st April 2019 Op + Rem)	8 100 783	8 100 783	4 193 221	3 907 562	48
<b>Operational Expenditure</b>	<b>64 495 447</b>	<b>64 495 447</b>	<b>47 046 161</b>	<b>17 449 286</b>	<b>64 495 447</b>
Remuneration	34 727 053	34 727 053	28 700 098	6 026 955	17
Contribution (GIPF and MOPOBPF)	4 271 669	4 271 669	3 576 126	695 543	16
Other Condition of Services	1 209 187	1 209 187	377 780	831 407	69
Travelling and Subsistence Allowances	1 693 329	1 693 329	1 819 700	(126 371)	(8)
Material and Supplies	1 763 382	1 763 382	1 655 616	107 766	6
Transport	2 323 031	2 323 031	2 170 645	152 386	7
Utilities	3 622 460	3 622 460	3 088 211	534 249	15
Maintenance Expenses	1 080 000	1 080 000	564 896	515 104	48
Property Rental	203 380	230 380	209 676	(6 296)	(3)
Other Services and Expenses	11 204 101	11 204 101	4 785 755	6 418 346	57
Membership Fees and Subscription Domestic	640 200	640 200	97 658	542 542	85
Furniture's and Office Equipment	407 655	407 655	-	407 655	100
Vehicles	1 350 000	1 350 000	-	1 350 000	100

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

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**1. Statement of Compliance and Basis of Preparation**

The Council's financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards (IPSASs) as from 01 April 2019. IPSAS 33 allows a first-time adopted a period of up to three years to recognize and/or measure certain assets and/or liabilities. The Council took advantage of this transitional exemptions and provisions, it is unable to make an explicit and unreserved statement of compliance with accrual basis IPSAS financial statements for this period.

The council intends to measure its properties, plant and equipment by 31 March 2023 immediately after the transitional period. This is due to the backlog experienced over the years. However, since the council is on its first year period of transition, will take advantage of three year transitional exemption to complete the measurement process and fully comply on our First IPSAS Financial Statements for 31 March 2023.

The financial statements are presented in Namibian dollar, which is the functional and reporting currency of the council.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statements have been prepared using the direct method. The financial statements are prepared on accrual basis.

Financial Statements

Financial statements are prepared on non-comparative information as first time adoption of accrual basis.

Opening Statement of Financial Position

Statement of Financial Position

Statement of Financial Performance

Statement of changes in Net Assets

Statement of Cash Flow

Statement of Comparison of Budget and Actual Information

Notes to the Annual Financial Statements, comprising a description of the basis of preparation and presentation of the statements, summary of significant accounting policies and other relevant information.

**REGIONAL COUNCIL OF ZAMBESI  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

IPSAS	Transitional exemption provided						
	No	Deemed cost	3 year transitional relief for recognition	YES 3 year transitional relief for recognition and/ or measurement	3 year transitional relief for disclosure	Elimination of transactions, balances, revenue and expenses	Other
IPSAS 1, Presentation of Financial Statements				✓	✓	Presenting comparative info encouraged	
IPSAS 2, Cash Flow Statements	✓				To extent that 3 year relief period was adopted		
IPSAS 3, Accounting Policies, Change in Accounting Estimates and Errors	✓						
IPSAS 9, Revenue from Exchange Transactions	✓			✓	To extent that 3 year relief period was adopted for assets and / or liabilities		

REGIONAL COUNCIL OF ZAMBEZI  
 NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

IPSAS	Transitional exemption provided						
	Deemed cost	3 year transitional relief for recognition	3 year transitional relief for recognition and/or measurement	3 year transitional relief for disclosure	Elimination of transactions, balances, revenue and expenses	Other	
IPSAS 12, Inventories	✓	✓ Inventory not recognized under previous basis of accounting	✓ Inventory recognized under previous basis of accounting				
IPSAS 13, Leases	✓	✓ Leased assets and/or Liabilities not recognized under previous basis of accounting	✓ Leased assets and/or liabilities recognized under previous basis of				

**REGIONAL COUNCIL OF ZAMBEZI  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

IPSAS	Transitional exemption provided						
	Deemed cost	3 year transitional relief for recognition	3 year transitional relief for recognition and/or measurement	3 year transitional relief for disclosure	Elimination of transactions, balances, revenue and expenses	Other	
IPSAS 17, Property, Plant and Equipment	✓	✓ Property, plant and equipment not recognized under previous basis of accounting	✓ Property, plant and equipment recognized under previous basis of accounting				
IPSAS 20, Related Party Disclosures	✓						
IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers)	✓						
IPSAS 24, Presentation of Budget information in Financial Statements	✓						



**REGIONAL COUNCIL OF ZAMBEZI  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

IPSAS	Transitional exemption provided						
	Deemed cost	3 year transitional relief for recognition	3 year transitional relief for recognition and/or measurement	3 year transitional relief for disclosure	Elimination of transactions, balances, revenue and expenses	Other	Deemed cost
IPSAS 26, Impairment of Cash-Generating Assets	✓						
IPSAS 31, Intangible Assets	✓						
IPSAS 39, Employee Benefits	✓						

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

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## **2. Significant Accounting Policies**

### **Revenue recognition**

Revenue comprises of gross inflow of economic benefits or service potential received and receivable during the year. The Council recognise revenue as per established criteria of IPSAS 9 (revenue from exchange transactions) and IPSAS 23(revenue from non-exchange transactions).

#### **2.1. Revenue from non-exchange transactions**

##### **2.1.1 Fees, Levies and Subsidies**

The Council recognizes revenues from fees, levies and taxes when the event occurs and the asset recognition criteria are 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 revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Council and the fair value of the asset can be measured reliably.

##### **2.1.2. Transfers from other government entities**

Revenues from non-exchange transactions with government transfer are measured at fair value and recognized on obtaining control of the asset (cash) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Council and can be measured reliably.

##### **2.1.3. 5% Contribution from Local authorities**

The Council received contribution from local authorities as per the provision of section 77(1) of the Local Authority Act.

##### **2.2.2. Rental income**

A lease is an agreement whereby the lessor conveys to the lease, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

##### **2.2.3. Value Added Tax (VAT)**

VAT charged on a purchase of assets or services and services which is not recoverable from the Receiver of Revenue, such amount is realised as part of the cost of acquisition of the asset or such amount is expensed.

The net amount of VAT recoverable from or payable to the Receiver of Revenue is included in the Statement of Financial Position as part of receivables or payables.

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

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**2.3 Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and any impairment

<b>Asset class</b>	<b>Depreciation method</b>	<b>Estimated useful life (in years)</b>
Land	non depreciable	
Buildings	straight line	50
Machinery and equipment	straight line	5
Motor Vehicles	straight line	5
Office furniture and equipment	straight line	3-5
Computer equipment	straight line	3-5
Work in progress	not depreciated	

Improvements are capitalised when the improvement results in an increase in the useful life of the asset and adds usable space. Normal repair and maintenance costs are expensed in the year the costs are incurred.

A transitional provision, which will end on 31 March 2022, has been applied for the initial recognition and measurement of property, plant and equipment as deemed cost.

**2.4 Trade and other receivable**

Trade receivables are carried at estimated net realizable value.

An allowance for doubtful account receivable is recognised when there is a risk that the receivable may be impaired. All outstanding amounts at year end which are older than 120 days are provided as provision for doubtful debts. Bad debts are written off during the year in which they are identified. Changes in the allowance for doubtful accounts receivable are recognised in the Statement of Financial Performance.

**REGIONAL COUNCIL OF ZAMBEZI****NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

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**2.5 Inventories**

Inventory items in stock are kept for internal consumption only; therefore inventories are measured at cost at acquisition. However where inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is recognized at fair value at the date of acquisition. The cost of inventories comprises all cost of purchases, cost of conversion and other cost incurred in bringing item to its present location and condition.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Council.

**2.6 Provisions**

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**2.7 Employee benefits**

The Council recognises the following categories of employee benefits:

Short-term employee benefits that falls due wholly within 12 months following the end of the accounting in which the employee renders the related service.

Post-employment benefits

Retirement benefit plans

The Council staffs and Councillors are members of Government Institution Fund which is a statutory pension fund created by the Namibian Government to provide pension and other related benefits to civil servants as well as employees of some institution established by the Acts of parliament.

The Council provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

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**2.8 Related parties**

The entity regards a related party as a person or an entity with the ability to exercise control individually or jointly, or to exercise significant influence over the entity, or vice versa. The Council regards the key management members as related parties and comprises the Councillors, the Chief Regional Officer and Senior Managers.

**2.9 Cash and cash equivalent**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**2.10 Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**2.11 Significant judgments and sources of estimation uncertainty**

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**2.12 Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statement for the year ended 31 March 2020.

**2.13 Segment reporting**

As required by IPSAS, the Council did not report on segments, exemption as per IPSAS 33 is applied.

**2.14 Statement of Cash flow**

The statement of cash flow is prepared using the direct method.

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

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**2.15 Budget information**

The annual budget is prepared on cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget shall be reconciled to the actual amount in the financial statements, where the budget and the financial statements are not prepared on the comparable basis, identifying separately any basis, timing, presentation and entity differences.

ANNEXURE G

**REGIONAL COUNCIL OF ZAMBEZI  
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

3 Property, plant and equipment		Work-In-Progress	Buildings	Plant & Machinery	Motor Vehicles	Furniture and Fixtures	Computer equipment	Office Equipment	Total
<b>01-Apr-19</b>									
Cost	255 740 109	6 011 606	37 703 455	16 582 219	3 096 588	1 499 663	957 281	321 590 921	
Accumulated Depreciation	(1 322 553)	(30 501 903)	(13 354 621)	(2 625 649)	(1 470 454)	(916 216)	(50 191 396)		
<b>Carrying amount</b>	<b>255 740 109</b>	<b>4 689 053</b>	<b>7 201 552</b>	<b>3 227 598</b>	<b>470 939</b>	<b>29 209</b>	<b>41 065</b>	<b>271 399 525</b>	
<b>Movement</b>									
Additions	172 988 394								172 988 394
Disposals	(229 638 504)		(37 703 455)	(6 810 789)	(1 043 830)	(778 735)	(809 538)	(276 784 851)	
Depreciation	(42 526 614)	30 501 903	5 396 165	1 789 750	969 809	856 133	(3 012 853)		
<b>31-Mar-20</b>									
Cost	26 101 605	179 000 000	9 771 430	2 052 758	720 928	147 743	217 794 464		
Accumulated depreciation	(43 849 167)	(7 958 456)	(835 899)	(500 645)	(60 083)	(53 204 249)			
<b>Carrying amount</b>	<b>26 101 605</b>	<b>135 150 833</b>	<b>1 812 974</b>	<b>1 216 859</b>	<b>220 284</b>	<b>87 660</b>	<b>164 590 215</b>		

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

**4. Reconciliation of Net Assets/Equity**

Regional Council of Zambezi adopted accrual basis IPSAS on April 1, 2019 and applied deemed cost to measure buildings. In applying deemed cost, the buildings were valued at N\$ 179 000 000 on the date of adoption. Regional Council of Zambezi elected to not present comparative information.

Details	Attributable to owners of the controlling entity		Total net assets/equity
	Accumulated surplus/deficit	Other Reserves	
	N\$	N\$	N\$
<b>Opening balance as at April 1, 2019</b>	29 964 697	151 695	30 116 392
Measurement of Buildings at deemed cost in accordance with IPSAS 33	172 988 394	3 226 633	176 215 027
Restated opening balance as at April 1, 2019	202 953 091	3 378 328	206 331 419
Surplus/Deficit for the period	-11 867 734		-11 867 734
<b>Balance at March 31, 2020</b>	<b>191 085 357</b>	<b>3 378 328</b>	<b>194 463 685</b>



**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

**5. Property, plant and equipment under construction**

**Capital expenditure for the year**

The following expenditure was incurred during the year and balances from prior years for capital projects or acquisitions

	<b>2020</b>
	N\$
<b>WIP</b>	<b>26 101 605</b>
Capital Project-W.I.P/Kongola Township Establishment	1 354 135
Capital Project-W.I.P/Chichimani Design & Servicing	457 332
Capital Project-W.I.P/Construction of Services Sibbinda	35 410
Capital Project-W.I.P/Construction of Services Ngoma	851 358
Capital Project-W.I.P/Construction of Rural Development Centre	22 814 224
Capital Project-W.I.P/Legislative Assembly Hall	589 147

**6. Inventory**

Inventory is measured at cost upon initial recognition. In the case where inventory was received through non exchange transactions (for no cost or for a nominal cost), the cost of the inventory is recognised at fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

	<b>2020</b>
	N\$
<b>Inventory Category</b>	<b>807 848</b>
Cleaning Materials	230 753
Stationeries	374 299
Computer Supplies	202 796

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

**7. Trade receivables**

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end excluding that of Subsistence and Travelling Allowance. Bad debts are written off during the year in which they are identified.

	<b>2020</b>
	N\$
<b>Trade and other receivables</b>	
<b>Receivables from exchange transactions</b>	<b>7 021 708</b>
Trade and other Receivables	6 893 118
Surcharges - Nored	128 590
<b>Receivables from non-exchange transactions</b>	<b>4 324 822</b>
<b>Trade and other receivables</b>	<b>19 064 094</b>
Subsistence and Travelling Allowance(S&T)	388 826
5% Rates & Taxes	1 408 280
Sundry Debtors /Ministry Of Education	1 035 397
S & T Control	292 808
Sundry Creditors/Ministry Of Education	1 028 131
Salaries Control/Social Security Employee Contribution	146 023
Salaries Control/Employees Deduction - Garnishee / Maint	3 542
Salaries Control/Employees Deduction- Bond Repayment	21 816
Value Added Tax	14 739 271

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

	<b>2020</b>
	N\$
<b>8. Trade and other Payables</b>	
<b>Payables from exchange transactions</b>	1 268 049
Trade and other payables	1 268 049
<b>Employee Benefit obligation</b>	<b>10 358 967</b>
Leave provision	10 358 967
<b>Trade and other payables from Non-exchange transactions</b>	<b>14 559 927</b>
Bukalo Village Control Account	83 824
Min. of Education Control account	11 966 014
Min. of Lands control account	30 765
Agric - Rural Water Supply	104 268
Cash control account	12 721
Salaries Control/Net Salary & Wages	6 188
Salaries Control/GIPF / POB Employee's Contribution	457 680
Salaries Control/Employee Ded - Receiver Of Revenue PAYE	1 699 244
Salaries Control/Employees Deduction PSEMAS - Medical Aid	161 760
Salaries Control/Employees Deduction - Insurances Policy	25 778
Salaries Control/Employees Deduction - Loans Facility	11 050
Salaries Control/Employees Deduction - Accommodation	3
Salaries Control/Employees Deduction - Build Together	620
Salaries Control/Employees Deduction - Union NAPWU	12

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

	<b>2020</b>
	N\$
<b>9 Cash and cash equivalents</b>	
<b>Current accounts and call accounts on hand</b>	<b>61 881 354</b>
Bank/Bank Windhoek TA	1 015
Bank/STD Bus Trust -Account	34 575
Bank/STD Call Dep Trust -Account	297 231
Bank/Bank WHK Revenue Account	26 425 517
Bank/Bank WHK IGA Account	1 101 187
Bank/Bank WHK RDP Account	1 035 117
Bank/Bank WHK Agric Account	1 447 726
Bank/Bank WHK Dev Account	7 588 242
Bank/ Bank WHK Call Dep - Account	6 309
Bank/ FNB Disaster Fund - Account	437 840
Bank/Bank WHK Remun Account	2 914 647
Bank/Bank WHK Op Account	16 723 040
Bank/bank WHK BTP receipts -Account	34 446
Bank/Bank WHK NDP Account	11 715
Bank/Bank WHK Call Deposit Account	178
Bank/Bank WHK Btp Revolv Account	2 994
Bank/Bank WHK Btp Special Account	3 240 514
Bank/Bank WHK OVC Account	2 767
Bank/Bank WHK Hiv & Aids Account	38
Bank/ Bank WHK Lands & Res Account	20 318
Interbank transfer	555 939
<b>10. Accumulated funds</b>	<b>227 178 275</b>
Retained Earnings	240 220 904
BTP Programme	3 378 328
Accumulated Fund	(4 553 223)
Accumulated Fund (current)	(11 867 735)

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

	<b>2020</b>
	N\$
<b>11. Revenue</b>	
Revenue from non-exchange transactions	43 853 350
Government Subsidies	42 430 669
5% Rate and Taxes from Local Authorities - Katima Mulilo Town Council	1 408 280
Donations	14 400
<b>Delegated Funds</b>	<b>597 899</b>
Office of the Prime Minister	597 899
<b>Revenue from exchange transactions</b>	<b>3 442 329</b>
Fishing licence	5 299
Interest received from STD Call Dep Trust	3 077
Interest received from Revenue Acc	1 519 042
Interest received from Bank WHK RDP	172 791
Interest received from Bank WHK Agric	25 188
Interest received from Bank WHK Dev	775 078
Interest received from Bank WHK call	192
Interest received from Bank WHK Rem	219 538
Interest received from Operational	147 426
Interest received from BTP Special	180 415
Tender Fees	31 700
2.5% Commission from Insurance/Loan	29 857
Nored Electricity	332 727

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

	<b>2020</b>
	N\$
<b>12. Council &amp; Staff Remunerations</b>	<b>37 003 905</b>
Basic Salary	26 430 381
Wages	623 217
Contributions to pensions	4 628 438
Housing Allowances/Subsidies	614 371
Contribution to Social Security	520 704
Transport/Car allowances	1 075 311
Service Bonuses and other bonuses	798 699
Housing benefits and allowances	322 204
Leave Gratuity	1 197 676
Acting Allowances	99 071
Remote Allowances	208 850
Water & Electricity	85 650
Telephone	1 200
Overtime	398 134
<b>13. Subsistence and Travel Allowances</b>	<b>1 531 921</b>
CRO's office	175 251
<b>General Services:</b>	
Human Resources	63 194
Finance	60 617
Administration	848 241
Planning	167 167
Rural Services	98 777
Technical Services	62 288
Line Ministries and Other GVT Agency	56 385
<b>14. Material and Supplies</b>	<b>2 465 297</b>
Stationeries	528 756
Cleaning Materials	478 085
Computer Software	752 134
General Office	510 851
Protective Clothing	195 472

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

	<b>2020</b>
	N\$
<b>15. Transport Expenses</b>	<b>2 519 057</b>
Fuel & Lubricants	2 077 924
Tyres	14 924
Spare Parts	11 623
Service Fees	45 533
Repairs	120 173
Tools	42 449
Licenses	164 148
Tracking Fees	42 283
<b>16. Utilities</b>	<b>2 543 805</b>
Electricity-Nored	1 700 175
Water & Sewerage	63 038
Telephone & Fax	257 837
Courier Charges	21 303
Internet Charges	2 344
Cell Phone for Management	401 105
Tango Switch & Flexcall Recharges	27 270
Fire Fighting	70 734
<b>17. Maintenance</b>	<b>657 316</b>
Repair & Maintenance Office equipment	14 739
Repair & Maintenance Computers	19 090
Repair & maintenance Buildings	415 802
Repair & Maintenance - Furniture & Fittings	207 685
<b>18. Properties and other related expenses</b>	<b>246 305</b>
Property Rental & Related Charges	242 671
Rental: Motor Vehicles	3 634

## REGIONAL COUNCIL OF ZAMBEZI

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH

	<b>2020</b>
	N\$
<b>19. Other related expenses</b>	<b>4 019 405</b>
Training Courses	356 529
Symposium & workshop	201 793
Printing	13 352
Security Contracts	1 580 744
Entertainment: politician	29 582
Official Entertainment	50 289
Performance Hiring	82 745
Advertisements	49 858
Professional Fees/Consultancy Charge	417 063
Accommodation	42 794
Catering Services	548 986
Internet Connections	19 227
Show Exhibitions	405 814
Wellness	89 772
HIV/AIDS Activities	9 632
Bank Charges	113 675
Constituency Development Committee	800
Decorations and Gifts	3 300
Interest Paid	1
Meetings	3 450
<b>20. Membership Fees and subscription</b>	<b>175 252</b>
Donations Paid	93 252
Membership Fees - Association of Regional Council	82 000
<b>21. Grants and transfer</b>	<b>846 415</b>
Food Security Action Plan	5 719
Rural Development	800 674
Rural Employment Scheme	40 022



**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

	<b>2020</b>	
	N\$	
<b>22. Current transfer</b>	<b>6 280 200</b>	
Cash/Food for work)	717 991	
Micro-Finance	27 107	
One Region one	457 260	
Rural Sanitations	3 628 364	
Ministry of Agriculture	1 283 741	
OPM-Emergencies(Drought )	165 736	
<b>23. Depreciation Expense</b>	<b>1 472 434</b>	
Motor Vehicles	407 143	
Computer Equipment's	60 077	
Furniture, Fixture and Fittings	102 827	
Office Equipment	7 387	
Building	895 000	
<b>24. Adjustment to Retained Earnings</b>		
<b>Description</b>	<b>Debit</b>	<b>Credit</b>
	N\$	N\$
Opening Balance		16 721 519
New Era-Advert fee	2 885	
New Era-Advert fee	3 575	
New Era-Advert fee	1 575	
Government Garage	14 280	
Government Garage	4 369	
Government Garage	5 665	
Government Garage	6 985	
Inventory Count		805 088
Take On Balance	1 189 859	
Inventory Opening Balance	206 836	
Inventory Count		2 760
BTP Programme	3 530 023	
BTP Programme		151 695

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

**24. Adjustment to Retained Earnings (continued)**

Description	2020	
	N\$	
	Debit	Credit
BTP Programme		151 695
Completed Projects		314 096 242
Asset Verification March 2020		124 222 403
W.I.P Capitalisation	199 736 373	
WIP Capitalised Assets	1 958 308	
Leave provision for Long term	9 269 762	
<b>Closing Balance</b>		<b>240 220 904.00</b>

**25. Delegated Functions**

Regional Council of Zambezi is currently performing the following functions as delegated by central governmental ministries, in accordance with the Decentralization Enabling Act, 2000 (Act 33 of 2000).

Under delegation, the Regional Council acts as an agent on behalf of the relevant ministry, however, retains overall responsibility for performance for a particular line Ministry, while the latter retains full control and overall responsibility to approve the related function, and retains overall responsibility to approve the related budget. This budget allocation transferred to the Regional Council via monthly cash transfers.

The transactions for DCCP, ECD and Drought accounts are part of the Regional Council operations, because they are not delegated yet, however the Council is taking care of the financial transactions at the Regional level.

**REGIONAL COUNCIL OF ZAMBEZI**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH**

**25. Delegated Functions (continued)**

	<b>2020</b>
	N\$
<b>Income</b>	<b>131 681 981</b>
Min. of work ( Maintenance)	1 779 301
Min. of Information, Communication and technology	557 571
Min. of land	369 965
Min. of Education	98 322 387
Rural Water Supply and Sanitation Coordination	22 649 384
Ministry of Gender, Equality and Child Welfare	8 003 372
Total Revenue	
<b>Expenditures</b>	<b>108 026 753</b>
Min. of Information, Communication and Technology	1 572 260
Min. of land	175 744
Ministry of works	346 008
Ministry of education	97 721 644
Rural Water Supply and Sanitation Coordination	4 859 413
Ministry of Gender, Equality and Child Welfare	3 351 684
<b>Bank balances</b>	<b>23 654 958</b>
Bank Windhoek: Ministry of Works	207 041
Bank Windhoek: Gender, Equality and Child Welfare	4 651 688
Bank Windhoek: Education	600 743
Bank Windhoek: MICT	381 827
Bank Windhoek: Land	23 687
Bank Windhoek: Rural Water Supply and Sanitation Coordination	17 789 971

