



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OSHIKOTO REGION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

Published by authority

Price (Vat excluded) N\$ 30.70
Report no: 71/2013

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 year ended 31 March 2011, 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 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE REGIONAL COUNCIL FOR THE OSHIKOTO REGION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011**

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 Namibia dollar. Deficits are indicated in brackets.

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 these were submitted on 08 February 2012 for the financial year ended 31 March 2011 and they were only completed on 22 January 2012. The Act allows a period of three months after year end.** The abridged balance sheet, Annexure A, is a true reflection of the original.

The following annexure are also attached to this report:

- Annexure B: Income and expenditure
- Annexure C: Cash flow statement
- Annexure D: Notes to the financial statements
- Annexure E: Detail income and expenditure statements

3. SCOPE OF THE AUDIT

Management's responsibility for the financial statements

The Accounting Officer of the Regional Council is responsible for the preparation and fair presentation of these financial statements and for ensuring the regularity of the financial transactions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them to report his opinion to National Assembly. The said firm conducted the audit in accordance with the International Standards of Supreme Auditing Institutions.

Those standards require that the firm complies with ethical requirements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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 judgement, including the assessment of the risks of material misstatements 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 the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. AUDIT OBSERVATIONS AND COMMENTS

4.1 NON-SUBMISSION OF RECORDS

4.1.1 Revenue

Revenue amounting to N\$ 5 721 151 could not be verified due to the non-submission of supporting documents.

4.1.2 Delegated functions

The supporting documents to the amount of N\$ 239 677 were not provided to the auditors for audit purposes. Included in the said amount is a cash cheque to the amount of N\$ 21 513.

It is recommended that supporting documents should always be provided for audit purposes as required by Section 26(1)(b)(i) and (ii) of the State Finance Act, 1991.

Management comment

Management agrees with the finding of the auditors.

4.1.3 Trade and other payables

4.1.3.1 Supplier detailed ledger

The supplier detailed ledger for the year ended 31 March 2011 was not provided for audit purposes.

4.1.3.2 Trade and other receivables

4.1.3.3 Incomplete customer detailed ledger

The customer detailed ledger submitted for audit purposes is incomplete as some customers are omitted.

4.1.3.4 Cash-books of all bank accounts

The monthly cash books were not submitted for audit purposes.

Recommendations

It is recommended the Regional Council improves its filing system and also comply with the provisions of the State Finance Act, 1991 (Act 31 of 1991).

The non-submission of financial records contravenes the State Finance Act, 1991 (Act 31 of 1991), Section 26(1) (b) (i) and (ii) which clearly states that the Auditor-General or any competent person employed in the Office of the Auditor-General:

- (i) *shall have access to all books, vouchers, other documents, money, stamps, securities, forms having a face or potential value, equipment stores and other movable goods owned or leased by the State or the statutory institution concerned, in the possession or under the control of any person and which the Auditor-General deems necessary for an investigation, examination and audit in terms of this Act;*
- (ii) *may request such particulars, accounts and statements as he or she deems necessary for such an investigation, examination and audit.*

It is further recommended that all transactions be supported by appropriate documents.

Management comment

Management was unable to provide supplier details due to incompleteness of its staff members in the finance department and as for the customer detailed ledger and cash-book, management agreed with the findings of the auditors.

4.2.1 Trade and other receivables

4.2.1.1 Provision for doubtful debts

An amount of N\$ 1 673 909.30 was provided for bad debts, however no explanation could be given on how the amount was calculated as the Oshikoto Regional Council Credit Control Policy and Procedures dated 21/11/2005 does not mention anything about provision for doubtful debts. Furthermore according to the calculation of auditors, provision for doubtful debts was over-provided by N\$ 836 955.

Recommendation

The Chief Regional Officer is recommended to revise the Oshikoto Regional Council Credit Control Policy and Procedure and include aspects such as provision for doubtful debts and to correctly provide for doubtful debts.

Management comment

Management agreed to implement the recommendations of the auditors and promise to improve the situation at the Council.

4.2.1.2 Invoices issued to trade debtors at settlement areas

The auditors found that invoices are not always issued for connection of water. It was also found that some customers are not been billed for water consumption.

4.2.1.3 Debtors with credit balances

It was noted that invoices issued are erroneously deducted from opening debit balance instead of being added. Furthermore, it was also found that the Regional Council wrongly posted a cash customer under trade debtors in the customer detailed ledger.

Recommendation

The Chief Regional Officer is recommended to ensure that all transactions in the Debtors Control account are correctly processed.

Management comment

Management agreed to implement the recommendations of the auditors and promise to improve the situation at the Council.

4.3 STOCK/INVENTORY

During the year under review the Council did not prepare the mini-stock report for consumables at year end.

Recommendation

It is recommended that the Council prepares a report on consumables at financial year end. The report should contain costs and the stock on hand.

Management comment

Management agreed to implement the recommendations of the auditors and promise to improve the situation at the Council.

4.4 5% RATES AND LEVIES FROM LOCAL AUTHORITY

The auditors were unable to confirm whether the 5 % rates received from the Local Authorities were the correct amounts, as it was only remittance advices that were submitted for audit purposes and not the schedule from the Local Authority. Furthermore, it was also noted that the Regional Council does not raise debtors for the outstanding rates which arise after year-end.

Recommendation

The Chief Regional Officer is recommended to ensure that amounts collected as 5 % rates and levies are calculated from actual amounts receivable. Furthermore, the Chief Regional Officer should also ensure that the 5 % rates and levies are collected from all surrounding Town Councils. Debtors arising from year-end should be accounted for.

Management comment

Management agreed to implement the recommendations of the auditors and promise to improve the situation at the Council.

5. ACKNOWLEDGEMENT

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

6. DISCLAIMED AUDIT OPINION

The accounts of the Regional Council Oshikoto for the financial year ended 31 March 2011 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).

I am unable to express an audit opinion due to the following reasons:

- Non-submission of revenue supporting documents to the amount of N\$ 5 721 151;
- Non-submission of delegated functions supporting documents to the amount of \$ 239 677;
- Non-submission of detailed supplier ledger for the year ended 31 March 2011;

- Incomplete customer detailed ledger;
- No cash-book was submitted for audit purposes;
- Non-reconciliation of debtors;
- Non-submission of mini-sock report for consumables.

WINDHOEK, July 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

BALANCE SHEET AS AT 31 MARCH

	Notes	2011 N\$	2010 N\$
Assets		87 905 083	96 185 784
Property, Plant & Equipment	4	87 885 083	96 165 784
Investments in joint ventures	5	20 000	20 000
Current Assets		47 741 359	23 901 566
Investments	6	729 732	1 653 900
Accounts Receivable	7	6 645 271	5 189 519
Cash and cash equivalent	8	40 366 356	17 058 147
Total Assets		135 646 442	120 087 350
Equity and liability		131 558 302	116 706 720
Capital Development Fund		93 959 957	66 912 219
Build-Together Fund		1 365 000	1 365 000
Accumulated funds	10	36 233 345	48 429 501
Current Liabilities		4 088 140	3 380 630
Trade and other payables	9	2 714 315	2 619 740
Bank overdraft	8	1 373 825	760 890
Total Equity and Liabilities		135 646 442	120 087 350

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

ABRIDGED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	Notes	2011	2010
		N\$	N\$
Income		22 509 948	31 722 709
Expenditure		26 107 209	30 198 538
Operating surplus/(Loss)before investment income and finance costs		(3 597 261)	1 524 171
Investment interest earned	12	1 709 633	1 279 100
Finance costs	13	(4 527)	-
Adjustment	10	(10 304 002)	10 800 237
Net income for the year		(12 196 157)	13 603 508
Accumulated income/(deficit)			
- At the beginning of the year		48 429 502	34 825 993
-At the end		36 233 345	48 429 501

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

CASH FLOW STATEMENTS AS AT 31 MARCH

	Notes	2011 N\$	2010 N\$
Cash flows from operating activities			
Cash (used in) generated from operations	14	(3 790 752)	3 785 181
Interest income		1 709 633	1 279 100
Finance costs		(4 527)	-
Net cash from operating activities		(2 085 646)	5 064 281
Cash flow from investing activities			
Property, plant and equipment	4	(11 143 248)	(20 294 909)
Decrease (Increase) of Investments		924 167	(77 083)
Net cash out flow from investing activities		(10 219 081)	(20 371 992)
Cash flows from financing activities			
Prior-Year adjustments - Accumulated funds		-	10 800 238
Capital development funds		35 000 000	-
Net cash inflow from financing activities		35 000 000	10 800 238
Total cash movement for the period		22 695 273	(4 507 473)
Cash at the beginning of the period		16 297 259	20 804 732
Total Cash at the end of the period		38 992 532	16 297 259

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements are in accordance with the historical cost convention modified by the restatement of the financial instruments to fair value, except where otherwise stated.

The annual financial statements are prepared in line with the accrual concept. It should be noted, however, that income and expenditure in relation to Delegated Function is accounted for during the year on a cash accounting basis, 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.

The principal accounting policies of the Regional Council, which are set out below, have been consistent and comply with Namibian Accepted Accounting Practices. The financial statements have been prepared in accordance with the requirements of the Namibian Regional Council's Act.

1.1 Fixed assets and depreciation

Fixed assets are stated at historical cost or at valuation where assets have been acquired by grant or donation, less depreciation written over the expected useful lives as determined by the Regional Council from time to time. Fixed assets acquired with loan funds are not depreciated until the loan is repaid, unless the expected lifetime of the asset is less than the repayment period of the loan in which case depreciation is calculated on the shortfall.

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

Computer equipment	50 years
Machinery and equipment	5 years
Motor vehicles	5 years
Office furniture and equipment	3 years
Computer equipment	3 years

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

Land and infrastructure assets are not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.2 Inventories

Inventories are measured at lower cost and net realizable value. The cost of inventories should comprise all cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

1.3 Trade receivables

Trade receivables are carried at anticipated realizable value. The cost of inventories should comprise all cost of purchases, cost of conversion and other conversion and cost incurred in bringing the inventories to their present location and condition.

2. REVENUE

2.1 Contributions, Grants and Financial Aid from MRLGH&RD

The Oshikoto Regional 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.

2.2 Rates levied from Local Authorities

The Oshikoto Regional Council per the Regional Council's Act of 1992, levies an amount equal to 5% of the rates levied on all rateable property in constituent local authority areas.

2.3 Royalties and surcharges

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

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**3. DELEGATED FUNCTIONS**

The Oshikoto Regional Council is currently performing the following functions as delegated by central government ministries, in accordance with the Decentralization Enabling Act, 2000.

When under delegation the Regional Council only acts as an agent for a particular line Ministry, while the latter retains full control and overall responsibility to approve the related budget. After approval, the approved budget is transferred to the Regional Council via cash tranches.

Line Ministry	Delegated function	2011	2010
		N\$	N\$
Revenue		647 605	2 462 867
Ministry Gender Equality & Child Welfare	Early Childhood	84 556	200 553
Ministry of Regional & Local Government	Social Housing Scheme	-	15 217
Ministry of Regional & Local Government	Micro Finance	108 308	-
Ministry of Regional & Local Government	Drought Relief	2 000	1 945 884
Ministry of Agriculture	World Food Day	17 000	-
Ministry of Regional & Local Government	Cash for Work	350 615	-
Ministry of Regional & Local Government	Oshikoto Emergency Fund	85 126	-
French Embassy	ORC	-	301 213
Expenses		(432 460)	(2 111 087)
Ministry Gender Equality & Child Welfare	Early Childhood	(94 373)	(157 382)
Ministry of Regional & Local Government	Rural Development	(34 293)	(789 618)
Ministry of Regional & Local Government	Drought Relief	(114 203)	(701 642)
Ministry of Agriculture	World Food Day	(347)	-
Ministry of Regional & Local Government	Oshikoto Emergency Fund	(1534)	(262 445)
French Embassy	ORC	(187 710)	(200 000)
SULPLUS/(DEFICIT)		215 145	351 780

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	Assets under construction	Land and buildings	Machinery and vehicles	Office furniture, equipment and computers	Total
	N\$	N\$	N\$	N\$	N\$
31 March 2011					
Opening net book value	2 129 177	91 409 389	1 344 177	1 283 040	96 165 783
Additions	10 380 785	-	631 966	130 497	11 143 248
Transfers	(12 299 581)	12 299 581	-	-	-
Transfer to Omuhiya Town Council	-	(18 256 262)	-	-	(18 256 262)
Depreciation charge	-	-	(414 390)	(753 297)	(1 167 687)
Closing carrying amount	210 381	85 452 708	1 561 753	660 240	87 885 082
Cost	12 509 862	91 409 389	3 524 698	3 830 463	111 274 412
Capitalized WIP	(12 299 581)	12 299 581	-	-	-
Transfer to Omuhiya Town Council	-	(18 256 262)	-	-	(18 256 262)
Accumulated Depreciation	-	-	(1 962 945)	(3 170 222)	(5 133 167)
Closing carrying amount	210 281	85 452 708	1 561 753	660 241	87 884 983
31 March 2010					
Opening net book value	57 440 159	17 570 833	455 447	1 422 561	76 889 000
Additions	18 527 574	-	1 184 967	582 367	20 294 908
Transfers	(73 838 556)	73 838 556	-	-	-
Depreciation charge	-	-	(296 237)	(721 888)	(1 018 125)
	2 129 177	91 409 389	1 344 177	1 283 040	96 165 783
Cost	75 967 733	17 570 833	2 892 730	3 699 967	100 131 263
Capitalized WIP	(73 838 556)	73 838 556	-	-	-
Accumulated Depreciation	-	-	(1 548 553)	(2 416 927)	(3 965 480)
Closing carrying amount	2 129 177	91 409 389	1 344 177	1 283 040	96 165 783

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2011	2010
	N\$	N\$
4. ASSETS CONSTRUCTED AND UNDER CONSTRUCTION		
Elambo Onkumbula pipeline	153 438	-
Omuthiya Head Office Complex	510 916	-
Construction of Oniipa Constituency Office	36 636	1 455 132
Construction of Onamishu Community Hall	210 381	-
Construction of Omuntele Community Hall	22 706	-
Tsumeb SME Park	277 727	-
Small Scale Three Stalls Tsumeb	-	2 064
Small Scale - Onayena 2 VIP Toilets	-	3 500
Onakali - Water supply	-	3 981
Small Scale Rural Water Onankali	-	4 334
Small Scale Pensioner Shelter Olukanda	-	6 700
Onyaanya Open Market	-	8 549
Small Scale - Onathing open Market	37 698	8 615
Onayena Storm water	-	8 717
Small Scale Projects: Onathing Open Market	-	11 100
Oshivelo Community Hall	-	12 876
Olukonda Constituency Office	-	13 400
Small Scale - Shelters for pensioners of Oshipala	-	16 514
Small Scale- Shelters for pensioners of Esheshete	-	17 984
Small scale - Shelters for pensioners of Lipopo-Olukonda	-	18 887
Small scale- Shelters for pensioner of Olukonda	-	20 601
Omuntele Community Hall	-	28 871
Small Scale - Shelters for pensioners of Omuntele	-	29 715
Small Scale- Shelters for Pensioners of Omugulugoonime	-	41 715
Small Scale San Community Bread making project	-	76 747
Eengodi constituency office	-	77 264
Small Scale- Electrification of Eengodi	-	79 483
Okankolo constituency office	39 766	85 147
Ondonga Traditional Authority	-	154 446
Omuthiya Town Council Office	246 295	170 967
Onayena constituency office	-	173 636
Onayena-Sewer system and pump station services	-	190 698
Omuntele constituency office	-	194 947
Omuthiya- Electricity rectification	5 634 393	408 730
Tsumeb constituency office	-	983 815
Oshikoto Regional Office Complex in Omuthiya	-	1 055 978
Omuthiya - Oxidation ponds and gravel roads	2 607 648	3 327 939
Omuthiya - Sewerage reticulation, pump station & pump	603 181	5 903 508
Prior year adjustments on assets under constructions	-	3 931 014
Total	10 380 785	18 527 575

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2011	2010
	N\$	N\$
5. INVESTMENT IN JOINT VENTURE		
Joint Venture:Etosha Safari Lodge	20 000	20 000
	20 000	20 000

The carrying amounts of Joint ventures are shown net of impairment losses.

6. INVESTMENTS

Metropolitan Fedsure Life: Endowment policy	-	960 212
Metropolitan Fedsure Life: Endowment policy	729 732	693 688
	729 732	1 653 900

Current assets

At fair value through profit and loss	729732	1653900
---------------------------------------	--------	---------

7. ACCOUNTS RECEIVABLE

Trade receivables	809 611	280 968
Value added tax	740 112	934 574
Staff loans	-	10 059
Build-Together debtors	5 095 548	4 898 492
Total	6 645 271	6 124 093

7.1. Bank balances and cash on hand

FNB General Expenses Call account	877 581	1 198 920
FNB Capital Project Current account	94 722	303 180
FNB Capital Project Call account	37 132 577	12 976 720
BTP disbursement- current account	-	115 144
BTP Receipt -Current account	406 080	298 574
Build Together Call account	691 602	790 206
Ondonga Traditional / Current account	4 662	5 406
Food for work	340 467	-
Settlement call account	109 037	211 939
FNB Drought Aid Fund Current account	165 231	173 206
Social Housing Scheme - Current account	406 397	355 403
Early Child /Dev. - Current account	107 705	412

(continued)

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**7.1. Bank balances and cash on hand (continued)**

	2011	2010
	N\$	N\$
Bank Windhoek	1 478	-
HIV/AIDS- Current account	-	842
Wesbank Fleet Management account	-	50 527
Okashana RDC-Current account	10 505	11 303
Okashana RDC- Call account	18 312	464 570
ORC-French Embassy	-	101 796
Total	40 366 356	17 058 148

7.2. Bank overdraft

BTP disbursement - current account	(6 840)	-
General expense - current account	(1 360 749)	(760 890)
HIV/AIDS - current account	(85)	-
Wesbank Fleet Management - current account	(6 151)	-
	38 992 531	16 297 258
Current assets	40 366 356	17 058 148
Current liabilities	(1373825)	(760890)
	38 992 531	16 297 258

8. CREDITORS

Trade payables	922 228	1 570 942
Receiver of Revenue - VAT	-	(934 754)
Accrued leave pay	1 792 087	1 983 372
	2 714 315	2 619 560

9. ACCUMULATED FUNDS

Accumulated surplus	48 429 502	34 825 993
Prior Year Adjustment	(10 304 002)	10 800 237
Development Capital Funds	93 959 957	66 912 219
Build Together Capital Fund	1 365 000	1 365 000
Surplus for the year	(1 892 155)	2 803 271
Balance at the end of the year	131 558 302	116 706 720

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

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

	2011	2010
	N\$	N\$
10. PRIOR YEAR ADJUSTMENTS TO ACCUMULATED FUNDS		
Adjustment on Capital Development Fund	(10 304 002)	-
Adjustment on value added tax accounts	-	(2 444 373)
Adjustment on assets under construction accounts	-	(8 395 718)
Adjustment on opening balances and re-allocations of balance sheet items	-	39 854
	(10 304 002)	(10 800 237)
11. INVESTMENT REVENUE		
Bank	1 414 390	1 202 015
Metropolitan Fedsure Life: Endowment policy	295 243	77 085
	1 709 633	1 279 100
12. FINANCE COSTS		
Bank (Overdraft)	4 527	-
13. CASH (USED IN) GENERATED FROM OPERATIONS		
(Loss) Surplus for the period	(1 892 155)	2 803 271
Adjustments for:		
Depreciation and amortization	1 167 761	1 018 125
Interest received	(1 709 633)	(1 279 100)
Finance costs	4 527	-
Changes in working Capital		
Trade and other receivables	(521 179)	(1 115 299)
Trade and other payables	(840073)	2358184
	(3 790 752)	3 785 181

REGIONAL COUNCIL FOR THE OSHIKOTO REGION

DETAILED INCOME AND EXPENDITURE STATEMENT

	Notes	2011 N\$	2010 N\$
INCOME			
Government transfer : MRLGH		19 648 344	28 672 200
Rates levy from local authorities		100 664	339 072
Royalties and surcharges		271 218	1 035 190
Rental income		173 970	-
Water sales		1 977 901	989 771
	12	22 172 097	31 036 233
Other income			
Interest received		1 709 633	1 279 100
Sundry income		337 851	686 476
		24 219 581	33 001 809
EXPENDINTURE			
Administration		1 435 926	2 380 631
Depreciation, amortisation and impairments		1 167 761	1 018 125
Employee costs		16 035 188	15 171 404
Materials and supplies		569 078	246 984
Property rental, hiring and related activities		73 841	301 243
Repairs and maintenance		140 814	920 979
Subscriptions		63 826	51 138
Travel and subsistence allowances		494 457	45 356
Transport and freight		1 262 965	1 286 455
Utilities		1 125 532	1 128 924
Water purchases		2 226 279	5 009 369
		1 726 687	2 989 710
		26 322 354	30 550 318
Operating (loss) surplus	3	(2 102 773)	2 451 491
	13		
Delegated functions		215 145	351 780
Finance costs		(4 527)	-
		(1 892 155)	2 803 271
Surplus			