



Republic of Namibia

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## Ministry of Urban and Rural Development

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Our Ref: 14/P  
Your Ref:

Date: 13 September 2019

### OFFICE OF THE MINISTER

#### CIRCULAR

**TO: HON. CHAIRPERSONS  
ALL REGIONAL COUNCILS  
ALL LOCAL AUTHORITIES**

**SUBJECT: ADOPTION AND IMPLEMENTATION OF ACCRUAL BASIS INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) FOR REGIONAL COUNCILS AND LOCAL AUTHORITIES.**

Reference is made to the various consultations and correspondences on the above-mentioned subject matter. Reference is also made to the letters dated 15<sup>th</sup> April 2019 and 3<sup>rd</sup> September 2019 from the Auditor-General.

It has come to the attention of the Ministry that most Regional Councils and Local Authorities have been using various financial reporting frameworks which are outdated and found to be inadequate for Regional Councils and Local Authorities to effectively prepare and disclose their financial statements for audit purposes.

As the line Ministry responsible for the coordination of Regional Councils and Local Authorities in the country, we have consulted with relevant stakeholders including the Auditor-General in terms of Section 39 (4) of the Regional Councils Act, as amended and Section 86 (4) of the Local Authorities Act, as amended on the adoption and implementation of the International Public Sector Accounting Standards (IPSAS) which is expected to enhance the quality of general purpose financial statements for auditing purposes.

We are of the view that the adoption and implementation of the said framework holds greater potential for improved transparency and accountability as well as more coherent and uniform financial accountability.

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*All official correspondence must be addressed to the Executive Director*

This Circular therefore serves to direct Regional Councils and Local Authorities, that are ready, to adopt the International Public Sector Accounting Standards (IPSAS) for implementation with the compilation of the financial statements for the 2018/2019 financial year in terms of the provisions of Section 39 (4) of the Regional Councils Act, 1992 (Act No. 22 of 1992) as amended and Section 86 (4) of the Local Authorities Act, 1992 (Act No. 23 of 1992) as amended and the consultation we had with the Auditor-General.

IPSAS may not be fully complied with on the first year of adoption hence IPSAS 33 was developed and approved to facilitate gradual implementation over a three year transitional relief period within which a user shall be expected to comply fully with IPSAS. Professional expertise regarding full compliance with IPSAS may be sought in the second and third financial years which should be at the cost of the respective Regional Councils and Local Authorities.

This Circular further serves to advise Regional Councils and Local Authorities that adopt and implement IPSAS first should nurture and provide technical assistance and guidance to the rest.

Please find attached hereto a copy of the letter dated 3<sup>rd</sup> September 2019 from the Auditor-General for your reference.

I am counting on your usual cooperation and compliance on this matter.

Yours sincerely,



**DR. PEYA MUSHELENGA, MP**  
**MINISTER**





Republic of Namibia



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## THE AUDITOR-GENERAL

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Private Bag 13299  
WINDHOEK  
9000

Our Ref:  
Enquiry:

Your Ref:

**3 September 2019**

Honourable Minister  
Ministry of Urban and Rural Development  
Private Bag 13289  
Windhoek

Dear Hon Dr Peya Mushelenga

**RE: ADOPTION AND IMPLEMENTATION OF ACCRUAL BASIS INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) FOR LOCAL AUTHORITIES AND REGIONAL COUNCILS**

1. I acknowledge receipt of your letter dated 27 August 2019 regarding the abovementioned subject.
2. Kindly be informed that I concur with the adoption and implementation of the International Public Sector Accounting Standards (IPSAS) for Local Authorities and Regional Councils.

Yours sincerely

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

