



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OHANGWENA REGION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2008 AND 2009

Published by authority

Price (Vat excluded) N\$ 29.73

Report no: 993

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 Ohangwena region for the financial years ended 31 March 2008 and 2009, 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, October 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OHANGWENA REGIONAL COUNCIL FOR THE FINANCIAL YEARS ENDED
31 MARCH 2008 AND 2009**

1. INTRODUCTION

The Regional Council for the Ohangwena region was established with effect from 31 August 1992 under Section 2(1) of the Regional Councils Act, 1992 (Act 22 of 1992). The Council became a legal entity on 31st December 1992 and is based in Eenhana.

The financial powers, duties and functions of the Council are stipulated in Article 108 of the Namibian Constitution and in the Regional Council 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.

2. FINANCIAL STATEMENTS

The Regional Council's financial statements were submitted to the Auditor-General by the Accounting Officer in compliance with Section 40(1) of the Regional Councils Act, 1992, **except that the statements for 2007/08 were submitted on 13 January 2009 and those for 2008/09 on 24 January 2011 which is later than allowed by the Act.** The abridged balance sheet, Annexure A, is a true reflection of the original.

The following annexures are also attached to this report:

- Annexure A: Balance Sheet
- Annexure B: Statements of income and expenditure
- Annexure C: Cash flow Statement
- Annexure D: Notes to the financial statements

3. SCOPE OF AUDIT

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

The audit as carried out by audit staff of his Office, included:

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

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

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

4. AUDIT OBSERVATIONS AND COMMENTS

4.1 Analysis of financial information

2007/2008 and 2008/2009 financial year

4.1.1 Comparison of budget vs actual figures

During the years under review it was observed that the Council under-spent their budgets by N\$ 1 189 169 (2009) and N\$ 4 810 135 (2008), which demonstrates a poor budgeting process.

4.1.2 Comparison of the current year financial statements with previous year financial statements

(i) Fixed assets

- (a) A difference of N\$ 1 504 422 was observed between the opening balance of the total fixed assets and work in progress presented in the submitted annual financial statements and the closing balance of the prior year's annual financial statements.

	N\$
Balance as at 31/03/2008 (Closing)	25 524 232
Balance as at 01/04/2008 (Opening)	27 028 653
Total	<u>1 504 421</u>

- (b) Furthermore, adjustments had been made to these balances to correct differences. The journals passed to make these adjustments could not be obtained to verify the correctness and completeness thereof.

4.1.3 Income and debtors

2007/2008 financial year

(i) Other income - NORED royalties

- (a) At the time of the audit it was observed that the annual financial statement were overstated with N\$ 118 248.26. This was due to duplication of invoices from the 2006/2007 financial year.
- (b) Furthermore, invoices for the month of February (N\$ 6 881.21) and March 2008 (N\$ 8 833.94) amounting to N\$ 15 715.15 were not recorded, hence the understatement of the annual financial statement.

As a result of the above findings the outstanding debtors as per the customer detailed ledger were also overstated by the said amounts.

2008/2009 financial year

4.1.4 Customer detailed ledger

For the sample selected it was observed that the opening balances for the current financial year were different from the closing balances of the previous financial year. Balances were not carried forward correctly to the next financial year.

Details	Closing as at 31 March 2008	Opening as at 01 April 2008 (2008/2009)	Difference
	N\$	N\$	N\$
St Mary Health Centre	20 975	16 744	4 231
Ongha Senior Secondary School	15 556	15 636	(79)
Ongha Police Station	2 419	1 956	462
Eengdjo Senior Secondary School No.1	38 249	25 521	12 727
Eengdjo Matron House No.6	8 464	8 560	(96)
Hauwanga Fillemon	5 813	5 815	(2)
Omungwelume Police Ghetto B	16 770	1 383	15 386
Nore Electricity	128 782	26 250	102 532
Nanghada Simeon	151	102	48
Kadonga F.F	3 957	4 055	(97)
Haufiku	5 525	5 528	(2)
TOTAL	246 661	111 550	135 110

4.1.5 Other trade debtors

Opening balances for the current financial year were different from the closing balances of the previous financial year. Balances were not carried over correctly to the next financial year.

Details	Closing as at 31 March 2008	Opening as at 01 April 2008 (2008/2009)	Difference
	N\$	N\$	N\$
Subsistence and Travelling	41 192	382 937	(341 744)
Salary advances	6 346	3 000	3 346
Sundry debtors	90 234	142 234	(52 000)
Value Added Tax	611 073	624 883	(13 811)
TOTAL	748 845	1 153 054	404 209

4.2 Fixed assets

2008/2009 financial year

Numerous adjustments had been made to the opening balances for the year under review to balance the figures presented in the fixed asset register with those on the pastel system. On request of the journals passed to make these adjustments the client could not provide the supporting documentation to these journals. Important audit tests could not be performed to test correctness of the journals.

2007/08 financial year

- (i) The following differences were observed between the totals presented in the general ledger and the assets register.

	N\$
General ledger	17 084 641
Assets register	13 633 419
Difference	<u><u>3 451 222</u></u>

- (ii) The following differences were observed between the totals presented in the annual financial statements and the Assets register.

	N\$
Annual financial statements	16 737 585
Assets register	13 633 419
Difference	<u><u>3 104 166</u></u>

4.3 PAYROLL

2008/2009 financial year

- (i) The following differences were also observed between the general ledger and the VIP salary sheets (basic salary).

	N\$
General ledger	7 104 229
Basic salary	7 030 828
Difference	<u><u>73 401</u></u>

- (ii) No VIP basic salary sheets were submitted for audit purposes for May 2007.
- (iii) A letter from the Public Service Commission dated 24 August 2010 indicated that some of the Council's management cadre occupy government houses and paid below market related prices for rent which is 4% of their salaries.

It was further noted from the responses of the Council's management cadre that the involved staff members have agreed to pay N\$ 2 000 which was regarded as market related price as from the 1st of October 2010. However, the audit team could not confirm the retrospective payments made by management.

2007/08 financial year

- (i) The following differences were observed between the general ledger and the VIP salary sheets (basic salary).

	N\$
General ledger	7 471 141
Basic salary	5 956 352
Difference	<u><u>1 514 790</u></u>

4.4. Expenditure

4.4.1 Expenditure- Donations

Supporting documentation to the value of N\$ 213 629 (2009) and N\$ 329 235 (2008) were not provided for audit purposes.

4.4.2 Subsistence & travelling

2007/2008 financial year

Transactions to the value of N\$ 357 628 could not be confirmed by the auditors due to a lack of supporting documentation.

4.5 General expenditure

4.5.1 General expenditure

2008/2009 Financial year

Transactions to the value of N\$ 393 389 could not be confirmed due to a lack of supporting documentation.

4.5.2 Delegated functions Expenditure

2008/2009 financial year

Supporting documentation to the value of N\$ 283 582 were not submitted for audit purposes.

4.6 Cash & bank

4.6.1 Stale cheques

Stale cheques to the value of N\$ 53 095 (2008/09 and N\$ 101 072 (2007/2008) for the FNB Main Current Account were not written back.

4.6.2 Confirmation of bank accounts not disclosed

2007/2008 and 2008/2009 financial year

The following bank accounts were confirmed by their respective banks but they were not reflected in the annual financial statements. The non-disclosure of these bank accounts were explained by the Council, but the nature of this audit observation, could distort the view of the user of the financial statements.

Details	Account number	Balance as at 31 March 2008	Balance as at 31 March 2009
Standard Bank Current Account	241273137	N\$ 21 890	N\$ 2142
FNB Cheque Account	62067332727	26 623	67 043
Bank Windhoek Cheque Account	8001635833	300 682	47 387
TOTAL		349 195	116 572

4.7 Accounts payable

2008/2009 financial year

- (i) For the following transactions, prior year's balances were not carried forward correctly to the current financial year.

Details	Balance at 31 March 2008	Balance at 01 April 2008	Difference
	N\$	N\$	N\$
Nored	8 576	8 277	299
Namwater	71 566	78 766	(7 200)
Waltons	-	4 142	(4 142)
Amia Stationery	9 266	142	9 124
Government stores	(12 255)	-	(12 255)
China Jiangsu International	190 829	-	190 829
Nampost Courier	3 079	444	2 635
Eenhana Town Council	7 556	6 901	655
Helao Nafidi Town Council	226	248	(22)
Minolco Namibia Pty	3 568	3 566	2
LI Architects	93 329	167 160	(73 831)
Elwiwa	-	2 913	(2 913)
Benz Building Supplies	-	4 270	(4 270)
Nangy' Kitchen	(4 000)	2 440	(6 440)
F Nestor Pannel Beating	-	4 400	(4 400)
OHE Alabam Investments	1 915	-	1 915
Onamagongwa Security Service	-	18 900	(18 900)
Sanlam Insurance Company	29 332	8 904	20 428
WC Nights Associates	134 916	(1 078)	135 994
Sinclair Services cc	(7 641)	-	(7 641)
Emvula Autohouse	-	12 450	(12 450)
Sign Solutions	9 602	-	9 602
Pupkewitz Toyota/Nissan	(31 297)	6 202	(37 499)
Ferraira Garden	-	3 442	(3 442)
Totals	508 567	332 490	176 077

- (ii) The following balances were not carried forward to the 2009 financial year.

Supplier name	Balance at 31 March 2008
	N\$
B & L Agencies	(61 910)
Kwico Namibia	7 238
Oshikango Computer Service	3 250
Stubenrauch	29 803
Welwitchia Namic Brokers	19 375
Windhoek Consulting Engineers	(229 345)
WML Consulting Engineers	38 746
TOTAL	(192 843)

4.8 Adjustments

An unexplained adjustment of N\$ 217 256 had to be made to the accumulated fund to balance with the figures presented in the balance sheet submitted by the Regional Council.

4.9 Accounts payable – Balance sheet

Creditors control to the value of N\$116 046 was reflected as current assets in the balance sheet, instead of current liabilities. As a result, note 9 (accounts payable) does not agree to the balance sheet.

5. ACKNOWLEDGEMENT

The courtesy and assistance extended by the Regional Councils staff to the staff of the Auditor General during the audit is appreciated.

6. QUALIFIED AUDIT OPINION

The accounts of the Regional Council Ohangwena for the financial years ended 31 March 2008 and 2009 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).

Except for the following remarks, in my opinion, the accounts fairly present the transactions during the respective years and the financial position of the Council as at 31 March 2008 and 2009.

- A difference of N\$ 1 504 422 was observed between opening balance of 2008/2009 and the closing balance of 2007/2008 related to fixed assets and work in progress. Journals were also passed to make material adjustments but could not be optioned for audit purposes.
- A net difference to the amount of N\$ 404 209, related to other trade debtors, was observed between the closing balances of the 2007/2008 financial year and the opening balances of the 2008/2009 financial year.
- A differences of N\$ 3 461 222 was observed between the General Ledger and the fixed asset register for the 2007/2008 financial year. Furthermore other differences to a total amount of N\$ 3 104 166 was observed between the Annual Financial Statement and the fixed asset register.
- A difference of N\$ 1 514 790 was observed between the general ledger and the salary sheets for the 2007/2008 financial year.
- Various types of expenditures related to both years to the total amount of N\$ 1 577 463 could not be confirmed due to a lack of supporting documentation.
- An unexplained adjustment of N\$ 217 256 had to be made to balance the accumulated fund.

REGIONAL COUNCIL FOR THE OHANGWENA REGION

BALANCE SHEETS AS AT 31 MARCH

	Notes	2009	2008	2007
		N\$	N\$	N\$
ASSETS				
Non-current assets		29 804 312	27 028 652	22 840 352
Fixed Assets	2 & 3	29 804 312	27 028 652	22 840 352
Current assets		30 228 041	28 774 754	29 313 719
Consumable stores		149 552	-	-
Cash at bank	4	24 561 541	24 799 273	26 137 935
Sundry debtors		745 323	157 863	127 156
Accounts receivable	5	4 062 101	3 206 545	3 048 628
Value Added Tax		593 478	611 073	-
Creditors control	9	116 046	-	-
Total assets		60 032 353	55 803 406	52 154 071
EQUITY AND LIABILITIES				
Equity		59 724 688	54 745 139	51 255 667
Accumulated Funds	7	25 567 728	26 628 180	27 066 793
Government Funds	8	34 156 960	28 116 959	24 188 874
Current liabilities		307 665	1 058 267	898 404
Accounts payable	9	307 665	1 058 267	898 404
Total equity and liabilities		60 032 353	55 803 406	52 154 071

REGIONAL COUNCIL FOR THE OHANGWENA REGION

INCOME STATEMENTS AS AT 31 MARCH

	Notes	2009	2008	2007
		N\$	N\$	N\$
Income	10	16 313 251	15 645 312	13 123 272
Expenditure	11	(19 273 295)	(18 425 246)	(20 663 741)
Net operating surplus/(loss)		(2 960 044)	(2 779 934)	(7 540 469)
Interest on current accounts		2 116 848	2 341 321	2 226 300
		(843 196)	(438 613)	(5 314 169)
Accumulated funds				
- At the end of the year		26 628 180	27 066 793	27 479 141
- Adjustments		(217 256)	-	4 901 821
End of the year		25 567 728	26 628 180	27 066 793

REGIONAL COUNCIL FOR THE OHANGWENA REGION

CASHFLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH

	2009	2008	2007
	N\$	N\$	N\$
Cash flow from operating activities	(2 960 044)	(2 779 934)	(7 540 469)
Surplus over expenditure for the year adjusted for non-cash items:			
Movement in current assets - (Increase)/ Decrease	(1 691 019)	(799 697)	1 143 755
Net cash inflow from operations	(4 651 063)	(3 579 631)	(6 396 714)
Net cash flow from investing activities			
- Interest received	2 116 848	2 341 321	2 226 300
- Property ,plant and equipment acquired, Value adjustments	(2 775 660)	(4 188 300)	(7 121 051)
Net change in cash and cash equivalents	(5 309 875)	(5 426 610)	(11 291 465)
Adjustments	(217 256)	-	4 901 822
Current liabilities - Increase/(Decrease)	(750 602)	159 863	(1 497 927)
Movement in funds	6 040 001	3 928 085	(1 443 441)
CASH AND CASH EQUIVALENTS			
- At the beginning of the year	24 799 273	26 137 935	35 468 946
End of the year	24 561 541	24 799 273	26 137 935

REGIONAL COUNCIL OF THE OHANGWENA REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH

1. ACCOUNTING POLICIES

The annual financial statements are prepared in accordance with and comply with Namibian Statements of Generally Accepted Accounting Practice.

The annual financial statements are prepared in line with the accruals 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 relevant line ministry and all the unexpended funds are returned to the state account as at 31 March, this does not materially affect the Regional Councils financial statements.

1.2. Property, plant and equipment

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

Buildings	50 Years
Machinery & Equipment	5 Years
Vehicles	3 Years
Office furniture & equipment	3 Years
Computer equipment	3 Years

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

2. PROPERTY, PLANT AND EQUIPMENT

2009	Land and buildings	Machinery and equipment	Vehicles	Furniture and fittings	Total
	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2008	9 583 807	4 781 980	1 894 399	824 456	17 084 641
Adjustments	(257 143)	(3 029 991)	543 597	139 677	(2 603 860)
Additions/(Disposals)	1 591 771	389 953	57 458	195 487	2 234 669
Cost as at 31 March 2009	10 918 434	2 141 942	2 495 454	1 159 620	16 715 450
Less Depreciation					
Balance as at 1 April 2007	863 672	1 533 049	1 332 003	523 499	4 252 223
Adjustment	(67 640)	(608 392)	(408 692)	(29 234)	(1 113 958)
Charge for the year	136 533	408 450	408 429	145 499	1 098 912
Accumulated depreciation	932 566	1 333 107	1 331 740	639 763	4 237 176
Net book value as at 31 March 2008	9 985 868	808 835	1 163 714	519 857	12 478 274
2008					
	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2007	9 583 807	4 722 755	891 582	539 441	15 737 585
Additions	-	59 224	1 002 817	285 015	1 347 056
(Disposals)	-	5 138	-	-	(5 138)
Cost as at 31 March 2008	9 583 807	4 781 980	1 894 399	824 456	*17 084 641
Less Depreciation					
Balance as at 1 April 2007	698 235	821 868	872 006	398 800	2 790 909
Charge for the year	165 438	713 599	459 997	124 699	1 463 733
Accumulated Depreciation	863 672	1 533 049	1 332 003	523 499	*4 252 223
Net book value as at 31 March 2008	8 720 134	3 248 931	562 396	300 957	12 832 418

* The client version was wrong because a credit amount relating to disposal of fixed assets was wrongly added to the cost of assets instead of deducting the amount.

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2007	Land and buildings	Machinery and equipment	Vehicles	Furniture and fittings	Total
	N\$	N\$	N\$	N\$	N\$
Cost as at 1 April 2006	7 457 143	2 155 400	1 014 132	507 714	11 134 389
Additions/(Disposals)	2 126 664	2 567 356	(122 550)	31 727	4 603 197
Cost as at 31 March 2007	9 583 807	4 722 756	891 582	539 441	15 737 586
					-
Less Depreciation Balance as at 1 April 2006	593 118	723 768	469 588	259 342	2 045 816
Adjustment	7 833	(410 544)	(122 549)	-	(525 260)
Charge for the year	97 284	508 645	524 967	139 458	1 270 354
Accumulated Depreciation	698 235	821 869	872 006	398 800	2 790 910
					-
Net book value as at 31 March 2007	8 885 572	3 900 887	19 576	140 641	12 946 676

	2009 N\$	2008 N\$	2007 N
3. ASSETS CONSTRUCTED AND UNDER CONSTRUCTION			
Construction Omundaungilo constituency office	1 432 830	825 470	825 470
Design and servicing Omungwelume	1 338 142	1 338 142	1 084 287
Construction Ondobe constituency office	1 215 791	1 215 791	1 191 508
Construction Endola constituency office	1 371 961	1 391 585	1 385 173
Elevated reservoir & ground storage Okongo	2 348 033	2 252 079	2 015 964
Oshikango constituency office	-	1 501 446	532 518
Oshikango constituency office - Retention	34 889	-	-
Extension of Ohangwena Regional Council office	5 233 821	4 703 695	2 820 009
Okongo services	243 916	243 916	38 746
Omulonga constituency office	756 460	577 785	-
Endola water project	61 655	23 768	-
Eepwakola earth dam	-	15 737	-
Omakondo earth dam	-	20 793	-
Oimbadalunga earth dam	-	20 955	-

(continued)

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

	2009	2008	2007
	N\$	N\$	N\$
Onekwaya earth dam	-	26 618	-
Omandobe earth dam	-	15 733	-
Etale La Shaidila earth dam	-	22 721	-
Construction Ohangwena constituency office	351 996	-	-
Construction Ongenga constituency office	785 276	-	-
Construction Engela constituency office	553 963	-	-
Construction Eenhana constituency office	1 170 172	-	-
Ondobe water pipes	69 496	-	-
Oshikango water pipes	50 959	-	-
Omundaungilo water pipes	21 053	-	-
Oshanashiwa Borehole Ekongo	138 046	-	-
Ministry of Gender borehole Ekongo	62 650	-	-
Omulonga water pipes	84 930	-	-
	17 326 039	14 196 234	9 893 675

4. CASH AT BANK

B W Capital Project account	18 625 879	18 019 932	16 400 800
FNB Current Account	335 741	707 973	205 381
FNB San Project Account	78 808	23 965	26 180
FNB ORC Emergency Fund Account	18 522	47 091	327 650
STD Bank BTP Disbursement Account	317 664	201 354	298 672
STD Bank BTP Receipt Account	821 997	750 830	564 258
Petty Cash	1 244	635	49
FNB 32 Day Account	526 351	865 839	4 162 849
STB Investment Account	2 194 582	2 980 651	2 754 718
FNB Main call Account	1 608 825	1 195 185	1 350 377
FNB Traditional Authority Account	8 038	8 707	9 285
Cash control	23 890	(2 890)	37 716
	24 561 541	24 799 273	26 137 935

5. ACCOUNTS RECEIVABLE

Build Together debtors	3 310 200	2 760 322	2 740 635
Water Billings	705 442	317 442	220 642
Other	46 459	128 781	87 351
	4 062 101	3 206 545	3 048 628

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

	2009	2008	2007
	N\$	N\$	N\$
6. INTEREST EARNED			
Interest received	2 007 308	2 206 685	2 108 382
Build Together income interest	109 540	134 636	117 918
	2 116 848	2 341 321	2 226 300
7. ACCUMULATED FUNDS			
Net Operating surplus/(Deficit)	(2 960 044)	(2 779 934)	(7 540 469)
Add: Interest	2 116 848	2 341 321	2 226 300
	(843 196)	(438 613)	(5 314 169)
Accumulated income as at 1 April	26 628 180	27 066 793	27 479 141
Add: Adjustment	(217 256)	-	4 901 821
Balance as at 31 March	25 567 728	26 628 180	27 066 793
* An adjustment of N\$ 217 256 had to be made to balance the accumulated fund figures. (2008/09)			
8. GOVERNMENT FUNDS			
Capital Projects	30 868 855	25 468 854	21 540 769
Build Together Program	3 288 105	2 648 105	2 648 105
	34 156 960	28 116 959	24 188 874
9. ACCOUNTS PAYABLE			
Sundry Creditors	261 374	28 552	8 817
Provisions	-	820 761	820 761
Salary/Wage control accounts	46 291	(27 666)	1 494
Creditors control account (Nett figure)	116 046	236 620	67 332
	423 711	1 058 267	898 404

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

	2009	2008	2007
	N\$	N\$	N\$
10. INCOME			
Electricity and water sales	533 318	520 676	492 985
Refuse removal	145 758	106 222	56 682
Sewerage services	28 321	18 269	29 690
Royalties	591 669	196 553	564 951
Hiring of properties	206 428	61 052	18 845
Grants and Subsidies	13 840 147	12 645 400	11 701 613
Other income	145 826	245 341	95 638
Basic charges	138 606	109 120	82 218
Reconnection fees	7 159	415	250
Delegated Functions	501 219	1 742 265	80 400
Rates and Levies from local Authority	174 800	-	-
	16 313 251	15 645 312	13 123 272
11. EXPENDITURE			
Remuneration	10 774 088	10 755 834	9 493 178
Basic salary	7 104 229	7 471 141	6 819 325
Motor Vehicle allowance	532 683	446 683	505 068
Housing allowance	873 351	1 217 235	1 233 680
Transport allowance	945 327	910 120	347 105
Telephone allowance	6 840	6 660	6 840
Furniture allowance	-	-	50 016
Water and electricity allowance	13 008	12 669	13 008
Bonus	468 135	403 780	396 281
Rental allowance	-	-	2 594
Overtime	280 014	194 764	119 261
Housing subsidies	518 370	67 443	-
Students attachment allowance	8 000	3 300	-
Transport priviledges	-	450	-
Acting allowance	23 231	4 507	-
Wages	-	17 082	-
Sitting allowance	900	-	-
GIPF & MPOOPF	1 238 551	483 365	1 145 210

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

	2009	2008	2007
	N\$	N\$	N\$
Other conditions of service	235 946	86 990	901 667
Social Security Commission	44 036	28 228	29 359
Leave Gratuity	148 650	18 607	14 163
Workmens' Compensation	43 260	40 155	37 384
Provision for leave gratuity	-	-	820 761
Travel and Subsistence	606 864	822 753	595 242
Domestic	596 379	822 753	595 242
Foreign	10 485	-	-
Materials and supplies	136 811	338 026	184 269
Cleaning materials	11 939	33 823	28 471
Medical and First Aid supplies expenses	-	-	120
Hiring of tents	2 650	1 300	2 265
Electrical consumables	628	350	7 558
Office (non)consumables	(36 692)	38 493	777
Utensils	5 032	-	807
Computer expenses	34 406	46 634	24 990
Photocopy, printing and stationery supplies	19 354	133 974	110 442
Tools	3 374	3 754	8 839
Photographic supplies	413	11 200	-
Protective clothing	72 787	54 764	-
Garden equipment	49	13 559	-
Decorations and gifts	22 872	175	-
Transport	963 127	702 466	509 884
Fuel and lubricants	582 622	469 964	365 041
Tyres	31 087	22 986	9 873
Batteries	7 028	620	2 243
Spare parts and accessories	35 379	7 609	64 812
Motor vehicle servicing	90 748	33 601	6 758
Motor Vehicle repairs	184 657	148 997	29 095
Tools	7 555	-	6 900
Air and road licences	130	172	560
Car licences	7 526	16 577	24 077
Car wash	210	578	525
Motor vehicle hire	16 185	1 362	-

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

	2009	2008	2007
	N\$	N\$	N\$
Utilities	956 182	682 915	695 851
Courier charges	16 597	22	5 161
Electricity	190 276	85 313	68 386
Postage stamps	4 140	7 116	793
Telephone and fax	416 145	418 695	346 354
Water and sewerage	231 188	89 935	197 420
Bank charges	66 055	56 481	47 465
Renewal of box rental	2 093	5 554	2 411
Photocopier rental charges	29 688	19 799	27 861
Maintenance Expenses	218 980	96 032	89 845
Repairs and maintenance:			
- Pump stations	198 308	43 093	62 069
- Buildings	13 760	2 310	11 032
- Air conditioners	-	3 576	3 887
- Computers	3 380	43 932	12 327
- Office equipment	3 532	3 121	530
Property rentals	19 700	26 600	22 950
Ongenga Constituency	3 300	3 600	3 000
Oshikango Constituency	-	2 400	3 600
Eenhana Constituency	3 300	3 600	3 600
Ondole Constituency	-	-	2 400
Engela Constituency	11 000	13 050	2 550
Endola Constituency	-	350	4 200
Omulonga Constituency	2 100	3 600	3 600
Settlement Areas	900 740	909 039	847 702
Cleaning contracts	414 310	339 705	375 011
Bulky water purchases	486 430	539 531	442 888
Settlement development expenses	-	29 803	29 803

REGIONAL COUNCIL OF THE OHANGWENA REGION

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

	2009	2008	2007
	N\$	N\$	N\$
Subsidies grants & contributions	576 231	796 786	1 345 708
Study grants	13 419	73 412	15 778
Compensation for homesteads	96 255	-	72 229
Donations paid	10 000	10 000	3 000
HIV/AIDS activities	161 229	223 806	112 701
Development grants	-	11 895	1 140 000
Subsidies paid	-	1 556	2 000
National days	192 804	146 400	-
Drought relief	-	215 195	-
CDC activities	60 646	21 570	-
Flood activities	27 302	92 952	-
San community Funeral	14 577	-	-
Membership and subscription fees	40 425	47 822	58 856
Internet charges and subscriptions	-	3 820	16 491
Software licence renewal	-	5 052	3 865
Domestic institutions	40 425	38 950	38 500
Depreciation	1 098 912	1 463 733	1 270 353
-Land and buildings	136 533	165 438	97 284
-Machinery and equipment	229 720	346 855	403 168
-Motor vehicles	408 429	459 997	524 967
-Office equipment	35 087	38 267	32 089
-Furniture and fittings	145 499	124 699	139 458
-Computer equipment	130 459	84 838	72 092
-Other fixed assets	13 184	243 639	1 295
Other services and expenses	1 029 817	754 316	671 240
Cellphone for Governor and Management	2 268	-	55 343
Staff training	178 102	40 500	77 750
Advertising	201 185	36 621	21 379
Commission Board and committee fees	2 500	4 500	6 500
Entertainment	108 034	163 579	153 319
Other expenses	520 876	344 740	337 788
Symposiums and workshops	16 852	164 376	19 161
DELEGATED FUNCTIONS	476 921	458 570	2 831 786
	19 273 295	18 425 246	20 663 741
NET (DEFICIT)/SURPLUS FOR THE YEAR	(2 960 044)	(2 779 934)	(7 540 469)