KASENENGWA TOWN COUNCIL

FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

OFF MFUWE
ROAD
P O BOX 510130
KASENENGWA

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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 2022 which disclose the sources, utilization and balances of cash for Council during the period under review.

Background and Location of the Council

Kasenengwa District is located in the Eastern Province of Zambia; the furthest point is approximately 108km from Chipata City. It has a total surface area of 181, 843 hectares and is located in the vicinity of Latitude 13° 19° 0° S and Longitude 31° 55° 0° E.

Kasenengwa is located along the Great East Road 580 Km from Lusaka and 28Km from Chipata. Kasenengwa shares boundaries with the following Districts; Mambwe, Chipangali, Chipata and Katete.

There are four traditional leaders in the District namely Chief Nzamane, Chief Madzimawe, Chief Mishoro and Chief Chikuwe.

The Central Statistics Office projection of 2017 shows that the District has a total population of 114,283 which is broken down as here below:

WARD	POPULATION	2017 PROJECTED POPULATION
Chingazi	15,149	17,645
Chiparamba	11,511	13,408
Kwenje	29,330	34,163
Makungwa	12,901	15,027
Mkowe	2,009	2,340
Mboza	11,792	13,735
Ng´ongwe	15,425	17,967
Total	**98,117**	**114,284**

Socio-Economic Activities of the District

Kasenengwa District being a newly created district has poor road infrastructure and inadequate housing facilities. It has a total of twelve (12) health facilities of which seven (7) are health centres, four (4) health posts and one (1) clinic. It has seventy-five (75) schools, nineteen (19) of these are community schools while fifty-six (56) are government schools. Nine (9) of these are secondary schools while the remaining are primary schools.

The main commercial activity in Kasenengwa District is Agriculture which includes farming and livestock rearing. Some of the produce include cotton, tobacco, maize, sunflower and groundnuts

REPORT OF THE COUNCIL

The address of the registered office of Kasenengwa Town Council (KSGTC) is as here below:

CIVIC CENTRE
OFF MFUWE ROAD
CHIPARAMBA
P O BOX 510130
KASENENGWA

Composition of the Council

Kasenengwa 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 No. 2 of 2019. As a Local Authority, the Town Council administers the Kasenengwa District.

The Council is composed of an elected Chairperson, eight (8) elected Councillors from eight (8) Wards, and three (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 Vice Chairperson was elected from among the Councillors in 2021 for a period of two and half years.

From January to December 2022 the Council was composed of an elected Chairperson, eight (8) Councillors from the eight (8) wards as the number of wards increased from seven (7) wards to eight (8) wards.

The Councillors who held office during the year were as listed below:

SN.	NAME	GENDER	POSITION	WARD
1	Falesi Soko	Female	Council Chair	Not applicable
2	Peter Mwenda	Male	Vice Chairperson	Mkowe
3	Solomon Banda	Male	Councillor	Chiparamba
4	Alexander Miti	Male	Councillor	Makungwa
5	Paul Phiri	Male	Councillor	Chinganzi
6	Agabu Nyangulu	Male	Councillor	Mboza
7	Ackim Sakala	Male	Councillor	Mpunza
8	Micky Mbewe	Male	Councillor	N'gongwe
9	Acklas Wackson Miti	Male	Councillor	Kwenje
10	Tyson J N Jere	Male	Chief Mzamane	Not applicable
11	Lazaruos Jere	Male	Chief Mishoro	Not applicable
12	Chimozi Ntabeni Jere	Male	Chief Madzimawe	Not applicable

REPORT OF THE COUNCIL

The district had One (1) elected Member of Parliament who held office from January to December 2022. The Member of Parliament who held office during the year was:

S/N	NAME	GENDER	PERIOD	CONSTITUENCY
1	Honorable Philimon Twasa	Male	January to December	Kasenengwa Constituency

The affairs of Central Government in the District are coordinated by the District Commissioner.
During the year under Ms Rachael Phiri was the District Commissioner for Kasenengwa District from January to December 2022.

The Council Secretariat

The Secretariat of Kasenengwa 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) Chief Officers responsible for Finance, Planning, Engineering, Human Resource and Administration, and two (2) Heads of units namely Procurement and Internal Audit.

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 of all or any of the functions set out in Article 147 (2) (c) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 and First Schedule of the Local Government Act No. 2 of 2019 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

	2022 Kwacha	2021 Kwacha
Cash Receipts	41,488,790	13,099,884
Payments	17,244,223	11,866,936
Increase/(decrease) in Cash and Cash Equivalents	**24,244,567**	**1,232,948**

Key Policies Adopted During the Year

The Council did not adopt any policies during the year under review.

Related Party Transactions

The council did not receive any related party payments.

REPORT OF THE COUNCIL

Property, Plant and Equipment

The Council did purchase property, plant and equipment worth K3,826,061 but no property, plant and equipment were disposed of during the year.

Intangible Assets

During the year the Council did not purchase any intangible assets.

Employees

The average number of employees during the year was thirty-nine (39). The total amount spent on employees' remuneration and welfare during the year was K5,083,156.

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 did not incur or sponsor any sporting activity.

Corporate Social Responsibility

The Council did not make any donations during the year.

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 RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The Kasenengwa Town Council is responsible for preparing the financial statements for the year ended 31st December, 2022 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 7 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 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.

The Council further accepts responsibility:

- for the maintenance of accounting records that may be relied upon in the preparation of financial statements,
- for the 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 Kasenengwa 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 Town Council for the financial year ended 31st December, 2022.

Signed on behalf of the Council ……, by:

Name: …….... **Name: …….**

Signature: ……... **Signature: ……**

Position: Council Chairperson **Position: Council Secretary**

Name: …….

Signature: ……...

Position: District Treasurer

REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

STAND No.7951
HAILE SELASSIE AVENUE
LONGACRES
P.O BOX 50071
LUSAKA, ZAMBIA

E-mail: auditorg@ago.gov.zm
Website:www.ago.gov.zm
Telephone: +260252611/252771

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

Report on the Audit of the Financial Statements of Kasenengwa Town Council

Opinion

I have audited the financial statements of the Kasenengwa Town Council for the financial year ended 31st December, 2022 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) and a summary of significant accounting policies and other explanatory information on pages 14 to 36.

In my opinion, the accompanying financial statements of Kasenengwa Town Council present fairly, in all material respects, its cash receipts and payments and balances for the year ended 31st December, 2022 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 Kasenengwa 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.

Emphasis of Matter

I draw attention to Part 1.1 to the financial statements which describe the roadmap of the Council to adoption of Accrual Basis Financial Reporting Framework as result of which the Council has not produced Accrual Basis type of financial statements required by the Local Government Act, 2019.

My opinion is not qualified in respect of this matter.

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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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 skepticism 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 controls.

- Obtain an understanding of internal controls 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 controls.
- 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

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.

Dr. Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE
ACTING AUDITOR GENERAL
OFFICE OF THE AUDITOR GENERAL **DATE:……..**

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

DESCRIPTION		2022	2021
RECEIPTS	**Note**	**Kwacha**	**Kwacha**
Local Taxes	**2**	5,745	5,108
Fees and Charges	**3**	682,931	449,937
Licences	**4**	15,900	12,255
Levies	**5**	260,104	212,643
Permits	**6**	16,832	51,887
Local Government Equalisation Fund	**7**	9,292,753	6,932,276
Constituency Development Fund	**8**	23,869,196	1,692,903
Other Grants	**9**	7,289,480	70,000
Borrowings	**10**	-	-
Commercial Venture	**11**	-	-
Other Receipts	**12**	55,850	3,672,875
TOTAL RECEIPTS		**41,488,790**	**13,099,884**
PAYMENTS			
Personnel Emoluments	**13**	5,083,156	4,966,614
Use of goods and services	**14**	8,200,006	1,739,296
Financial Charges	**15**	-	-
Social benefits	**16**	-	43,389
Non-financial assets acquisition	**17**	3,826,061	1,343,905
Financial Assets	**18**	-	-
Loan Repayments	**19**	-	-
Other payments	**20**	135,000	3,773,732
TOTAL PAYMENTS		**17,244,223**	**11,866,936**
Increase/(decrease) in Cash		**24,244,567**	**1,232,948**
Foreign Exchange Losses	**21**	-	-
Cash at beginning of the year	**22**	**3,579,617**	**2,346,669**
Cash at the end of the year	**22**	**27,824,184**	**3,579,617**

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.

Signature: ……... **Signature: ……...**
Position: Chairperson **Position: Council Secretary**

Signature……
Position: District Treasurer

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2022

RECEIPTS	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha	Actual Amounts Kwacha	% Performance	Variance Kwacha	% Variance
Local taxes	6,000	-	6,000	5,745	96%	256	4%
Fees and Charges	944,023	-	944,023	682,931	72%	261,092	28%
Licences	13,800	-	13,800	15,900	115%	(2,100)	-15%
Levies	342,500	-	342,500	260,104	76%	82,396	24%
Permits	33,095	-	33,095	16,832	51%	16,263	49%
Local Government Equalisation Fund	9,419,520	-	9,419,520	9,292,753	99%	126,767	1%
Constituency Development Fund	25,700,000	-	25,700,000	23,869,196	93%	1,830,804	7%
Other Grants	-	-	-	7,289,480	0%	(7,289,480)	0%
Borrowings	-	-	-	-	0%	-	0%
Commercial Venture	-	-	-	-	0%	-	0%
Other Receipts	-	-	-	55,850	0%	(55,850)	0%
TOTAL RECEIPTS	**36,458,938**	**-**	**36,458,938**	**41,488,790**	**114%**	**-5,029,852**	**-14%**
PAYMENTS							
Personnel Emoluments	6,498,439	-	6,498,439	5,083,156	78%	1,415,283	22%
Use of goods and services	13,017,488	-	13,017,488	8,200,006	63%	4,817,482	37%
Financial Charges	-	-	-	-	0%	-	0%
Social benefits	-	-	-	-	0%	-	0%
Non-financial assets acquisition	16,943,011	-	16,943,011	3,826,061	23%	13,116,950	77%
Financial Assets	-	-	-	-	0%	-	0%
Loan Repayment	-	-	-	-	0%	-	0%
Other payments	-	-	-	135,000	0%	(135,000)	0%
TOTAL PAYMENTS	**36,458,938**	**-**	**36,458,938**	**17,244,223**	**47%**	**19,214,715**	**53%**
Increase/(decreas	-	-	-	**24,244,567**		**-24,244,567**	
Foreign Exchange Losses				-			
Cash at beginning of the year				**3,579,617**			
Cash at the end of the year				**27,824,184**			

The composition of budget adjustments and explanations of major variances are provided in note 23.

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE LOCAL GOVERNMENT EQUALISATION FUND (LGEF) FOR YEAR ENDED 31ST DECEMBER 2022

	Notes	2022	2021
RECEIPTS		**Kwacha**	**Kwacha**
Funding	7(a)	9,292,753	6,932,276
TOTAL RECEIPTS		**9,292,753**	**6,932,276**
PAYMENTS			
Operational Expenditure Payments:	7(b)		
Salaries and Wages		4,989,727	4,719,100
Terminal Benefits		-	20,000
Utility bills		6,800	9,560
Service Provision		435,533	98,671
Goods and Services		1,370,151	1,027,781
Administrative Costs		95,057	88,861
Other Costs		129,875	64,839
Sub-Total		**7,027,143**	**6,028,812**
Capital Expenditure Payments:	7 (C)		
Infrastructure Development		269,969	231,662
Rehabilitation Works		-	129,880
Asset Acquisition		1,380,775	552,586
Other Costs		-	-
Sub-Total		**1,650,744**	**914,128**
TOTAL PAYMENTS		**8,677,886**	**6,942,940**
Increase/(decrease) in cash		**614,867**	**(10,664)**
Cash at the begining of the year		1,474,159	1,484,823
Cash at the end of the year		**2,089,026**	**1,474,159**

The closing balances for the Local Government Equalisation Fund are made up of closing bank account balances as tabulated below.

		Kwacha	Kwacha
Capital Project Account	Indo Zambia	1,117,365	1,420,685
District Fund account	Zanaco	835,769	24,280
Salaries Account	Zanaco	135,892	29,194
Total		**2,089,026**	**1,474,159**

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR YEAR ENDED 31ST DECEMBER 2022

		2022	2021
RECEIPTS		**Kwacha**	**Kwacha**
Funding	8(a)	23,739,911	1,600,000
Other sources	8(b)	129,285	92,903
TOTAL RECEIPTS		**23,869,196**	**1,692,903**
PAYMENTS			
Infrastructure Development	8(c)	1,424,108	319,683
Rehabilitation Works	8(d)	188,164	95,095
Asset Acquisition	8(e)	577,500	-
Administrative Costs	8(f)	735,905	27,419
Empowerment	8(g)	1,935,000	15,000
Bursaries	8(h)	1,052,560	-
TOTAL PAYMENTS		**5,913,237**	**457,197**
Increase/(decrease) in Cash		**17,955,959**	**1,235,706**
Cash at beginning of the year		**1,923,897**	**688,191**
Cash at the end of the year		**19,879,856**	**1,923,897**

Please note that the amount other Sources is composition of Interest earned through the Account amounting to K129, 285.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of the Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with Part 1 of 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

Kasenengwa 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 the accruals basis of accounting in financial reporting. However, the Act does not specify which particular accrual basis of accounting to use. 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, 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 2022.

(c) Treasury and Financial Management Circular No. 10 of 2019 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 2019 up to 2022.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January, 2022 by following the guidelines provided in IPSAS 33 – "First Time Adoption of Accrual Basis IPSASs".

iv. That the three (3) year transition period provided under IPSAS 33 should commence on 1st January, 2022 and should end on 31st December, 2024. Thereafter, all Local Authorities shall be required to comply fully with Accrual Basis IPSASs.

v. However, further guidance was issued through Treasury Circular number 18 of 2022 to continue using IPSAS Cash Basis up to 31st December 2024.

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 Kasenengwa Town Council. The financial statements encompass the Council as specified in the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No. 2 of 2019, and the Public Finance Management Act No.1 of 2018. 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 recognized 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 No. 2 of 2016 authorises Kasenengwa Town Council as a Local Authority to levy, impose, recover and retain local taxes. Further, the Local Government Act No. 2 of 2019 section 25(1) prescribes, subject to the Constitution and the Business Regulatory Act No. 3 of 2014, a system of local taxes which Local Authorities can raise by passing By-laws imposing levies on:

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Fees or Charges

Section 70 (1) of the Local Government Act No. 2 of 2019 empowers Local Authorities, subject to the Business Regulatory Act No. 3 of 2014, 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. These may include survey fees, consent fees, building inspection fees, waste collection fees and parking fees.

1.5 Expenditure

Expenditure is recognized 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 Statement.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The administration of CDF is guided by Constituency Development Fund Act No. 11 of 2018. 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 Presentation Currency

The presentation currency is Zambian Kwacha.

1.12 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 K15.00 to the dollar and K15.01 to the dollar respectively.

1.13 Borrowings

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.14 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 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.

1.15 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 Council'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 Council 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 Council 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 Council. The Council deems as part of cash under its control any collections made and administered by the Council 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 Council or exercise significant influence over the Council in making financial and operating decisions. The related party entity is also any entity that is subject to common control with the Council.

Related parties include:

(a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Council;
(b) Associates being entities over which the Council has significant influence
(c) Individuals that have significant influence over the Council, 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 Council are:

(a) The Chairperson, elected Councillors, Co-opted members of the Audit and Procurement Committees, chiefs who are part of the council 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 Council 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.
Kasenengwa Council discloses total external assistance received in cash during the period, total external assistance paid by the agencies for the benefit of the council, 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 Kasenengwa Town Council. These do not constitute cash receipts and payments by the Council. 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:

Local Taxes Types	2022 Kwacha	2021 Kwacha
Industrial Commercial Rates	-	-
Mining Rates	-	-
Personal Levy	5,745	5,108
TOTAL	**5,745**	**5,108**

The Council has no Valuation Roll to determine the property rates.

3. Fees and Charges

The local authority generated cash receipts in form of fees and charges arising from offering

Fees and Charges Type	2022 Kwacha	2021 Kwacha
Consent Fees	5,000	500
Survey Fees	-	-
Building Inspection fees	-	-
Plan Scrutiny Fees	-	-
Rentals/Lease of Council's properties	-	-
Application Form Fees	20,385	9,560
Rentals from houses	10,350	14,464
Sketch Fees	-	-
Search Fees	150	-
Market Fees	-	-
Parking Fees	-	-
Bus Station Fees	-	-
Affidavit Fees	4,510	500
Grave Reservation	-	-
Refuse Disposal Fees	-	-
Notice of Marriage	100	3,320
Sub-TOTAL	**40,495**	**28,344**

NOTES TO THE FINANCIAL STATEMENTS

Fees and Charges Type	2022 Kwacha	2021 Kwacha
Abbattoir/Meat Inspection Fees	10,958	8,070
Farm Produce Levy	162,636	231,904
Communication Mast Levy	25,500	25,000
Land Record	-	-
Billboard and Banner	-	-
Lease of Council Transport	-	-
Ilegal Vending Fees	-	-
Penalties	1,350	900
Site Rent	-	-
Change of ownership of plot	-	-
Other Fees and Charges/other income	357,492	118,434
TOTAL	**557,936**	**384,308**

Charges Type	2022 Kwacha	2021 Kwacha
Service charges - residential plots	78,100	37,285
Service charges - Industrial plots	-	-
Premium plots - Residential	-	-
Premium plots - Commercial	-	-
Lease charges	-	-
Other	6,400	-
TOTAL	**84,500**	**37,285**

NOTES TO THE FINANCIAL STATEMENTS

4. Licenses

A total of K273, 909 cash receipts was raised from issuance of various licenses.

Licence Type	2022 Kwacha	2021 Kwacha
Manufacturers licence	-	-
Retail licence	-	-
Wholesale licence	-	-
Occupancy licence	-	-
Commercial travellers licence	-	-
Hawkers licence	-	-
Peddlers licence	-	-
Stall licence	-	-
Liquor licence	8,900	5,155
Firearm and ammunition licence	7,000	7,100
Petroleum licence	-	-
Restaurant licence	-	-
Dog licence	-	-
Other licences	-	-
TOTAL	**15,900**	**12,255**

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	2022 Kwacha	2021 Kwacha
Livestock Levy	740	755
Bird Levy	-	-
Fish Levy	-	-
Pole Levy	-	5,263
Charcoal Levy	1,005	5,468
Sand Levy	-	-
Other Permits	258,009	197,847
Miscellaneous levies	350	3,310
TOTAL	**260,104**	**212,643**

NOTES TO THE FINANCIAL STATEMENTS

6. Permits

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

Type of Permit	2022 Kwacha	2021 Kwacha
Health Permit	5,320	28,487
Permit for Opaque beer	-	-
Herbalist permit	-	1,430
Transportation of Milk products	-	-
Transportation of meat products	9,012	11,970
Transportation of opaque beer	-	-
Nursery, preschool permits	-	-
Burial Permits and Grave sites	-	-
Fire Certificates	2,500	10,000
Extension of business hours permits	-	-
Public permits (social gatherings, etc)	-	-
Other Permits	-	-
TOTAL	**16,832**	**51,887**

7. Local Government Equalisation Fund

a. Funding

Equalisation Funds	2022 Kwacha	2021 Kwacha
1st Funding February 2022	1,541,238	584,960
2nd Funding March 2022	782,970	570,987
3rd Funding April 2022	762,451	1,166,885
4th Funding May 2022	779,173	-
5th Funding June 2021	-	1,166,885
5th Funding July 2022	1,558,346	562,501
6th Funding August 2022	772,872	-
7th Funding September 2022	775,172	1,133,101
8th Funding October 2022	774,672	583,443
9th Funding December 2022	1,545,859	1,163,515
TOTAL	**9,292,753**	**6,932,276**

NOTES TO THE FINANCIAL STATEMENTS

b. Operational Expenditure

The Council applied amounts totaling K7,027,143 of LGEF receipts towards meeting operational expenses representing 76% 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 totaling K1,650,744 of LGEF and the grant received for the construction of crossing points for the reporting period. This expenditure is included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

		2022	2021
Capital Expenditure Payments:	7 (C)	**Kwacha**	**Kwacha**
Infrastructure Development		269,969	231,662
Rehabilitation Works		-	129,880
Asset Acquisition		1,380,775	552,586
Other Costs			-
Sub-Total		**1,650,744**	**914,127**

NOTE: The 20% was arrived as a percentage of the gross amounts that were received as local government equalization grand during the year under review.

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

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	23,739,911	1,600,000
Total Funding	**23,739,911**	**1,600,000**

b. Other CDF Sources of Funding

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	-	80,000
Interest Earned	129,285	12,903
Total Other Sources	**129,285**	**92,903**

Other Constituency Development Fund sources of funding consisted interest earned on the amounts held in both the main CDF bank account and the CDF revolving Bank account.

c. Infrastructure Development

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	1,424,108	319,683
Sub-Total	**1,424,108**	**319,683**

Infrastructure development works included construction of classroom blocks at various schools, drilling and equipping of 20 boreholes in various ward, construction of health posts.

d. Rehabilitation Works

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	188,164	95,095
Sub-Total	**188,164**	**95,095**

NOTES TO THE FINANCIAL STATEMENTS

Rehabilitation works were done during the year under review.

e. Asset Acquisition

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	577,500	-
Sub-Total	**577,500**	**-**

K577,500 was spent as part of the payment for the acquisition of motor grader which was acquired for Kasenengwa in the period under review.

f. Administrative Cost

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	735,905	27,419
Sub-Total	**735,905**	**27,419**

g. Empowerment

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	1,935,000	15,000
Sub-Total	**1,935,000**	**15,000**

Empowerment programs were carried out during the year under review in Kasenengwa District.

h. Bursaries

Constituency	2022 Kwacha	2021 Kwacha
Kasenengwa	1,052,560	-
Sub-Total	**1,052,560**	**-**

Various Bursaries were paid for the skills training for students in different colleges and boarding facilities for secondary schools

NOTES TO THE FINANCIAL STATEMENTS

9. Other Grants

During the year, Kasenengwa Town council other grants received were accounted for through local government equalization funds as they were received through the same stream:

Revenue Source	2022 Kwacha	2021 Kwacha
Grants in Lieu of Rates	240,000	70,000
8th National Development Plan	49,480	-
Other- Roads Crossing points	7,000,000	-
TOTAL	**7,289,480**	**70,000**

10. Borrowings

During the year under review Kasenengwa town council did not borrow any funds and there were no loan repayments.

11. Council Commercial Ventures

Kasenengwa Town council did not have any commercial ventures during the year.

12. Other Receipts

A total of K55,850 was received as other receipts during the year under review.

OTHER RECEIPTS	2022 Kwacha	2021 Kwacha
Contribution for the PLGO	-	45,400
Interest Earned CDF account	-	-
2020 Funding from Chipata City Council	-	20,000
Donations for Public Events	8,800	1,850
Other Receipts-Bidding & Water scheme	47,050	-
Other Receipts- ECZ		3,605,625
TOTAL	**55,850**	**3,672,875**

Please note that other receipts is made of K8,800 which were donations for the public events and K47,050 was for the village water schemes and sale of bidding documents bringing the total to K55,850.

NOTES TO THE FINANCIAL STATEMENTS

13. Emoluments

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

Grade	2022 Kwacha	2021 Kwacha
Salaries Division I	1,266,631	1,359,972
Salaries Division II	1,377,269	1,358,409
Salaries Division III	334,556	303,443
Wages- Division IV	390,482	379,093
NAPSA	331,088	373,877
LASF	49,163	55,053
ZRA	892,905	731,787
FUNERAL SCHEME	34,416	27,781
NHIMA	50,935	46,428
ZULAWU	12,360	13,667
Other Personnel Related Cost	255,851	69,589
TOTAL	**4,995,655**	**4,719,100**

Expenditure from Local Resources Grade	2022 Kwacha	2021 KWACHA
Salaries Division I	25,819	-
Salaries Division II	54,611	32,510
Salaries Division III	800	5,434
Wages- Division IV	6,271	17,316
NAPSA	-	-
LASF	-	-
ZRA	-	-
FUNERAL SCHEME	-	-
OTHER CONTRIBUTION(NHIMA)	-	-
ZULAWU	-	-
Other Personnel Related Cost	-	192,253
TOTAL	**87,501**	**247,514**

NOTES TO THE FINANCIAL STATEMENTS

14. Use of Goods and services

Use of Good and services consist of expenditure incurred on administrative activities.

Expenditure Type	2022 Kwacha	2021 Kwacha
Office Running Costs	107,935	67,183
Building, Repair and Maintenance Costs	30,092	26,530
Plant, Machinery and Vehicle Running and Maintenance Cost	1,164,796	390,472
Other Administrative operating costs	1,237,890	241,931
Requisites	55,513	9,100
Services	4,906,601	502,466
Travel expenses	571,743	291,329
Training	125,437	124,280
Medical costs	-	-
Other costs	-	86,004
TOTAL	**8,200,006**	**1,739,296**

15. Financial Charges

No financial charges were paid during the period under review.

16. Social Benefits

Social benefits include payments towards death on duty, burial and other related benefits. During the year ending 31st December, 2022 no such payments were made.

NOTES TO THE FINANCIAL STATEMENTS

17. Non-Financial Assets Acquisition

Acquisition of non-financial assets involved the following payments:

Expenditure Type	2022 Kwacha	2021 Kwacha
Construction of 1x 3 classroom block at Samuel primary	-	22,660
Rehabillitation of 1x 2 classroom block at Chingazi Prim	-	11,763
Chiparamba Zonal Health Post	-	50,637
Mandondo Primary School	-	28,822
Chilile Primary School	-	34,390
Kanzuntu Health Post	48,689	30,297
Giveway Market - Ablution block	82,513	34,062
Kalichero - Kambwatike road	-	2,300
Planning Equipment	-	25,837
Rehabilitaion of Council Chamber	-	121,780
Chiparamba Market Ablution Block	-	197,600
Mkowe Road	-	118,950
Purchase of Safe	-	26,750
Kadama Rural Health post	-	21,768
Shamombo Health post	-	22,966
Rehabilitaion of Council Offices	-	8,100
Procurement of Tata Bus	-	499,999
Mkanire Primary School	-	38,376
Msamaria Wabwino school	-	31,850
Mboza Youth group	-	15,000
	-	-
Sub-Total	**131,203**	**1,343,905**

NOTES TO THE FINANCIAL STATEMENTS

Acquisition of non-financial assets continues

Expenditure Type	2022 Kwacha	2021 Kwacha
Construction of 1x2 CRB at Chichele Community School	124,244	-
Construction of 1x2 CRB at Chiteko Community School	124,113	-
Construction of 1x3 CRB at Bvungulumwe Community School	169,937	-
Construction of 1x3 CRB at Champhundu Community School	84,368	-
Construction of 1x3 CRB at Chambuna Primary School	55,106	-
Construction of 1x3 CRB at Munkwangwe Primary School	168,830	-
Construction of Chiwoko Rural Health post	102,497	-
Construction of CRB at Mtachi Primary school	64,480	-
Construction of staff house at Kamuna Primary school	104,882	-
Construction of staff house at Mkowe health Post	105,911	-
Drilling and equipping of 20 boreholes in Kasenengwa	313,200	-
Purchase of Motor grader	1,925,000	-
Rehabilitation of 1x2 CRB at Mangena Primary School	40,745	-
Rehabilitation of 1x3x2 CRB at Mtaya Primary School	90,814	-
Constructions of Parking Bay	187,456	-
Purchase of Freezer	5,905	-
Purchase of Aircon for the Chamber	27,370	-
	-	-
Sub-Total	**3,694,858**	**-**

18. Financial Assets

Kasenengwa town council did not acquire any financial assets during the year.

19. Loan Repayments

No amount was spent as loan repayment during the year under review.

20. Other Payments

The other payments totaling K135,000 relating.

Other Payments	2022 Kwacha	2021 Kwacha
Terminal Benefits	135,000	-
Electoral Commision of Zambia	-	3,773,732
	-	-
TOTAL	**135,000**	**3,773,732**

NOTES TO THE FINANCIAL STATEMENTS

21. Foreign Exchange Losses

These arise from transactions made in other currencies and determined by reconciling opening cash to closing cash balances. Kasenengwa town council incurred non during the year ending 31st December 2022.

22. Cash Balances

The council's Cash amounts consisted of Cash on hand, Demand deposits and Cash equivalents.

	2022 Kwacha	2021 Kwacha
Cash On Hand	-	-
Demand Deposits	27,824,184	3,579,617
Cash Equivalents	-	-
TOTAL	**27,824,184**	**3,579,617**

a. Cash on hand

The Council had no cash on demand was made of cash collections and nor petty cash:

b. Demand Deposits – Bank Balances

The Council had the following reconciled bank account balances as at the 31st December 2022:

ACCOUNT NAME	BANK	ACCOUNT NUMBER	BALANCE	
			2022 Kwacha	2021 Kwacha
Development Fund Account	Indo Zambia	0122020000061	152,867	15,486
Capital Project Account	Indo Zambia	0122020000060	1,117,365	1,420,686
District Fund account	Zanaco	5660883300351	6,448,566	24,280
Salaries Account	Zanaco	5660883300149	135,892	166,444
Constituency Development fund CDF	Investrust Bank	0710357362017	16,939,188	1,923,897
Constituency Development fund CDF-Revolving Fund	Investrust Bank	0110357362045	2,940,668	-
Bus Account	Investrust Bank	0110357362035	89,639	28,825
Total			**27,824,184**	**3,579,617**

c. Cash Equivalents

The council held no treasury bills at the year end.

NOTES TO THE FINANCIAL STATEMENTS

23. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister responsible for Local Government on 9th February, 2022. There were no subsequent approved adjustments to the budgets made.

b. Budget Variances

- **Fees and Charges**

  The council planned to generate K944,023 from Fees and Charges but collected K682,931 resulting in variance of K261,092 representing a variance of 28%. The variance was as a result of lack of adequate transport at the council.

- **Levies**

  The Council planned to generate K342,500 from Levies but collected K260,104 resulting in a variance of K82,396 representing 24% variance. The variance was as a result of challenges with clients' response. However, the renewals have continued into the year 2023.

- **Permits**

  The Council planned to generate K33,095 from Permits but collected K16,832 resulting in a variance of K16,263 representing 49%. The variance was because during the year under review the 2 of the clients who were operating pre-schools closed down.

- **Other Receipts**

  Please note that other receipts is made of Interest on CDF K129, 285, K8,800 were donations for the public events and K47,050 was for the village water schemes and sale of bidding documents bringing the total to K185,135.

- **Personal Emoluments**

  The Council planned to spend K6,498,439 on Personal Emoluments but spent K5,083,156 resulting in a variance of K1,415,283 representing 22% variance. The Council planned to spend K6,498,439 with a view of having salary notch increments but these were not authorized, hence the variance.

- **Use of Goods and Services**

  The Council planned to spend K13,017,488 on use of goods and services but spent K8,200,006 representing a variance of K4,817,482 representing a variance of 37%. The budgeted amount included the CDF administrative component and the bursaries. The balance for the bursaries has been reallocated to other CDF activities due to the low turnout.

- **Non-Financial Assets**

  The Council planned to spend K16,943,011 on Non-Financial asset but spent K3,826,061 resulting in a variance of K13,116,950 representing 77% variance. The Council planned to pay K16,943,011 which included the CDF projects which are currently still on-going with final payments yet to be made.

NOTES TO THE FINANCIAL STATEMENTS

24. Provision of Services

The Town Council incurs expenditure to offering services it is mandated to provide to the residents of the District.

Type of Service	2022 Kwacha	2021 Kwacha
Make Zambia Clean and Health Campaign	-	-
Formation of ward Development Committee	-	12,849
Councillors Orientation workshop	-	85,822
Orientation of Ward Development Committees	37,510	-
Sanitation Facility Supply	-	-
Printing	15,590	-
Traditional Ceremonies	11,000	-
Official Entertainment	-	-
Public Functions and Ceremonies	35,891	-
Boards,Councils and Committees expenses	207,762	-
Land Demarcation and Survey	306,245	-
Bank Charges	35,575	-
Roads,Bridges and Culverts	1,234,142	-
SUB TOTAL	**1,883,714**	**98,671**

Note: The above amounts have been included in the various payments recognized in the Statement of Cash Receipts and Payments.

25. Property, Plant and Equipment

The Council had property, plant and Equipment valued at K6,400,548 as shown below:

	Land & Buildings K	Motor Vehicles K	Plant & Machinery K	Office Equip & Furniture K	TOTAL K
Opening Balances	1,991,557	530,343	52,587	-	2,574,487
Additions	1,867,786	-	1,925,000	33,275	3,826,061
Revaluation	-	-	-	-	-
Re-classification	-	-	-	-	-
Disposal	-	-	-	-	-
Closing Balance	**3,859,343**	**530,343**	**1,977,587**	**33,275.00**	**6,400,548**

26. Investments in Other Entities

The council held no shares in other entities.

NOTES TO THE FINANCIAL STATEMENTS

27. Administered Transactions

These relate to tax collection on behalf of Zambia revenue authority (ZRA). ZRA allows that collected amounts be deposited in the Council's own transit account before being transmitted to ZRA account. There were no collections made on behalf of ZRA during the period.

28. Related Party Disclosures

The following disclosures are made in the financial statements of Kasenengwa Town Council:

a. Fringe benefits Disclosures

The Council chairperson was provided with a Ceremonial car and an office.

b. Remuneration of the Councillors

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

	2022	2021
Councillors	**Kwacha**	**Kwacha**
Aggregated Remuneration	396,000	441,368
TOTAL	**396,000**	**441,368**

There were 11 Councillors during the period. None of the Councillors acquired loans from the Council during the period under review nor had any outstanding loans from council.

c. Remuneration of 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 Local Authority are:

	2022	2021
Senior Management	**Kwacha**	**Kwacha**
Aggregated Remuneration	815,277	727,926
TOTAL	**815,277**	**727,926**

None of the four members of senior management, that is, the council secretary, director of works, district planning officer and treasurer, acquired loans from the Council during the period under review nor had any outstanding loans.

29. External Assistance

There were no amounts, class of provider and purpose for which external assistance was received during the year.

30. Third Party Payments

There were no third party payments that Kasenengwa Town Council benefited from.