



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNT OF THE
OMAHEKE REGIONAL COUNCIL
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2014 AND 2015**

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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 Omaheke Regional Council for the financial years ended 31 March 2014 and 2015, 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, November 2016

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
OMAHEKE REGIONAL COUNCIL
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2014 AND 2015**

1. Report on the Financial Statements

1.1 INTRODUCTION

The accounts of the Omaheke Regional Council for the financial years ended 31 March 2014 and 2015 are being reported on in accordance with the provisions set out in the Regional Council Act, 1992.

Figures in the report are rounded to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Omaheke Regional Council for the financial years ended 31 March 2014 and 2015. These financial statements comprise the following:

Annexure A: Balance Sheet

Annexure B: Income Statement

Annexure C: Cash Flow

Annexure D: Notes to the Financial Statements

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 40(1) of the Regional Council's Act, 1992, except that they were only submitted on 20 January 2016 instead of three months (3 months) after the year end as required by the Act.

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A-D.

2. MANAGEMENT'S RESPONSIBILITY 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 relevant 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.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

4. ACKNOWLEDGEMENT

The assistance and co-operation given by the management and staff of the Omaheke Regional Council during the audit is appreciated.

5. KEY AUDIT FINDINGS

5.1 OPENING BALANCES AND COMPARATIVE FIGURES (2014)

During the audit it was found that the opening balances of fixed assets were not correctly brought forward from the prior financial year, which resulted in the cost of fixed assets being understated with N\$ 19 396 032 and accumulated depreciation overstated with N\$ 3 686 972.

Recommendation

It is recommended that the Council should ensure that opening balances and comparative figures are correctly brought forward to avoid possible misstatements of the financial statements.

Management comment

In 2013, the Omaheke Regional Council erroneously declared the value of the building under which they currently operating as one of the assets. In actual fact the building belongs to the Ministry of Works and Transport. The realization prompted the reversal compounded the cumulative errors that trailed.

Auditors comment

The Council did not make the appropriate adjustments in the financial statements.

5.2 COMPARISON OF BALANCE SHEET AND TRIAL BALANCE

Differences amounting to (N\$ 1 901 532) for the year 2015 and N\$ 222 438 for the year 2014 were found between the Trial balance and the Financial statements.

Recommendation

It is recommended that the Council ensures that figures disclosed in the Financial Statements are in agreement with the Trial Balance (TB) and General Ledger (GL).

It is further recommended that the Council performs regular reconciliations to avoid possible misstatements of the financial statements.

5.3 DEVELOPMENT FUND: CAPITAL PROJECT INCOME

The auditors could not confirm Capital Projects Income amounting to N\$ 445 713 for the year 2015 and N\$ 27 999 000 for the year 2014 due to non-submission of supporting documents.

Recommendation

It is recommended that the Council properly file and safeguard all supporting documents and provide them for audit purposes.

Management comment

The funds totalling N\$13 500 000 was received for the Trust Fund for Regional Development, thereafter N\$13 499 000 of this amount was then transferred to the call account for strategic reasons. The other transactions of N\$ 1000 000 was internal transfer. The amount N\$ 445 713 (6/2/2014) was reversed on the same day. The net effect is therefore nil movement. The total amount that is under consideration is not N\$27 999 000, the initial amount of N\$13 5000 000 is the same amount which was then moved from the trust fund account to the call account less N\$100 000. There were no separate incomes of N\$13 500 000 and N\$13 499 000 received from external sources.

5.4 SETTLEMENT DEBTORS

The auditors were unable to confirm the settlement debtors amounting to N\$ 8 429 529 for the 2015 financial year.

Recommendation

It is recommended that the Council properly file and safeguard all supporting documents and provide them for audit purposes.

Management comment

The administration of the settlements is in the process of being revamped with accountability reports to be implemented. Although paper work is available, retrieving it for the audit queries was impossible due to operational challenges.

5.5 CAPITAL PROJECT PAYMENTS

The supporting documents for capital projects payments amounting to N\$ 3 116 464 for the year 2014 were not provided for audit purpose.

Recommendation

It is recommended that the Council properly file and safeguard all supporting documents and provide them for audit purpose.

Management comment

Due to administrative part of the finance department and challenges document management system that was in place, retrieving the rest of the document will take more time than what the audit response guideline stipulates.

5.6 INVENTORY

The auditors were unable to confirm the inventory figures relating to build together materials amounting to N\$ 7 000 081 for the year 2015 and N\$ 6 957 327 for the year 2014 due to non-submission of documents.

Furthermore it was also observed that the Council did not disclose the value of inventory amounting to N\$ 7 138 128 for the year 2015 in the financial statements.

Recommendation

It is recommended that the Council properly file and safeguard all supporting documents and provide them for audit purposes.

Management comment

The value of the inventory could not be disclosed fairly on the financial statements owing to the mistiming of the stock take. ORC does carry out stock take in the third financial quarter

yet for the purpose of the financial statements the figures required are those that will be for inventories as at 31st of March of 2015. It therefore becomes more significantly erroneous to state the figure of inventory for the financial statements which is not representative for the inventory value as at 31st March 2015.

5.7 SETTLEMENT SERVICES INCOME

The auditors were not provided with returns of income for the settlement areas and were thus unable to confirm the accuracy and completeness of settlement income amounting to N\$ 1 006 732 for the year 2015 and N\$ 1 892 706 for the year 2014.

Recommendation

It is recommended that the Council properly file and safeguard all supporting documents and provide them for audit purposes.

Management comment

The administration of the settlements is in the process of being revamped with accountability reports being implemented. Although paper work is available, retrieving it for the audit queries was impossible due to operational challenges and time constraints.

5.8 VALUE ADDED TAX

The auditors were unable to confirm VAT balances amounting to (N\$ 2 818 853) for the year 2015 and N\$ 1 702 093 for the year 2014 due to non-submission of supporting documents.

Recommendation

It is recommended that the Council properly file and safeguard all supporting documents and provide them for audit purposes.

Management comment

ORC during the periods 2011 to 2015 had a standing contract with an external Tax service company. The administration of this VAT and the management of the contract brought in complications where paper trail between the tax consultant and the finance ministry had hiccups resulting in the loss of certain files and documents. The Tax consultancy services have since been terminated and the entire process now is being handled internally after implementing a capacitation program that has seen one accountant being in charge of all VAT administration for 2016. The challenge of reconciling the VAT account becomes impossible without documentation.

5.9 DUPLICATION OF TRANSACTIONS

It was noted that there were duplication of transactions on the Development Fund: Capital Projects account in the general ledger amounting to N\$ 3 001 122 for 2014.

Recommendation

It is recommended that the Council performs regular reconciliations to avoid possible misstatements of the financial statements.

Management comment

The ORC agrees with findings and will take steps to ensure that reconciliation of the accounts is carried out more regular and timeously.

5.10 INCONSISTENT PROCESSING OF VAT

The auditors observed an overstatement on expenditure amounting to N\$ 377 114 for the year 2015 due to inconsistent processing of VAT as most expenditure transactions were recorded inclusive of VAT.

Futhermore, capital projects were overstated with N\$ 2 213 914 for the year 2015 and N\$ 171 643 for the year 2014 due to inconsistent processing of VAT.

Recommendation

It is recommended that the Council should process expenditure exclusive of VAT.

Management comment

The payment of the Capital projects was done in accordance to the invoice which was stating the principal amount and the Tax amount discretely. The VAT treatment in the accounting system is programmable; to either include VAT or the option of not adding VAT depending on the transaction. Errors may have been made in the processing.

5.11 TRADE AND OTHER RECEIVABLES

The auditors found that the balance of settlement debtors amounting to N\$ 8 429 529 for the year 2015 were not adjusted from the previous year.

Recommendation

It is recommended that the Council ensures that all debtors' accounts are properly recorded and reflected in the financial statements to avoid any misstatements that may arise.

Management comment

The value of N\$ 8 429 529 was not adjusted from the previous year, there was an administrative challenge in addressing the adjustment due to incomplete data from the settlements debtors database.

5.12 CASH AND CASH EQUIVALENTS

Differences amounting to N\$ 1 033 707 for the year (2015) and N\$ 35 983 284 for the year 2014 were observed between the General Ledger and Bank Statements. Council did not perform any reconciliation.

Recommendation

It is recommended that the Council ensures that regular reconciliations are performed to avoid possible misstatements of the financial statements.

Management comment

There was a challenge obtaining the bank statements for the administration of the accounts. Council will ensure that regular reconciliations are conducted.

Audit comment

The comment by Council's management is not addressing the audit observation.

5.13 NON-DISCLOSURE OF BANK ACCOUNTS

The audit found that bank accounts amounting to N\$ 1 277 206 for the year 2015 and (N\$ 2 077 815) for the year 2014 confirmed by the bank were not disclosed in the financial statements.

Recommendation

It is recommended that the Council ensures that all bank accounts are disclosed and fairly presented in the financial statements.

Management comment

The Regional Council at that time was running more than 30 bank accounts, some of these accounts, were dormant for some time and some are simply investment accounts. This created an administrative burden. However, ORC has carried out interventional processes which include the following measures:-

- *A Forensic Audit to ascertain the true reflection of the financial status of the organisation.*
- *Closed some accounts that matured, (according to the bank) and in the process of identifying accounts that can be combined together and have funds consolidated in the same bank account.*

5.14 NON-DISCLOSURE OF PROPERTY, PLANT AND EQUIPMENT

The auditors observed that assets amounting to N\$ 1 264 705 for the year 2015 and N\$ 448 708 for the year 2014 were purchased during the financial years, however; these assets are not included in the financial statements.

Recommendation

It is recommended that the Council ensures that all property, plant and equipment are disclosed and fairly presented in the financial statements.

Management comment

The background of ORC is that there has been no asset register from time immemorial. In addition, due to staff movement, document management and other inherent organisational culture issues then, the paper work for these years when the property was bought is not easily accessible. To this end, and based on the fact that there was a backlog in submitting of financial statements, the accountability and documentation retrieval process is monotonous and cumbersome.

5.15 INTEREST RECEIVED

The auditors observed differences amounting to N\$ 225 663 for the year 2015 and N\$ 756 899 for the year 2014 between the bank statements and the general ledger.

Recommendation

The Council is recommended to process all interest received in the general ledger in order to avoid any misstatements in the financial statements.

Management comment

It is acknowledged that some bank accounts and bank interests were not captured hence the discrepancies as indicated. ORC realised this anomaly when an inventory of accounts was conducted, that some accounts which do not have frequent funds movement were omitted on the financial statements compounded by the many instances where bank reconciliations were not carried out. There were also back logs in capturing the transactions into the accounting system.

5.16 GENERAL

- According to the management representation letter there is possibility of fraud or suspected fraud affecting the financial statements and the operations of the entity.
- There were observation of irregularities involving management or employees that have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
- Not all the recorded expenditure transactions have been appropriately authorised during the years under review.
- The audit revealed that the Council does not have a documented and approved risk management framework. It was also noted that the Council does not perform risk assessment procedures.
- The audit found that the Council does not have an IT strategic plan.

6. BASIS FOR ADVERSE AUDIT OPINION

- Fixed assets understated with N\$ 19 396 032 and accumulated depreciation overstated with N\$ 3 686 972 during 2014 financial year;
- Differences amounting to N\$ (1 901 532) for 2015 and N\$ 222 438 for (2014) were found between the Trial balance and the financial statements;
- Duplication of development fund: capital project transactions in the general ledger amounting to N\$ 3 001 122 for (2014);
- Expenditure overstated with the VAT amount of N\$ 377 114 for (2015).
- Unadjusted balance of N\$ 8 429 529 for (2015) relating to settlement debtors from the previous year;
- Differences amounting to N\$ 1 033 707 for (2015) and N\$ 35 983 284 for(2014) found between the General Ledger and Bank Statements;
- Capital projects overstated with the VAT amount of N\$ 2 213 914 for (2015) and N\$ 171 643 for (2014);
- Bank accounts amounting to N\$ 1 277 206 for (2015) and N\$ (2 077 815) for 2014 not disclosed in the financial statements;
- Assets amounting to N\$ 1 264 705 for (2015) and N\$ 448 708 for (2014) not disclosed in the financial statements;
- Inventory (stores) amounting to N\$ 7 138 127 for (2015) not disclosed in the financial Statements; and
- Differences amounting to N\$ 225 663 for (2015) and N\$ 756 899 for (2014) between bank statements and the general ledger.

7. ADVERSE AUDIT OPINION

The accounts of the Regional Council of Omaheke for the financial years ended 31 March 2014 and 2015 have been audited in terms of Section 38 of the Regional Councils Act, 1992 (Act 22 of 1992).

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Audit Opinion paragraph, the financial statements do not present fairly the financial position of the Omaheke Regional Council and as at 31 March 2014 and 2015 and cash flows, receipts and payments for the years then ended in accordance with the relevant accounting framework or legislation.



WINDHOEK, November 2016

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**REGIONAL COUNCIL FOR THE OMAHEKE REGION
BALANCE SHEET AS AT 31 MARCH**

	Notes	2015	2014	2013
		N\$	N\$	N\$
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	10 886 976	10 009 838	28 655 370
Other Non-Current Assets				
Work-in-Progress-Capital Projects		75 664 026	52 951 520	28 100 125
Current Assets				
Stock-Build Together Materials	7	7 000 081	6 957 327	6 935 563
Accounts Receivables	8	15 492 295	20 090 849	10 821 698
Cash and Cash Equivalents	6.1	71 192 735	77 742 883	43 237 104
TOTAL ASSETS		180 236 113	167 752 417	117 749 860
EQUITY AND LIABILITIES				
Equity				
Accumulated Fund		51 064 530	41 254 674	40 400 321
Development Fund:Capital Projects		101 310 931	105 163 978	57 253 550
Build Together:Capital Funds		20 182 263	15 238 263	15 238 263
Current Liabilities				
Accounts Payable	3	4 606 721	4 541 602	4 795 605
Overdraft	6.2	3 071 668	1 553 900	62 121
TOTAL EQUITY AND LIABILITIES		180 236 113	167 752 417	117 749 860

REGIONAL COUNCIL FOR THE OMAHEKE REGION
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

Notes	2015	2014	2013
	N\$	N\$	N\$
INCOME	56 389 978	37 859 572	32 156 613
Government Transfers:MRLGHD	44 000 000	31 370 956	24 403 855
Rates and Levies from Local Authorities	486 550	738 907	619 706
Grants and Donations Received	2 365 422	500 000	821 570
Rates and Charges Fees income	1 493 709	2 461 904	19 659
Interest and Dividends Received	2 785 273	1 529 661	1 756 087
Other Income	1 772 378	765 006	826 549
Delegated Functions	3 486 646	493 138	3 709 187
EXPENDITURES	46 589 122	37 005 219	29 055 858
Personnal Expenditure	26 624 507	19 656 000	15 674 079
Transport Charges	2 301 104	1 853 331	1 859 433
Subsistence and Travel	2 167 461	2 062 530	1 680 194
Property Rental	128 143	64 464	110 343
Utilities	5 414 263	4 789 977	5 313 589
Maintanance and Repairs	2 970 347	1 569 746	1 107 609
Grants and Contributions	1 094 840	1 472 007	555 977
Depreciation Expense	335 391	251 490	973 514
Other Expenditures	4 131 903	2 875 534	1 643 600
Delegated Functions	1 421 163	2 410 140	137 520
SURPLUS/(DEFICIT) FOR THE YEAR	9 800 856	854 353	3 100 755

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

	2015	2014	2013
	N\$	N\$	N\$
OPERATING ACTIVITIES			
Net Cash flows/(Outflows) from Operating Activities	15 560 125	10 956 957	9 298 434
Cash receipts from customers and other receipts	8 903 332	5 995 478	4 389 379
Delegated Functions Funds Received	3 486 646	493 138	3 709 187
Government Transfer:MRLGHRD	44 000 000	31 370 956	24 403 855
Cash payments to suppliers and employees	(42 202 963)	(26 022 136)	(24 822 554)
Delegated Functions payments	(1 412 163)	(2 410 140)	(137 520)
Interest received from investments bank	2 785 273	1 529 661	1 756 087
INVESTING ACTIVITIES			
Net Cash flows/(Outflows) from Investing Activities	(24 718 992)	(25 853 385)	(8 527 239)
Capital projects expenditure	(22 712 506)	(24 851 395)	(6 539 401)
Build Together Loan Disbursements	-	-	-
Purchase of Fixed Assets	(2 006 486)	(1 001 990)	(1 987 838)
FINANCING ACTIVITIES			
Net cash flow/(Outflow) from Financing Activities	1 090 951	47 910 428	(1 078 187)
Build Together Funds introduced	4 944 000	-	(1 078 187)
Transfer of Capital Projects Funds introduced	(3 853 049)	47 910 428	-
Net Increase/(Decrease in cash and cash equivalents	(8 067 916)	33 014 000	(306 992)
Add: Cash and Cash Equivalents at the beginning of the year	76 188 983	43 174 983	43 481 975
Cash and Cash Equivalent at the end of the year	68 121 067	76 188 983	43 174 983
Represented by	68 121 067	76 188 983	43 174 983
Cash and Cash Equivalents	71 192 735	77 742 883	43 237 104
Bank Overdraft	(3 071 668)	(1 553 900)	(62 121)

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

1. BASIS OF PREPARATION

The financial statements are prepared in accordance with Namibian Statement of Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain marketable securities.

1.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Regional Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Government grants are recognised as and when received.

Interest is recognised on a time proportion basis which takes into account the effective yield on the assets over the period it is expected to be held.

Income from water, electricity and other services are recognised when the services are rendered. Income from prepaid water and electricity is recognised as and when received.

1.2 Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Depreciation is calculated on the straight - line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Buildings	50 years	2% p.a
Machinery and Equipment	5 years	20% p.a
Motor vehicles	5 years	20% p.a
Furniture and fittings	3 years	20% p.a
Office equipment	3 years	33.33% p.a
Computer equipment	3 years	33.33% p.a

1.3 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant is related to expenses item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the Capital Project Fund.

REGIONAL COUNCIL OF THE OMAHEKE REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (Continued)

1.4 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables and trade creditors. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

1.5 Capital projects

Capital projects include all direct and related indirect expenditure on contracts. The stage of completion is based on the inspection performed. Once commissioned, they are transferred to other categories of fixed assets. Capital project relating to settlements once the settlements are proclaimed as Town or Village Councils.

2. PROPERTY, PLANT AND EQUIPMENT

	2015	2014	2013
	N\$	N\$	N\$
	10 886 976	10 009 838	28 655 370
Building	7 980 950	8 043 333	25 677 361
Motor Vehicles	1 859 482	1 814 367	2 055 475
Computer Equipment	369 024	33 095	324 588
Office Equipment	197 380	46 852	93 405
Furniture and Fittings	480 140	72 191	497 126
Machinery and Equipment	-	-	7 415

PROPERTY, PLANT AND EQUIPMENT

2015	Building	Machinery	Motor Vehicles	Furniture and Fittings	Office equipment	Computer equipment	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening carrying amount	8 043 333	-	1 814 367	72 191	46 852	33 094	10 009 837
Cost at 01/04/2014	9 500 000	-	5 482 067	617 071	576 331	140 488	16 315 957
Accumulated Depreciation	1 456 667	-	3 667 700	544 880	529 479	107 394	6 306 120
Additions	130 000	-	743 458	523 902	212 559	396 567	2 006 486
Depreciation	48 150	-	172 637	55 444	23 101	36 059	335 391
Closing carrying amount	7 980 950	-	1 859 482	480 140	197 380	369 024	10 886 976
Cost at 31/03/2015	9 630 000	-	6 225 525	1 140 973	788 890	537 055	18 322 443
Accumulated Depreciation	1 649 050	-	4 366 043	660 833	591 510	168 031	7 435 467

**REGIONAL COUNCIL OF THE OMAHEKE REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH (Continued)**

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2014	Building	Machinery	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Total
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Opening carrying amount	8 090 833	-	1 036 776	87 640	29 713	14 376	9 259 338
Cost at 01/04/2013	9 500 000	-	4 548 672	613 956	539 509	111 831	15 313 968
Accumulated Depreciation	1 409 167	-	3 511 896	526 316	509 796	97 455	6 054 630
Additions	-	-	933 395	3 115	36 822	28 658	1 001 990
Depreciation	47 500	-	155 804	18 564	19 683	9 939	251 490
Closing carrying amount	8 043 333	-	1 814 367	72 191	46 852	33 095	10 009 838
Cost at 31/03/2014	9 500 000	-	5 482 067	617 071	576 331	140 489	16 315 958
Accumulated Depreciation	1 456 667	-	3 667 700	544 880	529 479	107 394	6 306 120
2013							
Opening carrying amount							
Cost at 01/04/2012	25 500 000	41 393	872 266	515 567	194 393	517 427	27 641 046
Accumulated Depreciation	25 500 000	103 131	1 486 803	517 217	402 196	1 025 843	29 035 190
Additions	177 361	-	61 738	1 650	207 803	508 416	1 394 144
Depreciation charged	-	33 978	1 456 524	282 928	15 941	55 084	1 987 838
Closing carrying amount	25 677 361	7 415	2 055 475	497 126	93 405	324 588	28 655 370
Cost at 31/03/2013	25 677 361	103 131	2 943 327	800 145	418 137	1 080 927	31 023 028
Accumulated Depreciation	-	95 716	887 852	303 019	324 732	756 339	2 367 658

REGIONAL COUNCIL OF THE OMAHEKE REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH(Continued)

	2015	2014	2013
	N\$	N\$	N\$
3. TRADE AND OTHER PAYABLES	4 606 721	4 541 602	4 795 605
Creditors Control Account	-	-	209 828
Ben Hur Development Centre	529 211	529 211	-
Kalahari Wild Silk Project	422 168	422 168	-
Micro finance-Rural Community project	2 661 764	2 316 708	-
Regional Food Action plan Project	-	345 056	-
Rural Employment Scheme	489 572	488 372	-
Food for Work Community project	260 849	260 849	-
OVC Project	-	1 200	-
International Organisation for Migration Project	5 705	5 705	-
Build Together Project	217 452	172 333	-
Ministry of lands	20 000	-	-
Sundry Creditors	-	-	4 585 777
4. GROSS REVENUE			
4.1 Income from PTO'S/Utility Income	52 903 332	37 366 434	28 447 426
Services fees:Settlement areas income	1 493 709	2 461 904	1 775 746
Rates and Levies from Local Authorities	486 550	738 907	619 706
Grants and Donations Received	2 365 422	500 000	821 570
Interest Received:Bank Accounts	2 785 273	1 529 661	-
Other Income:Tender fees, Trade fairs etc	1 772 378	765 006	826 549
Recurring budget from MRLGH	44 000 000	31 370 956	24 403 855
5. INVESTMENT INCOME			
Bank Interest	2 785 273	1 529 661	-
Interest received on investment/Own funds	-	-	1 756 087
	2 785 273	1 529 661	1 756 087
6. CASH AND CASH EQUIVALENTS			
6.1 Bank Balances	71 192 735	77 742 883	43 237 104
Decentralization Account	3 894 559	-	2 176 381
Change Project Account	-	90 632	90 632
Fleet Management Account	-	1 740	1 740
5% Account	1 965 942	4 278 452	4 406 880
Nampost Saving Post	-	2 289 472	1 633 011
Nampost-KRC Account	3 834 466	-	-
Nampost-Epukiro Settlement Account	2 143	-	-
Capital Project Account	3 602 481	2 484 631	-

REGIONAL COUNCIL OF THE OMAHEKE REGION
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MARCH(Continued)

	2015	2014	2013
	N\$	N\$	N\$
Capital Project Call Account	30 841 421	33 129 875	23 670 573
Build Together Account	767 874	887 424	1 101 836
Build Together Call Account	-	2 799 328	2 799 328
Build Together Trust Call Account	8 299 783	-	-
Build Together Call Account	5 565 382	-	-
Build Together Revolving Account	282 944	661 971	664 971
Cash Control: Build Together Customer Receipts	23 223	23 223	23 223
Decentralization Call Account	8 488 843	-	1 595 486
Social Upliftment Account	-	1 207	1 207
Governor's Social Club Account	56 627	54 137	-
HIV/AIDS Awareness Account	-	30 892	54 137
Independence Celebr Account	-	1 918	30 892
OVC Project Acc Account	-	14 213	1 918
Omaheke Trade Fair Account	-	10 761	10 761
Omaheke Trust Fund Account	-	27 533 004	-
Traditional Authorities Account	-	11 089	11 089
Rural Development Account	3 567 047	3 438 914	4 948 826
Emergency Disaster Fund	-	-	14 213
6.2 Bank Overdraft	3 071 668	1 553 900	62 121
Decentralization Account	-	1 149 386	-
Decentralization Call Account	-	404 514	-
Nampost Account	2 826 033	-	-
Omaheke Trust Account	245 635	-	-
Capital Project Account	-	-	62 121
7. STOCK: BUILD TOGETHER MATERIALS			
Build Together Materials	7 000 081	6 957 327	6 935 563

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MARCH(Continued)**

	2015	2014	2013
	N\$	N\$	N\$
8. ACCOUNT RECEIVABLES	15 492 295	20 090 849	10 821 698
Build Together Control Account	10 236 004	10 358 337	10 186 004
Settlement Debtors-Aminus	860 345	860 345	-
Settlement Debtors-Otjinene	4 030 679	4 030 679	-
Settlement Debtors-Talismanus	1 757 830	1 757 830	-
Settlement Debtors-Epukiro	1 765 399	1 765 399	-
Settlement Debtors-Omitara	13 252	13 252	-
Settlement Debtors-Karahari	2 024	2 024	-
VAT/Tax Control Account	(2 818 853)	1 702 093	1 034 804
Prepayments-Creditors	44 725	-	-
Sundry Debtors	(399 110)	(399 110)	(399 110)