



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
TOWN COUNCIL OF OMUTHIYA
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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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 Town Council of Omuthiya for the financial year ended 30 June 2019, 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'.

WINDHOEK, February 2021

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR GENERAL ON THE
ACCOUNTS OF THE OMUTHIYA TOWN COUNCIL
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

1. DISCLAIMER AUDIT OPINION

I have audited the financial statements of the Omuthiya Town Council for the financial year ended 30 June 2019. These financial statements comprise the statement of financial position, statement of financial performance, statement of changes in equity, cash flow statement, variance analysis, notes of the financial statements for the year then ended, and a summary of significant accounting policies.

I do not express an opinion on the financial statements of the Omuthiya Town Council. Because of the significance of the matters described in the Basis for Disclaimer of audit Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

2. BASIS FOR DISCLAIMER 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 the audit 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 not sufficient and appropriate to provide a basis for the audit opinion. A disclaimer audit opinion is being expressed due to the following:

2.1 Property, plant and equipment

The fixed asset register provided by the Town Council does not give full details of fixed assets, thus the completeness and existence of the Town Council's fixed assets could not be verified. This resulted in the auditors not being able to perform audit procedures to confirm the completeness and existence of property, plant and equipment. As a result, the auditors could not obtain reasonable assurance that the property, plant and equipment are not materially misstated concerning completeness and existence.

2.2 Inventory

The auditors were not invited to attend the inventory count during the period under review; as a result, there were no alternative practical audit procedures that the auditors could perform to confirm the existence and completeness of inventories held by the Town Council as at year-end.

2.3 Trade and other receivables

There are account receivables of N\$ 3 426 683 with a credit balance that were incorrectly classified as trade and other receivables instead of trade and other payables. As a result, the trade and other receivables as well as trade and other payables were understated by this amount in the statement of financial position. Furthermore, the auditors were not provided with the detailed aged debtors' ledger as at 30 June 2019 thus could not verify the recoverability of the accounts receivables.

2.4 Journals

The auditors did not obtain the supporting documentation and/or proof of authorisation of the following journals processed in the appropriation account:

- Expenditure adjustment of N\$ 2 041 095; and
- Revenue adjustment of N\$ 1 650 114.

Furthermore, journal file provided had missing journal numbers. Thus, the auditors could not verify the completeness of the journals processed in the accounting system during the year and at year-end.

2.5 Financial Statements

The prepared financial statements did not meet the requirements of the International Public Sector Accounting Standards (IPSAS) regarding the disclosure of statement of changes in net equity, accounting policy notes, the list of standards adopted and the list of standards applied for exemption. As a result, the financial statements do not comply with the requirements of International Public Sector Accounting Standards.

2.6 Cash flow statement

The auditors could not verify the accuracy of the cash flow statement. The auditors were not provided with the management workings on how cash receipts from customers, cash paid to suppliers, net capital expenditure, net investments and long-term liabilities on the cash flow statement were determined.

3. 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 of otherwise appears to be materially misstated. I have nothing to report in this regard.

4. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements of Omuthiya Town Council for the financial year ended 30 June 2019 were submitted by the Accounting Officer to the Auditor-General in compliance with Section 85

of the Local Authorities Act, 1992 (Act No. 23 of 1992), except that they were only submitted on 10 October 2019 instead of three (3) months after the year end as required by the Act.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as management determines it necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 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:

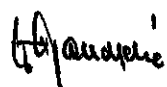
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting 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 the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in the audit 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 the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

WINDOEK, February 2021


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

TOWN COUNCIL OF OMUTHIYA
STATEMENT OF FINANCIAL POSITION AT 30 JUNE

	Note	2019 N\$	2018 N\$
ASSETS			
Current assets			
Cash and Cash Equivalent	1	11 375 232	16 278 389
Trade and Other Receivables	2	*10 287 353	14 796 738
Inventories		927 248	1 337 558
		160 631	144 093
Non-current assets			
Property, Plant and Equipment		103 580 416	92 859 192
		103 580 416	92 859 192
Total assets			
		114 955 648	109 137 581
NET ASSETS AND LIABILITIES			
Current Liabilities			
Trade and Other Payables	3	4 520 019	15 562 600
Consumer Deposit		4 112 725	15 162 493
		407 294	400 107
Non-current liabilities			
Employee Benefits		1 030 871	1 044 227
		1 030 871	1 044 227
Net assets			
Funds	4	109 404 758	92 530 754
Other Reserves		14 583 721	14 260 462
Accumulated Surplus/Deficit		-	92 859 192
		94 821 037	(14 588 900)
Total net asset and liabilities			
		114 955 648	109 137 581

**Refer to paragraph 2.6*

ANNEXURE B

TOWN COUNCIL OF OMUTHIYA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE

	Note	2019 N\$	2018 N\$
Revenue	10	36 801 905	25 280 175
Rates and Taxes		5 746 275	4 736 778
Government Grants and Subsidies		17 325 656	7 955 274
Fees, Licence, Fines and Penalties		326 082	348 211
Other Income		4 517 923	4 397 076
Income from Water		5 885 666	5 287 920
Income from Sewerage		1 595 604	1 328 810
Income from Refuse Removal		1 404 699	1 226 106
Less: Expenses	11	53 675 936	28 077 567
Council general expenses		1 438 267	843 241
Chief executive officer		2 352 698	2 490 627
Finance department		3 950 563	3 281 894
Fire brigade		856 122	2 046 028
Technical department		2 749 237	2 546 742
Cemeteries		-	64 522
Health department		1 523 271	635 628
Parks and recreation		-	2 900 516
Human resources department		1 514 444	1 872 733
Town planning		21 754 544	6 141 351
Cleansing		837 370	751 600
Sewerage		288 208	315 517
Assessment rates		524 153	236 839
Abattoir		-	60 418
Water department		4 046 115	3 889 911
Depreciation and Amortisation		9 547 373	-
Bad Debt Provision		2 306 927	-
Provision For Employee Benefits		(13 356)	-
Surplus/Deficit for the period		(16 874 031)	(2 797 392)

TOWN COUNCIL OF OMUTHIYA
STATEMENT OF CHANGES IN EQUITY AT 30 JUNE

	Funds	Reserves	Accumulated Surplus/Deficit
	N\$	N\$	N\$
Balance as at 1 July 2017	11 001 868	84 804 408	(9 879 630)
Changes in Accounting Policy, Error and Correction-IPSAS 3			(1 911 880)
Reinstated Accumulated Surplus (Loss)			(11 791 510)
Increase in Funds	3 258 594		
Increase Reserve		8 054 784	
Surplus/ Deficit for the period			(2 797 391)
Balance as at 1 July 2018	14 260 462	92 859 192	(14 588 900)
Changes in Accounting Policy, Error and Correction-IPSAS 3		(113 127 789)	126 283 969
Reinstated Accumulated Surplus (Loss)			111 695 069
Increase in Funds	323 259		
Increase Reserve		20 268 597	
Surplus/ Deficit for the period			(16 874 031)
Balance as at 30 June 2019	14 583 721	-	94 821 037

TOWN COUNCIL OF OMUTHIYA
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE

	Note	<u>2019</u> N\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts		37 219 402
Receipts from exchange and Other non-exchange transaction	6	*19 893 746
Government grants and subsidies		17 325 656
Payments		42 052 046
Payment to suppliers and on behalf of employees	7	42 052 046
Net cash flow from operating activities	5	<u>(4 832 644)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	8	<u>(20 268 597)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in funds and reserves	9	<u>20 591 856</u>
Net increase/decrease in cash and cash equivalents		(4 509 385)
Cash and cash equivalents - beginning of year		14 796 738
Cash and cash equivalents - end of year		<u>10 287 353</u>

**Refer to paragraph 2.6*

ANNEXURE D

TOWN COUNCIL OF OMUTHIYA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019

DESCRIPTION	BUDGET		UTILIZED		AVAILABLE		PROJECT	
	N\$	N\$	N\$	N\$	N\$	N\$	%	N\$
Salaries, Wages and allowances								
Salaries and wages	4 673 754		4 601 211		72 543		98	4 601 211
Overtime	102 591		86 931		15 660		85	86 931
Service bonus	389 481		358 310		31 171		92	358 310
Social security commission	35 259		23 076		12 183		65	23 076
Medical aid	942 900		871 684		71 216		92	871 684
Pension fund contribution	1 014 205		961 929		52 276		95	961 929
Car allowance	281 333		286 469		(5 136)		102	286 469
Cell phone allowance	33 600		33 600		-		100	33 600
Housing allowance	1 869 502		1 415 241		454 262		76	1 415 241
Transport allowance	192 600		175 908		16 692		91	175 908
Councillor's allowance	483 092		483 092		-		100	483 092
Contract & airtime councillor	27 600		27 600		-		100	27 600
Standby allowance	17 150		8 050		9 100		47	8 050
Sub total	10 063 067		9 333 101		729 967		93	9 333 101

ANNEXURE D

**TOWN COUNCIL OF OMUTHIYA
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

DESCRIPTION	BUDGET		UTILIZED		AVAILABLE		%	PROJECT
	N\$	N\$	N\$	N\$	N\$	N\$		
General expense								
Advertising	30 000	25 839	4 161	86	25 839			
Car hire	5 000	-	5 000	-	-			
Material and stores	65 000	935	64 065	1	935			
Telephone	120 000	114 528	5 472	95	114 528			
Printing and stationery	155 000	118 566	36 434	76	118 566			
Team building	40 000	-	40 000	-	-			
Vehicle license fees	20 000	23 100	(3 100)	116	23 100			
Travel and subsistence	630 000	395 071	234 929	63	395 071			
Training	360 000	197 032	162 968	55	197 032			
Fuel	280 000	275 027	4 973	98	275 027			
Entertainment	15 000	12 599	2 401	84	12 599			
Protective clothing	41 000	13 836	27 164	34	13 836			
Security services	440 000	335 499	104 501	76	335 499			
Lubricants and oil	9 000	443	8 557	5	443			
Postages & courier services	60 000	72 549	(12 549)	121	72 549			
Fonder and water	40 000	-	40 000	-	-			
Bank charges	110 000	116 384	(6 384)	106	116 384			
Dept. electricity consumption	365 000	382 462	(17 462)	105	382 462			
Strategic plan cascading	60 000	60 000	-	100	60 000			
Insurance	360 000	324 630	35 370	90	324 630			
Environmental impact assess	150 000	-	150 000	-	-			

ANNEXURE D

TOWN COUNCIL OF OMUTHIYA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

DESCRIPTION	BUDGET		UTILIZED		AVAILABLE		PROJECT
	N\$		N\$		N\$	%	
General expense (continued)							
Cleansing material	20 000		13 295		6 705	66	13 295
Insect & rodent control	10 000		-		10 000	-	-
Equipment's hire	100 000		22 330		77 670	22	22 330
Legal advice	120 000		208 620		(88 620)	174	208 620
Administration charges	6 832 339		-		6 832 339	-	-
Wellness program	50 000		30 600		19 400	61	30 600
Casual labour	20 000		-		20 000	-	-
Laboratory tests	10 000		-		10 000	-	-
Entertainment - Mayor	20 000		24 822		(4 822)	124	24 822
Municipal association contribution	70 000		67 943		2 057	97	67 943
Donation	5 500		3 800		1 700	69	3 800
Refuse contract	640 000		633 900		6 100	99	633 900
Relocation expenses	15 000		-		15 000	-	-
Conveyances and burial	15 000		-		15 000	-	-
Valuation roll	115 000		60 870		54 130	53	60 870
Replacing of pegs	20 000		-		20 000	-	-
Publicity & subscription	10 000		560		9 440	6	560
Foreign trips	150 000		-		150 000	-	-
Water materials and store	100 000		28 404		71 596	28	28 404
Grave number plates	6 000		-		6 000	-	-
Bulk water purchase	3 800 000		3 282 471		517 529	86	3 282 471

ANNEXURE D

**TOWN COUNCIL OF OMUTHIYA
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

DESCRIPTION	BUDGET	UTILIZED	AVAILABLE	%	PROJECT
	N\$	N\$	N\$		N\$
General expense (continued)					
Internet and e- mail	15 000	13 764	1 236	92	13 764
Consulting fees	155 800	-	155 800	-	-
Audit fees	5 000	-	5 000	-	-
Contribution to Regional Council	250 000	524 153	(274 153)	210	524 153
Strategic planning	50 000	72 276	(22 276)	145	72 276
Rental photocopy machine	17 000	21 637	(4 637)	127	21 637
Tools and equipment	10 000	3 723	6 277	37	3 723
Mayoral fund	104 000	88 575	15 425	85	88 575
Junior councillor	70 000	-	70 000	-	-
Year-end function	16 500	-	16 500	-	-
Employees compensation	30 000	24 795	5 205	83	24 795
Deed transfer cost	200	42 668	(42 468)	334	42 668
FINSTEL licence fee	76 000	62 500	13 500	82	62 500
Street/plate direction sign	83 000	-	83 000	-	-
Compensation	10 000 000	3 958 504	6 041 496	40	3 958 504
Rental of venue	1 500	-	1 500	-	-
Re-designed & host website	50 000	40 000	10 000	80	40 000
Disaster expense	50 000	-	50 000	-	-
Council water self-billing	130 000	128 320	1 680	99	128 320
Job attachment allowance	20 000	14 283	5 717	71	14 283

ANNEXURE D

TOWN COUNCIL OF OMUTHIYA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

DESCRIPTION	BUDGET		UTILIZED		AVAILABLE		PROJECT
	N\$		N\$		N\$	%	
General expense (continued)							
Updating Mayor's chain	30 000		13 413		16 587	45	13 413
Ten years anniversary	100 000		287 950		(187 950)	288	287 950
Consultancy policies/regulation	100 000		100 000		-	100	100 000
Tree planting material	50 000		-		50 000	-	-
Corporate wear	55 000		652		54 348	1	652
Deed transfer cost	20 000		46 020		(26 020)	230	46 020
Subdivision and rezoning	30 000		-		30 000	-	-
Contingency/emergency	100 000		79 233		20 767	79	79 233
Promotion and advertising	50 000		13 960		36 040	28	13 960
Waste bin	3 700		-		3 700	-	-
Letter tray	6 000		-		6 000	-	-
Firefighting training material	1 500		-		1 500	-	-
Sub total	27 164 039		12 382 542		14 781 497	46	12 382 541

**TOWN COUNCIL OF OMUTHIYA
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

DESCRIPTION	BUDGET	UTILIZED	AVAILABLE	%	PROJECT
	N\$	N\$	N\$		N\$
Repair and maintenance					
Vehicles	100 000	61 523	38 477	62	61 523
Machinery and equipment's	230 000	177 722	52 278	77	177 722
Office furniture & equipment	2 000	250	1 750	13	250
Pigeon hole	3 000	-	3 000	-	-
Machines and equipment	13 000	-	13 000	-	-
Streets, Sidewalks, Storm water	693 000	260 999	432 001	38	260 999
Dumping site	50 000	-	50 000	-	-
Lan & computer maintenance	70 000	100 964	(30 964)	144	100 964
Cleaning of town	40 000	-	40 000	-	-
Sewerage pumps	150 000	69 947	80 053	47	69 947
Parks and open space maintain	560 000	460 874	99 126	82	460 874
Oxidation ponds	30 000	6 000	24 000	20	6 000
Cleaning of cemetery	50 000	-	50 000	-	-
De-bushing in town	70 000	68 320	1 680	98	68 320
Water tower/reservoir	50 000	-	50 000	-	-
Land scraping maintenance	30 000	-	30 000	-	-
Sub total	2 141 000	1 206 599	934 401	56	1 206 599

ANNEXURE D

TOWN COUNCIL OF OMUTHIYA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

DESCRIPTION	BUDGET		UTILIZED		AVAILABLE		PROJECT
	N\$	N\$	N\$	N\$	N\$	%	
Contribution to capital spending							
Office furniture	127 300	1 870	125 431	1	127 300		
Laptop/computer	30 000	22 901	7 099	76	30 000		
Refuse bins	165 000	73 936	91 064	45	165 000		
Pit latrines	49 500	-	49 500	-	49 500		
Computers & printers	12 000	-	12 000	-	12 000		
Cell phone	3 000	-	3 000	-	3 000		
Server printing machine	33 000	30 740	2 260	93	33 000		
NTN hydraulic tools	620 000	549 241	70 759	89	620 000		
Construction of open market	1 000 000	660 521	339 479	66	1 000 000		
Retention-sport stadium	150 000	-	150 000	-	150 000		
Benches	80 000	-	80 000	-	80 000		
Sprinkler impulse metal spin	50 000	-	50 000	-	50 000		
Survey ext. 11 & 12	1 350 000	-	1 350 000	-	1 350 000		
Steel open shelve unit & 4dr	19 000	19 000	-	100	19 000		
Fridge	2 500	3 999	(1 499)	160	3 999		
Establishment of new township	600 000	301 977	298 023	50	600 000		
Fencing - erf 1294, Ext.5	88 000	-	88 000	-	88 000		
6 meter pre-owned steel	163 000	138 550	24 450	85	163 000		
Fax machine & air-condition	19 100	9 951	9 149	52	19 100		
Construction of fire station	325 000	-	325 000	-	325 000		
Construction of services 8	18 000 000	5 664 438	2 335 562	87	18 000 000		

ANNEXURE D

**TOWN COUNCIL OF OMUTHIYA
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

DESCRIPTION	BUDGET		UTILIZED		AVAILABLE		PROJECT
	N\$		N\$		N\$	%	
Contribution to capital spending (continued)							
Server ups for all computer	12 000		1 950		10 050	16	12 000
Cell phone	18 000		-		18 000	-	18 000
Lawnmower & trimmer	7 500		-		7 500	-	7 500
Retention fees -Ext 8	522 522		520 982		1 540	100	522 522
Sub total	23 446 422		8 000 057		5 446 365	77	23 447 921
Contribution to leave							
Leave reserve fund	930 158		-		930 158	-	930 158
Service bonus	594 100		-		594 100	-	594 100
Provision for bad debt	345 000		-		345 000	-	345 000
Tractor	605 000		544 500		60 500	90	605 000
Toilet for stadium open market	165 000		156 000		9 000	95	165 000
Security shade-market stadium	77 000		21 420		55 580	28	77 000
20 pendula refuse drums	26 400		23 000		3 400	87	26 400
6 skip container	137 500		120 443		17 058	88	137 500
Compressor trade air	2 700		2 657		43	98	2 700
Submersible drainage pumps	32 000		11 717		20 284	37	32 000
Water tanks & material	41 000		25 676		15 324	63	41 000
Tools	12 500		7 283		5 217	58	12 500
Depreciation	-		9 547 373		(9 547 373)	-	9 547 372
Provision for bad debt	-		2 306 927		(2 306 927)	-	2 306 927
Provision for leave days	-		(13 356)		13 356	-	-

ANNEXURE D

TOWN COUNCIL OF OMUTHIYA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

DESCRIPTION	BUDGET	UTILIZED	AVAILABLE	PROJECT
	N\$	N\$	N\$	
Sub total	2 968 358	12 753 638	(9 785 280)	14 822 657
Total expenditure	65 782 886	43 675 936	12 106 950	61 192 819

TOWN COUNCIL OF OMUTHIYA
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE

	2019	2018
	N\$	N\$
1. Cash and cash equivalent	*10 287 354	14 796 738
Current account	520 741	1 819 766
Bank Windhoek account	5 535 005	5 237 140
Mail call	3 532 052	6 881 507
Capital account	692 492	751 849
Senior citizens	6 191	105 278
Build together - Call account	873	942
Petty cash	-	256
Operational Account Bank Reconciliation		
Balance as per Cash Book as at 30 June 2019	520 683	
Less: Outstanding deposits	(31 946)	
Balance as per Bank Statement as at 30 June 2019	488 737	
2. Trade and other receivables for the period	927 248	1 337 558
Debtors- Services	11 700 897	11 682 403
Provision for NORED/RFA	40 248	-
Receivables-Value Added Tax	2 071 894	203 438
Sundry debtors	-	30 581
Less: provision for doubtful debtors	(12 885 791)	(10 578 864)
3. Account payable is made up of the following:	4 112 725	15 162 493
Retention	403 868	-
Land compensation	-	11 647 767
Accrued Payables	3 708 857	3 514 726
4. Funds and other Reserves	14 583 721	14 260 461
Fixed Property Fund	14 340 378	14 170 376
Build Together	-	2
Senior Citizens Fund	243 343	90 083

**Refer to paragraph 2.6*

TOWN COUNCIL OF OMUTHIYA
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE (continued)

ANNEXURE E

	2019
	N\$
5. Reconciliation for cash generated from operation:	
Surplus/ (Deficit) from ordinary operating activities	(16 874 031)
Non-cash items:	
Add:	11 840 944
Depreciation	9 547 373
Provision for bad debt	2 306 927
Provision for employee benefits	(13 356)
Changes in Accounting Policies, Error and Correction	13 156 180
Cash generated from operation before changes in working capital	8 123 092
Changes in working capital:	(12 955 736)
Account Receivable	(1 927 198)
Inventory	(16 538)
Account Payable	(11 049 769)
Sundry debtors	30 581
Consumer Deposit	7 187
Cash flow from operating activities	(4 832 644)

TOWN COUNCIL OF OMUTHIYA
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

	2019	
	N\$	N\$
	Debit	Credit
6. Trade and other receivables control account		
Account receivable	1 337 558	927 248
Consumer deposit	407 294	400 107
Revenue	36 801 904	-
Government grant	-	17 325 656
Cash received from exchange and non-exchange transactions	-	19 893 746
	38 546 756	38 546 757
7. Trade and other payables control account		
Account payable	4 112 725	15 162 493
Inventory	144 093	160 631
Expenditure		53 675 936
Depreciation and amortisation	9 547 373	
Provision for employee benefit	(13 356)	
Changes in Accounting policies, Error and Correction		(13 156 180)
Cash paid to suppliers and on behalf of employees	42 052 046	
	55 842 881	55 842 880
8. Property plant and equipment		
Balance	92 859 192	103 580 416
Depreciation	-	9 547 373
Purchase of property, plant and equipment	20 268 597	-
	113 127 789	113 127 789
9. Funds and Reserves		
Balance	107 119 654	14 583 721
Adjustment to Accumulated Reserve-IPSAS implementation	-	113 127 789
Increase reserve and funds	20 591 856	-
	127 711 510	127 711 510

TOWN COUNCIL OF OMUTHIYA

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

	2019	2018
	N\$	N\$
10. Revenue earned during the period	36 801 905	25 280 177
Compensation	-	3 500 000
National Planning Commission/GRN	17 325 656	4 455 274
Mayoral fund Income	-	62 580
Promotional Material	-	391
Refuse Removal	1 404 698	1 226 106
Rates & Taxes	5 746 275	4 736 778
Admin/ commission fee	5 580	4 830
Capital account interest	-	437 235
Site leasing	720	720
Sewerage charges	1 595 604	1 328 810
Procurement Binding Document	16 422	49 593
Interest: current account	(18)	788
Sale Of Water	4 907 216	-
Registration/Fitness Certificate	100 632	99 238
Interest on outstanding accounts	2 528 496	2 315 075
Bill Board Advert Fee	113 483	75 305
Interest on investment	468 660	213 419
Faxing Revenue	-	402
Photocopying revenue	2 738	1 668
Sundry income	1 712	6 128
Site rental	225 255	219 957
Fire levies	79 089	69 857
RFA Subsidy	260 999	432 001
Burial fees	3 474	3 752
Pound fees	-	2 017
Penalty on fitness registration	2 080	1 740
sport stadium rental fee	460	4 934
Income from Park	4 200	652
Building Sand	192 122	153 051
Water Basic	978 450	839 592
Hire of machinery	7 289	1 565
New Connection	157 060	23 955
Emptying sewer Tang per tang	3 000	7 662
Surcharges from NORED	423 487	258 133

ANNEXURE E

TOWN COUNCIL OF OMUTHIYA

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

	2019	2018
	N\$	N\$
10. Revenue Earned during the period (continued)		
Fees on clearance certificate	3 100	620
Water reconnection	48 892	20 422
Water disconnection	23 801	7 228
New connection	30 110	98 442
Rental office space	870	-
Corporate wear	61 292	-
Sport stadium rental fee	(49 265)	-
Building plan fee	109 887	171 929
Water sale	-	4 448 328
Discount received	18 379	-
	53 675 936	28 077 567
11. General Expenses		
Council general expense	1 438 267	843 241
Chief executive officer	2 352 698	2 490 627
Finance department	3 950 563	3 281 894
Fire brigade	856 122	2 046 028
Technical department	2 749 237	2 546 742
Cemeteries	-	64 522
Health department	1 523 271	635 628
Parks and recreation	-	2 900 516
Human resources department	1 514 444	1 872 733
Town planning	21 754 544	6 141 351
Cleansing	837 370	751 600
Sewerage	288 208	315 517
Assessment rates	524 153	236 839
Abattoir	-	60 418
Water department	4 046 115	3 889 911
Depreciation: Properties, Plant and Equipment	9 547 373	-
Bad debt provision	2 306 927	-
Provision for employee benefit	(13 356)	-