



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL FOR THE HARDAP REGION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2010 AND 2011

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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 for the Hardap region for the financial years ended 31 March 2010 and 2011, 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, June 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE REGIONAL COUNCIL FOR THE HARDAP REGION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2010 AND 2011**

1. INTRODUCTION

The Regional Council for the Hardap region was established 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 Namibia dollar. Deficits are indicated in brackets.

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.

The abridged balance sheet, Annexure A, is 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

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Accounting Officer of the Regional Council is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The said Office conducted the audit in accordance with International Standards on Auditing. Those standards require that the Office comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

AUDIT OBSERVATIONS AND COMMENTS

4. NON-SUBMISSION OF RECORDS

4.1 General expenditure

General expenditure amounting to N\$ 126 499 for 2010 and N\$ 238 130 for 2011 could not be verified due to non-submission of cheques.

Management response

Find the attached copy of the cheques as per your annexure.

4.2 Fixed assets

Fixed assets amounting to N\$ 53 504 and N\$ 120 401 for the financial years ended 31 March 2010 and 2011 could not be verified for accuracy due to non-submission of invoices and vouchers. Furthermore cheques amounting to N\$ 45 216 and N\$ 92 190 for both financial years could also not be verified due to non-submission of cheques.

Management response

Find the attached copy of the cheques as per your annexure.

5. REVENUE

Revenue for the both financial years amounting to N\$ 8 952 908 and N\$ 2 727 356 could not be verified due to non-submission of supporting documents.

Management comments

Find the attached list of references of proof of income received.

Recommendations

It is recommended that supporting documents should always be provided for audit purposes as required by Section 26(1)(b)(i) and (ii) of the State Finance Act, 1991.

The non-submission of financial records contravenes the State Finance Act, 1991 (Act 31 of 1991), Section 26(1) (b) (i) and (ii) which clearly states that the Auditor-General or any competent person employed in the Office of the Auditor-General:

- (i) *shall have access to all books, vouchers, other documents, money, stamps, securities, forms having a face or potential value, equipment stores and other movable goods owned or leased by the State or the statutory institution concerned, in the possession or under the control of any person and which the Auditor-General deems necessary for an investigation, examination and audit in terms of this Act;*
- (ii) *may request such particulars, accounts and statements as he or she deems necessary for such an investigation, examination and audit.*

It is further recommended that all transactions be supported by appropriate documents.

6. STOCK/INVENTORY

During the years under review the Council did not prepare mini-stock reports for consumables at year-end.

Management Comments

We agree with the findings. The matter will be addressed in the new financial year.

Recommendation

It is recommended that the Council prepares a report on consumables at year-end. The report should contain costs and stock on hand.

7. CASH AND CASH EQUIVALENTS

7.1 Bank confirmation (2010/2011 financial year)

The audit revealed that the Regional Council has a bank account which had a balance of N\$ 586 396 but was not disclosed in the annual financial statements.

Recommendation

It is recommended that the Chief Regional Officer ensures that all bank accounts which pertains to the Council are disclosed in the annual financial statements.

8. BUILD TOGETHER FUND

It was observed that the books of accounts of the Build Together Fund are incomplete for audit purposes.

Recommendation

It is recommended that the Chief Regional Officer ensures that proper books of accounts are kept.

9. VAT RECEIVABLES

9.1 2009/2010 and 2010/2011 financial years

During the audit VAT reconciliations were not performed and VAT returns were not submitted on time and not submitted at all during 2010/2011. The details are listed below.

VAT returns to the value of N\$ 431 303 were submitted and notices of assessment from the Ministry of Finance were not provided to verify these returns.

VAT receivables to the value of N\$ 2 967 347 could not be confirmed. No provision was made for penalties and interests charged.

Recommendation

It is recommended that the Council completes the returns and submits them on time to the Receiver of Revenue and should ensure that VAT reconciliations are performed. The Council should make provision for penalties and interest.

10 GOOD CORPORATE GOVERNANCE

10.1 Audit committee

The Regional Council does not have an audit committee; hence the following risks have been identified:

- Lack of an audit committee will result in the Internal audit unit's audit plan and charter not being approved.
- No reviews will be done on any findings, plans and charters.
- Lack of an enforcement mechanism by management on recommendations by the internal audit division.

Recommendation

It is recommended that the Chief Regional Officer should ensure that the Regional Council establishes a functioning audit committee.

11. CONTROLS AROUND INFORMATION TECHNOLOGY

- The Council does not have an IT strategic committee, and this could result in IT governance, as part of enterprise governance, not being adequately addressed.
- The Council does not have an IT strategic plan which could result in IT goals not contributing to the department's strategic objectives and related costs and risks.
- The Council does not have an IT steering committee, and this could result in IT governance not being adhered to.
- Lack of defined IT training programme could result in IT function failing to meet operations as well as creating reliance on key staff members.
- The Council does not have a security policy; therefore there is no clear direction to maintain information security across the organisation and to properly safeguard the organisation's assets.
- The Council does not have a disaster recovery plan, and this can lead to the Council not being able to recover from disasters.
- The Council does not have formal approved user account management policy, therefore without a sound and approved framework users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

Recommendation

It is recommended that the Chief Regional Officer should ensure that the IT strategic and steering committees are established and are functional. Furthermore, the Chief Regional Officer should also ensure that the IT strategic plan, IT training programme, Disaster recovery plan, Security and user account policy are developed.

12. CONTROL ENVIRONMENT

The Council does not have a risk assessment policy in place; therefore, the absence of a risk assessment policy might result in inability to identify and respond to risks on a timely basis, when they occur.

The auditors believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Recommendation

It is recommended that the Chief Regional Officer should ensure that a risk assessment policy is developed.

13. AUDIT OPINION

The accounts of the Regional Council of the Hardap region for the financial years ended 31 March 2010 and 2011 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).

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Regional Council of Hardap Region as at 31 March 2010 and 2011, and (*of*) its financial performance and its cash flows for the year's then ended in accordance with the International Financial Reporting Standards (IFRS).

WINDHOEK, June 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL OF HARDAP REGION

BALANCE SHEETS AS AT 31 MARCH

	Note	2011 N\$	2010 N\$	2009 N\$
ASSETS				
Non-current assets		17 336 166	16 947 132	17 192 023
Property, plant and equipment	4	16 735 320	16 346 286	16 591 177
Investments	5	600 846	600 846	600 846
Current assets		14 240 022	6 625 170	5 877 256
Accounts receivable	6	564 833	3 355 317	3 115 623
Cash and cash equivalents	7	13 675 189	3 269 853	2 761 633
Total		31 576 188	23 572 302	23 069 279
EQUITY AND LIABILITIES				
Funds		31 108 323	23 295 849	22 009 405
Capital Development Funds	16	18 737 539	12 737 539	12 506 183
Accumulated funds	9	12 370 784	10 558 310	9 503 222
LIABILITIES				
Current liabilities		467 865	276 453	1 059 874
Trade and other payables	8	166 727	276 453	1 059 874
Bank overdraft		301 138	-	
TOTAL EQUITY AND LIABILITIES		31 576 188	23 572 302	23 069 279

REGIONAL COUNCIL OF THE HARDAP REGION

ABRIGED INCOME STATEMENTS FOR THE YEARS ENDED 31 MARCH

	Notes	2011	2010	2009
		N\$	N\$	N\$
Income	14	21 710 959	17 368 696	14 287 192
Expenditure	15	(21 105 948)	(18 280 974)	(15 763 785)
Operating surplus/(loss) before investment income and finance costs		605 011	(912 278)	(1 476 593)
Interest		417 048	271 000	294 688
Other income		1 147 202	113 822	-
Finance costs		-	(657)	-
Net surplus (Loss) for the year		2 169 261	(528 113)	(1 181 905)
Delegated Income		(356 787)	58 349	-
Net surplus/(loss) for the year		1 812 474	(469 764)	(1 181 905)
Accumulated funds				
~at the beginning of the year		10 558 310	11 028 074	10 685 127
~at the end of the year		12 370 784	10 558 310	9 503 222

REGIONAL COUNCIL OF THE HARDAP REGION

CASH FLOW STATEMENT FOR THE YEARS ENDED 31 MARCH

	2011	2010	2009
	N\$	N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	4 222 587	(953 059)	(2 961 934)
Interest income	417 049	271 000	294 688
Finance costs	-	(657)	-
Increase/(Decrease in Fund accounts)	-	-	(114 869)
NET CASH FROM OPERATING ACTIVITIES	4 639 636	(682 716)	(2 782 115)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(535 438)	-	498 208
NET CASH FROM INVESTING ACTIVITIES	(535 438)	-	498 208
CASH FLOW FROM FINANCING ACTIVITIES			
Capital Development Funds	6 000 000	1 190 936	-
CAPITAL DEVELOPMENT FUNDS	6 000 000	1 190 936	-
TOTAL CASH MOVEMENTS FOR THE PERIOD	10 104 198	508 220	(2 283 907)
Cash at the beginning of the period	3 269 853	2 761 633	5 045 540
TOTAL CASH AT END OF THE PERIOD	13 374 051	3 269 853	2 761 633

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are compiled in accordance with the historical cost convention modified by the restatement of the financial instruments to fair value, except where otherwise stated.

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 under review on a cash accounting basis, in line with the state Finance Act, 1992, and since all liabilities relating to the Delegated Funds remains with the relevant Ministries and all unexpended delegated funds are returned to the state account, it does not materially affect the Regional Council's financial statements.

The principal accounting policies of the Regional Council, which are set out below, have been consistent and comply with Namibian Statements of Generally Accepted Practices. The financial statements have been prepared in accordance with the requirements of the Namibian Regional Council's Act.

1.1. Fixed assets and depreciation

Fixed assets are stated at cost or at valuation where assets have been acquired by grant or donation, less depreciation written off over the expected useful lives as determined by the Regional Council from time to time. Fixed assets acquired with loan funds are not depreciated until the loan is repaid, unless the expected lifetime of the asset is less than the repayment period of the loan in which case depreciation is calculated on the shortfall.

Depreciation is calculated on the shortfall.

Buildings	50 years
Machinery and equipment	5 years
Motor vehicles	5 years
Office furniture and equipment	3 years
Computer equipment	3 years

Land and infrastructure assets are not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

1.2. Inventories

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

REGIONAL COUNCIL OF HARDAP REGION**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)**

1.3. Trade receivables

Trade and other 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. Bad debts are written off during the year in which they are identified.

1.4. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

2. REVENUE**2.1 Contributions, grants and financial aid from MRLGH and RD**

The Hardap Regional Council receives administrative grants from the Ministry of Regional and Local Government, Housing and Rural Development. These grants are for the day to day operations of the Regional Council.

2.2 Rates and levies from local authorities

The Hardap Regional Council as per Regional Council's Act of 1992, levies an amount equal to 5% of the rates levied on all ratable property in constituent local authority area's

3. DELEGATED FUNCTIONS

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

When under delegation, the Regional Council only acts as an agent for a particular line-Ministry, while the latter retains full control and overall responsibility to approve the related budget. After approval, the approved budget is transferred to the Regional Council via cash tranches.

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

Line-Ministry	Delegated function	2011	2010	2009
Revenue		N\$	N\$	N\$
Ministry of Gender, Equality & Child Welfare	ECD	91 273	97 169	103 309
Ministry of Regional, Local Government, Housing and Rural Development	Traditional authorities	23 533	-	2 546
Ministry of Health and Social Welfare	IMCI	200 006	543 300	412 000
Ministry of Regional and Local Government, Housing and Rural Development	Micro Projects Independence Trust Fund	19 474	-	27 047
Office of the Prime Minister Ministry of Regional and Local Government, Housing and Rural Development	Cash for Work	-	271 431	-
		434 650	1 147 135	639 794
Expenses				
Ministry of Gender, Equality & Child Welfare	ECD	(134 938)	(91 622)	(119 959)
Ministry of Regional and Local Government, Housing and Rural Development	Traditional Authorities Independence Trust Fund	(43 674)	(20 725)	(6 959)
Office of the Prime Minister Ministry of Regional and Local Government, Housing and Rural Development	Governor's Trust Fund	(58 649)	(165 883)	(62 469)
Ministry of Regional and Local Government, Housing and Rural Development	Micro Projects	-	-	(215)
Ministry of Regional and Local Government, Housing and Rural Development	Hardap Emergency Fund	(208 813)	(226 665)	-
Ministry of Regional and Local Government, Housing and Rural Development	IMCI	(10 899)	(10 548)	-
Ministry of Health and Social Welfare	IMCI	(221 127)	(520 449)	(411 869)
Ministry of Regional and Local Government, Housing and Rural Development	Cash for Work	(113 337)	(52 894)	-
		(791 437)	(1 088 786)	(601 471)
TOTAL SURPLUS FOR THE PERIOD		(356 787)	58 349	38 323

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

4. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of property, plant and equipment can be reconciled as follows:

2011	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
<u>Ow ned assets</u>				
Land and building	15 612 123	-	-	15 612 123
Machinery and vehicles	448 294	12 871	-	461 165
Furniture, equipment and computers	285 869	440 489	(146 404)	579 954
	16 346 286	453 360	(146 404)	16 653 242

2011	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
<u>Committed funds</u>				
<u>Assets</u>				
Capital Projects- WIP	-	82 078	-	82 078
	-	82 078	-	82 078
	16 346 286	535 438	(146 404)	16 735 320

2010	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
<u>Ow ned assets</u>				
Land and building	15 612,123	-	-	15 612 123
Machinery and vehicles	1 102 504	-	(654 210)	448 294
Furniture, equipment and computers	134 676	195 404	(44 211)	285 869
	16 849 303	195 404	(698 421)	16 346 286

2010	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
<u>Committed funds</u>				
<u>Assets</u>				
Capital projects - WIP	-	-	-	-
	-	-	-	-
	16 849 303	195 404	(698 421)	16 346 286

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

2009	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
Owned assets				
Land and building	60 000	-	-	60 000
Machinery and vehicles	1 460 914	63 094	(421 503)	1 102 505
Furniture, equipment and computers	317 268	128 313	(310 906)	134 675
	1 838 182	191 407	(732 409)	1 297 180

2009	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	N\$	N\$	N\$	N\$
Committed funds				
Assets				
Capital projects	2 321 775	18 438	-	2 340 213
Micro projects	-	24 355	-	24 355
Capital projects - WIP	12 929 429	-	-	12 929 429
	15 251 204	42 793	-	15 293 997
	17 089 386	234 200	(732 409)	16 591 177

	2011	2010	2009
	N\$	N\$	N\$
5. INVESTMENTS			
Investment in South Red	600 846	600 846	600 846
	600 846	600 846	600 846

6. ACCOUNTS RECEIVABLE

Other debtors	118 930	-	2 437 666
Accrual conventional electricity	-	-	(198 947)
5% Rates levied from local authorities	-	-	876 904
Build Together debtors	445 903	387 970	-
Value Added Tax		2 967 347	-
	564 833	3 355 317	3 115 623

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

	2011	2010	2009
	N\$	N\$	N\$
7. CASH AND CASH EQUIVALENTS			
HRC Main Account	-	73 076	-
HRC Capital Current Account	10 018 978	318 799	6 883
HRC Capital Call Account	-	-	269 890
HRC Settlement Build Together - Current	275 932	309 563	837
HRC Settlement Build Together - Call	-	-	401 167
HRC Traditional Authority Current	329 305	347 694	20 706
HRC Traditional Authority Call	-	-	326 777
HRC NACOMA Current Account	14 216	-	-
HRC Independence Fund	67 711	25 905	39 577
HRC Social Upliftment Fund	37 253	8 719	-
HRC EMU Fund	22	155	444
HRC Early Childhood Development Fund	62 812	106 477	96 124
HRC IMCI Fund	3 601	24 723	877
HRC Housing Fund	1 412 191	1 355 394	1 132 054
HRC Fleet Management Fund	11 872	21 065	176 179
HRC Micro Projects Account	854 155	360 761	183 710
HRC DBTP Receipt Account	47 889	27 897	-
FNB Cash for Work Pilot Program	532 180	289 626	-
HRC Revenue Account	6 638	-	647 998
Governors Trust Fund	-	-	45 147
HRC Spanish Duineveld Tourism	434	-	-
	13 675 189	3 269 854	3 349 370
Bank overdraft			
HRC main account	(301 138)	-	(587 737)
	13 374 051	3 269 854	2 761 633
8. TRADE AND OTHER PAYABLES			
Trade payables	166 727	276 453	1 059 874
	166 727	276 453	1 059 874
9. ACCUMULATED FUNDS/ DISTRIBUTABLE RESERVES			
Accumulated surplus	10 558 310	11 028 074	10 685 127
Grants and interest received	-	-	14 581 881
Development Capital Fund	18 737 539	12 737 539	-
Loss for the year	1 812 474	(469 764)	-
Program expenditure and bank charges	-	-	(15 763 786)
	31 108 323	23 295 849	9 503 222

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

	2011	2010	2009
	N\$	N\$	N\$
10. PRIOR YEAR ADJUSTMENT			
Adjustment on opening balances and re-allocations of balance sheet item	-	-	1 486 528
	-	-	1 486 528
11. INVESTMENT REVENUE			
Bank	417 049	271 000	294 688
	417 049	271 000	294 688
12. FINANCE COSTS			
Bank	-	657	-
	-	657	-
13. CASH (USED IN) GENERATED FROM OPERATIONS			
Loss for the period	1 812 474	(469 764)	(1 181 905)
Adjusts for:			
Depreciation and amortisation	146 404	698 421	
Interest received	(417 049)	(271 000)	(294 688)
Finance costs	-	657	-
Operating (deficit) before changes in working capital	1 541 829	(41 686)	(1 476 593)
Changes in working capital:			
Trade and other receivables	2 790 484	(127 952)	(1 927 346)
Trade and other payables	(109 726)	(783 421)	442 005
	2 680 758	(911,373)	(1,485,341)
Cash generated/(utilized) by operations	4 222 587	(953 059)	(2 961 934)
14. REVENUE			
5% Levy	82 188	60 694	490 794
Central Government grants	19 808 600	15 956 876	11 800 000
Electricity and water sales	1 627 507	1 245 912	-
Other income (Rental income, water sales, etc)	55 909	50 176	1 008 335
Rates, charges and fees (Settlement areas)	136 755	55 038	988 063
Total income	21 710 959	17 368 696	14 287 192

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

	2011	2010	2009
	N\$	N\$	N\$
5. EXPENDITURE			
Total Expenditure	21 105 948	18 280 974	15 763 785
Personnel expenditure	11 634 079	9 062 126	8 255 231
Travel and subsistence	1 612 462	1 140 469	1 041 692
Materials and supplies	209 850	131 947	168 477
Transport expenses	1 320 955	1 523 553	914 617
Utilities (Water and electricity purchases)	640 114	770 131	805 284
Water and electricity purchases	3 247 995	2 484 833	2 166 749
Maintenance expenses	312 681	242 334	177 994
Property rental and related charges	182 148	191 377	147 054
Administration	1 617 946	1 821 225	1 122 972
Subscriptions and membership fees	43 254	95 439	40 425
Depreciation	146 404	698 421	732 409
Grants, subsidies and contribution expenses	138 060	119 119	190 881
Bank over draft	-	657	-
Delegated function	356 787	(58 349)	-
Interest and dividends received	417 048	271 000	294 688
Sundry income	1 147 202	113 822	-
Accumulated income/(Deficit)	1 812 474	(469 764)	(1 181 906)

16. EQUITY

16.1 Build Together Programme Fund

	2009
	N\$
Balance at beginning of year	212 490
Movement during the year:	
Unexplained differences	(8)
Grants	100 000
Interest received	10 336
Bank charges and expenses	(629 924)
Balance at year-end	(307 146)

Although there is a favourable balance in the Build Together programme account, the funds which were transferred to Local Authorities are considered as amounts due to Hardap Regional Council.

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

	<u>2009</u>
	N\$
16.2 Build Together Programme Fund	
Available Funds	776 637
Due to Hardap Regional Council	(815 757)
Distributed to Local Authorities:	
Hardap Regional Council	-
Aranos	474 040
Gochas	443 980
Gibeon	450 380
Hoachanas	1 025 594
Maltahohe	480 000
Stampriet	300 000
Kries	-
Provision for bad debts	(3 442 020)
TOTAL	<u><u>(307 146)</u></u>
16.3 Capital Projects Fund	
Balance at beginning of year	11 180 159
Grants and interest received	988 078
Grants from NPC	-
Bank charges	(621 634)
Construction and other payments	-
Balance at end of the year	<u><u>11 546 603</u></u>
The Capital projects consist of funds received from the National Planning Commission for the CDC's and Settlement approved projects.	
16.4 Traditional Authority Fund	
Balance at beginning of year	1 064 770
Interest received	2 546
Bank charges	-
Other payments	(6 959)
Balance at end of the year	<u><u>1 060 357</u></u>
16.5 Early Childhood Development Fund	
Balance at beginning of year	106 775
Grants and interest received	103 309
Programme expenditure & bank charges	(119 959)
Balance at end of the year	<u><u>90 125</u></u>

REGIONAL COUNCIL OF HARDAP REGION

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2010 AND 2011 (continued)

	<u>2009</u>
16.6 Integrated Management of Childhood Illness Fund	
Balance at beginning of year	1 701
Grants and interest received	412 000
Programme expenditure & bank charges	(411 869)
Creditors	-
Balance at end of the year	<u>1 832</u>
16.7 Independence Trust Fund	
	<u>2009</u>
	N\$
Balance at beginning of year	27 240
Grants and interest received	94 892
Programme expenditure & bank charges	(62 469)
Balance at end of the year	<u>59 663</u>
16.8 Governors Trust Fund	
	<u>2009</u>
	N\$
Balance at beginning of year	27 917
Grants and interest received	27 047
Programme expenditure & bank charges	(215)
Balance at end of the year	<u>54 749</u>
TOTAL EQUITY	<u>12 506 183</u>