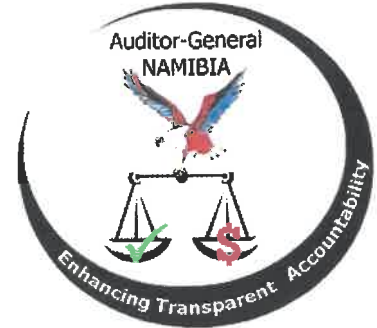




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE
OHANGWENA REGION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 2016, 2017 AND 2018**

Published by authority

Price (Vat excluded) N\$ 39.00

Report no: 78/2019

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 2015, 2016, 2017 and 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, June 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
OHANGWENA REGIONAL COUNCIL
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 2016, 2017 AND 2018**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Ohangwena Regional Council for the financial years ended 31 March 2015, 2016, 2017 and 2018. These financial statements comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Changes in Equity, Cash flow Statement, Notes to the annual financial statements for the years then ended, and a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Audit Opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of Ohangwena Regional Council as at 31 March 2015, 2016, 2017 and 2018, its financial performance and cash flows for the years then ended.

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the code of ethics for Supreme Audit 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. An adverse audit opinion is being expressed due to the following:

- Absence of acceptable Financial Reporting Framework in all the years under review.
- Non-existence of cash flow statement in 2015;
- None inclusion of non-cash items (depreciations and bank charges) in the Cash flow Statements 2016 and 2017;
- Unexplained adjustment to retained income amounting to N\$ 9 999 529 (2015), N\$ 3 807 299 (2016) and N\$ 5 816 182 (2017);
- Unexplained difference between the financial statements and Asset register amounting to N\$ 2 958 425 (2015);
- Unexplained difference of N\$ 267 961 (2015) on trade creditors between the financial statement and the supplier detail ledger;
- Unexplained difference between general ledger and VIP final earning report amounting to N\$ 302 468 (2017);
- Unexplained difference on VAT receivables amounting to N\$ 2 192 217 (2016), N\$ 3 511 334(2017) and N\$ 2 284 898 (2018);
- Unrecorded Assets amounting to N\$ 1 291 621(2015);
- Unreconciled balance on suspense account amounting to N\$ 1 211 833 (2015);
- Overstatement of capital projects with N\$ 626 248 (2015) and N\$ 1 353 003 (2016) due to processing transactions VAT inclusive;
- Understatement of trade debtors with N\$ 336 761 (2016);

- Understatements of general expenditure totaling to N\$ 1 614 373 for the years under review due to incorrect processing.
- Non-submission of supporting documents for capital projects and general expenses amounting to N\$ 138 280 (2015), N\$ 4 719 236 (2016), N\$ 616 773(2017); and
- Non- submission of supporting documents for income from settlement areas, trade debtors and other income amounting to N\$ 12 813 829 (2015).

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 have nothing to report in this regard.

4. OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 39 of the Regional Council's Act, 1992 and legislation, and for such internal control as management determines it 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.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue my 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.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were submitted later than required by the Accounting Officer to the Auditor-General on the 19 December 2018 in terms of Section 40 (1) of the Regional Councils Act, 1992 instead of three (3) months after year end.



WINDHOEK, June 2019

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**OHANGWENA REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
ASSETS					
Non-current assets	105 484 687	81 672 691	70 109 705	39 926 568	32 970 846
Fixed Assets	68 000 754	35 295 395	30 495 804	33 623 543	32 303 833
Work in Progress	37 483 933	46 377 296	39 613 901	6 303 025	667 013
Investment in NORED	15	15	-	-	-
15 ordinary shares@ N\$1	15	15	-	-	-
Intangible assets	47 250	94 500	141 750	35 000	-
Computer software	47 250	94 500	141 750	35 000	-
Current assets	49 222 781	48 522 818	51 588 755	67 161 277	59 041 214
Cash and cash equivalents	34 610 106	37 853 605	36 018 626	52 702 764	46 696 148
Trade and other receivables	8 902 145	8 007 344	10 810 812	12 955 587	12 554 770
Inventory	331 025	118 931	83 338	259 613	-
VAT receivables	5 379 505	2 542 938	4 675 979	1 243 313	(209 704)
TOTAL ASSETS	154 754 733	130 290 024	121 840 210	107 122 845	92 012 060
EQUITY AND LIABILITIES					
Equity	141 290 611	119 233 625	104 551 466	81 957 320	114 244 737
Accumulated Funds	9 411 328	6 931 034	17 538 107	14 733 666	20 099 764
Government Funds	131 879 283	112 302 591	87 013 359	67 223 654	94 144 973
Current liabilities	13 464 122	11 056 399	17 288 744	25 165 525	(22 232 677)
Trade and other payables	13 464 122	11 056 399	17 288 744	25 165 525	(22 232 677)
TOTAL EQUITY AND LIABILITIES	154 754 733	130 290 024	121 840 210	107 122 845	92 012 060

ANNEXURE B

OHANGWENA REGIONAL COUNCIL
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH

	Note	2018	2017	2016	2015	2014
		N\$	N\$	N\$	N\$	N\$
Income	13	95 089 341	73 297 164	73 488 750	52 134 541	40 916 135
Expenditure	15	94 049 586	91 360 611	83 017 213	55 875 011	44 816 084
Net operating surplus/(deficit)		1 039 755	(18 063 447)	(9 528 463)	(3 740 470)	(3 899 949)
Interest Received	9	1 440 539	1 640 192	2 333 375	2 181 670	1 639 904
Surplus/ (Deficit) for the year		2 480 294	(16 423 255)	(7 195 088)	(1 558 800)	(2 260 045)

**OHANGWENA REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH**

	Development Funds Capital	Trust Fund	Capital Land Compensation	Revolving Build Together	Retained earning	TOTAL
	N\$	N\$	N\$	N\$	N\$	N\$
Balance as at 01 April 2017	88 905 984	2 235 294	16 197 210	4 964 105	6 931 033	119 233 626
MRLGH	9 462 975	10 113 717	-	-	-	19 576 692
Surplus for the year	-	-	-	-	2 480 294	2 480 294
Balance as at 31 March 2018	98 368 959	12 349 011	16 197 210	4 964 105	9 411 327	141 290 611
Balance as at 01 April 2016	82 049 256	-	-	4 964 105	17 538 106	104 551 467
MRLGH transfers	6 856 728	2 235 294	16 197 210	-	-	25 289 232
Adjustments	-	-	-	-	5 816 182	5 816 182
Deficit for the year	-	-	-	-	(16 423 255)	(16 423 255)
Balance as at 31 March 2017	88 905 984	2 235 294	16 197 210	4 964 105	6 931 033	119 233 625
Balance as at 01 April 2015	62 259 550	-	-	4 964 105	14 733 665	81 957 320
MRLGH transfers	19 789 706	-	-	-	-	19 789 706
Adjustments	-	-	-	-	9 999 529	9 999 529
Deficit for the year	-	-	-	-	(7 195 088)	(7 195 088)
Balance as at 31 March 2016	82 049 256	-	-	4 964 105	17 538 106	104 551 467
Balance as at 01 April 2014	89 180 868	-	-	4 964 105	20 099 764	114 244 737
MRLGH transfers	105 500	-	-	-	-	105 500
Less: delegation functions	(27 026 818)	-	-	-	-	(27 026 818)
Adjustments	-	-	-	-	(3 807 299)	(3 807 299)
Deficit for the year	-	-	-	-	(1 558 800)	(1 558 800)
Balance as at 31 March 2015	62 259 550	-	-	4 964 105	14 733 665	81 957 320

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

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
	Note				
Net cash inflow from operations	14	944 555 (11 938 502)	(1 946 451)	-	17 042 496
Net cash flow from investing activities					
Purchase of Equipment		(23 764 746)	(34 527 393)	-	(916 979)
Shares In Nored		(32 658 109)	(1 216 516)	-	(667 419)
Work in Progress projects		-	-	-	-
		8 893 363 (6 763 395)	(33 310 877)	-	(249 560)
Net cash flow from financing activities					
Development Capital Projects		19 576 692	19 789 706	-	15 055 000
		19 576 692	19 789 706	-	15 055 000
Net Increase/(Decrease) in cash and cash equivalents		(3 243 499)	(16 684 138)	-	31 180 517
Cash and Cash Equivalent at the beginning of the year		37 853 605	52 702 764	-	1 212 795
Cash and Cash Equivalent at the end of the year	8	34 610 106	37 853 605	52 702 764	32 393 312

**OHANGWENA REGIONAL COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31
MARCH 2015, 2016, 2017 AND 2018**

1. ACCOUNTING POLICIES

Accounting convention

The annual financial statements for the Ohangwena Regional Council are prepared on the historical cost convention; all transactions are recorded at the original monetary value and no account is taken of the effect of changing prices.

Currency and foreign exchange

The financial statements are expressed in Namibia dollars. No transactions denominated in foreign currencies were entered into during the period.

Accounting policies

The principal accounting policies followed by the Council and which are consistent in all material respects with those applied in the previous years, except as otherwise indicated, are summarized below:

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (owned or leased) are stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight-line method to write off the cost of each asset to its zero value over its estimated useful life. The following are expected useful economic lives for fixed asset categories:

Buildings	50 Years
Vehicles	5 Years
Computer equipment	3 Years
Office equipment	3 Years
Furniture & fittings	5 Years
Machinery equipment	5 Years
Other assets	3 Years
Land	No depreciation

Land is assumed to have an infinite economic life and is therefore not depreciated.

1.2. REVENUE

The Council derives revenue through rates, charges and fees in respect of property and services rendered within settlement areas in addition to grants from the parent government ministry and donations. The financial statements are prepared in line with the accruals concept. Revenue is recognized in the financial statements at the time services are rendered.

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

2. GRANTS AND DONATIONS

Grants and donations received by the Regional Council throughout the period are summarized as follows:

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
MURD	55 187 062	54 724 613	44 024 603	42 000 000	33 382 736
Compensation Homesteads	-	-	-	4 000 000	-
	55 187 062	54 724 613	44 024 603	46 000 000	33 382 736

3. INVESTMENTS

The Regional Council has invested in Nored, 15 Ordinary Shares for N\$ 1 each.

4. INTANGIBLE ASSETS

Intangible assets consists of accounting software (Great Plain Billing System) that are in use by the Regional Council. The assets have been recognized in accordance with IAS38, which is at cost.

Amortization is provided over its useful life of 3 years (straight line method) based on pattern of benefits.

	N\$
At cost	141 750
Amortization	(94 500)
Net Book Value	<u>47 250</u>

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

5. PROPERTY, PLANT AND EQUIPMENT

2018	Land and buildings	Capital infrastructure	Machinery and equipment	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Other Fixed Assets	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening carrying amount	26 538 259	4 342 740	1 857	3 714 026	491 131	45 363	159 287	2 732	35 295 395
Cost at 1/4/2017	32 726 764	4 342 740	1 192 470	10 613 385	2 410 144	351 459	1 774 278	129 038	53 540 277
Accumulated Depreciation	(6 188 505)	-	(1 190 613)	(6 899 359)	(1 919 013)	(306 096)	(1 614 991)	(126 306)	(18 244 882)
	(654 543)	(3 385 026)	(1 856)	(1 096 063)	(191 794)	(24 528)	(87 101)	(1 311)	(5 442 222)
Depreciation charged	(654 543)	(3 385 026)	(1 856)	(1 096 063)	(191 794)	(24 528)	(87 101)	(1 311)	(5 442 222)
Additions	12 630 101	24 235 068	-	1 110 309	43 112	29 896	99 095	-	38 147 581
	12 630 101	24 235 068	-	1 110 309	43 112	29 896	99 095	-	38 147 581
Closing carrying amount	38 513 817	25 192 782	1	3 728 272	342 449	50 731	171 281	1 421	68 000 754
Cost at 31/3/2018	45 356 865	28 577 808	1 192 470	11 723 694	2 453 256	381 355	1 873 373	129 038	91 687 858
Accumulated Depreciation	(6 843 048)	(3 385 026)	(1 192 469)	(7 995 422)	(2 110 807)	(330 624)	(1 702 092)	(127 617)	(23 687 104)

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

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

2017	Land and buildings	Capital infrastructure	Machinery and equipment	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Other Fixed Assets	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening carrying amount	27 283 372	-	4 084	2 501 480	479 368	15 381	207 293	4 824	30 495 804
Cost at 01/4/2016	32 817 547	-	1 192 470	8 093 367	2 200 024	301 248	1 666 771	129 038	46 400 465
Accumulated Depreciation	(5 534 175)	-	(1 188 386)	(5 591 887)	(1 720 656)	(285 867)	(1 459 478)	(124 214)	(15 904 661)
	(654 330)		(2 227)	(961 252)	(198 357)	(20 229)	(155 513)	(2 092)	(1 994 000)
Depreciation... charged	(654 330)	-	(2 227)	(961 252)	(198 357)	(20 229)	(155 513)	(2 092)	(1 994 000)
	(90 783)	4 342 740	-	2 866 238	210 120	50 211	107 507	-	7 486 033
Additions	20 522	4 342 740	-	2 042 443	210 120	50 211	107 507	-	6 773 543
Adjustment accum. Depreciation	-	-	-	346 220	-	-	-	-	346 220
Adjustment on additions	(111 305)	-	-	477 575	-	-	-	-	366 270
Closing carrying amount	26 538 259	4 342 740	1 857	3 714 026	491 131	45 363	159 287	2 732	35 295 395
Cost at 31/3/2017	32 726 764	4 342 740	1 192 470	10 613 385	2 410 144	351 459	1 774 278	129 038	53 540 277
Accumulated Depreciation	(6 188 505)	-	(1 190 613)	(6 899 359)	(1 919 013)	(306 096)	(1 614 991)	(126 306)	(18 244 882)

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

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

2016	Land and buildings	Machinery and equipment	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Other Fixed Assets	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening carrying amount	28 890 899	6 547	3 810 478	472 713	168 904	269 129	4 873	33 623 543
Cost at 1/4/2015	32 706 242	1 181 333	8 307 897	1 930 978	530 981	1 445 217	133 619	46 236 266
Accumulated Depreciation	(3 815 343)	(1 174 786)	(4 497 419)	(1 458 265)	(362 077)	(1 176 088)	(128 746)	(12 612 723)
	(1 718 832)	(13 600)	(1 094 468)	(262 391)	76 210	(283 390)	4 532	(3 291 939)
Depreciation charged	(654 125)	(2 227)	(976 883)	(200 559)	(21 838)	(186 384)	(3 166)	(2 045 182)
Adjustment on depreciation	(1 064 707)	(11 373)	(117 585)	(61 832)	98 048	(97 006)	7 698	(1 246 757)
	111 305	11 137	(214 530)	269 046	(229 732)	221 554	(4 581)	164 199
Additions	111 305	-	875 975	140 153	2 436	86 644	-	1 216 513
Adjustment on additions	-	11 137	(1 090 505)	128 893	(232 168)	134 910	(4 581)	(1 052 314)
Closing carrying amount	27 283 372	4 084	2 501 480	479 368	15 382	207 293	4 824	30 495 804
Cost at 31/3/2016	32 817 547	1 192 470	8 093 367	2 200 024	301 249	1 666 771	129 038	46 400 465
Accumulated Depreciation	(5 534 175)	(1 188 386)	(5 591 887)	(1 720 656)	(285 867)	(1 459 478)	(124 214)	(15 904 661)

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

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

2015	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
	Land and buildings	Machinery and equipment	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Other Fixed Assets	Total	
Opening carrying amount	29 545 024	6 547	1 599 493	531 924	237 120	380 237	3 488	32 303 833	
Cost at 1/4/2014	32 706 242	1 181 333	5 418 551	1 824 350	523 728	1 380 270	127 063	43 161 537	
Accumulated Depreciation	(3 161 218)	(1 174 786)	(3 819 058)	(1 292 426)	(286 608)	(1 000 033)	(123 575)	(10 857 704)	
Depreciation charged	(654 125)	-	(678 361)	(165 839)	(75 469)	(176 055)	(5 171)	(1 755 019)	
Additions	-	-	2 889 346	106 628	7 253	64 947	6 556	3 074 729	
Closing carrying amount	28 890 899	6 547	3 810 478	472 713	168 904	269 129	4 873	33 623 543	
Cost at 31/3/2015	32 706 242	1 181 333	8 307 897	1 930 978	530 981	1 445 217	133 619	46 236 266	
Accumulated Depreciation	(3 815 343)	(1 174 786)	(4 497 419)	(1 458 265)	(362 077)	(1 176 088)	(128 746)	(12 612 723)	

OHANGWENA REGIONAL COUNCIL

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH (Continued)

	2018	2017	2016	2015	2014
	N\$	N\$			N\$
6. CAPITAL PROJECTS					
Capital projects summary					
Opening Work in Progress	46 377 296	39 613 901	6 303 025	667 013	24 787 255
Add: Additions during the year	24 208 921	6 763 395	33 310 876	5 705 539	249 560
	70 586 217	46 377 296	39 613 901	6 372 552	25 036 815
Less :Projects completed and capitalized	(33 102 284)	-	-	(69 527)	(24 369 802)
	37 483 933	46 377 296	39 613 901	6 303 025	667 013
7. DEBTORS CONTROL					
The debtors for the period are summarized below:					
Trade debtors	8 902 145	8 007 344	10 810 812	12 955 587	12 554 770
Sundry debtors	8 870 602	7 975 801	10 794 555	10 658 287	10 258 100
	31 543	31 543	16 257	2 297 300	2 296 670

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

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
8. CASH AND CASH EQUIVALENTS	34 610 106	37 853 605	36 018 626	52 702 764	46 696 148
FNB General	5 579 828	8 504 330	403 679	(2 864 043)	(1 268 815)
FNB main call-CHQ	2 649 299	2 038 886	128 506	82 150	96 067
FNB 32 day notice	859 844	810 307	765 337	732 626	701 400
FNB Rural Funds	4 491 083	25 315	6 999 958	1 203 643	2 749 312
FNB San project	6 045	3 896	(2 821)	(46 444)	15 391
FNB Rural Call	8 618	9 016	8 392 436	23 651 208	15 187 629
FNB ORC	2 720 912	19 974	2 368 775	465 816	6 312 055
FNB Emergency	(26 489)	15 207	-	-	-
STD BTP	(10 632)	21 108	97 846	167 478	231 142
STD BTP receipts	314 065	392 059	127 941	241 910	115 533
STD CACCOC	-	(439)	1 114	2 470	3 748
STD Call/Treasury	1 003 307	967 883	1 149 980	1 109 268	1 471 414
STD BTP Call	3 039 350	2 495 935	2 497 118	2 064 182	2 483 014
BW ORC Tombstone	4 035	3 854	3 677	3 526	3 388
BW Capital Projects	5 694 565	9 495 736	294 597	15 629 636	11 316 307
BW Ploughing	848 620	950 243	945 331	705 935	484 440
BW Constituencies	7 395 657	12 003 559	11 788 105	9 553 403	6 794 000
Cash Control-HQ	9 174	13 946	6 557	-	123
Cash Control-Ongenga	4 970	6 770	25 000	-	-
Cash Control-Omungwelume	17 855	8 474	25 490	-	-
Btp Receipts cash	-	67 546	-	-	-

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

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
9. INTEREST EARNED	1 440 539	1 640 192	2 333 375	2 181 670	1 639 904
Interest from operations	872 757	424 846	1 609 437	2 014 233	1 469 980
Interest from Build Together Pro	165 404	165 971	168 646	167 437	169 924
Interest from Capital projects	402 358	1 047 348	524 453	-	-
Interest from delegation functions	20	2 027	30 839	-	-
10. ACCUMULATED FUNDS					
Net Operating surplus/(Deficit)	1 039 755	(18 063 447)	(9 528 463)	(3 740 470)	(3 899 949)
Add: Interest	1 440 539	1 640 192	2 333 375	2 181 670	1 639 904
Accumulated income as at 1 April	2 480 294	(16 423 255)	(7 195 088)	(1 558 800)	(2 260 045)
Add: Adjustment	6 931 034	17 538 107	14 733 666	20 099 764	22 359 809
Balance as at 31 March	-	5 816 182	9 999 529	(3 807 299)	-
	9 411 328	6 931 034	17 538 107	14 733 666	20 099 764

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

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
11. GOVERNMENT FUNDS	131 879 283	112 302 591	87 013 359	67 223 654	94 144 973
Capital Projects	98 368 957	88 905 982	82 049 254	62 259 549	89 180 868
Build Together Program	4 964 105	4 964 105	4 964 105	4 964 105	4 964 105
Trust Fund	12 349 011	2 235 294	-	-	-
Capital Land Compensation	16 197 210	16 197 210	-	-	-
12 TRADE AND OTHER PAYABLES	13 464 122	11 056 399	17 288 744	25 165 525	(22 232 677)
Creditors Control	780 922	749 271	508 854	3 869 969	173 965
Other sundry creditors	1 607 865	1 324 591	1 211 833	5 557	5 285
Delegation functions	-	-	-	9 675 885	(26 862 592)
Provisions Account	11 061 475	8 426 821	15 455 195	8 665 010	2 034 005
Salary and Wages Control	13 860	555 716	112 863	2 930 424	2 416 660
S&T control account	-	-	-	18 680	-

ANNEXURE E

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

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
13. INCOME	95 089 341	73 297 164	73 488 750	52 134 541	40 916 135
Government subsidy	55 187 061	54 724 613	44 024 603	46 000 000	33 382 736
5% rates and taxes from local authorities	951 921	743 003	678 369	606 619	748 488
Grants and donations	-	69 600	-	-	-
Settlements areas income	2 404 143	2 092 150	3 841 627	4 037 145	5 342 310
Dividends and Royalties	858 369	649 070	1 755 429	773 787	724 248
Road Fund Administration	-	599 551	619 354	-	-
Other income	562 974	1 343 253	6 314 278	716 990	718 353
Delegation functions	31 404 850	9 658 809	15 812 790	-	-
Rural Development	3 720 023	3 417 115	442 300	-	-
	944 555	(11 938 502)	(*3 399 893)	-	-
14. NOTE TO THE CASHFLOW STATEMENT					
Net surplus(deficit) for the year	2 480 294	(16 423 255)	(7 195 088)	-	-
Depreciation	-	-	2 045 181	-	-
Interest	-	-	(1 609 437)	-	-
Bank charges	-	-	155 995	-	-
Changes in receivables	(3 731 368)	4 936 509	(1 287 891)	-	-
Changes in liabilities	2 407 723	(6 232 345)	(7 876 781)	-	-
Changes in inventories	(212 094)	(35 593)	176 275	-	-
Adjustment to retain income	-	5 816 182	12 191 853	-	-

*** Figure not in agreement with Cash flow statement.**

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

	2018	2017	2016	2015	2014
	N\$	N\$	N\$	N\$	N\$
15. EXPENDITURE	94 049 586	91 360 611	83 017 213	55 875 011	44 816 084
Remuneration	36 573 071	35 107 138	32 147 473	34 634 272	25 429 427
Other conditions of service	8 324 754	5 718 758	12 419 463	3 456 255	3 483 283
Water purchases	1 188 580	1 285 493	1 110 668	-	1 013 366
Subsistence and Travel allowances	901 279	2 039 903	1 737 379	1 910 751	1 765 917
Materials and supplies	631 827	581 455	704 154	296 232	628 202
Transport	1 178 683	1 437 440	1 780 744	1 829 553	2 238 161
Utilities	2 484 609	3 019 872	2 411 910	3 333 310	2 315 173
Maintenance expenses	491 216	462 502	880 528	221 480	732 157
Property rentals	37 303	36 001	77 333	46 770	62 364
Other services and expenses	5 758 111	3 008 731	7 850 373	8 321 414	5 434 469
Depreciation	5 442 223	1 994 001	2 045 181	1 755 019	1 643 007
Amortization	47 250	47 250	-	-	-
Bank charges	116 933	104 276	155 994	-	1
Membership and subscription fees	145 145	95 709	69 665	69 955	70 557
Delegation functions	330 946	2 975 414	1 312 552	-	-
Okongo capital projects transfer	-	3 149 946	-	-	-
Rural development	30 397 656	30 296 722	18 313 796	-	-