

**CHIENGE TOWN COUNCIL
P.O. BOX 740002
CHIENGE**

CHIENGI, UNTAPPED LAND OF CULTURAL TOURISM

**ANNUAL FINANCIAL REPORT FOR
THE YEAR ENDED 31ST DECEMBER 2024**



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REPORT OF THE COUNCIL

The Council has the pleasure of presenting the report together with the financial statements for the year ended 31st December, 2024 which disclose the sources, utilization and balances of cash for Chienge Town Council during the period under review.

Background and Location of the Council

Chienge District is located in the Northern part of Luapula Province, about 350 km north of Mansa district, which is the provincial capital, and 1,200 km from the nation's capital, Lusaka. The total area of the District is approximately 596 Square Kilometers (Km²), and lies within Longitudes of 28°40' and 29°36' east of the Prime Meridian and between Latitudes of 8°22' and 9°9' south of the Equator. Chienge District shares borders with Nchelenge in the south, Kaputa in the North East, the Democratic Republic of Congo (DRC) in the Northern part with the stretch of Lake Mweru in between DRC and Zambia on the Western side of the district.

Chienge district has a linear type of settlements. The population is 189,893 people as per 2022 Zambia Census (Zambia Census of Population and Housing, 2022). The District has three Chiefs namely; Senior Chief Puta, Senior Chief Mununga and Chieftainess Lambwe Chomba.

Chienge and the area just to its north were ravaged by the slave trade and related ivory trade in the 18th Century. Numerous Arab and Swahili Slave Traders such as TippuTib operated around the north end of Lake Mweru, around Lake Mweru Wantipa and over to Lake Tanganyika.

Chienge British Overseas Military Administration (BOMA) was originally established during the race between Belgian King Leopold II's Congo Free State and the British South Africa Company (BSAC) of Cecil Rhodes to seize Katanga from its king Msiri in 1890-91.

In 1890-91, Alfred Sharpe was sent to obtain a treaty from Msiri by the BSAC from the British Commissioner's Office at Zomba in Nyasaland, but he failed. Hence, on his way back to Nyasaland in early 1891 he passed through Chienge rivulet, the stream where, Chienge derives its name from, and since Chief Puta Chipalabwe who reigned as a Chief of the Bwile people between 1879-1909, five kilometres to the south, was amenable to the treaty, Sharpe, therefore decided to set up a BOMA there at Chienge to secure the territory east of Mweru for BSAC, and to act as a forward base for another attempt to wring a treaty out of Msiri.

However, Leopold sent the Stairs Expedition to secure Katanga which they achieved in December 1891 after killing Msiri. On the way back to the East Coast of Africa, the Stairs passed close to Chienge and exchanged messages with Crayshaw regarding the position of the border dividing CFS and BSAC territory between Lake Mweru and Lake Tanganyika.

Chienge BOMA was probably the first colonial post in what was to be called North-Eastern Rhodesia, and it was still referred to as part of Zambezia at the time, and was one of the most remote outposts of the British Empire, a lonely posting which sent more than one colonial officer mad. For a number of years, the BOMA was moved to the Kalungwishi River, and during the period the Belgian colonial authorities in Pweto, just across the border in DR Congo, controlled the northern end of the lake including the western extremity of Chienge District, the so-called Lunchinda enclave west of the Lunchinda River. The British then re-established the Boma at Chienge but the eventual outcome of de facto Belgian control of the Lunchinda enclave led to it eventually being ceded to DR Congo by Zambia.

REPORT OF THE COUNCIL

Chienge District was finally closed in 1933 and was under the care of Kawambwa and then Nchelenge Districts.

Chienge was restored as a Sub Administrative Centre under Nchelenge District in the 1970s and a full Administrative District in 1997.

Chienge Town Council was re-established and declared a District and separated from Nchelenge District in 1997 as a corporate body under Article 152 of the Constitution of Zambia. Fishing is the dominant Economic activity in Chienge District and the District has also huge potential for Agriculture development, Mining, Salt deposits and Tourism.

The District has comparative advantage in the following investment areas:

- a. Copper Mining potential and other minerals along Zambia and DRC boundary in the Northern part of the District.
- b. Massive salt deposits which have remained unexploited to date.
- c. Rice farming in Lambwe Chomba area near Kaputa District of Northern Province.
- d. Sugar Plantation potential due to abundant water.

The address of the registered office of Chienge Town Council (CTC) is as follows:

The Civic Centre
P.O. Box 740002
Lunchinda Road
CHIENGE

REPORT OF THE COUNCIL

Composition of the Council

Chienge Town Council is a body corporate established under Article 152 of the Constitution of Zambia (Amendment) Act No.2 of 2016 and Section 6 of the Local Government Act, 1991 Cap 281 of the Laws of Zambia. As a Local Authority, the Chienge Town Council administers the Chienge District.

The Council is composed of an elected Council Chairperson, eighteen (15) elected Councillors from eighteen (15) Wards, and two (3) Chiefs as provided for under Article 153 (2)(c) of the Constitution of Zambia (Amendment) Act No.2 of 2016. The current Council was elected to office in 2021 to serve a five-year term up to 2026. The Deputy Council Chairperson was elected from among the Councillors in 2023 for the period of two and half years.

The Councillors who held office during the year were:

S/N	NAME	GENDER	POSITION	WARD
1	Mwanto Francis	Male	Council Chairperson	Not Applicable
2	Chimpinde Enerst	Male	Deputy Chairperson	Lambwe Chomba
3	Mununga Lavy	Male	Councillor	Chitutu
4	Chisesa Patrick	Male	Councillor	Chipungu
5	Chomba Charles	Male	Councillor	Kalungwishi
6	Mpanga Francis	Male	Councillor	Chipamba
7	Mushipi John	Male	Councillor	Ifuna
8	Kapotwe Robaom	Male	Councillor	Katete
9	Nsenga Bright	Male	Councillor	Chienge
10	Mutale Clement	Male	Councillor	Chibamba
11	Chisala James	Male	Councillor	Luau
12	Museshi Jackson	Male	Councillor	Lunchinda
13	Chalwe Barry	Male	Councillor	Mununga
14	Kalumba Benson	Male	Councillor	Kalobwa
15	Makungu Zacks	Male	Councillor	Chitunda
16	Chelu Famous	Male	Councillor	Munwa
17	James Kasoma Puta	Male	Bwile Chiefdom	Not Applicable
18	Chola C. Lewis-Mununga	Male	Shila Chiefdom	Not Applicable
19	Bupe Maria-Chieftainess L/Chomba	Female	Bwile Chiefdom	Not Applicable

The District also has one (1) elected Members of Parliament one for Chienge constituency. The Member of Parliament that held office during the year was:

NAME	GENDER	CONSTITUENCY
Katuta Given	Female	Chienge

The affairs of Central Government in the district are coordinated by the District Commissioner. During the year under review Ms. Rosemary Chikonde Mwiche was the District Commissioner for Chienge District.

The Council Secretariat

The Secretariat of Chienge Town Council is headed by the Council Secretary. The Council Secretary and the rest of the Secretariat are appointed by the Local Government Service Commission.

The Council Secretary is assisted by four (4) Directors responsible for Finance, Planning, Engineering, and Administration, and three (3) units namely Legal, Procurement and Internal Audit.

REPORT OF THE COUNCIL

Functions of the Council

The main function of the Council is the delivery of local public goods and services to the people in the District and discharge all or any of the functions set out in Article 147 (2) (c) of the Constitution of Zambia (Amendments) Act No.2 of 2016 and Second Schedule of Cap 281 of the Laws of Zambia which include, among others, power to make By-Laws, power to make regulations, imposition of levies, fees and charges and to formulate local policies to promote, guide and regulate development in the district through various relevant departments of the Council.

Financial Results

	2024	2023
	Kwacha	Kwacha
Cash Receipts	31,539,312	39,423,352
Payments	<u>(50,143,320)</u>	<u>(34,784,135)</u>
Decrease/Increase in Cash and Cash Equivalents	<u>(18,604,008)</u>	<u>4,639,217</u>

Key Policies Adopted During the Year

The Council adopted the following policies during the year:

The Council has adopted the Local Authorities Accounting Policies and International Public Sector Accounting Standards for Cash Basis accounting in preparation of 2025 financial statements.

Related Party Transactions

The Council runs a commercial Venture called Chienge Water View Lodge and the profit of K287,159 was realized during the period under review

Property, Plant and Equipment

The Council Procured Property Plant and Equipment amounting K20,164,287 included in this figure is the rehabilitation of Office buildings, procurement of Motor Vehicles, Infrastructure development and Office equipment.

No Property, Plant and Equipment were disposed of during the period under review.

Intangible Assets

There were no purchases of intangible assets during the year.

Employees

The number of employees at the start and end of the period under review was 91 and 109 respectively. The total amount spent on employees' remuneration and welfare during the year was K8,796,037

Health and Safety of Employees

The Council is aware of its responsibilities regarding the safety and health of employees as prescribed in the Occupational, Health and Safety Act No.36 of 2010 and took appropriate measures to safeguard their safety and health.

Recreation

The Council during the financial year incurred K7,000 towards sponsoring various sporting activities.

REPORT OF THE COUNCIL

Auditors

In line with Article 250 of the Constitution of Zambia (Amendment) Act No.2 of 2016, and Section 44(2) of the Local Government Act No. 2 of 2019, the Council is audited by the Auditor-General.

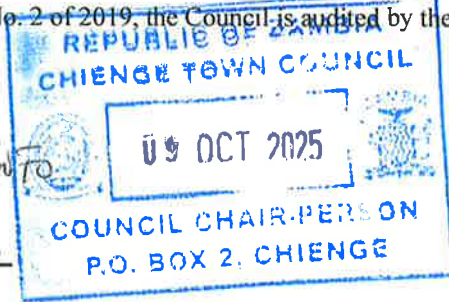
By order of the Council

Signature

Name:

Position: Council Chairperson

Date:



STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

The Chienge Town Council is responsible for preparing the financial statements for the year ended 31st December 2024 which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS). In preparing the financial statements, the Council selected applicable policies from Local Authorities Accounting Policies (LAAPs) of October 2019, and then applied them consistently, making judgment and estimates that were reasonable and prudent.

The Council is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The Auditor General has audited the financial statements and his report is shown on pages 8 to 10.

The Council accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the Cash Basis IPSAS, the requirements of Cap 281 of the Laws of Zambia, the Public Finance Management Act No.1 of 2018 and Local Authorities Accounting Policies (LAAPs) of 2019.

The Council further accepts responsibility:

- for the maintenance of accounting records that may be relied upon in the preparation of financial statements,
- for designing, implementing and maintaining systems of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

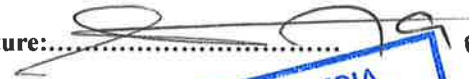
Nothing has come to the attention of the Council to indicate that the Chienge Town Council will not remain a going concern for at least twelve months from the date of this statement.


In the opinion of the Council, proper books of accounts were maintained to support preparation of Financial Statements that present fairly the financial results of the Municipal Council for the financial year ended 31st December 2024.

Signed on behalf of the Council on..... 2025 by;


Name: FRANCIS MWAJIBO
Signature: 
Position: Council Chairperson



Name: JONAS MWAJIBO
Signature: 
Position: Council Secretary

Name: LAWRENCE KATEJA
Signature: 

Position: Director of Finance



HAILE SELASSIE AVENUE
LONGACRES

P.O BOX 50071

LUSAKA, ZAMBIA

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Telephone: +260252611/252771

To: The Minister – Ministry of Local Government and Rural Development

Report on the Audit of the Financial Statements for Chienge Town Council for the Financial Year Ended 31st December 2024

Opinion

I have audited the financial statements of the Chienge Town Council for the financial year ended 31st December 2024 which comprise the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund and the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF) Statement of Cash Receipts and Payments for ZDSP Capital Grant, Statement of Cash Receipts and Payments for Sector Grant (Devolved Function) and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements of Chienge Town Council present fairly, in all material respects, its Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund and the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF) Statement of Cash Receipts and Payments for ZDSP Capital Grant, Statement of Cash Receipts and Payments for Sector Grant (Devolved Function) and balances for the year ended 31st December 2024 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the Local Authorities Accounting Policies (LAAPs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of my report. I am independent of Chienge Town Council in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the

INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements. Key audit matters are selected from the matters communicated to those charged with governance but are not intended to represent all matters that were discussed with them.

However, I have determined that there are no key audit matters to communicate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis International Public Sector Accounting Standard, the Local Government Act No.2 of 2019, the Public Finance Management Act No.1 of 2018 and Local Authorities Accounting Policies (LAAPs) of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 Council's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

In communicating with those charged with governance, I also determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Council is required, under Section 45 of the Local Government Act No. 2 of 2019 to prepare a Statement of Comprehensive Income and a Statement of Financial Position. However, the Council prepared the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund and the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF) and Statement of Cash Receipts and Payments for ZDSP Capital Grant, Statement of Cash Receipts and Payments for Sector Grant (Devolved Function) using Cash Basis IPSAS in line with the LAAPS.



Dr. Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE
ACTING AUDITOR GENERAL

DATE:13/10/2025.....

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	2024	2023
		Kwacha	Kwacha
RECEIPTS			
Local taxes	2	35,951	18,990
Fees and Charges	3	880,720	478,204
Licences	4	2,924	1,169
Levies	5	877,943	764,760
Permits	6	68,731	44,054
Local Government Equalisation Fund	7	10,948,052	10,510,124
Constituency Development Fund -	8	12,290,000	27,261,470
Other Grants -	9	2,694,737	107,709
Borrowings	10	-	-
Commercial Venture	11	287,159	45,098
Sector Grant (Devolved Function)	12	3,162,259	-
Other Receipts	13	290,835	191,774
TOTAL RECEIPTS		31,539,312	39,423,352
PAYMENTS			
Personnel Emoluments	14	8,796,037	6,400,680
Use of goods and services	15	8,697,927	6,033,346
Financial Charges	16	-	-
Social benefits	17	5,859,774	3,840,625
Non-financial assets acquisition	18	20,164,287	15,737,784
Financial Assets	19	6,536,715	2,771,700
Loan Repayments	20	-	-
Other payments	21	88,580	-
TOTAL PAYMENTS		50,143,320	34,784,135
Increase/(decrease) in Cash		(18,604,008)	4,639,217
Foreign Exchange Losses	22	-	-
Cash at beginning of the year	23	24,958,026	20,318,809
Cash at the end of the year	23	6,354,018	24,958,026

Name: *FRANCIS MWAHO*
 Signature: *[Signature]*
 Position: Council Chairperson
 Name: *LAURENCE KATEYA*

Name: *JONAS MWAHO*
 Signature: *[Signature]*
 Position: Council Secretary

Signature: *[Signature]*
 Position: Director Finance

REPUBLIC OF ZAMBIA
 CHIENGE TOWN COUNCIL
 09 OCT 2025
 COUNCIL SECRETARY
 P.O. BOX 2, CHIENGE

Incorporated in the payments recognised in this Statement are those for Local Government Equalisation and Constituency Development Funds. However, the details of payments under each of these Funds are presented separately in each Fund's own Statement of Cash Receipts and Payments.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR
 ENDED 31ST DECEMBER 2024

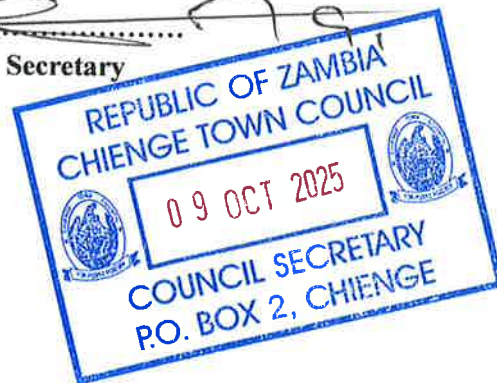
	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha	Actual Amounts Kwacha	% Performance	Variance Kwacha	% Variance
RECEIPTS							
Local taxes	10,200	-	10,200	35,951	352%	25,751	252%
Fees and Charges	1,256,967	-	1,256,967	880,720	70%	(376,247)	-30%
Licences	1,350	-	1,350	2,924	217%	1,574	117%
Levies	794,900	-	794,900	877,943	110%	83,043	10%
Permits	24,000	-	24,000	68,731	286%	44,731	186%
Local Government Equalisation Fund	11,230,738	-	11,230,738	10,948,052	97%	(282,686)	-3%
Constituency Development Fund	30,635,642	-	30,635,642	12,290,000	40%	(18,345,642)	-60%
Other Grants	12,661,863	-	12,661,863	5,856,997	-	(6,804,866)	-54%
Borrowings	-	-	-	-	-	-	-
Commercial Venture	540,659	-	540,659	287,159	53%	(253,500)	-47%
Other Receipts	-	-	-	290,835	0%	290,835	0%
TOTAL RECEIPTS	57,156,319	-	57,156,319	31,539,312	55%	(25,617,007)	-45%
PAYMENTS							
Personnel Emoluments	9,099,143	-	9,099,143	8,796,037	97%	(303,106)	-3%
Use of goods and services	14,156,533	-	14,156,533	8,697,927	61%	(5,458,606)	-39%
Financial Charges	-	-	-	-	-	-	-
Social benefits	8,149,082	-	8,149,082	5,859,774	72%	(2,289,308)	-28%
Non-financial assets acquisition	21,701,098	-	21,701,098	20,164,287	93%	(1,536,811)	-7%
Financial Assets	3,492,463	-	3,492,463	6,536,715	187%	3,044,252	87%
Loan Repayment	-	-	-	-	-	-	-
Other payments	558,000	-	558,000	88,580	-	(469,420)	-
TOTAL PAYMENTS	57,156,319	-	57,156,319	50,143,320	88%	(7,012,999)	-12%
increase/(Decrease in Cash	0	-	0	(18,604,008)		(18,604,008)	

The composition of budget adjustments and explanations of major variances are provided in note 24

Name: FRANCIS MUMIRO
 Signature: [Signature]
 Position: Council Chairperson
 Name: LAWRENCE KATEJA

Name: JONAS
 Signature: [Signature]
 Position: Council Secretary

Signature: [Signature]
 Position: Director Finance
 Signature: [Signature]
 Position: Director Finance



**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE LOCAL GOVERNMENT
 EQUALISATION FUND (LGEF) FOR THE YEAR ENDED 31ST DECEMBER 2024**

		2024	2023
		Kwacha	Kwacha
RECEIPTS			
Funding	7(a)	10,948,052	10,510,124
TOTAL RECEIPTS		10,948,052	10,510,124
PAYMENTS			
Operational Expenditure Payments:	7(b)		
Salaries and Wages		8,796,037	6,112,026
Terminal Benefits		68,520	48,707
Utility bills		12,900	10,500
Service Provision		1,389,500	1,993,605
Administrative Costs		509,210	499,617
Other Costs		82,802	145,000
Sub-Total		10,858,969	8,809,456
Capital Expenditure Payments:	7(c)		
Infrastructure Development		-	662,377
Rehabilitation Works		-	1,044,798
Asset Acquisition		-	702,556
Other Costs		-	271,502
Other Payment		-	-
Sub-Total		-	2,681,233
TOTAL PAYMENTS		10,858,969	11,490,689
Increase/(decrease) in cash		89,083	(980,565)
Cash at beginning of the year		6,683	987,248
Cash at the End of the year		95,766	6,683

The amount disclosed under note 22b on Capital Project Account number Zanaco-1299809300175 includes a non-LGEF amount of K2.6 million for Capital Grant under the Zambia Devolution Support Programme (ZDSP) meant for Community Project hence the difference between the reconciled balance in Note 22b and the balance stated in the Statement of Cash Receipts and Payments for LGEF.

Name: FRANCIS MUMITA
 Signature: [Signature]
 Position: Council Chairperson
 Name: LAWRENCE KATEKA



Name: JONAS
 Signature: [Signature]
 Position: Council Secretary



Signature: [Signature]
 Position: Director Finance



STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE YEAR ENDED 31ST DECEMBER 2024.

		2024	2023
		Kwacha	Kwacha
RECEIPTS			
Funding	8(a)	12,290,000	27,261,470
Other sources	8(b)	290,835	191,774
TOTAL RECEIPTS		<u>12,580,835</u>	<u>27,453,244</u>
PAYMENTS			
Infrastructure Development	8(c)	15,944,015	8,497,825
Rehabilitation Works and Upgrade	8(d)	1,973,337	2,166,400
Social Benefits	8(e)	5,859,774	3,840,625
Financial Assets	8(f)	6,536,715	2,771,700
Asset Acquisition	8(g)	2,399,974	3,563,626
Administrative Costs	8(h)	1,732,103	1,801,306
TOTAL PAYMENTS		<u>34,445,918</u>	<u>22,641,483</u>
Increase/(decrease) in Cash		<u>(21,865,083)</u>	<u>4,811,761</u>
Cash at beginning of the year		<u>24,014,186</u>	<u>19,202,425</u>
Cash at the end of the year		<u>2,149,103</u>	<u>24,014,186</u>

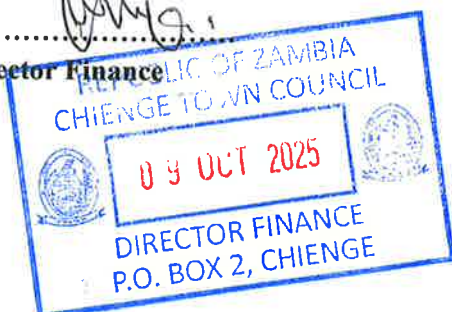
Note 8 explains the composition and other details relating to the various elements included in this Statement

Name: FRANCIS Mwaniso
 Signature: [Signature]
 Position: Council Chairperson



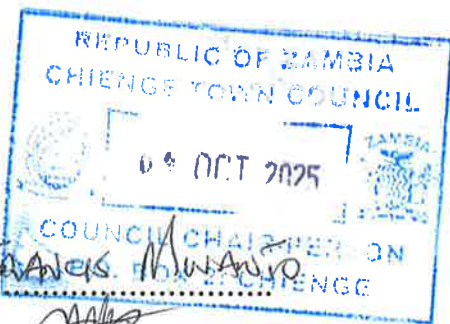
Name: JONAS Mwanetsaka
 Signature: [Signature]
 Position: Council Secretary

Name: LAWANDE KATEMA
 Signature: [Signature]
 Position: Director Finance




STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR ZDSP CAPITAL GRANT FOR THE YEAR ENDED 31ST DECEMBER 2024.

		2024	2023
		Kwacha	Kwacha
RECEIPTS			
Funding	9(a)	2,694,737	-
Other sources	9(b)	-	-
TOTAL RECEIPTS		2,694,737	-
PAYMENTS			
Use of Goods and Services	9 (c)	94,737	-
Non-Finacial Asset Acquisition	9(d)	-	-
Infrastructure Development	9 (e)	-	-
Rehabilitation Works	9 (f)	-	-
TOTAL PAYMENTS		94,737	-
Increase/(decrease) in Cash		2,600,000	-
Cash at beginning of the year		-	-
Cash at the end of the year		2,600,000	-



Name: FRANCIS MWAUNGO
 Signature: [Signature]
 Position: Council Chairperson

Name: JONAS MWAUNGO

Signature: [Signature]
 Position: Council Secretary



Name: LAWRENCE KATEMA
 Signature: [Signature]
 Position: Director Finance



STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR SECTOR GRANT (DEVOLVED FUNCTION) FOR THE YEAR ENDED 31ST DECEMBER 2024.

		2024	2023
		Kwacha	Kwacha
RECEIPTS			
Funding	12(a)	3,162,259	-
Other sources	12(b)	-	-
TOTAL RECEIPTS		3,162,259	-
PAYMENTS			
Use of Goods and Services	12 (c)	2,538,786	-
Non-Finacial Asset Acquisition	12 (d)	-	-
Infrastructure Development	12 (e)	-	-
Rehabilitation Works	12 (f)	-	-
TOTAL PAYMENTS		2,538,786	-
Increase/(decrease) in Cash		623,474	-
Cash at beginning of the year		-	-
Cash at the end of the year		623,474	-

Name: FRANCIS MWASTO
 Signature: [Signature]
 Position: Council Chairperson



Name: AMWENSHAKANA
 Signature: [Signature]
 Position: Council Secretary

Name: LAUNDANCE KATE YA
 Signature: [Signature]
 Position: Director Finance




SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of the Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*, issued by the International Public Sector Accounting Standards Board (IPSASB) and Local Authorities Accounting Policies (LAAPs).

These financial statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

The accounting policies have been applied consistently throughout the period.

1.1 Migration to Accrual Basis Financial Reporting

Chienge Town Council is required, under the Local Government Act No. 2 of 2019 to produce a Statement of Comprehensive Income and a Statement of Financial Position. The production of these statements entails adoption and application of Accrual Basis of Accounting in financial reporting. In applying Cash Basis of Accounting, the Council followed guidance listed below:

- (a) Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*.
This standard provides that public sector entities adopting Accrual Basis for the first time may apply Cash Basis IPSAS provisions as an intermediate step to assist them in the transition to Accrual Basis IPSASs. In this vein, the Council has produced these financial statements under Cash Basis IPSAS as part of its transition to Accrual Basis of Accounting.
- (b) Accounting Pronouncement: 2018/3 – Applicability of International Public Sector Accounting Standards (IPSASs)
This pronouncement issued by the Zambia Institute of Chartered Accountants (ZICA) pursuant to the Accountants Act No. 13 of 2008 requires the adoption of Accrual Basis of Accounting by public entities by 31st December, 2022. The Council is preparing to adopt Accrual Basis IPSASs on 1st January 2028.
- (c) Treasury and Financial Management Circular No.10 of 20219 issued by the Secretary to the Treasury pursuant to the Public Financial Management Act, No. 1 of 2018.

The Treasury and Financial Management Circular provides as follows:

- i. That in order to have a standard financial reporting framework, all Local Authorities should adopt the International Public Sector Accounting Standards (IPSASs) Cash Basis of Accounting as a first step in migration to IPSASs Accrual Basis of Accounting.
- ii. Local Authorities shall use Part 2 of Cash Basis IPSAS which requires extra disclosures called 'Encouraged Additional Disclosures' in Cash Basis financial statements for the years ending 31st December 2022 up to 31st December 2025.
- iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January 2025 by following the guidelines provided in IPSAS 33 – "First Time Adoption of Accrual Basis IPSASs".

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- iv. That the three (3) year transition period provided under IPSAS 33 should commence on 1st January 2022 and should end on 31st December 2027. Thereafter, all Local Authorities shall be required to comply fully with Accrual Basis IPSASs.

Based on these guidelines, the Council has not yet commenced production of Accrual Basis financial statements required by the Local Government Act No. 2 of 2019. However, the Council has adopted Part 2 Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting* to help it transition its financial reporting to Accrual Basis IPSASs.

1.2 Reporting Entity

The Financial Statements are prepared for Chienge Town Council. The financial statements encompass the Council as specified under Cap 281 of the Laws of Zambia, Public Finance Management Act No.1 of 2018 and the Constitution of Zambia (Amendment), Act No. 2 of 2016. It also includes projects and activities of the Constituency Development Fund and the Local Government Equalisation Fund in the district.

1.3 Authorisation Date

The financial statements were authorized for issue on ===== by the ordinary/special Council.

1.4 Revenue

Revenue is recognised when cash is received. It is generated from various sources as explained below:

a. Local Taxes

Article 161 of the Constitution of Zambia (Amendment) Act, 2016 authorises Chienge Town Council as a Local Authority to levy, impose, recover and retain local taxes. Further, the Local Government Act, 1991 Cap 281 section 69(1) prescribes a system of local taxes by empowering Local Authorities to make by-laws imposing all or any of the following levies:

- a levy on leviable persons owning or occupying property or premises situated within the area of the council.
- A levy on leviable persons carrying on a business, trade or occupation within the area of the council.
- A levy on the purchase or sale of a commodity within the area of the District. This includes levies on sale of livestock, grain and poles.

b. Fees or Charges

Section 70 (1) of the Local Government Act, 1991 as amended by Act 19 of 1992 empowers Local Authorities to impose fees or charges payable to the Council:

- For any licence or permit issued under any by-law or regulation made under the Act. These may include health permits, fire certificate licences, burial permits and extension of business hours permits.
- For any service or facility provided or goods or documents supplied by the Council in pursuance of or in connection with the discharge of any function of the Council.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These may include survey fees, consent fees, building inspection fees, waste collection fees and parking fees.

1.5 Expenditure

Expenditure is recognised when payment is made for expenses incurred. The Council incurs expenditure relating to the discharge of its functions which includes expenses relating to personal emoluments, use of goods and services, social benefits and acquisition of non-financial assets.

Items of a capital nature are expensed at the time of payment and such transactions are depicted in the appropriate class and heading in the financial statements. Since capital expenditure is expensed when incurred, neither depreciation nor amortization is charged on non-current assets.

1.6 Reporting on Gross Basis

Transactions are reported on gross basis without netting off similar classes of receipts and payments. However, transactions may be reported on net basis when they relate to transactions the Council administers on behalf of other entities recognised in the Financial Statements

1.7 Cash at the Beginning and End of the Year

Cash at the beginning and end of the year consist of cash on hand, demand deposits and cash equivalents held at such dates.

Cash on hand refers to notes and coins held by the Council at the reporting date and it includes petty cash and cash collections not yet deposited into bank accounts. Demand deposits consist of reconciled balances held in the Council's bank accounts which it can use on demand. Cash equivalents, on the other hand, refer to short term high liquid investments that can easily be converted to known amounts of cash and are subject to insignificant risk of change in values.

The Council recognises all short-term high liquid investments having maturities of three months or less as cash equivalents.

1.8 Local Government Equalization Fund

Article 163(2) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 provides that Parliament shall annually appropriate monies to the Local Government Equalisation Fund which shall be disbursed by the Ministry responsible for finance to Local Authorities.

Receipts under LGEF supplement revenue generated by the Council. The Council uses at least 20% of the funds received from the equalization fund, in any financial year, to finance capital expenditure and the balance to meet operational expenses.

1.9 Constituency Development Fund

The Constituency Development Fund (CDF) was established under Article 162(1) of the Constitution of Zambia (Amendment) Act No. 2 of 2016. The fund was set up to finance

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

micro-community projects for poverty reduction in communities and it is financed by monies appropriated by Parliament.

The administration of CDF is guided by Guidelines on the Management and Utilisation of Constituency Development Fund of 2016. The Council maintains separate bank accounts for each constituency. Transfers are made from CDF into constituency bank accounts from which payments are made to finance approved CDF projects.

1.10 Other Grants

These include grants in lieu of rates and support from Cooperating Partners. Grants in lieu of rates are paid by the Government to the Council to cover property rates of Government properties in the district. Support from Cooperating Partners may consist of cash receipts under bilateral and multilateral agreements.

1.11 Sector Grants

These includes grants from Devolved functions of the Central Government to the Sub National Level among them; Primary care services (Ministry of Health), Pontoons, Ferries, Jetties and Piers, Harbours, Community sport, Vehicle Licensing (Ministry of Transport & Logistics), Cultural matters (Ministry of Tourism) District Archives (Ministry of Home Affairs), Veterinary Services (Ministry of Fisheries and Livestock)

1.12 Presentation Currency

The presentation currency is Zambian Kwacha.

1.13 Foreign Currencies

Transactions in other currencies are converted into Zambian Kwacha using the ruling Bank exchange rates at the time of payment. Balances expressed in foreign currencies at the year-end are translated into Kwacha at the ruling rate then. The resulting difference from the conversion and translation are charged to the Statement of Cash Receipts and Payments.

The Average rate and year end rates used were K22.91 to the dollar and K23.92 to the dollar respectively.

1.14 Borrowings

Borrowings comprise actual cash inflows received from financial institutions, bilateral and multilateral institutions.

1.15 Budgets and Actual Amounts

A final budget includes all adjustments (supplementary and re-allocations) made to the original approved budget during the year. Supplementary budgets consist of additional

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

provisions beyond what was originally approved while re-allocations are approved budget variations.

The approved budget is developed on the same accounting and classification basis, and for the same period as for the financial statements. All material differences between final budgets and actual amounts are explained in the notes to the annual financial statements. Budget differences of 20% and above are considered material.

1.16 Encouraged Disclosures of Accrual Type of Items

During the year, the Council adopted Part 2 of Cash Basis IPSAS which provides extra Accrual Basis type of disclosures called Encouraged Additional Disclosures as follows:

i. Property, Plant and Equipment

These are assets that have useful economic lives or service potential of more than one year. They are recorded and disclosed at either cost or valuation. Valuations are conducted by the Government Valuation Department and the Local Authority's own Valuation staff. Where valuation has been undertaken, the applicable valuation bases are as follows:

- | | |
|-----------------------|----------------------|
| • Land | Current Value |
| • Buildings | Cost or Market Value |
| • Plant and Equipment | Cost |

ii. Investments in Other Entities

The Local Authority discloses the following details about its investments in other entities:

- (a) Name of the entity
- (b) Principal activity of the entity
- (c) Percentage of shareholding in the entity
- (d) Receipts in form of dividends and other returns on the investments

iii. Administered Transactions

Administered transactions are cash flows resulting from transactions administered by the Local Authority as an agent of Central Government and any of its agencies. All cash collected in this manner is deposited into an account of the Central Government or its appropriate agent and such accounts are not controlled by the Local Authority. The Local Authority deems as part of cash under its control any collections made and administered by the Local Authority on behalf of the Central Government but are allowed to be deposited in any of its bank accounts prior to its transfer to the Central Government or any of its agents.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

iv. Related Party Transactions

A related party is one that has the ability to control the Local Authority or exercise significant influence over the Local Authority in making financial and operating decisions. The related party entity is also any entity that is subject to common control with the Local Authority.

Related parties include:

- (a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Local Authority;
- (b) Associates being entities over which the Local Authority has significant influence
- (c) Individuals that have significant influence over the Local Authority, and close members of the family of any such individual;
- (d) Key management personnel, and close members of the family of key management personnel; and
- (e) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

The key management personnel of the Local Authority are:

- (a) the Mayor/Chairperson, elected Councillors, Co-opted members of the Audit and Procurement Committees, chiefs who are part of the Local Authority representing other chiefs in the district, and
- (b) The Principal Officers and Chief Officers.

Spouses, children and grandchildren, grandparents, brothers, sisters, parents in law, brothers in law, and sisters in law of key management personnel are related parties to the Local Authority

The Local Authority discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements. Such transactions may include remuneration, loans and contracts awarded to key management personnel and their close relatives.

v. External Assistance

External assistance comprises loans and grants from multilateral and bilateral agencies provided under agreements specifying the purposes for which the assistance will be utilized.

Pemba Town Council discloses total external assistance received in cash during the period, total external assistance paid by the agencies for the benefit of the Local Authority, external assistance received in form of loans and grants, their classifications, purposes for which it was received and undrawn balances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

vi. Payments to Third Parties

Third party payments also known as direct payments are those that are made by third parties to construct or acquire property, plant and equipment and or pay for services on behalf of Mwense Town Council. These do not constitute cash receipts and payments by the Local Authority. They include payments for goods and services made by multilateral and bilateral aid agencies and non-governmental organizations and are included in the disclosures of external assistance.

NOTES TO THE FINANCIAL STATEMENTS

2. Local Taxes

During the year, the Council generated local tax cash receipts as follows:

	2024	2023
	Kwacha	Kwacha
Residential Rates	-	-
Industrial / Commercial Rates	-	-
Personal Levy	35,951	18,990
Total	<u>35,951</u>	<u>18,990</u>

The Council does not have a Valuation Roll and the Local Taxes collected is just Personal Levy.

3. Fees and Charges

The local authority generated cash receipts in form of fees and charges arising from offering various services as follows.

	2024	2023
	Kwacha	Kwacha
Fees and charges	616,570	257,552
Land Development Charges	264,150	220,652
Total	<u>880,720</u>	<u>478,204</u>

NOTES TO THE FINANCIAL STATEMENTS

a. Fees and charges

The Council generated the following fees:

Fees and Charges Type	2024	2023
	Kwacha	Kwacha
Consent Fees	-	
Survey Fees	15,000	10,000
Building Inspection fees	12,000	8,500
Plan Scrutiny Fees	-	
Rentals/Lease of Council's properties	106,300	105,200
Application Form Fees	54,000	27,000
Sketch Fees	-	
Search Fees	-	
Market Fees	120,300	20,495
Parking Fees	150,249	25,000
Bus Station Fees	-	
Affidavit Fees	-	
Grave Reservation	-	
Refuse Disposal Fees	4,000	2,000
Notice of Marriage	-	
Abattoir/Meat Inspection Fees	-	
Farm Produce Levy	12,240	3,000
Communication Mast Levy	-	
Land Record	-	
Billboard and Banner	-	
Lease of Council Transport	99,500	45,800
Illegal Vending Fees	-	
Penalties	-	
Site Rent	-	
Change of ownership of plot	-	
Other Fees and Charges/other income	42,981	10,557
TOTAL	616,570	257,552

b. Land Development Charges

The Council collected the following land development related charges

Charges Type	2024	2023
	Kwacha	Kwacha
Service charges - residential plots	54,250	39,172
Service charges - Industrial plots		
Premium plots - Residential	128,650	106,325
Premium plots - Commercial	62,750	50,632
Lease charges		
Other	18,500	24,523
TOTAL	264,150	220,652

NOTES TO THE FINANCIAL STATEMENTS

4. Licenses

A total of K2,924 cash receipts was raised from issuance of various licenses.

Licence Type	2024	2023
	Kwacha	Kwacha
Manufacturers licence	-	-
Retail licence	850	419
Wholesale licence	-	-
Occupancy licence	-	-
Commercial travellers licence	-	-
Hawkers licence	-	-
Peddlers licence	-	-
Stall licence	-	-
Liquor licence	571	750
Firearm and ammunition licence	1,335	-
Petroleum licence	-	-
Restaurant licence	-	-
Dog licence	-	-
Other licences	167	-
TOTAL	2,924	1,169

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	2024	2023
	Kwacha	Kwacha
Business Levy	377,043	85,117
Fish Levy	298,800	211,878
Miscellaneous levies	202,100	467,764
Total	877,943	764,760

6. Permits

The Council generated cash receipts from issuing various permits as follows:

Type of Permit	2024	2023
	Kwacha	Kwacha
Health Permit	35,171	24,504
Burial Permit and Grave Sites	15,000	10,100
Fire Certificates	-	-
Extension of Business Hours Permits	1,800	900
Public Permits (Social gatherings etc)	-	-
Other Permits	16,760	8,550
TOTAL	68,731	44,054

NOTES TO THE FINANCIAL STATEMENTS

7. Local Government Equalisation Fund

(a) Funding

	2024	2023
	Kwacha	Kwacha
1st Funding	926,439	880,437
2nd Funding	917,428	880,437
3rd Funding	925,697	860,437
4th Funding	884,691	875,114
5th Funding	923,096	877,525
6th Funding	901,919	877,525
7th Funding	901,919	877,525
8th Funding	894,919	877,525
9th Funding	917,643	877,525
10th Funding	918,101	877,525
11th Funding	918,101	877,525
12th Funding	918,101	871,025
TOTAL	<u>10,948,052</u>	<u>10,510,124</u>

(b) Operational Expenditure

The Council applied amounts totalling K10,948,052 of LGEF receipts towards meeting operational expenses representing 100% of the total LGEF funding for the reporting period. These expenses are included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

(c) Capital Expenditure

The Council applied amounts totalling K0.00 of LGEF receipts towards meeting capital expenditure representing 0% of the total LGEF funding for the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

8. Constituency Development Fund

The various elements constituting Statement of Cash Receipts and Payments for CDF are analysed as follows:

(a) CDF Funding

	2024	2023
Constituency	Kwacha	Kwacha
Chienge	12,290,000	27,261,470
Total Funding	<u>12,290,000</u>	<u>27,261,470</u>

(b) Other CDF Sources of Funding

The Council received amounts totalling K40,182 and K250,653 as interest and loan repayments respectively in the CDF Revolving Fund Account.

	2024	2023
Constituency	Kwacha	Kwacha
Chienge		
Interest earned on CDF Revolving Fund a/c	40,182	191,774
Loan Repayments	250,653	-
Total Funding	<u>290,835</u>	<u>191,774</u>

The Council received the CDF funding in instalments for 2024, and the projects were implemented partly in 2024 and others will be implemented in 2025.

(c) Infrastructure Development

The Council spent amounts totalling K15,944,015 on the Construction of Classroom Blocks at both Primary and Secondary Schools, supply and delivery of desks, and construction of ablution blocks.

	2024	2023
Constituency	Kwacha	Kwacha
Chienge	15,944,015	8,497,825
Total Infrastructure development	<u>15,944,015</u>	<u>8,497,825</u>

(d) Rehabilitation Works

The Council spent amounts totaling K1,973,337 on rehabilitation of Primary Schools and Health facilities and feeder roads

	2024	2023
Constituency	Kwacha	Kwacha
Chienge	1,973,337	2,166,400
Total Rehabilitation payments	<u>1,973,337</u>	<u>2,166,400</u>

NOTES TO THE FINANCIAL STATEMENTS

(e) Social Benefits

The Council spent amounts totalling K5,859,774 on Bursaries and Grants as shown below.

	2024	2023
Constituency	Kwacha	Kwacha
Secondary & Skills Dev	3,489,774	1,938,425
Grants	2,370,000	1,902,200
Total	<u>5,859,774</u>	<u>3,840,625</u>

(f) Financial Asset

The Council spent amounts totalling K6,536,715 on disbursement of Soft Loans to Beneficiaries for the period under review.

	2024	2023
Constituency	Kwacha	Kwacha
Loans to Beneficiaries	6,536,715	2,771,700
Total	<u>6,536,715</u>	<u>2,771,700</u>

(g) Asset Acquisition

The Council spent amounts totalling K2,399,974 on Asset acquisition under CDF for the period under review

	2024	2023
Constituency	Kwacha	Kwacha
Chienge	2,399,974	3,563,626
Total	<u>2,399,974</u>	<u>3,563,626</u>

(h) Administrative Costs

The Council Spent Amounts totalling K1,732,103 on Administrative Costs which included Supervision and Monitoring of CDF Projects, Other CDF components and Loan processing fees and other bank charges

	2024	2023
Constituency	Kwacha	Kwacha
Chienge	1,732,103	1,801,306
Total	<u>1,732,103</u>	<u>1,801,306</u>

NOTES TO THE FINANCIAL STATEMENTS

9. Other Grants

(a) Funding

The Council received Amounts totaling K2,694,737 as Capital Grant through Zambia Devolution Support Programme as shown below:

	2024	2023
	Kwacha	Kwacha
Zambia Devolution Support Programme		
Chienge	2,694,737	-
	-	-
Total	<u><u>2,694,737</u></u>	<u><u>-</u></u>

(b) Other Sources

The Council did not receive any income from other sources for the Period under review.

(c) Use of Goods and Services

The Council spent amounts totaling K94,737 towards the registration process of the Radio Station.

10. Borrowings

During the period under review, the Council did not borrow any funds from any Financial Institution.

11. Council Commercial Venture

This consists of receipts and payments relating to operations of Chienge Water View Lodge I owned by the Council

	2024	2023
	Kwacha	Kwacha
Receipts		
Restaurant Sales Receipts	228,082	117,168
Lodging receipts	175,872	84,577
Food and beverages sales receipts	870,845	571,531
Others	20,072	9,923
TOTAL	<u><u>1,294,871</u></u>	<u><u>783,199</u></u>
Payments		
Cost of Sales	-	-
Administrative Costs	299,219	146,418
Beer and beverages	708,493	591,683
wages	-	-
Others	-	-
Total	<u><u>1,007,712</u></u>	<u><u>738,101</u></u>
Surplus/deficit	<u><u>287,159</u></u>	<u><u>45,098</u></u>

NOTES TO THE FINANCIAL STATEMENTS

12. Sector Grants (Devolved Functions)

(a) Funding

The Council received Grants totaling K3,162,259 in its bank accounts from the Treasury for the Devolved Functions of the Central Government, broken down as follows

	2024	2023
	Kwacha	Kwacha
Primary care Services	1,580,548	-
Community Sport	215,517	-
Cultural Maters	-	-
District Archives	-	-
Veterinary Services	57362	-
Vehicle Licensing	1,308,831	-
Harbours	-	-
District Livestock Services	-	-
District Fisheries Services	-	-
District Agriculture Services	-	-
District Community development Services	-	-
District Social Warefare Services	-	-
Total	<u>3,162,259</u>	<u>-</u>

(b) Other Sources

The Council did not receive funds from other sources under Sector Grant for the Period under review.

(c) Use of Goods and Services

The Council spent amounts totaling K2,583,786 towards use of goods and services under Sector Grant (Devolved Function).

13. Other Receipts

The Council received amounts totaling K290,835 in its bank account as loan repayments and interest earned.

Constituency	Kwacha	Kwacha
Chienge	-	-
Interest earned on CDF Revolving Fund a/c	40,182	191,774
Loan Repayments	250,653	-
Total Funding	<u>290,835</u>	<u>191,774</u>

NOTES TO THE FINANCIAL STATEMENTS

14. Personal Emoluments

Personal Emoluments consist of actual amounts of salaries and wages paid to staff of the Municipal Council. The Council had categories of staff that were paid as follows

Grade	2024	2023
	Kwacha	Kwacha
Salaries Division 1	2,329,002	1,989,502
Salaries Division 2	1,450,434	1,273,053
Salaries Division 3	1,748,505	1,011,985
Wages- Division 4	1,564,096	1,230,486
Other wages	609,703	-
Other Staff related payments	116,297	247,209
Other Emoluments- Councillors	978,000	648,445
Total	8,796,037	6,400,680

15. Use of Goods and Services

General expenditure consists of expenditure incurred on administrative activities

Expenditure Type	2024	2023
	Kwacha	Kwacha
Office Running Costs	780,900	581,425
Building, Repair and Maintenance Costs	1,106,805	1,035,793
Plant, Machinery and Vehicle Running and Maintenance Cost	1,470,287	389,349
Other Administrative operating costs	1,426,813	1,067,191
Requisites	247,209	33,056
Services	1,014,750	161,917
Travel expenses	2,493,983	2,566,736
Training	68,600	50,750
Liabilities	88,580	147,130
Total	8,697,927	6,033,346

16. Financial Charges

The Council did not make any payment related to financial charges in the year 2024.

17. Social Benefits

Social benefits include payments towards grants and Bursaries. During the year, the Council made social benefit payments amounting to K5,859,774

	2024	2023
	Kwacha	Kwacha
Secondary and Skills Development	3,489,774	1,938,425
Grants	2,370,000	1,902,200
Total	5,859,774	3,840,625

NOTES TO THE FINANCIAL STATEMENTS

18. Non-financial Asset Acquisition

Acquisition of assets involved the following payments:

	2024	2023
	Kwacha	Kwacha
Office Building Rehabilitations	-	879,125
Health Facility and feeder Roads	1,820,298	-
Motor Vehicle & other Equipment	2,317,379	4,034,904
Infrastructure Development (Industrial Buildings)	15,944,015	10,616,257
Office Equipment	82,595	207,498
Total	<u>20,164,287</u>	<u>15,737,784</u>

19. Financial Asset

The Council disbursed Loans to various Beneficiaries in the District with amounts totaling K6,536,715 for the period under review. The breakdown of K3,206,715 were 2023 loans but paid in 2024 and K3,330,000 were loans payments for 2024.

	2024	2023
	Kwacha	Kwacha
Loans to beneficiaries	6,536,715	2,771,700
Total	<u>6,536,715</u>	<u>2,771,700</u>

20. Loan Repayments

The Council never paid any amounts towards settlements of principal amounts of loans as the Council had no loan with any financial institution during the period under review.

21. Other Payments

There were other payments made during the period under review.

	2024	2023
	Kwacha	Kwacha
Payments towards liabilities(ugs)	88,580	-
Total	<u>88,580</u>	<u>-</u>

22. Foreign Exchange Gains/ Losses

These arise from transactions made in other currencies and determined by reconciling opening cash to closing cash balances. The Council did not undertake any transactions in foreign currency for the period under review.

NOTES TO THE FINANCIAL STATEMENTS

23. Cash Balances

The Council's Cash amounts consisted of cash on hand, demand deposits and cash equivalents.

	2024	2023
	Kwacha	Kwacha
Cash on hand	-	-
Demand Deposits	6,354,018	24,958,026
Cash equivalents	-	-
TOTAL	<u>6,354,018</u>	<u>24,958,026</u>

a. Cash on hand

The Council's cash on demand was made of cash collections and petty cash:

b. Demand Deposits – Bank Balances

The Council had the following reconciled bank account balances as at the 31st December 2024:

Account Name	Account No.	2024	2023
		Kwacha	Kwacha
District Fund	Zanaco-0359520300145	823,052	922,246
Capital project Account	Zanaco-1299809300175	2,695,766	6,683
Chiengwe Constituency CDF	Zanaco-0359505300107	1,958,109	20,734,560
Chiengwe Constituency CDF Revolving Fund	Natsave-3101063547101	190,994	3,279,626
GRZ Counterpart	Zanaco-1086833300111	29,337	1,696
Development A/C	Zanaco-0531459300155	21,838	8,775
Land Development A/C	Zanaco-1705533500186	6,590	185
CDC National Water Rural	Zanaco-1086837300147	4,858	4,255
Sector Grant Account	Zanaco -6001127300152	623,474	-
TOTAL		<u>6,354,018</u>	<u>24,958,026</u>

The Demand Deposit - Bank balance on Capital Project Account number Zanaco-1299809300175 above includes a non-LGEF amount of K2.6 million for Capital Grant under the Zambia Devolution Support Programme (ZDSP) meant for Community Project hence the difference between the reconciled balance in Note 22b and the balance stated in the Statement of Cash Receipts and Payments for LGEF.

The council has no overdraft facility with Bank or any Financial Institution during the period under review.

c. Cash Equivalents

The Council did not hold treasury bills with any Financial Institution for the Year under review.

NOTES TO THE FINANCIAL STATEMENTS

24. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister responsible for Local Government on 5th March 2024 and there was no Budget Adjustment for the Year under review.

b. Budget Variances

• Local Taxes

The Council planned to generate K10,200 from Local taxes but collected K35,951 resulting in favourable variance of 252% which was attributed by increased number of government employees in the district and contractors who were bidding for community projects under Constituency Development Fund (CDF)

• Fees and Charges

The Council planned to raise a total of K1,256,967 in fees and charges, however, a total amount of K880,720 was collected giving an adverse budget variance of 30%. The under collection was mainly caused by poor performance in the sale of plots due to low uptake of the plots.

• Licences

The Council planned to collect K1,350 on Licences but collected K2,924 giving a favourable of variance of 117%. This was as result of more efforts put in by Management for the collection of Licences.

• Levies

The Council planned to collect K794,900 on levies but collected K877,942.68 giving a 10% favourable variance. This was attributed to intensive efforts put in place with regards to collection of levies.

• Permits

The Council planned to collect K24,000 on permits but collected K68,731 resulting in favourable variance of 186%. The favourable variance was as a result of the sensitisations the council undertook to the business community and the continuation of compliance checks.

• Local Government Equalization Fund

The Council planned to receive K11,230,738 but received K10,948,052 resulting in an adverse variance of 3%. The adverse variance was as a result of deductions that were made at source in order to meet certain obligations.

• Constituency Development Fund

The Council planned to receive CDF grant amounting to K30,635,642 for the year 2024 but received K12,290,000 resulting in an adverse variance of 60% The adverse variance was as a result of central government remitting some amounts in 2025. Furthermore, K250,653 and K40,182 were received as Loan repayments and interest earned respectively

• Other Grants

The Council planned to receive other Grants amounts to K12,661,863 but received K5,856,997 resulting in an adverse variance of 54%. The adverse variance was as a result of not receiving other grants as per budget from Central Government.

• Commercial Venture

The council planned to collect K540,659 from Commercial Venture but collected K287,159 resulting in an adverse variance of 47%. This was as a result of indicating Receipts from Commercial Venture in the budget as opposed to indicating Profit or Loss from Commercial Venture as guided by the Procedures Manual.

NOTES TO THE FINANCIAL STATEMENTS

• **Other receipts**

The Council did not plan to collect other receipts but received K290,835 resulting in a variance of 100%. This was as a result of receiving K250,653 as loan repayments from Loan beneficiaries and K40,182 as interest on Revolving Fund Account.

• **Use of Goods and Services**

The Council planned to spend K14,156,533 on the use of goods and services but spent K8,8,697,927. resulting in a variance of 39%. This was attributed to partial funding which could not enable full execution of the budget in terms of expenditure.

• **Social Benefits**

The Council planned to spend K8,149,082 on Grants and Secondary and Skills Development but spent K5,859,774 resulting in an adverse variance of 28%. This was attributed mainly by not having many Students in the District willing to pursue their education.

• **Financial Assets**

The Council Planned to spend K3,492,463 on Loans to Cooperatives and other entities but spent K6,536,715 resulting in a variance of 87%. This was attributed to the fact that K3,206,715 was the loan component that was expected to be paid in 2023 but was paid in 2024 together with K3,330,000 for 2024.

25. Provision of Services

Type of Services	2024	2023
	Kwacha	Kwacha
Management and Control of Markets	62,800	48,500
Solid Waste Management	144,000	55,367
Make Zambia Clean and Health Campaign	46,900	38,400
Constituency Development projects	15,944,015	10,664,725
Mangement of Council Buildings	1,800,025	1,668,769
Sanitation Facility Supply	-	-
Public and Traditional Ceremonies	-	-
Board, Council and Council administration	251,600	212,470
Relief and burial of destites	4,255.00	-
Clearing and grass cutting	34,000	56,000
Water treatment and reticulation	-	-
Conferences, Serminar and Workshops	65,250	50,750
Bank charges	225,001	18,370
Sports Centres	-	-
Total	18,577,846	12,813,351

NOTES TO THE FINANCIAL STATEMENTS

26. Property, Plant and Equipment

The Council had Property, Plant and Equipment Valued at K60,210,039

	Land and Buildings Kwacha	Plant & Machinery Kwacha	Motor vehicles Kwacha	Total Kwacha
Opening balance	16,918,653	13,258,141	9,868,958	40,045,752
Additions	17,764,313	2,399,974	-	20,164,287
Revaluation	-	-	-	-
Re-classification	-	-	-	-
Disposal	-	-	-	-
Closing balance	34,682,966	15,658,115	9,868,958	60,210,039

27. Investment in Other Entities

The Council has no investment in other entities

28. Administered Transactions

The council did not administer any transaction on behalf of other entities

29. Related Party Disclosures

Chienge Town Council runs Chienge Water View Lodge and the Council wishes to disclose the following in addition to running the Lodge:

a. Fringe benefits Disclosures

The Council Chairperson was provided with an office.

The Chairperson was provided with a personal-to-holder car, an office and personal secretary

b. Remuneration of the Councilors

The aggregate remuneration of members of the Council and the number of individuals determined on a full-time equivalent basis receiving remuneration from Chienge Town Council are:

Aggregate Remuneration	K1,296,000
Number of persons	18

None of the councilors acquired loans from the Council during the period under review nor had any outstanding loans.

c. Remuneration of Senior Management

The aggregate remuneration of members of the Senior Management and the number of individuals determined on a full-time equivalent basis receiving remuneration from the Chienge Town Council are:

Aggregate Remuneration	K2,441,415
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30. External Assistances

The Council did not receive any external assistance from Cooperating Partners

31. Payment to Third Parties

No payment was made by third parties on behalf of Chienge Town Council to construct or acquire Property, Plant and Equipment or pay for Service.