

## MINUTES

of a Special Full Council Meeting held in Council Chamber, Karibib Town Council on **Tuesday, 18 August 2020 at 17h00**

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### **PRESENT:**

Councillor Petrus T. Nabot : Chairperson of Council  
Councillor Amanda //Hamases : Deputy Chairperson of Council  
Councillor Monalisa K Karimbue : Chairperson of Management Committee  
Councillor Gerson Geingob : Member of Management Committee  
Councillor Rosalia !Noarises : Ordinary Council Member

### **OFFICIALS:**

Mr Lesley Goreseb : Chief Executive Officer  
Mr Olavi Nathanael : Manager: Finance and Asset Management

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#### **1. OPENING WITH PRAYER**

The meeting was opened with a prayer.

#### **2. ADOPTION OF THE AGENDA**

On proposal of Councillor G Geingob seconded by Councillor M K Karimbue it was resolved that the agenda be adopted.

#### **3. APPLICATION FOR LEAVE OF ABSENCE**

Councillor R Hamalwa

Councillor P Kausiona

#### **4. CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING**

None.

#### **5. INTERVIEW WITH DEPUTATIONS OR PERSON SUMMONED OR REQUESTED TO ATTEND THE MEETING**

None.

#### **6. OFFICIAL ANNOUNCEMENTS, STATEMENTS AND COMMUNICATION**

#### **7. PETITIONS**

None.

#### **8. MOTIONS OF MEMBERS**

None.

**9. ANSWERS TO QUESTIONS OF MEMBERS OF WHICH NOTICE HAS BEEN GIVEN**

None.

**10. REPORT OF THE MANAGEMENT COMMITTEE REFERRED TO IN SECTION 26(1)(E) OF THE ACT**

None.

**11. RECOMMENDATIONS OF THE MANAGEMENT COMMITTEE**

None.

**12. NEW MATTERS:**

**12.1. AUDIT REPORT FY ENDED 30 JUNE 2017**

**12.2. AUDIT REPORT FY ENDED 30 JUNE 2018**

**SCM/0002/18/08/2020**

**RESOLVED**

The Council resolved that it must be an ongoing exercise for the Office of the CEO to share and discuss the shortcomings of Audit reports which are normally discussed in the exit meeting with the Administrative Management. Below is the explanation given regarding the outcomes of our previous Audit Reports.

**INTRODUCTION**

The Town Council of Karibib was in line with section 87 of the Local Authorities Act, Act 23 of 1992 as amended compiled its Financial Statements for the reporting period ended 30 June 2017 and such Financial Statements were submitted to the Auditor-General. In the draft report of the Auditor-General, Karibib Town Council was accorded a qualified Audit Opinion; however, this opinion was reversed later to Adverse Audit opinion after it was discovered that Karibib Town Council used IFRS for SME reporting standards as opposed to the preferred Circular D3. As a result, Council was informed to redo the Annual Financial Statements for the year ended 30 June 2017 with corrections to the restatements that was done (*please refer to the printed emails*). The corrected Annual Financial Statements were done in August 2018 together with the AFS for the year ended 30<sup>th</sup> June 2018, however, the corrected Financial Statements of 2016/2017 could not be audited, hence the details in the audit report will differ from that contained in our Annual Financial Statements for the year ended 30 June 2017, as corrected:

**KEY AUDIT FINDINGS**

**1. TRADE PAYABLES**

There was an incorrect journal that was passed on the Trade payables that included the amount contained in the report of N\$8,528,025 which was reversed for correction when the AFS were redone. Other correction to details is ongoing during the FY 2017-2019 period. We have also recomputed the unallocated amount to a balance of N\$1,246,075 during the correction process which our office has been tracing and

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allocating to individual accounts. As it stands as at this day, that amount have been reduced to N\$327,632;

## **2. BANK AND CASH**

The Town Council of Karibib had continuous challenges with the bank reconciliation, however, we are pleased to announce that our Bank Recon issues have now been resolved. Our Bank reconciliation is balancing. This breakthrough was achieved during the current Financial Year, 2018/19;

## **3. TRADE RECEIVABLES**

Corrections were done to trade payables. A strict Credit policy have been put in place to strengthen debt recoverability. We have also started the process of debtor cleansing, whereby we investigate ghost accounts to discontinue charges to be levied on them;

## **4. EXPENDITURE**

Council indeed included the June 2016 invoice payment in the Expenditures of water for the Financial Year. The corrected details agree to that of the report. We have now made provisions under a control account/vote for all unpaid creditor are placed so that they are being paid from that vote should they be carried to the following Financial Year. This is done to ensure that actual expenditures for that specific year are recognized as such;

## **5. CIRCULAR D3/2015**

Upon the information from the Auditor-General and the instructions to redo the Financial Statements; the corrected statement were done in line with Circular D3/2015 and Council will continue to submit Financial Statements in such format in compliance to section (1);

## **6. PRIOR YEAR FIGURES**

Correction to the Financial Statements rectified this finding as our office did also notice that the consultant that was appointed to prepare the Annual financial Statements on behalf of Karibib Town Council did in fact restated balances, they were therefore correctly carried forward correctly after the corrections;

## **7. IFRS for SME's**

The Town Council of Karibib herewith agree with the finding that the standard applied in the initial Financial Statements was done without consultation with the line ministry and the Auditor-General for adoption, hence the effort to redo it in the format prescribed by the Auditor-General, which is Circular D3/2015;


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**CONCLUSION**

Herewith, Karibib Town Council is submitting the details in response to key audit findings as contained in the Audit report for the Financial Year 2016/2017 as at 30<sup>th</sup> June 2017. We also would like to submit that, since our corrected AFS were not audited, that will affect the audit report of the 2017/2018 Financial Year as that audit was based on the closing balances of the Financial Statements that were nullified, and not necessarily the corrected balances that were carried forward. Against this background, our office can justifiably be measured for improvement on the Financial Year 2018/2019 ending 30<sup>th</sup> June 2019.

**Meeting Adjourned 19h00**

**Minutes confirmed 20 August 2020**

  
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**Chairperson of Council**  
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