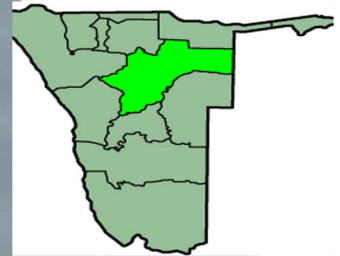




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

REGIONAL COUNCIL OF THE OTJOZONDJUPA REGION

FOR THE FINANCIAL YEARS ENDED 31 MARCH 2008, 2009 and 2010

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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 Otjozondjupa region for the financial years ended 31 March 2008, 2009 and 2010, 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 OF THE OTJOZONDJUPA REGION
FOR THE FINANCIAL YEARS ENDED 31 MARCH 2008, 2009 AND 2010**

1. INTRODUCTION

The Regional Council of the Otjozondjupa region was established 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 Council 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.

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 (Act 22 of 1992). The abridged balance sheet, Annexure A, is 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 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, the expenditure 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

2009/2010 financial year

(i) Fixed assets

The following differences were found between the financial statements for 2009/2010 and the 2008/2009:

Fixed asset	Assets under construction	Computer equipment	Office furniture equipment	Motor vehicles	Furniture political office bearers	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Closing balances as at 31/03/2009	26 527 090	65 239	354 813	275 809	22 604	27 245 555
Opening balances as at 01/04/2009	29 410 063	689 738	2 618 582	1 335 529	67 810	34 121 722
Differences	(2 882 973)	(624 499)	(2 263 769)	(1 059 720)	(45 206)	(6 876 167)

(ii) Accumulated Depreciation

Fixed Asset	Office furniture equipment
	N\$
Closing balances as at 31/03/2009	1 983 014
Opening balances as at 01/04/2009	2 127 302
Differences	(144 288)

2008/2009 financial year

The following differences were found between the financial statements of 2008/2009 and the 2007/2008:

(i) Fixed assets

Fixed asset	Assets under construction	Computer equipment	Office furniture equipment	Motor vehicles	Furniture political office bearers	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Closing balances as at 31/03/2008	24 505 565	267 320	506 484	774 023	45 207	26 098 599
Opening balances as at 01/04/2008	26 325 764	689 738	1 904 700	1 335 529	67 810	30 323 541
Differences	(1 820 199)	(422 418)	(1 398 216)	(561 506)	(22 603)	(4 224 942)

(ii) Accumulated depreciation

Fixed asset	Assets under construction	Computer equipment	Office furniture equipment	Motor vehicles	Total
	N\$	N\$	N\$	N\$	N\$
Closing balances as at 31/03/2008	1 820 198	422 419	1 598 397	561 506	4 402 520
Opening balances as at 01/04/2008	2 294 771	505 315	1 722 270	863 323	5 385 679
Differences	(474 573)	(82 896)	(123 873)	(301 817)	(983 159)

(iii) Accounts receivable (Build Together Housing Provision) – 2008/2009 financial year

A difference of N\$ 1 803 246 was noted between the closing balance of N\$ 15 271 992: 2008/09 and the opening balance of N\$ 13 468 746: 2009/10. This was due to the Build Together housing provision that was omitted in the financial statements.

2007/2008 financial year

(i) Fixed assets

The following differences were found between the tabled report for 2006/2007 and the financial statements for the 2007/2008.

Fixed asset	Assets under construction	Computer equipment	Office furniture equipment	Motor vehicles	Total
	N\$	N\$	N\$	N\$	N\$
Closing balances as at 31/03/2007	21 960 425	121 464	136 716	709 384	22 927 989
Opening balances as at 01/04/2007	23 728 651	494 024	1 906 695	1 509 079	27 638 449
Differences	(1 768 226)	(372 560)	(1 769 979)	(799 695)	(4 710 460)

(ii) Accumulated depreciation

Fixed asset	Assets under construction	Computer equipment	Office furniture equipment	Motor vehicles	Total
	N\$	N\$	N\$	N\$	N\$
Closing balances as at 31/03/2007	1 768 226	372 560	1 767 983	799 695	4 708 464
Opening balances as at 01/04/2007	1 293 653	289 663	1 444 590	497 879	3 525 785
Differences	474 573	82 897	323 393	301 816	1 182 679

(iii) Accumulated funds (Balance sheet and note 6 – 2007/08)

The amount for accumulated funds in the annual financial statements is wrongly reflected as N\$ 50 864 460 instead of N\$ 50 844 458 which is the correct amount as reflected in the notes to the financial statements. The mentioned finding resulted in a difference of N\$ 20 002.

4.2 Investment in life cover

2007/08, 2008/09 & 2009/10 financial years

The Council has three policies with a local investment company. The Council insured the life of Mr. O. Kazombiaze for a period of 15 years, 10 years, and 15 years respectively.

It was further found that Mr Kazombiaze retired at the end of July 2010.

2009/2010 financial year

(a) Policy No: 80376

A difference of N\$ 54 553 was observed between the closing balance as at 31 March 2009: N\$ 2 991 409 and the opening balance as at 01 April 2009: N\$ 3 045 962.

(b) Policy No: 8007

A difference of N\$ 473 358 was observed between the closing balance as at 31 March 2009: N\$ 2 842 173 and the opening balance as at 01 April 2009: N\$ 2 368 815.

(c) Policy No: 82138

A difference of N\$ (418 805) was observed between the closing balance as at 31 March 2009: N\$ 3 125 025 and the opening balance as at 01 April 2009: N\$ 3 543 830.

4.3 Revenue

4.3.1 Rates, charges and fees

2007/2008, 2008/2009, and 2009/2010 financial years

Overall Observation

During the audit it was observed that for all revenue received, receipt numbers are not recorded in the cash-book. As a result revenue collected at settlement areas could not be confirmed.

4.4 Fixed assets

4.4.1 Fixed assets register

2007/08, 2008/09 & 2009/10 financial years

The Council could not provide an updated fixed assets register.

Assets under construction are not disclosed separately from land and buildings, therefore it was wrongly depreciated.

4.4.2 Capital Projects/Work in Progress

2007/08, 2008/09 and 2009/10 financial years

Tender Board approvals for the period under review could not be provided by the Council for audit purposes.

4.5 General expenditure

2009/2010 financial year

No supporting documents were provided for audit purposes for the following cheque numbers:

Details	Cheque #	Amount
		N\$
DDP Agencies	113917	4 814
VIP Payroll	114421	7 866

2008/2009 financial year

No supporting documents were provided for audit purposes for cheque number 111770 to the amount of N\$ 69 164.

2007/2008 financial year

Supporting documents to the value of N\$ 127 213 could not be provided at the time of the audit. Details of the cheques are indicated below:

Details	Cheque #	Amount
		N\$
Telecom	110728	108 020
Agra	111018	19 193

4.6 Debtors

4.6.1 Overall Control on Debtors

2007/2008, 2008/2009 and 2009/2010 financial years

At the time of the audit it was observed that no proper reconciliation was performed by the Council at year-end to determined opening balances and perform cut off procedures, resulting in debtors being misstated.

4.6.2 Opening vs closing balances

4.6.2.1 Trade Debtors

2009/2010 financial year

A difference of N\$ (5 282 853) was observed between the closing balance of N\$ 8 582 459: 2008/2009 and the opening balance of N\$ 13 865 312: 2009/2010. This was due to balances not being carried over correctly to the next financial year. The details of balances are listed below:

Details	Closing as at 31 March 2008	Opening as at 01 April 2008	Difference
	N\$	N\$	N\$
Salary Advances	96 762	109 809	(13 047)
Water and Electricity	4 167 144	8 090 343	(3 923 199)
Permission to Occupy	1 482 840	2 151 521	(668 681)
Rental	666 211	584 059	82 152
Build Together debtors	2 169 502	2 929 580	(760 078)
TOTAL	8 582 459	13 865 312	(5 282 853)

2008/2009 financial year

A difference of N\$ (1 183 339) was observed between the closing balances of N\$ 7 302 358: 2007/2008 and the opening balances of N\$ 8 485 697: 2008/2009. This was due to balances not being rolled over correctly. The details of balances are listed below:

Details	Closing as at 31 March 2008	Opening as at 01 April 2008	Difference
	N\$	N\$	N\$
Water and Electricity	2 404 849	4 167 144	(1 762 295)
Permission to Occupy	1 823 406	1 482 840	340 566
Rental	189 739	666 211	(476 472)
Build Together debtors	2 884 364	2 169 502	714 862
TOTAL	7 302 358	8 485 697	(1 183 339)

2007/2008 financial year

A difference of N\$ 3 158 047 was observed between the closing balances of N\$ 389 328: 2006/2007 and the opening balances of N\$ 3 547 375: 2007/2008. This was due to balances not being carried over correctly to the next financial year. Details of balances are listed below:

Details	Closing as at 31 March 2007	Opening as at 01 April 2007	Difference
	N\$	N\$	N\$
Water and electricity	(367 496)	1 093 686	(1 461 182)
Permission to Occupy	41 962	1 027 964	(986 002)
Build Together debtors	714 862	1 425 726	(710 863)
TOTAL	389 328	3 547 375	(3 158 047)

4.7.3 Trade Debtors

2009/2010 financial year

Supporting documents amounting to N\$ 3 048 840 were not available to confirm that debtors are correctly disclosed. Details of the amount referred to are listed below:

(i) Water and Electricity

Date	Details	Reference no	Amount
			N\$
31/03/2010	Outstanding water revenue	J5	993 294
31/03/2010	Outstanding water revenue	J5	747 029
31/03/2010	Outstanding water revenue	J6	572 351
31/03/2010	Outstanding electricity revenue	J5	165 702
TOTAL			2 478 376

(ii) Permission to Occupy (PTO)

Date	Details	Reference no	Amount
			N\$
31/03/2010	Outstanding P.T.O. revenue	J5	86 740
31/03/2010	Outstanding P.T.O. revenue	J5	120 566
31/03/2010	Outstanding P.T.O. revenue	J6	182 844
TOTAL			390 150

4.7.4 Rental

Date	Details	Reference no	Amount
31/03/2010	Outstanding rental revenue	J6	N\$ 180 314

4.7.5 Build Together debtors

Overall Observation on debtors control

2007/08, 2008/09 and 2009/10 financial years

As reported in the previous audit report of 2006/2007, beneficiaries of individual account are not maintained, hence no proper reconciliations are done between loan disbursements and recoveries to determine outstanding balances plus interest for each beneficiary. The situation persists for the three financial years under review.

Increasing amounts of debtors is a matter of concern and the Council should improve the situation as a matter of urgency.

4.8 Trade and other payables

2008/2009 financial year

(i) Namwater

Audited amount	N\$ 6 447 690
AFS	(5 554 324)
Difference	893 366

Accounts payable of Namwater could be understated by N\$ 893 366.

(ii) Nampower

Audited amount	N\$ 38 429
AFS	(34 297)
Difference	4 132

Account payable of Nampower could be understated by N\$ 4 132.

2009/2010 financial year

Audited amount	N\$ 11 194 987
AFS	(10 287 365)
Difference	907 622

Account payable of Namwater could be understated by N\$ 907 622.

4.9 Inventory

2007/2008, 2008/2009 and 2009/2010 financial years

The Council did not prepare a stock-taking report for consumables for the financial years under review and the values thereof are not disclosed in the balance sheet.

4.10 Accumulated funds

The closing balance for 2008/2009 of the accumulated funds amounted to N\$ 51 483 437 while opening balance of 2009/2010 is reflected as N\$ 51 143 746. An adjustment of N\$ 339 691 had to be made to balance the accumulated funds as reflected in the balance sheet (See note 6 – 2010). An unexplained difference of N\$ 20 000 between the closing and the opening accumulated funds for 2006/2007 and 2007/2008 as well as another N\$ 20 000 between 2007/2008 and 2008/2009 was detected.

4.11 Journals

Journals and its supporting documents were not submitted for audit purposes for the years under review.

4.12 Management report

Council did not reply on the management reports for the years under review at the time of writing this report.

5. ACKNOWLEDGEMENT

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

6. QUALIFIED AUDIT OPINION

The accounts of the Regional Council of the Otjozondjupa region for the financial years ended 31 March 2008, 2009 and 2010 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:

- Comparative figures between closing and opening balances differed materially on fixed assets, accumulated depreciation, trade debtors and investments.
- Revenue – The completeness and correctness of revenue received from settlement areas could not be confirmed due to lack of record-keeping.
- Fixed asset register – No updated fixed asset register was available. Existence and values of assets as reflected in the balance sheet could as such not be confirmed.
- Adjustments – An adjustment of N\$ 339 691 was made to balance the accumulated funds in the balance sheet.

Except for my above 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, 2009 and 2010.

ANNEXURE A

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

BALANCE SHEETS AS AT 31 MARCH

	Notes	2010 N\$	2009 N\$	2008 N\$	2007 N\$
ASSETS					
Non-current assets					
Property, plant & equipment	2	36 413 946	36 204 162	34 357 203	29 885 214
Investment	3	26 755 335	27 245 555	26 098 600	22 927 989
		9 658 611	8 958 607	8 258 603	6 957 225
Current assets					
Accounts receivable	4	25 005 863	20 879 341	17 974 765	17 395 118
Cash on hand and bank	5	18 314 487	15 271 992	10 124 306	8 063 269
		6 691 375	5 607 349	7 850 459	9 331 849
Total assets		61 419 809	57 083 503	52 331 968	47 280 332
EQUITY AND LIABILITIES					
Accumulated funds	6	51 094 022	51 483 437	50 864 460	46 467 444
Current liabilities					
Account payables	7	10 325 787	5 600 065	1 467 508	812 888
Bank overdraft		-	-	-	601
Total equity and liabilities		61 419 809	57 083 502	52 331 968	47 280 332

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

INCOME STATEMENTS AS AT 31 MARCH

	Notes	2010 N\$	2009 N\$	2008 N\$	2007 N\$
INCOME	10	26 440 301	24 056 718	27 333 009	24 149 335
EXPENDITURE	11	26 678 842	23 851 795	23 242 681	20 142 805
Net operating surplus/(loss)	11	(247 541)	204 923	4 090 328	4 006 530
Bank interest received	11	197 817	414 054	306 686	487 510
Accumulated income/(deficit)	6	(49 724)	618 977	4 397 014	4 494 040
Accumulated funds					
~ At the beginning of the year	6	51 483 437	50 864 460	46 447 444	41 973 404
~ Adjustment		-	-	2	-
~ At the end of the year		51 094 022	51 483 437	50 844 460	46 467 444

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH

	2010	2009	2008	2007
	N\$	N\$	N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES	(247 541)	204 923	4 090 328	4 006 530
Surplus over expenditure for the year adjusted for non-cash items:				
Movement in current assets- (Increase)/decrease	(3 042 495)	(5 147 686)	(2 061 037)	(957 229)
Net cash inflow from Operations	(3 290 036)	(4 942 763)	2 029 291	3 049 301
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	197 817	414 054	306 686	487 510
Investment- Decrease/ (Increase)	(700 004)	(700 004)	(1 301 378)	(1 559 111)
Property, plant and equipment acquired value adjustments	490 220	(1 146 957)	(3 170 609)	(2 935 709)
Net change in cash and cash equivalents	(3 302 003)	(6 375 670)	(2 136 010)	(958 009)
Adjustments	(339 691)	-	-	-
Current liabilities- Increase/(decrease)	4 733 038	4 125 241	655 221	160 798
CASH & CASH EQUIVALENTS				
Beginning of the year	5 600 030	7 850 459	9 331 248	10 128 459
End of the year	6 691 374	5 600 030	7 850 459	9 331 248

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The annual financial statements are prepared on the historical cost convention and in line with the accrual concept and cash basis.

1.1 Property, plant and equipment

All fixed assets are stated at historical costs less accumulated depreciation. Depreciation is calculated using straight line method to write-off the value of each asset to its residual value of its estimated useful life:

Motor vehicle, furniture and fittings, office equipment and building equipment are stated at cost and depreciated on the straight line method at the following rates per annum:

Assets under construction	50 years
Computer Equipments	3 years
Office furniture and equipment	3 years
Motor vehicles	5 years
Furniture for political office bearers	3 years

2. PROPERTY, PLANT AND EQUIPMENT**YEAR 2010**

	Assets under construction	Computer equipment	Office furniture equipments
	N\$	N\$	N\$
Opening balance at cost	29 410 063	689 738	2 618 582
Additions	407 122	23 985	12 213
Opening balance: Depreciation	(2 882 972)	(624 499)	(2 127 302)
Charge for the year	(596 344)	(73 233)	(214 509)
Closing net book value	26 337 869	15 991	288 984

	Motor vehicles	Furniture - Political office bearers	Total
	N\$	N\$	N\$
Opening balance at cost	1 335 529	67 810	34 121 722
Additions	-	49 619	492 939
Opening balance: Depreciation	(1 059 720)	(45 206)	(6 739 699)
Charge for the year	(196 398)	(39 143)	(1 119 627)
Closing net book value	79 411	33 080	26 755 335

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

YEAR 2009	Assets under construction	Computer equipment	Office furniture equipments
	N\$	N\$	N\$
Opening balance at cost	26 325 764	689 738	1 904 700
Additions	3 084 299	-	433 127
Opening balance: Depreciation	(2 294 771)	(505 315)	(1 722 270)
Charge for the year	(588 201)	(119 184)	(260 744)
Closing net book value	26 527 091	65 239	354 813

	Motor vehicles	Furniture - Political office bearers	Total
	N\$	N\$	N\$
Opening balance at cost	1 335 529	67 810	30 323 541
Additions	-	-	3 517 426
Opening balance: Depreciation	(863 323)	(22 603)	(5 408 282)
Charge for the year	(196 398)	(22 603)	(1 187 130)
Closing net book value	275 808	22 604	27 245 555

YEAR 2008	Assets under construction	Computer equipment	Office furniture equipments
	N\$	N\$	N\$
Opening balance at cost	23 728 651	494 024	1 906 695
Additions	2 597 113	195 715	198 186
Opening balance: Depreciation	(1 293 653)	(289 663)	(1 444 590)
Charge for the year	(526 545)	(132 756)	(153 807)
Closing net book value	24 505 566	267 320	506 484

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

YEAR 2008

	Motor vehicles	Furniture Political office bearers	Total
	N\$	N\$	N\$
Opening balance at cost	1 509 079	-	27 638 449
Additions	-	67 810	3 058 824
Disposal/Written-off	(173 550)	-	(173 550)
Opening balance: Depreciation	(497 879)	-	(3 525 785)
Charge for the year	(237 177)	(22 603)	(1 072 888)
Less: Written-off	173 550	-	173 550
Closing Net book value	774 023	45 207	26 098 600

YEAR 2007

	Assets under construction	Computer equipment	Office furniture equipments
	N\$	N\$	N\$
Opening balance at cost	20 318 082	332 186	1 755 780
Additions	3 410 569	161 838	148 919
Acc. Depreciation	(1 768 226)	(372 560)	(1 767 983)
Closing net book value	21 960 425	121 464	136 716

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2010	2009	2008	2007
	N\$	N\$	N\$	N\$
3. INVESTMENT				
The Regional Council has three investment policies with Metropolitan Life Namibia	9 658 611	8 958 607	8 258 603	6 957 225
4. ACCOUNT RECEIVABLES				
Build Together debtors	3 336 305	2 214 717	2 884 364	2 518 108
Build Together provision	-	1 803 246	-	-
Customer control account	971 410	968 399	921 941	2 702 447
Trade debtors	13 874 763	10 175 821	6 221 239	2 444 909
Salary advances	132 009	109 809	96 762	397 805
	18 314 487	15 271 992	10 124 306	8 063 269
5. CASH AND BANK				
Std Bank - Main Account	666 381	413 609	379 372	338 582
Std Bank - Transport	77 155	-	2 264	65 530
Std Bank - Settlement revenue	501 253	69 000	50 814	311 773
Std Bank - Tsumkwe filling station	-	8 852	399 969	(154)
Std Bank - Build Together	16 189	205 502	14 639	30 599
Std Bank - Revolving Housing call account	12 681	169 429	356 443	116 823
Std Bank - Capital projects call account	3 149 424	2 816 140	5 582 012	3 684 351
Std Bank - Regional aids	68 433	52 065	6 237	106 161
Std Bank - Traditional authority	25 406	26 282	31 742	32 741
Std Bank - San empowerment	89 188	102 096	31 670	15 860
Std Bank - Finance	206 667	-	-	-
Std Bank - ECD	159 353	221 659	255 445	207 591
Std Bank - GRN subsidy call account	360 306	61 891	92 431	3 787 070
Std Bank - Social Housing call account	1 358 940	1 460 824	647 421	634 768
Std Bank - OVC (Closed)	-	-	-	(447)
	6 691 375	5 607 349	7 850 459	9 331 248
6. ACCUMULATED FUNDS				
At the beginning of the year	51 483 437	50 864 460	46 447 444	41 973 404
Adjustments	(339 691)	-	-	-
Net surplus/(deficit) for the year	(49 724)	618 977	4 397 014	4 494 040
Unexplained adjustment	-	-	2	-
Accumulated surplus for the year	51 094 022	51 483 437	50 844 460	46 467 444

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2010	2009	2008	2007
	N\$	N\$	N\$	N\$
7. ACCOUNT PAYABLES				
Namwater	10 325 787	5 554 324	1 394 782	466 907
Nampower	-	38 424	72 726	306 274
Trade creditors	-	7 317	-	39 106
	10 325 787	5 600 065	1 467 508	812 287
8. INCOME FROM SETTLEMENTS				
Income from water	4 748 886	2 289 847	1 791 190	-
income from electricity	362 605	1 778 819	90 520	-
income from telephones, copies, P.T.O, rent, guest house, insurance refund	868 562	1 153 934	3 589 830	130 621
	5 980 053	5 222 600	5 471 540	130 621
9. MOVEMENT IN CURRENT ASSETS AND LIABILITIES				
Decrease/(Increase) in account receivable	(3 042 495)	(5 147 686)	(2 061 037)	(957 229)
Increase/(Decrease) in account payables	4 733 038	4 125 241	655 221	160 798
	1 690 543	(1 022 445)	(1 405 816)	(796 431)
10. INCOME	26 440 301	24 056 718	27 333 009	24 149 335
Government transfer:				
MRLGH&RD	19 033 500	16 505 000	19 445 000	21 983 658
Government Transfer: Other Ministries	88 000	12 000	22 000	45 551
San Empowerment Funds	-	127 792	75 650	-
5% Assessment rates	614 058	580 209	256 334	443 800
Income from settlement areas	5 980 053	5 222 600	5 471 540	130 621
Petrol sales	-	1 331 405	1 911 800	1 330 069
Delegated funds	38 056	42 152	131 993	197 568
Payment received from Build Together loan	63 312	235 560	18 692	18 068
Micro - Finance funds	132 009	-	-	-
Food for work	69 231	-	-	-
VAT refund	81 065	-	-	-
Surcharges funds from CENORED	16 817	-	-	-
Rental income – Council properties	1 500	-	-	-
Office building sold	322 700	-	-	-

REGIONAL COUNCIL FOR THE OTJOZONDJUPA REGION

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2010	2009	2008	2007
	N\$	N\$	N\$	N\$
11. EXPENDITURE	26 687 842	23 851 795	23 242 681	20 142 805
Personnel expenditure	11 467 616	9 675 857	8 934 079	7 829 877
Subsistence & travelling allowance	1 019 276	632 469	899 809	954 606
Materials & supplies	207 491	186 334	283 669	238 581
Transport expenditure	2 818 698	2 405 524	3 220 193	2 447 773
Depreciation	1 119 627	1 187 130	1 072 888	1 182 675
Utilities	6 395 123	6 825 914	6 232 486	4 605 373
Maintenance expenditure	785 659	603 459	878 820	1 011 329
Other services & expenditure	904 231	963 340	804 524	700 404
Property rental & related charges	-	-	12 840	4 860
Membership fees & subscriptions	519 300	60 172	66 000	362 754
Subsidies & other current transfers	273 100	800 096	296 095	33 200
Delegated functions	119 097	88 398	91 449	701 729
Social housing expenses	720 980	-	83 269	-
5% Assessment rate expenses	99 305	-	13 004	-
San empowerment expenses	12 238	69 986	97 372	-
Build Together expenses	48 173	199 481	170 348	-
Bank charges	160 722	140 267	74 739	69 644
Software licenses	17 112	13 368	11 097	-
Micro - Finance	93	-	-	-
NET SURPLUS/(DIFICIT) FOR THE YEAR	(247 541)	204 923	4 090 328	4 006 530
NET FINANCIAL INCOME				
Interest and dividends received	197 817	414 054	306 686	487 510
NET (DEFICIT)/SURPLUS FOR THE YEAR	(49 724)	618 977	4 397 014	4 494 040