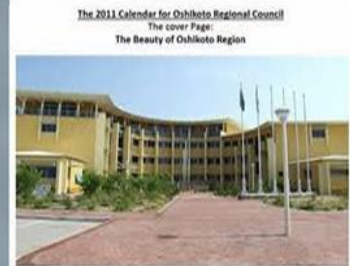




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OSHIKOTO REGION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2012, 2013 AND 2014

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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 2012, 2013 and 2014, 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, April 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE OSHIKOTO REGION
FOR THE YEARS ENDED 31 MARCH 2012, 2013 AND 2014**

1. Report on the Financial Statements

1.1 INTRODUCTION

This report on the accounts of the Oshikoto Regional Council for the financial years ended 31 March 2012, 2013 and 2014 are presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in State Finance Act, 1991(Act 31 of 1991), read with the Regional Council Act, 1992 (Act 22 of 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 Oshikoto Regional Council for the financial years ended 31 March 2012, 2013 and 2014. These financial statements comprise the following statements submitted for the years then ended:

- Annexure: A Balance Sheet
- Annexure: B Abridged Income Statement
- Annexure: C Statement of Changes in Equity
- Annexure: D Statement of Cash Flow
- Annexure: E Notes to the Annual Financial Statements
- Annexure: F Detailed Statement of Comprehensive Income

The financial statements were submitted by the Accounting Officer to the Auditor-General in compliance with Section 40 (1) of Regional Council Act, 1992, except that they were only submitted on 12 February 2015 instead of three 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 - F.

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 Act, (Act 32 of 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

I would like to express my appreciation for the courtesy extended and assistance rendered by the staff of Oshikoto Regional Council during the audit.

5. KEY AUDIT FINDINGS

5.1 UNEXPLAINED VARIANCES

The Council could not explain the variances amounting to N\$ 3 680 235 (2013) and N\$ 2 811 764 (2014) between actual amounts versus budget figures and current versus prior year figures in the financial statements.

Recommendation

The Council is recommended to ensure that all deviations or variances are explained at all times.

Management comment

Income from settlement was under budgeted as the budget that was provided was based on the previous financial year. In this regard, some transactions were mistakenly posted to this account. As a result, this has caused the differences between the two financial years under review.

Rental was not budgeted for as the Council did not expect Rental income and the difference came in as results of wrong postings.

Water purchases were recorded twice, part of it under water purchases and other under utilities mainly for Namwater.

5.2 NON SUBMISSION OF SUPPORTING DOCUMENTS

Supporting documents for the financial years ended 31 March 2013 and 2014 amounting to N\$ 5 735 818 and N\$ 1 419 209 respectively were not provided for audit purposes.

Recommendation

The Council is recommended to ensure that supporting documents for all transactions are properly filed and provided to the auditors upon request for audit purposes.

Management comment

Supporting documents for the financial years ended 31 March 2013 and 2014 were not provided for audit purposes.

Sufficient documents for the calculation of an amount of N\$ 1 792 087 disclosed as accrued leave pay in the financial statements could not be provided to the auditors for the financial year ended 31 March 2013.

5.3 VAT Debtors

According to the auditors VAT receivables for the financial year ended 31 March 2013 is overstated with N\$ 1 094 274 in the financial statements. Apart from the above mentioned overstatement, all the VAT returns for the financial years under review have been submitted on time.

Recommendations

The Council must ensure that monthly and annual reconciliations are done on VAT to determine and correct any errors and omissions that might exist.

Management comment

The Council will try to reconcile VAT to avoid overstatement of Annual Financial Statements.

5.4 Provisions for doubtful debts

Due to the absence of an approved Credit Control Policy, auditors were unable to recalculate and confirm the value of provision for doubtful debts amounting to N\$ 2 045 950 for the financial year ended 31 March 2013. Furthermore, the provision for doubtful debts was not disclosed in the Balance Sheet, but was disclosed in the Trial Balance.

Recommendation

The Council is recommended to make sure that a Credit Control Policy which includes aspects such as Provision for Doubtful Debts is approved. The value of doubtful debts should be disclosed in the financial statements.

Management comment

The Regional Council does not have the approved Credit policy, but the Council is currently busy sorting out the issue of credit policy during the year 2015/2016 Financial year.

5.5 Cash and Bank

Auditors discovered during the audit, that bank accounts with a combined balance of N\$ 19 710 935 as at 31 March 2013 and N\$ 10 424 270 as at 31 March 2014 were not disclosed in the Regional Council's financial statements.

Recommendation

The Council is recommended to ensure that all bank accounts and their balances are disclosed.

Management comment

The Council took note of non-disclosure of Education and Works Bank Accounts. However, the 2014/2015 Financial Statements will include all active bank accounts under the Oshikoto Regional Council.

5.6 Delegated Functions

The 2013/2014 general ledger for delegated functions expenditure was overstated by N\$ 905 012, as a result of transactions that were recorded twice.

Recommendation

The Council is recommended to ensure that all capturing of transactions are done correctly to avoid any possible duplication thereof.

Management comment

The Council will closely check the postings during 2014/2015 financial year. The Council will also take over with minimal assistance from the consultants.

5.7 Interest Received for 2013/2014 financial year

The Council could not provide bank statements to verify the Interest received to the value of N\$ 1 655 142 as reflected in the general ledger.

Recommendations

The Council must ensure that all accounting records are provided to the auditors when requested, in order to enhance the accuracy and reliability of the financial statements.

Management comment

The posting of Build Together Program repayments were captured using the interest as descriptions for all repayments. This is not the wrong postings, but wrong descriptions.

6. BASIS OF QUALIFIED AUDIT OPINION

My opinion has been qualified due to the following:

- Unexplained variances amounting to N\$ 2 811 764 and N\$ 3 680 235 for the years ending 31 March 2012, 2013 and 2014;
- Non submission of supporting documents amounting to N\$ 5 735 818 and N\$ 1 419 209 for the years ending 31 March 2012, 2013 and 2014;
- VAT receivables is overstated with N\$ 1 094 274 for the year ending 31 March 2013;
- Provision for doubtful debts amounting to N\$ 2 045 950 for the year ending 31 March 2013 could not be verified;

- Non-disclosure of bank accounts amounting to of N\$ 19 710 935 and N\$ 10 424 270 for the years ending 31 March 2012, 2013 and 2014; and
- Bank statements for interest received amounting to N\$ 1 655 142 could not be provided for the year ending 31 March 2014.

7. QUALIFIED AUDIT OPINION

The accounts of the Oshikoto Regional Council for the years ended 31 March 2013 and 2014 have been audited in terms of Section 38 of the Regional Council Act, 1992(Act 22 of 1992) and Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991).

In my opinion, except for the significance of the matter discussed in the Basis of Qualified Audit Opinion paragraph, the financial statements present fairly, in all material respect the financial position of the Oshikoto Regional Council as at 31 March 2013 and 2014, and their financial performance and their cash flows for the years then ended in accordance with general accepted accounting principals.

Windhoek, April 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REGIONAL COUNCIL OF THE OSHIKOTO REGION

BALANCE SHEET AS AT 31 MARCH

	Notes	2014 N\$	2013 N\$	2012 N\$
Assets		114 579 424	105 470 931	104 625 563
Property, Plant and Equipment	4	114 559 424	105 450 931	104 605 563
Investments in joint ventures	5	20 000	20 000	20 000
Current Assets		46 913 275	49 307 289	54 949 555
Investments	6	5 559 204	-	729 732
Consumables		139 535	-	-
Accounts Receivable	7	7 223 640	6 925 185	7 999 722
Cash and Cash Equivalent	8	33 990 896	42 382 104	46 220 101
Total Assets		161 492 699	154 778 220	159 575 118
Equity and liability	10	155 195 359	152 334 246	156 936 973
Capital Development Fund		94 875 381	83 406 526	83 406 526
Build-Together Fund		1 365 000	1 365 000	1 365 000
Accumulated Funds		58 954 978	67 562 720	72 165 447
Current Liabilities		6 297 340	2 443 974	2 638 145
Trade and other payables	9	1 169 006	2 443 889	2 428 798
Leave pay provision	9	5 128 334	-	-
Bank overdraft	8.1	-	85	209 347
Total Equity and Liabilities		161 492 699	154 778 220	159 575 118

REGIONAL COUNCIL OF THE OSHIKOTO REGION

ABRIDGED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	Notes	2014 N\$	2013 N\$	2012 N\$
Income		38 884 405	26 810 928	26 729 834
Expenditure		(41 663 958)	(29 959 187)	(31 181 329)
Operating surplus/(Loss) before investment income & finance cost		(2 779 553)	(3 148 259)	(4 451 495)
Investment interest earned	11	3 430 546	1 635 488	1 088 315
Other Income		3 406 141	217 724	267 067
Finance costs	12	-	(14 474)	(9 999)
Deficit/Profit for the year		4 057 134	(1 309 521)	(3 106 112)
Delegated (Loss) Income		(12 664 876)	(3 293 206)	-
Net income/ (Loss) for the year		(8 607 742)	(4 602 727)	35 932 102
Appropriation Account at the beginning of the year		67 562 720	72 165 447	36 233 345
At the end		58 954 978	67 562 720	72 165 447

THE OSHIKOTO REGIONAL COUNCIL

STATEMENT OF CHANGES IN FUNDS

	Capital Development fund	Build-Together Funds	Accumulated Surplus	Total Funds
	N\$	N\$	N\$	N\$
Balance at 31 March 2011	93 959 957	1 365 000	36 233 345	131 558 302
Changes in equity	-	-	35 932 102	35 932 102
Surplus of the year			-	-
Capital development fund	500 000	-	-	500 000
Transfers	(11 053 431)	-		(11 053 431)
Total Changes	10 553 431		35 932 102	25 378 671
Balance at 31 March 2012	83 406 526	1 365 000	72 165 447	156 936 973
Changes in equity				
Surplus of the year	-	-	(4 602 727)	(4 602 727)
Capital development fund				
Total Changes			(4 602 727)	(4 602 727)
Balance at 31 March 2013	83 406 526	1 365 000	67 562 720	152 334 246
Changes in equity	11 468 855	-	-	11 468 855
Surplus of the year	-	-	(8 607 742)	(8 607 742)
Total Changes	-	-	(8 607 742)	(8 607 742)
Balance at 31 March 2014	94 875 381	1 365 000	58 954 978	155 195 359

REGIONAL COUNCIL OF THE OSHIKOTO REGION

CASH FLOW STATEMENT AS AT 31 MARCH

	Notes	2014 N\$	2013 N\$	2012 N\$
Cash flows from operating activities				
Cash (used in) generated from operations	13	(12 548 042)	(3 425 681)	33 503 838
Interest income		3 430 546	1 657 362	1 088 315
Finance costs		-	(14 474)	(9 999)
Tax paid		(570 405)	-	-
Net cash from operating activities		(9 687 901)	(1 782 793)	34 582 154
Cash flow from investing activities				
Property, plant and equipment	4	(10 172 076)	(1 845 942)	(29 027 381)
Decrease (Increase) of Investments		-	-	-
Net Cash out flow from investing activities		(10 172 076)	(1 845 942)	(29 027 381)
Cash Flows from financing activities				
Capital development funds		1 146 885	-	500 000
Net cash inflow from financing activities		1 146 885	-	500 000
Total cash movement for the period		(8 391 123)	(3 628 735)	6 054 773
Cash at the beginning of the period		42 382 019	46 010 754	39 955 981
Total Cash at the end of the period	8	33 990 896	42 382 019	46 010 754

REGIONAL COUNCIL OF 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 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 statements of Generally 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 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

Land and infrastrucute 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 take 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 convention 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. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

1.4 Cash and cash equivalent

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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. These grants are for the day-to-day operations of the Regional Council.

2.2 Rates levies from Local Authorities

The Oshikoto Regional Council as 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.

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.

REGIONAL COUNCIL OF THE OSHIKOTO REGION

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

Line Ministry	Delegated Functions	2014	2013	2012
		N\$	N\$	N\$
Revenue		20 134 934	14 800 756	40 945 354
Ministry of Regional & Local Government	Okashana	2 013 261	-	-
Ministry Gender Equality & Child Welfare	Early Childhood	853 072	607 114	519 051
Ministry of Regional & Local Government	IOM	3 388	6 000	-
Ministry of Regional & Local Government	Micro Finance	-	-	369 320
Ministry of Regional & Local Government	Min. Of Works	-	671 218	-
Ministry of Agriculture	World food day	-	20 000	7 000
Ministry of Health and Social Services		-	-	34 880 254
Ministry of Regional & Local Government	Oshikoto Emergency Fund	100 000	97 605	166 697
Ministry of Regional & Local Government	Okashana RDC	-	13 393 967	4 987 594
Road Fund Administration		287 800	-	-
Office of the Prime Minister		290 073	4 852	15 429
One Region One Initiative		76 763	-	-
Trust Fund		16 000 000	-	-
ORC Education		30 577	-	-
DCPP-Agriculture		480 000	-	-
Expenses		(32 799 810)	18 093 962	(1 907 131)

REGIONAL COUNCIL OF THE OSHIKOTO REGION

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

		2014	2013	2012
		N\$	N\$	N\$
Ministry Gender Equality & Child Welfare	Early Childhood	958 100	562 678	(109 089)
Ministry of Regional & Local Government	Rural Development	-	10 929 723	(1 549 000)
Ministry of Regional & Local Government	Drought Relief	375 420	110 285	(136 756)
Ministry of Regional & Local Government	IOM	3 792	5 230	-
Ministry of Agriculture	World food day	529 848	13 356	(6 152)
Ministry of Regional & Local Government	King Nehale	-	153 441	-
French Embassy	ORC	-	-	(106 134)
Ministry of Agriculture	Youth Employment	144 220	51 279	-
Ministry of Health and Social Services		23 702 633	6 267 970	-
Office of the Prime Minister		10 000	-	-
One Region One Initiative		1 896 965	-	-
Ministry of Regional & Local Government	Micro Finance	710 425	-	-
Rural Employment		1 511 787	-	-
Food Security and Employment		58 547	-	-
Cash for Work		514 629	-	-
Rural Sanitation		2 383 444	-	-
SURPLUS / (DEFICIT)		(12 664 876)	(3 293 206)	1 907 131

REGIONAL COUNCIL OF THE OSHIKOTO REGION

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

4. PROPERTY, PLANT AND EQUIPMENT

	Assets Under construction	Land and Buildings	Machinery and Vehicles	Office furniture, equipment and computers	Total
	N\$	N\$	N\$	N\$	N\$
31-Mar-14					
Opening carrying amount	1 561 608	101 548 230	1 996 443	344 650	105 450 931
Additions	9 450 116	-	394 189	327 771	10 172 076
Depreciation charge	-	-	758 088	305 495	1 063 583
Cost	11 011 724	101 548 230	5 664 639	4 785 625	123 010 218
Accumulated Depreciation	-	-	4 032 095	4 418 699	8 450 794
Closing carrying amount	11 011 724	101 548 230	1 632 544	366 926	114 559 424

4. PROPERTY, PLANT AND EQUIPMENT

	Assets Under construction	Land and Buildings	Machinery and Vehicles	Office furniture, equipment and computers	Total
	N\$	N\$	N\$	N\$	N\$
31-Mar-13					
Opening carrying amount	-	101 548 230	2 563 520	493 813	104 605 563
Additions	1 561 608	-	126 486	157 848	1 845 942
Depreciation charge	-	-	(693 563)	(307 011)	(1 000 574)
Carrying amount	1 561 608	101 548 230	1 996 443	344 650	105 450 931
Cost	1 561 608	101 548 230	5 270 450	4 457 854	112 838 142
Accumulated Depreciation	-	-	(3 274 007)	(4 113 204)	(7 387 211)

REGIONAL COUNCIL OF THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

4. PROPERTY, PLANT AND EQUIPMENT

Closing carrying amount	1 561 608	101 548 230	1 996 443	344 650	105 450 931
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4. PROPERTY, PLANT AND EQUIPMENT

	Assets Under construction	Land and Buildings	Machinery and Vehicles	Office furniture, equipment and computers	Total
	N\$	N\$	N\$	N\$	N\$
31-Mar-12					
Opening carrying amount	210 381	85 452 708	1 561 753	660 240	87 885 082
Additions	26 832 044	106 528	1 619 266	469 543	29 027 381
Transfers	(17 800 028)	17 800 028	-	-	-
Transfers to Omuthiya Town Council	(9 242 397)	1 811 034	-	-	-11 053 431
Depreciation charge	-	-	-617 499	-635 499	-1 253 469
Carrying amount	-	101 548 230	2 563 520	493 813	104 605 563
Cost	27 042 425	85 559 236	5 143 964	4 300 006	122 045 631
Capitalized WIP	(17 800 028)	-17 800	-	-	-
Transfer to Omuthiya Town Council	(9 242 397)	(1 811 034)	-	-	(11 053 431)
Accumulated Depreciation	-	-	(2 580 444)	(3 806 193)	(6 386 637)
Closing carrying amount	-	101 548 230	2 563 520	493 813	104 605 563

REGIONAL COUNCIL OF THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

4.1. ASSET CONSTRUCTED AND UNDER CONSTRUCTION

	2014	2013	2012
	N\$	N\$	N\$
Construction of Eengodi Community Hall	9 123	9 443	-
WIP Omuthiya	171 233	-	-
Construction of Oniipa Constituency Office	-	111 893	-
Construction of Onamishu Community Hall	-	-	492 185
WIP Omuthiya	264 398	-	-
WIP Guinas	320	-	-
WIP Constituency	109 436	-	-
Omuthiya Electricity rectification	-	-	2 509 586
Rural Sanitation Project	2 071 285	1 440 272	17 097 462
Omuthiya MV and LV	-	-	251 645
Omuthiya Roads	-	-	3 693 283
Omuthiya Sewerage reticulation, pump station & pump	-	-	2 787 883
Total	2 625 795	1 561 608	26 832 044

5. INVESTMENT IN JOINT VENTURE

Joint Venture: Etosha Safari Lodge	20 000	20 000	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	-	-	729 732
Regional Electric Distribution	5 559 204	-	-
	5 559 204	-	729 732

Current assets

At fair value through profit and loss	5 559 204	-	729 732
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REGIONAL COUNCIL FOR THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2014	2013	2012
	N\$	N\$	N\$
7. ACCOUNTS RECEIVABLE			
Trade receivable	7 223 640	1 202 415	1 639 074
Value added tax	-	1 488 706	2 228 551
Build-Together debtors	-	4 234 064	4 132 097
Total	7 223 640	6 925 185	7 999 722
8. Bank Balances and Cash on Hand			
FNB General Expenses Call account	422 086	879 023	680 677
FNB Capital Project Current account	(1 228 700)	372 308	280 028
FNB Capital Project Call account	5 705 543	607 564	38 577 586
BTP disbursement-current account	151 488	152 355	116 889
BTP Receipt-Current account	653 440	415 182	551 637
Build Together Call account	464 258	462 720	451 674
Ondonga Traditional / Current account	-	2 668	3 710
Ministry of Health Capital Projects	6 794 232	29 839 309	-
Settlement call account	172 899	346 692	190 236
FNB Drought Aid Fund Current Account	167 911	162 325	182 066
Social Housing Scheme- Current Account	271 927	263 345	449 166
Early Child / Dev current account	1 003 235	555 381	516 362
General Expense Current Account	(1 104 614)	297 795	-
Wesbank Fleet Management account	374 715	214 258	9 214
Okashana RDC Call account	-	7 428 143	3 948 399
Rural Development Project	7 344 493	325 355	7 597
King Nehale MDG Fund	56 702	57 681	254 860
Rural Development Project- Current	(1 063 352)	-	-
Trust Fund	13 463 034	-	-
DCPP	336 521	-	-
Cash Control	5 078	-	-
Total	33 990 896	42 382 104	46 220 101

REGIONAL COUNCIL OF THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2014	2013	2012
	N\$	N\$	N\$
8.1. Bank overdraft			
BTP disbursement- current account	-	-	-
General expense - current account	-	-	(209 262)
HIV/AIDS - current account	-	(85)	(85)
wesbank Fleet Management-current account	-	-	-
	-	42 382 019	46 010 754
Current assets	-	42 382 104	46 220 101
Current liabilities	-	(85)	(209 347)
	-	42 382 019	46 010 754
9. CREDITORS			
Trade payables	1 169 006	651 802	636 711
Accrued leave pay	5 128 334	1 792 087	1 792 087
VAT Control	46 692		
	6 297 341	2 443 889	2 428 798
10. ACCUMULATED FUNDS			
Accumulated surplus	67 562 720	72 165 447	72 165 447
Prior Year Adjustment	-	-	-
Development Capital Funds	94 875 381	83 406 526	83 406 526
Build Together Capital Fund	1 365 000	1 365 000	1 365 000
Surplus for the year	(8 607 742)	(4 602 727)	-
Balance at the end of the year	155 195 359	152 334 246	159 936 973
11 INVESTMENT REVENUE			
Bank	1 838 955	1 635 488	1 088 315
Metropolitan Fedsure Life: Endowment policy	-	21 874	-
Build Together	1 591 591	-	-
	3 430 546	1 657 362	1 088 315
12. FINANCE COSTS			
Bank (overdraft)	-	14 474	9 999
Bank Charges	203 339		

REGIONAL COUNCIL OF THE OSHIKOTO REGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2014	2013	2012
	N\$	N\$	N\$
	203 339	14 474	9 999
13. CASH (USED IN) GENERATED FROM OPERATIONS			
(Loss) Surplus for the period	(8 607 742)	(4 602 727)	35 932 102
Adjustments for :			
Depreciation and amortization	1 063 583	1 000 574	1 253 469
Interest received	(3 430 546)	(1 657 362)	(1 088 315)
Finance costs	-	14 474	9 999
Changes in working Capital			
Trade and other receivables	(298 455)	1 804 271	(2 317 900)
Trade and other payables	(1 274 882)	15 090	(285 517)
	(12 548 042)	(3 425 680)	33 503 838

REGIONAL COUNCIL OF THE OSHIKOTO REGION

DETAILED INCOME AND EXPENDITURE STATEMENT

	Notes	2014	2013	2012
		N\$	N\$	N\$
INCOME				
Government transfer: MRLGH		33 186 258	23 375 180	22 469 017
Government grants - land compensation		-	-	993 354
Rates levy from local authorities		529 726	593 855	268 416
Royalties and surcharges		587 985	335 119	368 622
Rental income		60 814	169 447	194 138
Donations		-	604 804	294 319
Water sales		4 519 596	1 732 523	2 141 968
Total income		38 884 379	26 810 928	26 729 834
Other income				
Interest received	13	3 430 546	1 635 488	1 088 315
Sundry income		1 682 980	217 724	267 067
Tender Fees		345 660	-	-
Commission earned		38 489	-	-
VAT		1 337 611	-	-
Staff compensation		1 401	-	-
Total Income		6 836 687	1 853 212	28 085 216
EXPENDITURE				
Administration		1 909 302	2 042 806	2 327 896
Depreciation, amortisation and impairments		1 063 583	1 000 574	1 253 469
Employee costs		30 557 670	19 599 901	18 927 922
Materials and supplies		213 307	182 256	605 300
Property rental, hiring and related activities		2 160	123 519	119 682
Repairs and maintenance		305 414	438 724	307 602
Subscriptions		388 631	54 248	44 841
Subsidies, grants and contribution expenses		-	436 396	354 906
Travel and subsistence allowances		1 022 354	1 094 713	1 044 925
Transport and freight		1 602 767	1 231 594	1 413 025
Utilities		3 410 230	1 551 304	1 492 474
Water purchases		985 175	2 203 152	3 289 287
		41 460 593	29 959 187	31 181 329

Operating (Loss) surplus		4 260 473	(1 295 047)	(3 096 113)
Delegated Functions	3	(12 664 876)	(3 293 206)	39 038 214
Finance costs	12	203 364	(14 474)	(9 999)
Surplus		(8 201 039)	(4 602 727)	35 932 102