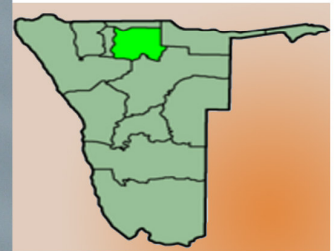




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OSHIKOTO REGION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2008 AND 2009

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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 of the Oshikoto 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, July 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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

1. INTRODUCTION

The Regional Council for the Oshikoto region was established with effect from 31 August 1992 under Section 2(1) of the Regional Councils Act, 1992 (Act 22 of 1992).

The financial powers, duties and functions of the Council are stipulated in Article 108 of the Namibian Constitution and Section 28 of the Regional Councils Act. Sections 39 and 40 of the Act require that accounting records of the Council shall be kept and its financial statements shall be prepared by its Chief Regional Officer.

Figures in the report are rounded off to the nearest Namibian 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 they were submitted on 07 November 2008 and 09 November 2009 for the financial year ended 31 March 2008 and 2009. They were only completed on 01 October 2008 and 15 October 2009 for the year ended 31 March 2008 and 2009. The Act allows a period of three months after year end.** The abridged balance sheets, Annexure A, are a true reflection of the original.

The following annexures are also attached to this report:

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

3. SCOPE OF THE AUDIT

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 staff of the Office of the Auditor-General, included:

- Examination on a test basis of the evidence relevant to the amounts, disclosure and regularity of the 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 respects, expenditures 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

4.1.1 Comparison between the balance sheet and the trial balance.

2007/2008 financial year

Difference amounting to N\$ 4 678 702, was observed in total assets and N\$ 94 860 005 in total equity and liabilities.

Income	Balance sheet	Trial balance	Difference
	N\$	N\$	N\$
Assets constructed /under construction	61 157 251	61 157 998	747
Machinery & Vehicle	609 004	1 171 331	562 327
Furniture, Fixture & Fitting	364 451	706 595	342 144
Account receivables			
Trade Debtors	1 518 362	192 968	1 325 394
Other Bank accounts	92 248	-	92 248
Provision for bad debts	(346 799)	(463 239)	116 440
Cash & Cash Equivalent			
FNB General expenses call account	2 227 476	-	2 227 476
Settlement call account	152 747	(152 627)	120
Ibis/HIVOS Project	-	9 852	9 852
FNB Petty cash	-	1 954	1 954
Total	65 774 740	62 930 086	4 678 702
Current liabilities			
Sundry Creditors	26 024	-	26 024
Namwter	3 487 843	-	3 487 843
Payroll Control	344 954	-	344 954
Capital Employed			
Retained surplus	14 290 388	34 814 921	20 524 533
Development fund capital project	66 912 219	23 128 682	43 783 537
Net profit for the year	1 490 140	28 183 254	26 693 114
Total	117 951 568	86 126 857	94 860 005

4.1.2 Comparison between the income statement and the trial balance

2007/2008 financial year

A difference of N\$ 7 283 891 for income and N\$ 378 800 for expenditure was observed. The details of these entries are shown in the table below:

	Income statement	Trial balance	Difference
	N\$	N\$	N\$
Income			
MRLGH transfers	14 624 517	12 668 011	1 956 506
Interest and dividend received	1 633 234	3 697 614	2 064 380
Water sales	1 309 011	2 367 553	1 058 542
Royalties and surcharges	225 567	113 222	112 345
Other income	2 068 475	1 952 035	116 440
Delegated functions	2 518 198	542 520	1 975 678
Total	22 379 002	21 340 955	7 283 891
Expenditures			
Depreciation	289 423	181 373	108 050
Other expenditures	2 078 836	2 101 202	22 366
Delegated functions	1 037 216	788 832	248 384
Total	3 405 475	3 071 407	378 800

4.1.3 Unauthorised expenditure

2008/2009 financial year

4.1.3.1 A total overspending of N\$ 4 298 246 was observed in the following account areas:

	N\$
Travelling and subsistence	(647 244)
Material and supplier	(15 695)
Utilities	(2 634 882)
Membership fees	(425)
Total	(4 298 246)

4.2 Investment in life cover

2007/2008 financial year

At the time of the audit the value of policies amounting to N\$ 1 849 001 could not be verified against policies certificates as they were not provided for audit purposes. Furthermore, no movement was noted during the year under review.

In addition, the above mentioned policies were not invested with approved institutions which comply with the Section 33 of the Regional Council's Act. Furthermore, approval from the Minister could not be provided.

4.3 Cash and bank

4.3.1 Bank Confirmation

2008/2009 financial year

The following bank accounts were reflected in the trial balance but were not confirmed by the bank.

Details	Account balances
HIV/Aids account	N\$ (6 531)
OVC/ WFP account	(1 200)

4.3.2 Cash-book and general ledger

2007/2008 financial year

Differences were observed between the cashbook and the general ledger for the following bank accounts.

Details	Cash-book	General ledger	Difference
	N\$	N\$	N\$
BTP receipt account	156 451	155 621	830
Social Housing Scheme	284 866	284 601	265
Total			1 095

4.3.3 Bank reconciliation and cash-book

2008/2009 financial year

Differences were observed between the bank reconciliation and the cash-book for the following bank accounts:

Details	Bank reconciliation	Cash-book	Difference
	N\$	N\$	N\$
General expenses cheque account	1 822 979	30 952	1 792 026
General expense call account	1 376 927	1 676 927	300 000
Capital Project current account	420 526	322 080	98 446
BTP disbursement current account	11 247	13 345	2 098
Drought Aid account	574 754	590 848	16 094
Early Childhood Development account	155 171	141 340	13 831
Total			2 222 495

The settlement current account did not reconcile. A difference of N\$ 99 700 was noted on the bank reconciliation. The closing balance as per bank statement was not included in the reconciliation.

2007/2008 financial year

Differences amounting to N\$ 106 067 were observed between the bank reconciliation and the cash-book for the following bank accounts.

Details	Bank reconciliation	Cash-book	Difference
	N\$	N\$	N\$
BTP receipt account	155 621	156 451	830
Capital Project call account	12 954 710	12 849 473	105 237
Total			106 067

It was further observed that the Ondonga Traditional Authority account, Early Childhood call account and Okashana call account did not reconcile.

4.3.4 Stale cheques

2008/2009 financial year

Stales cheques for the following accounts were not written back at year-end:

Details	Amount
	N\$
General expenses cheque account	3 756 102
BTP Disbursement current account	2 098
Drought Aid current account	8 240
	3 766 440

2007/2008 financial year

Stale cheques amounting to N\$ 160 788 for the following accounts were not written back at year-end.

Details	Amount
	N\$
General expenses cheque Account	35 036
Capital Project current account	99 803
BTP disbursement current account	1 200
HIV/Aids activities	2 549
OVC/WFP account	22 200
	160 788

4.3.5 Bank reconciliation and annual financial statement amount

2008/2009 financial year

Differences were observed between the amount reflected in the annual financial statement and the reconciled amount on the bank reconciliation for the following bank accounts:

Details	Bank reconciliation	Annual financial statement	Difference
	N\$	N\$	N\$
General expenses cheque account	1 822 979	(68 232)	1 891 211
General expenses call account	1 376 927	1 676 927	300 000
Capital Project current account	420 526	322 080	98 446
Settlement account	99 700	-	99 700
Early Childhood Development	155 171	154 740	431
Total	3 875 303	2 085 515	1 789 788

4.4 Inventory

2007/2008 and 2008/2009 financial years

At the time of the audit, the Council did not prepare stocktaking reports for consumables for the three financial years audited.

4.5 Fixed assets

2008/2009 financial year

Supporting documents for the following transactions were not provided for audit purposes.

Date	Details	Cheque No	Amount
			N\$
01/04/2008	Construction of buildings	020	2 862 184
01/04/2008	Omuntele Constituency office	141	2 588 529

2007/2008 financial year

The fixed assets register and the general ledger were incomplete.

4.6 INCOME

4.6.1 Interest received

2008/2009 financial year

A total difference of N\$ 639 989 was observed between the general ledger and the bank statements, for different bank accounts. Interest for some months was not processed to the general ledger and in other cases, incorrectly processed. Details of the differences are indicated at the table below:

2007/2008 financial year

A total difference of N\$ 1 599 328 was observed between the bank statements and the general ledger. The Council could not provide the audit team with a complete general ledger.

4.6.2 5% Rates levies

2007/2008 financial year

At the time of the audit, 5% rates levies from local authority were not audited due to the fact that it was not reflected in the general ledger.

4.6.3 Government subsidy and delegated function

2008/2009 financial year

- (i) Classifications of the above accounts were not properly done in the general ledger since delegated function was recorded under government transfers.
- (ii) Differences to the amount of N\$ 1 165 488 were observed between the general ledger and annual financial statements.

4.6.4 Income rates, charges and fees (Settlement income)

For the sample selected, water billing invoices to the value of N\$ 134 236 were not provided and could also not be traced on the pastel system.

2007/2008 financial year

4.7 Debtors

4.7.1 Sundry debtors

At the time of the audit the Council could not provide a detailed customer ledger. Furthermore, the general ledger provided was incomplete therefore, no reliance could be placed on it and audit tests could also not be conducted.

4.7.2 Build Together debtors

The Council could not provide the audit team with **Build Together** debtors list for all financial years to verify the outstanding debtors and the recovery of **Build Together** funds. Therefore no reliance could be placed on the amount reflected in the annual financial statement.

No. A – Unexplained adjustments

An unexplained adjustment of N\$ 120 327 in 2008/2009 and N\$ 25 400 000 in 2007/2008 was made.

No. B – Fixed assets

2008/2009 financial year

The Council incorrectly brought forward the closing balances of 2007/2008 to 2008/2009 financial year.

Depreciation of N\$ 153 556 and N\$ 587 335 in respect of machinery & vehicles, office furniture and equipment was wrongly added to the cost of these assets.

The opening balances for accumulated depreciation of all assets are wrongly brought forward from the previous financial year.

4.8 Cash and cash equipment

A bank overdraft of N\$ 223 was not disclosed in the balance sheet.

5. ACKNOWLEDGEMENT

The courtesy and assistance extended by the Regional Council's staff to the Auditor-General and his staff during the audit is appreciated.

6. QUALIFIED AUDIT OPINION

The accounts of the Regional Council Oshikoto 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).

The audit opinion has been qualified due to the following reasons:

- Difference between the balance sheet, income statement and trial balance.
- Unauthorised expenditure to the amount of N\$ 4 298 246.
- Interest received to the amount of N\$ 1 599 328 could not be confirmed.
- Debtors could not be confirmed.
- Bank reconciliation is not properly conducted.
- Supporting documents to the amount of N\$ 5 450 713 could not be provided for audit purposes.
- Fixed assets are understated due to wrong balances carried forward.
- Fixed assets register and the general ledger were incomplete.
- An unexplained adjustment to the amount of N\$ 25 400 000.

Except for the above-mentioned remarks, I certify as a result of my audit that, 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.

WINDHOEK, July 2011

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

BALANCE SHEETS AS AT 31 MARCH

	Notes	2009 N\$	2008 N\$	2007 N\$
Non-current assets		78 485 816	63 979 707	38 373 049
Property, plant & equipment	3	76 889 000	62 130 707	36 524 048
Investments	5	1 596 816	1 849 000	1 849 001
Current assets		24 954 915	23 610 861	22 327 379
Accounts receivable	6	4 074 220	3 180 522	4 017 573
Cash and cash equivalent	7	20 880 695	20 430 339	18 309 806
Total Assets		103 440 731	87 590 568	60 700 428
Equity and liabilities				
Accumulated funds	10	103 103 212	83 731 747	56 841 607
Current liabilities		337 519	3 858 821	3 858 821
Creditors	8	261 556	3 858 821	3 858 821
Bank overdraft	7.2	75 963	-	-
Total equity and liabilities		103 440 731	87 590 568	60 700 428

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEARS ENDED 31 MARCH

	Notes	2009	2008	2007
		N\$	N\$	N\$
Income	11.1 & 2.3	47 209 985	20 745 766	18 573 732
Expenditure	11.2	29 893 099	20 888 860	19 531 172
Net operating surplus/(loss)		17 316 886	(143 094)	(957 440)
Interest on current account	2.3	2 174 906	1 633 234	1 231 458
Accumulated income/(deficit)		19 491 792	1 490 140	274 018
~ at the beginning of the year		83 731 747	56 841 607	37 715 031
~adjustments	12	(120 327)	25 400 000	18 852 558
~at the end of the year	10	103 103 212	83 731 747	56 841 607

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

CASHFLOW STATEMENT FOR THE YEARS ENDED 31 MARCH

	Notes	2009	2008	2007
		N\$	N\$	N\$
Cash flows from operating activities	Annexure B	19 491 792	1 490 140	274 018
Surplus over expenditure for the year				
Adjusted for non-cash items:				
Depreciation for the year	3	740 892	289 423	615 046
Movement in current assets and liabilities	13	(4 490 963)	837 051	913 265
Net cash flow from operations		15 741 721	2 616 614	1 802 329
Net cash flow of investing activities				
Property, plant and equipment:				
Adjustment opening balance				
Property, plant and equipment acquired, value adjustments	3.1	(15 499 185)	(25 896 082)	(18 188 093)
Investments (acquired)/utilised		252 185	-	(124 846)
Net cash out flow from investing activities		(15 247 000)	(25 896 082)	(18 312 939)
Net change in cash and cash equivalents		494 721	(23 279 468)	(16 510 610)
Adjustments	12	(120 328)	25 400 001	18 852 558
CASH AND CASH EQUIVALENTS				
Beginning of the year		20 430 339	18 309 806	15 967 858
End of the year	7.1 & 7.2	20 804 732	20 430 339	18 309 806

REGIONAL COUNCIL FOR THE OSHIKOTO 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 for Generally Accepted Accounting Practice.

The annual financial statements are prepared in line with the accrual concept. It should be noted, however, that income and expenditures 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 liability 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 financial statements.

2. Property, plant and equipment

All fixed 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 to its residual value over its estimated useful economic life.

The estimated useful economic lives for each category of assets are as follows:

2007 & 2008

Buildings	50 years	2% per annum
Machinery and equipment	5 years	20% per annum
Motor vehicles	5 years	20% per annum
Office furniture and equipment	3 years	33.3% per annum
Computer equipment	3 years	33.3% per annum

Land and infrastructure assets are not depreciated. It is assumed that land will appreciate in value over time, and that infrastructure assets (i.e. water, sewerage and electricity networks) will maintain their value due to the necessity of regular maintenance.

2. REVENUE**2.1 Government transfer: MRLGH&RD**

The Council receives administrative grants from the Ministry of Regional and Local Government, Housing and Rural Development. The grants are for the day-to-day operations of the Council. In the current financial years, the Council received N\$ 14 624 517 (2007/2008), N\$ 36 346 000 (2008/2009), (2007: N\$13 626 022.)

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

2.2 Rates levy from Local Authorities

The Council per the Regional Councils Act of 1992, levies an amount equal to 5% of the rates levied on all rateable property in constituent local authority area in this case the Tsumeb Municipality. In 2007/2008 the Council did not receive any levies and in 2008/2009 it received an amount of N\$ 35 698.

2.3 Interest Received

	2009	2008	2007
	N\$	N\$	N\$
Capital Project Call Account	2 174 906	1 264 622	1 107 551
General Expense Call Account	-	159 725	70 060
Build Together Programme Call Account	-	137 978	50 894
Other Current Accounts	-	70 909	2 953
	2 174 906	1 633 234	1 231 458

Interest for 2009 was grouped together.

2.4 Royalties

NORED Electricity (Pty) Ltd	173 117	225 567	197 407
	173 117	225 567	197 407

The Regional Council receives royalties in respect of surcharges levied on its behalf by NORED. The rates are based on approved tariffs by the Electricity Control Board. These tariffs vary from time to time.

2.5. Other Income

	2009	2008	2007
	N\$	N\$	N\$
VAT refunds	7 243 196	1 835 192	-
Sundries	364 456	233 283	160 787
	7 607 652	2 068 475	160 787

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

3. PROPERTY, PLANT AND EQUIPMENT

	Asset under construction, land buildings	Machinery vehicles	Office furniture equipments & computers	Total
31 March 2009	N\$	N\$	N\$	N\$
Net book as at 1 of April 2008	61 157 251	609 004	364 452	62 130 707
Additions	13 853 742	-	1 645 444	15 499 186
Charge for the year	-	(153 557)	(587 335)	(740 892)
Closing net as at 31 March 2009	75 010 993	455 447	1 422 561	76 889 000
Cost	35 403 457	1 707 763	31 117 600	40 228 820
Capitalized Work in Progress	39 607 535	-	-	39 607 535
Accumulated depreciation	-	(1 252 316)	(1 695 039)	(2 947 355)
Net book value as at 31 March 2009	75 010 992	455 447	1 422 561	76 889 000
31 March 2008				
Cost as at 1 of April 2007	35 403 457	1 707 763	1 329 867	38 441 087
Work in progress	25 753 794	-	-	25 753 794
Additions	-	-	142 288	142 288
Cost as at 31 March 2008	61 157 251	1 707 763	1 472 155	64 337 169
Depreciation as at 1 April 2007	-	945 203	971 837	1 917 040
Charge for the year	-	153 556	135 867	289 423
Depreciation as at 31 March 2008	-	1 098 759	1 107 704	2 206 463
Net book value as at 31 March 2008	61 157 251	609 004	364 451	62 130 707
31 March 2007				
Cost as at 1 April 2006	17 570 833	1 474 381	1 207 780	20 252 994
Capitalised Work in Progress	12 416 332	-	-	12 416 332
Additions	5 416 292	233 382	122 087	5 771 761
Cost as at 31 March 2007	35 403 457	1 707 763	1 329 867	38 441 087
Depreciation as at 1 April 2007	-	536 432	765 562	1 301 994
Charge for the year	-	408 771	206 275	615 046
Depreciation as at 31 March 2007	-	945 203	971 837	1 917 040
35 403 457	762 560	358 030	36 524 047	

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2009	2008	2007
	N\$	N\$	N\$
4. ASSETS CONSTRUCTED AND UNDER CONCSTRUCTION/WIP			
Construction of Omuthiya Constituency Office	-	-	1 090 962
Planning Oshigambo Town	-	-	50 064
Survey Oshigambo Townlands	-	-	432 811
Planning Ontananga	-	-	188 545
Survey Onethindi	-	-	231 705
Planning Omuthiya	-	214 152	214 152
Survey Omuthiya	-	-	262 602
Construction of Olukonda Constituency Office	-	-	1 184 531
Construction of Onyaanya Constituency Office	-	-	784 055
Construction of Guinas Constituency Office	-	-	1 104 693
Construction of Omutele Constituency office	1 193 074	1 264 109	6 605
Construction of Onayena Constituency Office	-	-	193 750
Regional Water Project	-	1 230 539	1 230 539
Upgrading of streets Onayena	-	-	311 595
Survey Onyuulaye	-	-	566 369
Survey Onethindi Extention 3	-	-	536 895
Construction of Services Omuthiya	-	-	304 738
Construction of Sewer and Water Omuthiya	4 757 590	2 017 344	-
Construction of Water Reticulation Omuthiya	-	2 073 066	1 020 028
Construction of Reticulation Networks, pump station and s/line	-	1 620 153	1 620 153
Construction of Oxidation Ponds and Gravel Roads Omuthiya	-	-	705 585
Survey of Town boundaries Omuthiya, Onayena & Onethidhi	-	-	36 797
Construction of Constituency offices	-	-	563 378
Survey Oshivelo	-	-	174 542
Construction of services Oshivelo P1-3	-	-	3 508 556
Construction of Oniipa Constituency Office	142 468	-	-
Construction of Omuthiya Town Council	-	6 385 133	-
Construction of Oshivelo Community Hall	515 038	-	-
Construction of Tsumeb Constituency Office	1 647 181	-	-
Construction of Omuntele Community Hall	772 434	-	-
Construction of gravel roads & fencing Oshivelo	-	-	1 137 455
Cleaning of settlements	-	42 590	42 590
Councillor projects	-	-	1 134 102

(continued)

ANNEXURE D

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2009	2008	2007
	N\$	N\$	N\$
ASSETS CONSTRUCTED AND UNDER CONCSTRUCTION/WIP (continued)			
Head Office-Omuthiya-Office construction	3 997 169	13 979 337	885 069
Head Office-Omuthiya-Services	-	8 674 080	6 894 932
Head Office-Professional fees	-	5 044 078	3 816 771
Okankolo-Office construction	-	1 182 155	559 137
Onethindi- Professional fees	-	78 944	-
Okankole-Professional fees	-	337 600	270 530
Surveying -Settlements	-	2 097 768	1 238 268
Land Purchase-Omuthiya	828 788	2 499 871	2 101 778
Office construction - Onayena	-	-	885 079
Professional fees- Onayena	-	-	108 096
Total	13 853 742	48 740 919	35 397 457

5. INVESTMENTS

MetropolitanFedsure Life: Endowment policy	915 458	1 039 047	1 039 047
Metropolitan Fedsure life:Endowment policy	661 358	714 953	714 954
Joint Venture:Etosha Safari Lodge	20 000	95 000	95 000
	1 596 816	1 849 000	1 849 001

6. ACCOUNTS RECEIVABLE

Trade debtors	1 033 671	1 518 362	2 645 949
Build together debtors	2 211 082	1 916 712	1 803 863
Other bank accounts	-	92 248	31 000
Total	3 244 753	3 527 322	4 480 812
Less: Provision for doubtful debts	(346 799)	(346 800)	(463 239)
Receiver of Revenue - VAT	1 169 521	-	-
Staff loans	6 745	-	-
Total	4 074 220	3 180 522	4 017 573

ANNEXURE D

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2009	2008	2007
	N\$	N\$	N\$
7.1 BANK BALANCES AND CASH ON HAND			
FNB General expenses current account	-	226 958	570 523
FNB General expenses call account	1 676 927	2 227 476	349 033
FNB Capital Project call account	14 970 559	12 849 473	13 737 628
FNB Capital Project current account	322 080	1 086 336	981 070
FNB Build Together disbursement			
Current account	11 247	427 837	61 453
Current account	219 080	155 621	107 083
FNB Ondonga Traditional Authority			
Current account	49 824	200 474	200 684
Ondonga T/A call account	162 191	-	-
Settlement call account	30 739	152 747	-
FNB Settlement current account	-	91 716	97 414
FNB Drought Aid Fund current account	574 754	303 644	4 241
FNB Social Housing Scheme			
Current account	339 567	284 601	224 260
FNB Childhood Development			
Current account	154 740	45 873	251 372
STD Regional Aids Co-Ordinating	-	-	-
Current account	-	-	18 226
FNB Independence celebration			
Current account	-	130 000	456
Early Child call account	14 909	-	-
Wesbank Fleet Management account	169 159	-	-
FNB Transport current account	-	41 708	72 874
Nampost Savings Bank account	31 957	203 696	33 696
Nampost Savings Bank account	-	-	53 807
People with disabilities	-	-	-
Regional Aids Co-ordinators Committee	-	-	-
OVC/ WEP account	-	55 464	14 876
RDC- Okashana	51 241	21 075	190 251
Build Together call account	2 101 721	1 925 861	1 340 859
Total	20 880 695	20 430 560	18 309 806

ANNEXURE D

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2009	2008	2007
	N\$	N\$	N\$
7.2 BANK OVERDRAFT	(75 963)	(223)	-
General expense current account	(68 232)	-	-
HIV & AIDS activities	(6 531)	(223)	-
OVC/ WFP account	(1 200)	-	-
Cash and cash equivalents	20 804 732	20 430 339	-

8. CREDITORS

Joint Ibis/HIVOS Project to Oshikoto Region	-	-	26 024
Sundry creditors	10 769	26 024	-
Payroll control	-	344 954	344 954
Namwater	250 787	3 487 843	3 487 843
	261 556	3 858 821	3 858 821

9. DELEGATED FUNCTION FROM LINE MINISTRY**Line Ministry delegated function**

9.1 Income		1 840 645	2 518 198	826 993
Ministry Gender Equality	Early Childhood			
Child Welfare	Development	150 889	376 505	65 300
Ministry of Regional & Local	National Draught Fund	828 199	-	761 693
	Social Housing			-
Government	Scheme	50 265	1 030 000	
	Rural Development	761 692	1 111 693	-
Ministry of Health & Social Services	Aids co-ordinators	49 600	-	-

ANNEXURE D

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

		2009	2008	2007
		N\$	N\$	N\$
9.2 Expenditure		1 849 025	1 037 216	633 754
Ministry Gender Equality	Early Childhood			
Child Welfare	Development	160 326	418 091	62 467
	Social Housing	-		-
Ministry of Regional & Local	Scheme		238 279	
Government	National Drought		-	
	Fund	550 022		571 287
	Rural Development	881 156	380 846	-
	Word Food Day	190 918	-	-
Ministry of Health and				
Social Services	Aids co-ordinators	66 603	-	-
SULPLUS/(DEFICIT)		(8 380)	1 480 982	193 239
10. ACCUMULATED FUNDS				
Retained surplus		15 780 528	14 290 388	14 084 715
Development Capital Funds		66 912 219	66 912 219	41 512 219
Build Together Capital Fund		1 365 000	1 039 000	1 039 000
Surplus for the year		19 491 792	1 490 140	274 018
Prior year adjustment		(446 327)	-	(68 345)
Balance at the end of the year		103 103 212	83 731 747	56 841 607
11.1 INCOME				
Government transfer : MRLGH	2.1	36 346 000	14 624 517	13 626 022
Rates levy from local authorities	2.2	35 698	-	-
Rates, charges and fees (settlement area)		-	-	3 521 688
Interest and dividends received	2.3	2 174 906	1 633 234	1 231 458
Other income	2.5	7 607 652	2 068 475	160 787
Water sales		1 206 873	1 309 011	-
Royalties	2.4	173 117	225 567	197 407
Income - Disaster & emergencies		-	-	240 835
Sub- total		47 544 246	19 860 804	18 978 197
Delegated functions	9.1	1 840 645	2 518 198	826 993
Total income	11.1	49 384 891	22 379 000	19 805 190

ANNEXURE D

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

		2009	2008	2007
		N\$	N\$	N\$
11.2 EXPENDINTURE				
Depreciation expense	3	740 892	289 423	662 412
Material and supplies		-	-	120 591
Maintenance expenses		5 624 939	173 828	161 923
Other expenditures		4 136 460	2 078 836	903 695
Property rental		200 578	469 763	398 152
Personnel expenditures		11 175 657	10 787 890	10 112 664
Travel and subsistence expenses		1 394 029	1 098 921	706 617
Transport expenses		812 868	1 100 401	507 078
Utilities		3 706 464	3 852 581	5 324 286
Loss on investment		252 185	-	-
Sub total		28 044 072	19 851 643	18 897 418
Delegated functions	9.2	1 849 025	1 037 216	633 754
Total expenditure	11.2	29 893 099	20 888 860	19 531 172
Surplus		19 491 792	1 490 140	274 018
12. ADJUSTMENTS TO ACCUMULATED FUNDS				
Contribution grants: Capital projects		-	-	18 383 537
Total: Opening balances		-	-	469 021
Adjustments		(120 327)	25 400 001	-
		(120 327)	25 400 001	18 852 558
13. MOVEMENT IN CURRENT ASSETS AND LIABILITIES				
Accounts receivable - (Increase)/decrease		(893 699)	837 052	(2 935 704)
Accounts payable - Increase/(decrease)		(3 597 265)	-	3 848 969
		(4 490 964)	837 052	913 265