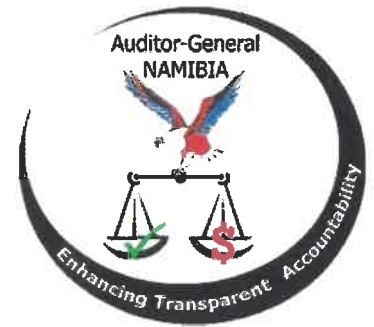




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
REGIONAL COUNCIL OF THE OSHIKOTO
REGION**

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015 AND 2016

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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 2015, and 2016, 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.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

WINDHOEK, August 2018

**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 2015 AND 2016**

1. INTRODUCTION

The accounts of the Oshikoto Regional Council for the financial years ended 31 March 2015 and 2016 are being reported on in accordance with provisions set out in the Regional Council Act, 1992 (Act No. 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 2015 and 2016. These financial statements comprise the following:

- 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; and
- 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.

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 22 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 NON-SUBMISSION OF SUPPORTING DOCUMENTS

Supporting documents for the financial years ended 31 March 2015 and 2016 amounting to N\$ 6 941 717 and N\$ 1 556 573 respectively were not provided for audit purpose.

RECOMMENDATION

The Chief Regional Officer should ensure that all the supporting documents are provided for audit purpose.

5.2 DIFFERENCES IN THE FINANCIAL STATEMENTS

A difference of N\$ 4 055 487 for the year (2015) and N\$ 446 227 for the year (2016) was discovered between the cash flow statement and cash and cash equivalent disclosed in the statements of financial position for the financial years under review.

RECOMMENDATION

The Chief Regional Officer should ensure that figures in the financial statements are verified and correctly stated before submitted for the audit.

5.3 PROPERTY PLANT AND EQUIPMENT

A difference of N\$ 1 478 260 (2015) and N\$ 585 753 (2016) for property plant and equipment was discovered between the opening balances and prior year closing balances. Furthermore a difference amounting to (N\$ 458 677) for (2016) for accumulated depreciation was discovered between the opening balance and the prior year closing balance for the financial years under review.

RECOMMENDATION

The Chief Regional Officer should ensure that figures in the financial statements are verified and correctly stated before submitted for the audit.

5.4 NOTES, AND STATEMENT OF FINANCIAL POSITION

A difference of N\$ 103 776 051 for accumulated funds was discovered between the statement of financial position and notes to the financial statements for the financial year ended 31 March 2015. Furthermore notes for accumulated funds were not provided for in the 2016 financial year end.

RECOMMENDATION

The Chief Regional Officer should ensure that figures in the financial statements are verified and correctly stated before submitted for the audit.

5.3 PAYROLL

The audit discovered that the Council appointed some staff members who were not the highest scorers during the conducted interviews based on the score sheets. There were no motivation letters attached as to why the highest scorers were not appointed, and no rejection letters attached from the applicants who were not appointed, but obtained the highest scores during the conducted interviews.

RECOMMENDATION

The Chief Regional Officer should ensure that administrative officials should act fairly, reasonable and comply with applicable laws and relevant legislations.

5.4 UNEXPLAINED CAPITAL PROJECTS

The auditors discovered that, capital projects amounting to N\$ 2 963 148 disclosed in the financial statements for the past three financial years could not be explained if the projects are on hold, as the cost of the projects reflects the same amounts for the past three financial years.

RECOMMENDATION

The Chief Regional Officer should ensure that all the capital projects are fairly stated in the financial statements.

5.5 DEPRECIATION OF BUILDINGS

The audit discovered that the Council did not depreciate the buildings for the financial year ended 31 March 2015.

RECOMMENDATION

The Chief Regional Officer should ensure that all depreciable assets are depreciated at the end of the financial year.

5.6 DEPRECIATION

A difference of N\$ 1 604 153 was discovered between the auditors recalculation of N\$ 2 803 722 and the depreciation disclosed in the financial statements as N\$ 1 199 569 for the financial year ended 31 March 2015.

RECOMMENDATION

The Chief Regional Officer should ensure that depreciation is correctly calculated and fairly presented at the end of the financial year.

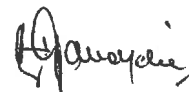
6. BASIS FOR ADVERSE OPINION

- Non submission of supporting documents amounting to N\$ 6 941 717 and N\$ 1 556 573 for the years ended 31 March 2015 and 2016 respectively;
- Differences of N\$ 4 055 487 and N\$ 446 227 between the cash flow statement and cash and cash equivalent disclosed in the statements of financial position for the years ended 31 March 2015 and 2016 respectively;
- Differences between opening balances and prior year closing balances amounting to N\$ 1 478 260 and N\$ 585 753 for property plant and equipment was discovered for the years ended 31 March 2015 and 2016 respectively;
- Difference of N\$ 103 776 051 between statement of financial position and notes to the financial statements for the financial year ended 31 March 2015;
- Omission of the notes for Accumulated Funds for the financial year ended 31 March 2016;
- Inappropriate appointment of staff members who were not the highest scorers in the conducted interviews;
- Unexplained capital projects amounting to N\$ 2 963 148 disclosed in the financial statements for the past three financial years;
- Undepreciated building for the financial year ended 31 March 2015; and
- Understatement of depreciation by N\$ 1 604 153 in the financial statements for the financial year ended 31 March 2015.

7. ADVERSE AUDIT OPINION

The accounts of the Oshikoto Regional Council for the years ended 31 March 2015 and 2016 have been audited in terms of Section 38 of the Regional Council 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 statement does not give a true and fair view of the financial position of the Oshikoto Regional Council as at 31 March 2015 and 2016 and their financial performance and cash flows for the year then ended



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, August 2018

ANNEXURE A

**REGIONAL COUNCIL OF THE OSHIKOTO REGION
BALANCE SHEET AS AT 31 MARCH**

	Note	2016 N\$	2015 N\$	2014 N\$
Assets		126 054 306	126 557 927	114 579 424
Property, Plant and Equipment	3	103 717 520	105 662 654	114 559 424
Work In Progress Cap projects	4	22 316 786	20 875 273	-
Investments in joint ventures	5	20 000	20 000	20 000
Current Assets		98 616 112	64 395 226	46 913 275
Investments	5	5 559 204	5 559 204	5 559 204
Consumables		149 523	279 072	139 535
Accounts Receivable	6	4 179 274	8 391 474	7 223 640
Cash and Cash Equivalent	7	88 728 111	50 165 476	33 990 896
Total Assets		224 670 418	190 953 153	161 492 699
Equity and liability		212 725 314	183 491 387	155 195 359
Capital Development Fund		49 839 000	111 406 051	94 875 381
Build-Together Fund		1 365 000	725 000	1 365 000
Accumulated Funds		161 521 314	71 360 336	58 954 978
Current Liabilities		11 945 104	7 461 766	6 297 340
Trade and other payables	8	4 111 079	1 978 873	1 169 006
Leave pay provision	8	7 834 025	5 482 893	5 128 334
Total Equity and Liabilities		224 670 418	190 953 153	161 492 699

REGIONAL COUNCIL OF THE OSHIKOTO REGION
ABRIDGED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	Note	2016 N\$	2015 N\$	2014 N\$
Income	11	53 028 958	49 291 917	38 884 405
Expenditure	11	(57 331 093)	(42 750 095)	(41 663 958)
Operating surplus/(Loss) before investment income & finance cost		(4 302 135)	6 541 822	(2 779 553)
Investment interest earned		1 396 595	2 774 992	3 430 546
Other Income		619 570	5 073 811	3 406 141
Deficit/Profit for the year		(2 285 970)	14 390 625	4 057 134
Delegated (Loss) Income		26 003 515	17 228 239	(12 664 875)
Net income/ (Loss) for the year		23 717 545	31 618 864	(8 607 741)
Appropriation Account at the beginning of the year		90 573 842	58 954 978	67 562 720
At the end of the year		114 291 387	90 573 842	58 954 978

REGIONAL COUNCIL OF THE OSHIKOTO REGION
STATEMENT OF CHANGES IN FUNDS

	Capital Development fund	Build- Together Funds	Accumulated Surplus	Total Funds
	N\$	N\$	N\$	N\$
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
Changes in equity	16 530 670	(640 000)		15 890 670
Surplus of the year	-	-	12 405 358	12 405 358
Total Changes	111 406 051	725 000	71 360 336	183 491 386
Balance at 1 April 2015	7 639 000	725 000	151 887 985	160 251 985
Additions	19 800 000	-	-	19 800 000
Adjustments	22 400 000	640 000	(14 084 216)	8 955 784
Surplus of the year	-	-	24 163 772	24 163 772
Total Changes	49 839 000	1 365 000	161 967 541	213 171 541
Balance at 31 March 2016	49 839 000	1 365 000	161 967 541	213 171 541

**REGIONAL COUNCIL OF THE OSHIKOTO REGION
CASH FLOW STATEMENT AS AT 31 MARCH**

	Note	2016 N\$	2015 N\$	2014 N\$
Cash flows from operating activities				
Cash (used in) generated from operations	10	(18 705 243)	12 457 237	(12 548 042)
Interest income		-	789 724	3 430 546
Tax paid		-	-	(570 405)
Net cash from operating activities		18 705 243	13 246 961	(9 687 901)
Cash flow from investing activities				
Property, plant and equipment	3	503 621	(14 529 259)	(10 172 076)
Net Cash out flow from investing activities		503 621	(14 529 259)	(10 172 076)
Cash Flows from financing activities				
Capital development funds		19 800 000	21 512 367	11 468 855
Net cash inflow from financing activities		19 800 000	21 512 367	11 468 855
Total cash movement for the period		39 008 864	20 230 069	(8 391 122)
Cash at the beginning of the period		50 165 476	33 990 897	42 382 019
Total Cash at the end of the period	7	89 174 340	54 220 966	33 990 897

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 asset's 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:

Buildings	50 Years
Machinery and equipment	5 Years
Motor vehicles	5 Years
Office equipment	3 Years
Computer equipment	3 Years
Furniture and Fittings	3 Years
Construction equipment	3 Years
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, but however there were no disposals.

REGIONAL COUNCIL OF THE OSHIKOTO REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.2 Impairments of Assets

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which they are separately identifiable cash flows.

1.3 Trade receivables

Trade receivables are carried at original invoice cost amount less provision made for impairment of these receivables.

Such provisions of the impairment for trade and receivables is established if there is objective evidence that the corporation will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows discounted at the market rate of interest for similar receivables.

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. For the purpose of the cash flow statement, cash and cash equivalent comprise cash on hand and deposits held at call with banks, net of the bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

1.5 Trade and payables

Trade and payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.6 Revenue

Revenue comprise of Government Grants and subsidies as well as water sales from settlements and interest earned from operational FNB accounts. Revenue is recognised when it occurs to the Regional Council.

REGIONAL COUNCIL OF THE OSHIKOTO REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

1.7 Financial Instruments

Financial instruments carried on the Balance sheet include cash and bank balances, receivables, payables and loans. These instruments are generally carried at their estimated fair value.

2. Line Ministry Delegated Functions

	2016	2015	2014
	N\$	N\$	N\$
Revenue	210 752 768	36 700 263	20 134 934
Ministry of Regional & Local Government Okashana	-	1 200 000	2 013 261
Ministry Gender Equality & Child Welfare Early Childhood	1 089 668	1 399 442	853 072
Ministry of Regional & Local Government IOM	-	-	3 388
Ministry of Regional & Local Government Micro Finance	-	530 477	-
Ministry of Regional & Local Government Min. Of Works	7 138 003	5 461 346	-
Ministry of Agriculture World food day	10 000	10 000	-
Ministry of Health and Social Services	89 196	-	-
Ministry of Regional & Local Government Oshikoto Emergency Fund	-	-	100 000
Ministry of Agriculture Poor Farmers Subsidy	-	285 714	-
Road Fund Administration	-	533 000	287 800
Office of the Prime Minister	4 941 250	243 364	290 073
One Region One Initiative	-	1 046 512	76 763
Trust Fund	-	-	16 000 000
ORC Education	196 828 517	3 290 433	30 577
DCPP-Agriculture	517 338	471 200	480 000
Rural employment	-	286 210	-
Food Security	-	125 581	-
Build Together	138 795	283 728	-
Cash for Works	-	523 256	-
World Habitat	-	10 000	-
Capital Projects	-	21 000 000	-

REGIONAL COUNCIL OF THE OSHIKOTO REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2016	2015	2014
	N\$	N\$	N\$
Expenses	(184 749 253)	(19 472 024)	(32 799 810)
Ministry Gender Equality & Child Welfare Early Childhood	524 061	1 133 661	958 100
Ministry Gender IGA	1 426 396	17 500	-
Ministry of Education	169 410 208	500 000	-
Ministry of Regional & Local Government Drought Relief	1 797 011	219 768	375 420
Ministry of Regional & Local Government IOM	-	-	3 792
Ministry of Agriculture World food day	10 772	38 577	529 848
Ministry of Regional & Local Government King Nehale	55 294	-	-
Bank Charges Delegated Function	26 332	174 772-	-
Ministry of Agriculture Youth Employment	245 340	390 934	144 220
Ministry of Health and Social Services	3 428 896	2 854 685	23 702 633
Office of the Prime Minister	-	-	10 000
One Region One Initiative	191 089	339 636	1 896 965
Ministry of Regional & Local Government Micro Finance	156 600	371 545	710 425
Rural Employment	217 060	2 107 445	1 511 787
Ministry of Works Maintenance	6 432 265	5 197 504	-
Build Together	-	303 676	-
Support Resource(Poor Farmers)	35 566	140 426	-
Small Scale Projects	(7 500)	827 630	-
Food Security and Employment	86 957	9 748	58 547
Cash for Work	246 296	849 655	514 629
Rural Sanitation	466 610	2 794 862	2 383 444
	-	1 200 000	-
SURPLUS / (DEFICIT)	26 003 514	17 228 239	(12 664 876)

REGIONAL COUNCIL OF THE OSHIKOTO REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

3. 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-16					
Opening carrying amount	17 940 194	104 477 855	3 176 845	423 872	126 018 767
Additions	4 376 592	6 286 267	5 187 877	1 888 482	17 739 217
Adjustment @ Cost	-	(2 929 625)	-	3 450	(2 926 175)
Adjustment Accumulated					
Depreciation	-	11 163 345	(429 865)	(83 329)	10 650 151
Depreciation charge	-	2 030 965	1 436 791	679 598	4 147 353
Cost	22 316 786	107 834 497	13 685 270	7 034 256	150 870 809
Accumulated					
Depreciation	-	(13 194 309)	(6 327 473)	(5 314 720)	(24 836 503)
Closing carrying amount	22 316 786	94 640 188	7 357 796	1 719 536	126 034 306
31-Mar-15					
Opening carrying amount	9 501 452	101 548 230	1 622 159	409 323	113 081 164
Additions	8 438 742	2 929 625	2 843 140	317 752	14 529 259
Depreciation charge	66 591	-	1 038 169	94 810	1 199 570
Cost	17 940 194	104 477 855	8 497 393	5 142 324	136 057 766
Accumulated					
Depreciation	(66 591)	-	(5 070 263)	(4 510 060)	(9 646 914)
Closing carrying amount	17 873 603	104 477 855	3 427 130	632 265	126 410 853

REGIONAL COUNCIL OF THE OSHIKOTO REGION

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

3. 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

REGIONAL COUNCIL OF THE OSHIKOTO REGION

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

4. ASSET CONSTRUCTED AND UNDER CONSTRUCTION

	2016	2015	2014
	N\$	N\$	N\$
WIP	117 526	-	-
WIP Stand by Generator	143 907	-	-
WIP Onyuulaye	339 931	369 380	-
WIP Onethindi	-	1 218 925	-
WIP Omuntele	84 353	84 353	-
WIP Oniipa	12 397 465	9 300 326	-
WIP Eengodi	9 123	9 123	9 123
WIP Nehale	1 793 365	395 337	-
WIP Tsumeb	100 000	446 605	-
WIP Oshivelo	634 667	507 592	-
WIP Onayena	3 826 775	2 738 880	-
WIP Omuthiya	171 233	171 233	171 233
WIP Omuthiya	264 398	264 398	264 398
WIP Guinas	320	320	320
WIP Constituency	109 436	109 436	109 436
WIP Rural	2 324 285	2 324 285-	2 071 285-
	22 316 784	17 940 193	2 625 796

5. Investments in Joint Ventures

Etosha Safari Lodge	20 000	20 000	20 000
Regional Electric Distribution	5 559 204	5 559 204	5 559 204
	5 579 204	5 579 204	5 579 204

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

6. Trade and Receivable

Other Customers Censored /Nored	(107 075)	8 391 474	7 223 640
Value added tax	36 500	-	-
Staff debtors	687 232	-	-
Settlement Customers	1 589 638	-	-
Subsistence & Travel	2 093	-	-
Build Together Debtors	1 970 886	640 000	-
	4 179 274	9 031 474	7 223 640

REGIONAL COUNCIL OF THE OSHIKOTO REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2016	2015	2014
	N\$	N\$	N\$
7. Bank Balances and Cash on Hand			
FNB General Expenses Call account	6 901 694	6 657 154	422 086
FNB Capital Project Current account	8 614 159	33 924	(1 228 700)
FNB Capital Project Call account	29 379 632	20 983 205	5 705 543
BTP disbursement-current account	145 881	234 476	151 488
BTP Receipt-Current account	464 820	376 864	653 440
Build Together Call account	497 387	483 953	464 258
Ministry of Health Capital Projects	755 757	4 095 457	6 794 232
Settlement call account	1 059 023	1 298 571	172 899
FNB Drought Aid Fund Current Account	3 376 175	185 873	167 911
Social Housing Scheme- Current Account	271 927	271 927	271 927
Early Child / Dev current account	820 812	826 842	1 003 235
General Expense Current Account	276 027	(5 002 604)	(1 104 614)
Wesbank Fleet Management account	103 381	234 708	374 715
Rural Development Project	1 149 607	2 380 729	7 344 493
King Nehale MDG Fund	-	55 646	56 702
Min of Works Bank Windhoek	1 011 743	306 005	
Rural Development Project- Current	212 589	466 306	(1 063 352)
Trust Fund	462 703	10 577 894	13 463 034
DCPP	691 370	415 252	336 521
Min of Education Bank Windhoek	32 640 702	4 776 167	
Cash Control Head office	1 279	-	-
Cash Control Settlement	(11)	60 903	5 078
Cash Control Onayena	11 032	-	-
Cash Control Guinas	(1)	-	-
Cash Control Oniipa	(119 577)	-	-
Min of Education Call Account	-	209 897	-
Min of Education Call Account NDP	-	236 330	-
Total	88 728 111	50 165 479	33 990 896

ANNEXURE E

REGIONAL COUNCIL OF THE OSHIKOTO REGION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2016	2015	2014
	N\$	N\$	N\$
8. Trade and payables			
Trade payables	781 721	1 656 913	1 169 006
Accrued leave pay	7 834 025	5 482 893	5 128 334
VAT Control	(704 211)	-	-
Staff creditors & Retention fee	104	-	-
Net Salaries & wages	376	-	-
Oniipa Cash/Consultancy Ben Kathindi	4 033 090	-	-
	11 945 105	7 139 806	6 297 341
9. Accumulated Funds			
Accumulated surplus	-	58 945 978	67 562 720
Development Capital Funds	-	7 639 000	94 875 381
Build Together Capital Fund	-	725 000	1 365 000
Surplus for the year	-	12 405 358	(8 607 742)
	-	79 715 336	155 195 359
10. CASH (USED IN) GENERATED FROM OPERATIONS			
(Loss) Surplus for the period	24 163 772	12 405 358	(8 607 742)
Adjustments for :retain income	(14 283 618)	-	-
Depreciation and amortization	-	1 199 570	1 063 583
Interest received	-	(789 724)	(3 430 546)
Changes in working Capital			
Trade and other receivables	4 483 338	(1 167 834)	(298 455)
Trade and other payables	4 212 202	809 867	(1 274 882)
Inventory	129 549	-	-
	18 705 243	12 457 237	12 548 042

REGIONAL COUNCIL OF THE OSHIKOTO REGION
DETAILED INCOME AND EXPENDITURE STATEMENTS FOR THE YEAR ENDED 31
MARCH (continued)

11.Detailed Income Statement	Note	2016	2015	2014
		N\$	N\$	N\$
INCOME				
Government transfer: MRLGH		48 109 310	45 471 310	33 186 258
Rates levy from local authorities		599 019	613 115	529 726
Royalties and surcharges		754 630	643 631	587 985
Rental income		27 309	128 914	60 814
Water sales		3 538 690	2 434 947	4 519 596
Total income		53 028 958	49 291 917	38 884 379
Other income				
Interest received		1 396 595	2 774 992	3 430 546
Sundry income		78 225	-	1 682 980
Tender Fees		487 500	649 024	345 660
Commission earned		53 845	44 159	38 489
VAT		-	3 975 475	1 337 611
Donations			55 300	
Staff compensation		-	-	1 401
LED Strategy		-	349 658	-
Penalty fees		-	196	-
Total Income		2 016 165	7 848 804	6 836 687
EXPENDITURE				
Administration		2 788 764	3 134 763	1 909 302
Depreciation, amortization and impairments		4 147 354	1 199 570	1 063 583
Employee costs		36 908 908	28 213 326	30 557 670
Materials and supplies		799 474	283 559	213 307
Property rental, hiring and related activities		2 983	1 653	2 160
Repairs and maintenance		657 183	832 698	305 414
Travel and subsistence allowances		4 102 595	1 767 162	1 022 354
Transport and freight		1 620 260	1 937 992	1 602 767
Utilities		6 179 015	5 144 375	3 410 230
Water purchases		-	-	985 175
Subscriptions		-	-	388 631
		57 206 536	42 515 098	41 460 593

REGIONAL COUNCIL OF THE OSHIKOTO REGION
DETAILED INCOME AND EXPENDITURE STATEMENTS FOR THE YEAR ENDED 31
MARCH (continued)

		2016	2015	2014
		N\$	N\$	N\$
Operating (Loss) surplus		(2 161 413)	14 625 623	4 260 473
Delegated Functions	2	26 003 515	17 228 239	(12 664 876)
Finance costs		(124 559)	(234 998)	(203 364)
Surplus		23 717 543	31 618 864	(8 607 076)