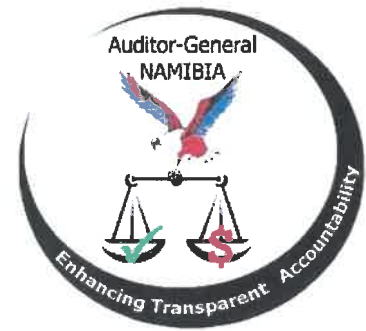




REPUBLIC OF NAMIBIA



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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

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

WINDHOEK, February 2019

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON
THE ACCOUNTS OF THE REGIONAL COUNCIL
OF HARDAP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

1. QUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Regional Council of Hardap for the financial year ended 31 March 2018. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Regional Council of Hardap as at 31 March 2018 and its financial performance and their cash flow for the year then ended.

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the entity in accordance with the code of ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. A qualified audit opinion is being expressed due to the following reasons (**recurring matters*):

- *No provision for leave was raised; and
- Overstatement of assets by N\$ 1 740 304 and N\$ 582 691 due to depreciation which was not accounted for and road maintenance expense included under work in progress.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I do not have anything to report on this matter.

4. OTHER MATTERS

Attention is drawn to the management on the following matter that relates to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Regional Council of Hardap in the financial statements:

ABSENCE OF IT STEERING COMMITTEE

The Council does not have an IT Steering committee in place.

PROGRAM CHANGE MANAGEMENT

There are no formally documented and approved processes to manage upgrades made to all financial performance information systems. When an upgrade is made to the systems, there is no formal change request documentation completed indicating the changes to be made and reasons for all changes to the financial systems.

IT SERVICE CONTINUITY

There is no back up and retention strategy been implemented, backups are not performed, verified and checked for successful completion.

AUDIT COMMITTEE

The auditors observed that the Council does not have an audit committee in place.

RISK ASSESSMENT POLICY

The Council does not have a risk assessment policy in place.

5. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, the auditor does 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.

6. 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 Section 39 of the Regional Council's Act, 1992 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 of overseeing the entity's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were submitted later than required by the Accounting Officer to the Auditor-General on 31 August 2018 in terms of Section 40(1) of the Regional Council Act, 1992.

WINDHOEK, February 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018
GENERAL INFORMATION**

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Implementing central government's policies at regional level with the aim to improve the overall living standards of its residents.
Councillors	Hon. E A Wambo (Chairperson) Hon. J Jarson Hon. R. McNab Hon. N Mungenga Hon J G Van Neel Hon S Dukeleni Hon. H Jantze Hon. L Christ Julian Engelbrecht (Acting Chief Regional Officer)
Registered office	Dr Sam Nujoma Street Old Danie Joubert Hostel Complex Mariental Namibia
Business address	Dr Sam Nujoma Street Old Danie Joubert Hostel Complex Mariental Namibia
Postal address	Private Bag 2017 Mariental Namibia
Bankers	Bank Windhoek

REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

The reports and statements set out below comprise the annual financial statements presented to the Council:

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REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018
HARDAP REGIONAL COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Hardap Regional Council is required by the State Finance Act, 1991 (Act No. 31 of 1991) and the Regional Council Act, (Act No. 22 of 1992) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their 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 the State Finance Act, 1991 (Act 31 of 1991) and the Regional Council Act, (Act 22 of 1992). The Office of the Auditor-General is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the State Finance Act, 1991 (Act No. 31 of 1991) and the Regional Council Act, (Act No. 22 of 1992) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Hardap Regional Council acknowledge that they are ultimately responsible for the system of internal financial control established by the Hardap Regional Council and place considerable importance on maintaining a strong control environment. To enable the councillors to meet these responsibilities, the Executive Authority sets standards 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 Hardap Regional Council and all employees are required to maintain the highest ethical standards in ensuring the Hardap Regional Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Hardap Regional Council is on identifying, assessing, managing and monitoring all known forms of risk across the Hardap Regional Council. While operating risk cannot be fully eliminated, the Hardap Regional Council endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Hardap 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 Auditor-General is responsible for independently reviewing and reporting on the Regional Council's annual financial statements.

The Hardap Regional Council has reviewed its cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the Regional Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are set out on pages 13 - 23, which have been prepared on the going concern basis, were approved by the councillors and were signed on its behalf by:

Hon. E A Wambo (Chairperson)

Julian Engelbrecht (Acting Chief Regional Officer)

**REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018
HARDAP REGIONAL COUNCIL'S REPORT**

The Hardap Regional Council has pleasure in submitting their report on the annual financial statements for the year ended 31 March 2018.

1. Incorporation

Hardap Regional Council was incorporated in Namibia on the 31 August 1992 under section 2(1) of the Regional Council Act, 1992 (Act No. 22 of 1992) and was tasked with the responsibility of implementing Central Government policies at regional level with the aim to improve the overall living standards of its residents as per section 28 of the Regional Councils' Act.

The financial powers, duties and functions of the council are stipulated in article 108 of the Namibian Constitution and section 28 of the Regional Council Act. The accounts of the Hardap Regional Council for the year ended 31 March 2018 are being reported on in accordance with the provisions set out in the State Finance Act, 1991 (Act No. 31 of 1991) and the Regional Council Act, (Act No. 22 of 1992).

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the provisions set out in the State Finance Act, 1991 (Act No. 31 of 1991) and the Regional Council Act, (Act No. 22 of 1992). The accounting policies have been applied consistently compared to the prior year.

The Regional Council recorded a profit for the year ended 31 March 2018 of N\$ 4 173 127. This represented an increase of 99% from the surplus of the prior year of N\$ 70 076.

The Regional Council revenue reduced by 2% from N\$ 69 451 064 in the prior year to N\$ 68 392 819 for the year ended 31 March 2018.

The Regional Council cash and cash equivalents increased by 56% from N\$ 12 628 263 in the prior year to N\$ 26 821 645 for the year ended 31 March 2018.

3. Councillors

The councillors in office at the date of this report are as follows:

Hon. E A Wambo (Chairperson)

Hon. J. Jarson

Hon. R. McNab

Hon. J G Van Neel

Hon. N Mungenga

Hon. S Dukeleni

Hon. H Jantze

Hon. L Christ

Mr. Julian Engelbrecht (Acting Chief Regional Officer)

**REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018
HARDAP REGIONAL COUNCIL'S REPORT**

4. Councillor's interests in contracts

During the financial year, no contracts were entered into which councillors or officers of the Regional Council had an interest and which significantly affected the business of the Regional Council.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Regional Council or in the policy regarding their use. At 31 March 2018 the Regional Council's investment in property, plant and equipment amounted to N\$ 43 935 819 (2017: N\$ 32 442 016), of which N\$ 16 329 704 was added in the current year through additions.

6. Claims against the Regional Council

No claims for losses were received during the year.

7. Gifts/Donations by/to the Regional Council

The current year donations amounted to N\$ 21 237 (2017: N\$ 0).

8. Transfer of property to/from government

No properties were transferred to/from the Hardap Regional Council.

9. Levies from Local Authorities

Net proceeds from Local Authorities to the value of N\$ 1 078 657 (2017: N\$ 994 082). The levies charged are in line with Government Gazette rates.

10. Loans

No external loans agreements were entered into in the current year. No internal loans agreements were advanced or received during the year.

11. Events after the reporting period

The councillors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

**REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018
HARDAP REGIONAL COUNCIL'S REPORT**

12. Going concern

The councillors have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the Regional Council and believed that the Regional Council has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly been prepared on the going concern basis.

13. Investments and interest proceeds

No investments for the year under review.

14. Fruitless, unauthorised or avoidable expenditure

No fruitless, unauthorised or avoidable expenditure was incurred during the year.

15. Suspense account

An amount of N\$ 3 131 743 was accounted for in the suspense account during the year under review.

16. Irregularities and losses

No irregularities and losses were revealed by the audit for the year under review.

17. Bursaries

No bursaries were granted during the year under review.

18. Government grants and subsidies

Government grants/subsidies to the amount of N\$ 53 277 948 (2017: N\$ 53 966 126) were granted to the Regional Council during the year under review.

19. Compensation payments

No payments for crop field compensation were made during the year under review.

20. Visits to foreign countries

There were no foreign trips for the financial year under review.

**REGIONAL COUNCIL FOR THE HARDAP REGION
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018
HARDAP REGIONAL COUNCIL'S REPORT**

21. Property sold on instalment basis

No erven were sold on instalment basis for the year under review. The Regional Council's policy is to sell all erven on a cash basis.

22. Sales of erven

No erven were sold during the year under review.

23. Tariff adjustments

Electricity tariffs were adjusted during the year under review.

24. Stock and Motor Vehicle

	4x4			
	Sedan	Passenger	LDV &	Heavy
	vehicles	Vehicles	Kombi's	vehicles
24.1 Motor vehicles				
On hand 31/03/2018	2	18	-	1

24.2 Stock

The Hardap Regional Council immediately writes off consumable stock as and when purchased.

25. Special investigations

There was no investigation during the period under review.

26. Internal controls

The accounting and internal controls are satisfactory, except where indicated otherwise in this report. Proper segregation of duties is not feasible due to the small number of staff employed. While increased management involvement reduces risks, the risk arises that management may override existing internal controls.

27. Temporary advances

No temporary advances were made during the year under review.

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	2018 N\$	2017 N\$
ASSETS			
Non-current Assets			
		189 120 999	142 435 426
Property, plant and equipment	2	43 935 819	32 442 016
Work in progress	2	145 185 180	109 993 410
Current Assets			
		66 641 415	42 075 742
Trade and other receivables	4	39 680 718	29 314 252
Cash and cash equivalents	3	26 821 645	12 628 263
Inventory		139 052	133 227
TOTAL ASSETS		255 762 414	184 511 168
EQUITY AND LIABILITIES			
Equity			
		243 583 859	167 128 780
Capital development fund	10	216 923 738	144 171 038
Retained income		22 486 994	22 887 666
Surplus/(deficit)		4 173 127	70 076
Liabilities			
Current liabilities			
		12 178 555	17 382 389
Trade and other payables	5	12 178 555	17 382 389
TOTAL EQUITY AND LIABILITIES		255 762 414	184 511 168

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	Note	2018	2017
		N\$	N\$
REVENUE		68 392 819	69 451 064
Government grants	7	53 277 948	53 966 126
Income from settlement areas	7	9 101 439	5 715 817
5% Rates & levies	7	1 078 657	994 082
Other income	8	1 959 393	869 649
Delegated functions	6.1	2 975 382	7 905 390
EXPENDITURE		64 219 692	69 380 988
General expenditure	9	57 885 485	58 722 934
Delegated functions	6.2	6 334 207	10 658 054
Surplus/(deficit)		4 173 127	70 076

REGIONAL COUNCIL FOR THE HARDAP REGION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Capital Development Fund	Retained Earnings	Total Equity
	N\$	N\$	N\$
Changes in equity for the year 2017	144 171 038	22 887 666	167 058 704
Surplus /(deficit)	-	70 076	70 076
Balance as at 31 March 2017	144 171 038	22 957 742	167 128 780
Adjustments	-	(400 671)	(400 671)
Additions	72 752 699	-	72 752 699
Changes in equity for the year 2018			
Surplus /(deficit)	-	4 173 127	4 173 127
Balance as at 31 March 2018	216 923 737	26 730 198	243 653 935

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

	2018	2017
	N\$	N\$
Cash flow from Operating Activities		
Cash receipts from customers	57 582 334	56 193 470
Cash paid to suppliers and employees	(69 429 351)	(64 879 298)
Retained income	(470 747)	1 815 157
Net cash flow from Operating activities	(12 317 764)	(6 870 671)
Cash flow from Investing Activities		
Purchase of property, plant and equipment	(46 685 572)	(52 960 939)
Interest received	444 020	342 555
Net cash flow from Investing Activities	(46 241 553)	(52 618 384)
Cash flow from Financing Activities		
Capital project funds	72 752 699	51 982 687
Net cash flow from Financing Activities	72 752 699	51 982 687
Net increase in cash and cash equivalents	14 193 382	(7 506 368)
Cash and cash equivalents - beginning	12 628 263	20 134 631
Cash and cash equivalents - end	26 821 645	12 628 263

**REGIONAL COUNCIL FOR THE HARDAP REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2018**

1. ACCOUNTING POLICIES

The annual financial statements are prepared under the historical cost convention. The following accounting policies are consistent, in all respect, with those of the previous year:

1.1 Presentation of financial statements

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

1.2 Property, plant and equipment

All non-current assets are stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight line method to write off the cost of each asset over the estimated useful life as follows:

	Useful life	Per annum
Buildings	50 years	2% pa
Machinery and Equipment	5 years	20% pa
Motor vehicles	5 years	20% pa
Office Furniture and Equipment	5 years	20% pa
Computer equipment	3 years	33.33% pa

ANNEXURE E

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

2. PROPERTY, PLANT AND EQUIPMENT

2018	Land	Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Plant & Machinery	Office Furniture	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening net book value	2 368 702	16 798 273	3 312 596	428 534	41 342	8 972 706	519 863	32 442 016
Adjustment	-	(418 243)	-	-	23 720	-	-	(394 522)
Add: Purchases	-	8 188 812	-	7 966	28 455	7 787 273	317 199	16 329 704
Adjustment: Accumulated Depreciation	-	3 702 029	3 877 054	920 465	355 516	10 883 352	1 358 976	21 097 392
Accumulated Depreciation	-	(3 702 029)	(3 877 054)	(920 465)	(355 516)	(10 883 352)	(1 358 976)	(21 097 392)
Less: Charge for the year	-	(415 389)	(1 126 030)	(263 669)	(48 651)	(2 390 755)	(196 884)	(4 441 379)
Closing net book value	2 368 702	24 153 453	2 186 656	172 831	44 867	14 369 224	640 177	43 935 819
2017								
Opening net book value	2 368 702	17 210 294	3 914 604	476 850	71 880	188 202	345 489	24 576 020
Adjustment	-	-	(118 260)	-	-	-	-	(118 260)
Add: Purchases	-	-	535 235	215 170	20 725	11 040 845	322 553	12 134 528
Adjustment: Accumulated Depreciation	-	3 390 740	2 858 071	656 979	304 254	8 627 011	1 210 797	17 047 851
Accumulated Depreciation	-	(3 390 740)	(2 858 071)	(656 979)	(304 254)	(8 627 011)	(1 210 797)	(17 047 851)
Less: Charge for the year	-	(412 021)	(1 018 983)	(263 486)	(51 262)	(2 256 341)	(148 179)	(4 150 272)
Closing net book value	2 368 702	16 798 273	3 312 596	428 534	41 342	8 972 706	519 863	32 442 016

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

	2018	2017
	N\$	N\$
2. WORK IN PROGRESS	145 185 180	109 993 410
W.I.P Mariental	156 032	156 032
Construction of services - Klein Aub	-	4 183 210
Construction of sewer services-Hoachanas	12 316 165	9 648 194
Construction of sewer services-Kriess	-	3 604 063
Construction of sewer service-Witbooi Traditional	-	3 743 749
Construction of Daweb CDC office	7 606 146	7 362 465
Construction of Aranos CDC office	10 042 121	9 167 339
Construction of Hoachanas office	-	4 445 063
Construction of Rural Development Centre-Gibeon	1 123 419	1 123 419
Construction of HRC - office park	103 881 632	62 044 889
Construction of services - Schlip Settlement	1 918 615	1 570 072
Other expenses	582 691	174 083
Construction of bucket toilets	7 558 359	2 770 835

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

	2018	2017
	N\$	N\$
3. CASH ON HAND AND BANK	26 821 645	12 628 263
Main current account	3 374 544	331 206
Revenue account	8 201 369	2 022 548
Capital current account	9 452 500	4 066 423
Independence current account	25 464	43 861
Social upliftment	103 062	38 301
Settlement current account	65 027	81 422
Traditional authority current account	72 300	69 726
Micro project current account	691 696	427 282
Build together receipt	261 501	138 417
Fleet management account	-	109 264
Housing fund	1 547 233	1 260 834
ECD account	844 391	552 324
Rural development account	369 969	3 209 988
Regional disaster account	1 441 756	201 978
Ministry of Land Reform	757	-
Ministry of Information, Communication & Technology	248 828	-
Cash on hand	121 248	74 690
4. TRADE AND OTHER RECEVABLES	39 680 718	29 314 252
Nampower	118 930	118 930
Customer control	7 687 490	3 299 159
Build together	1 242 017	686 702
Receiver of Revenue (VAT)	30 632 281	25 209 461
5. TRADE AND OTHER PAYABLES	12 178 555	17 382 389
Creditors	8 076 087	16 470 810
Suspense account	3 131 743	-
Other salary & wages control	933 466	911 579
Bank overdraft- fleet management	37 258	-

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

6. DELEGATED FUNCTIONS

The Regional Council is currently performing the following functions delegated by Central Government line ministries, as indicated in accordance with the Decentralisation Enabling Act, 2000. Under delegation the Regional Council acts as an agent on behalf of the relevant Line Ministry. The relevant Line Ministry, however, retains overall responsibility for performance of the functions, and also retains the responsibility to approve the related budget. This budget allocation is transferred to the Regional Council via monthly cash transfers. However, any unexpended amount as at 31st March is paid to the State Account, via the related line ministry. For this reason the Income and Expenditure for each delegated function should always net to Nil.

	2018	2017
	N\$	N\$
6.1 Other Accounts & Delegated functions - Revenue	2 975 382	7 905 390
Ministry of Gender, Equality and child welfare	2 110 943	2 002 835
Traditional authority account	6 546	3 575
Independence account	9 222	48 043
Micro project account	37 438	20 434
Office of the Prime Minister	327 811	-
Embassy of Spain	-	111
Rural development	57 400	5 688 333
Social upliftment	8 795	70 528
Nacoma	-	10
Build together	-	71 489
Trust fund for Regional Development	-	32
Ministry of Information, Communication & Technology	256 162	-
Ministry of Land Reform	161 065	-

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

	2018	2017
	N\$	N\$
6.2 Other Accounts & Delegated functions -Expenses	6 334 207	10 658 054
Ministry of Gender, Equality and Child welfare	1 811 413	1 924 192
Traditional authority account	1 033	897
Independence account	27 619	10 927
Micro project account	398 394	388 495
Office of the Prime Minister	828 224	1 677 256
Embassy of Spain	-	12 500
Rural development	2 923 646	6 424 933
Social upliftment	150 506	197 095
Nacoma	-	236
Build together	20 186	21 368
Trust Fund for Regional Development	-	156
Ministry of Information, Communication & Technology	26 652	-
Ministry of Land Reform	146 535	-

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

	2018	2017
	N\$	N\$
7. REVENUE	63 458 044	60 676 025
5 % Levy assessment rates	1 078 657	994 082
Revenue from settlements	9 101 439	5 715 817
Subsidy from Government:		
Operational	53 277 948	51 729 011
Other Government transfers	-	2 237 114
8. OTHER INCOME	1 959 393	869 649
Other revenue	1 515 373	527 094
Interest received - operational	444 020	209 284
Capital project interest	-	133 271
9. EXPENDITURE	57 885 485	58 722 934
Personnel expenditure	34 224 133	32 960 874
Subsistence and travel	2 043 746	2 988 027
Materials and supplies	351 121	829 141
Transport cost	1 377 718	1 806 049
Utilities	11 254 797	10 097 023
Maintenance expenses	448 521	1 012 347
Property rental	332 586	446 356
Depreciation	227 412	258 121
Bank charges	4 441 379	4 150 272
Other expenditure	3 073 401	3 608 316
Subsidies & grants contributions paid	107 537	335 313
Other expenses - Capital projects	3 135	231 095
10. ACCUMULATED FUNDS	243 583 859	167 128 780
Capital Development Fund	216 923 738	144 171 038
Retained income	22 486 994	22 887 666
Net surplus/(deficit)	4 173 127	70 076

