OFFICE OF THE COUNCIL SECRETARY
Civic Centre, Off Mfuwe Road,
P.O. Box 510130
1001 Kasenengwa - Zambia

KASENENGWA TOWN COUNCIL

Cell: +260 964 786 407
+260 977 112 249
Email: kasenengwatowncouncil@gmail.com

Our ref: 102/19/1

REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL
18 MAR 2024
PROVINCIAL AUDIT OFFICE
LAADS DIVISION
P. O. BOX 511159, CHIPATA

Received
Chris Sinkala
18/3/24

18th March, 2024

Auditor General
The Office of Auditor General
Umodzi Highway
CHIPATA

Dear Sir

RE: SUBMISSION OF DRAFT KASENENGWA TOWN COUNCIL FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

Refer to the above subject matter.

We wish to submit the draft copy of Kasenengwa Town Council Financial Statements for the year ended 31st December 2023 in line with the Public Finance Management Act.

Find Attached a copy of the Financial Statement for your attention.

Yours faithfully,

KASENENGWA TOWN COUNCIL

REPUBLIC OF ZAMBIA
KASENENGWA TOWN COUNCIL
18 MAR 2024
COUNCIL SECRETARY
P.O. BOX 510130,
KASENENGWA.

Caroline C M Mphande (Mrs)

COUNCIL SECRETARY

Cc. Provincial Local Government officer

Cc. Council Chairperson

OFFICE OF THE COUNCIL SECRETARY
Civic Centre, Off Mfuwe Road,
P.O. Box 510130
1001 Kasenengwa - Zambia

KASENENGWA TOWN COUNCIL

Cell: +260 977112249
Email: kasenengwatowncouncil@gmail.com

14th October, 2024

The Auditor General
Auditor General
CHIPATA

REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL
CHIPATA PROVINCIAL AUDIT OFFICE
16 OCT 2024
REGIONAL HEAD OF AUDITS
P.O. Box 511159, CHIPATA

Received
By
L.P. Mambwe

Dear Sir/ Madam

SUBMISSION OF 2023 SIGNED AUDITED FINANCIAL STATEMENTS

I make reference to the above subject matter and wish to submit the 2023 signed audited financial statements for your records.

Please find the attached report for your ease of reference.

Yours faithfully
KASENENGWA TOWN COUNCIL

CAROLINE C.M MPHANDE
COUNCIL SECRETARY

REPUBLIC OF ZAMBIA
REGISTRY OFFICE
P.O. BOX 510130, KASENENGWA
14 NOV 2024
KASENENGWA TOWN COUNCIL
REPUBLIC OF ZAMBIA

REPUBLIC OF ZAMBIA
KASENENGWA TOWN COUNCIL
14 OCT 2024
COUNCIL SECRETARY
P. O. BOX 510130, KASENENGWA

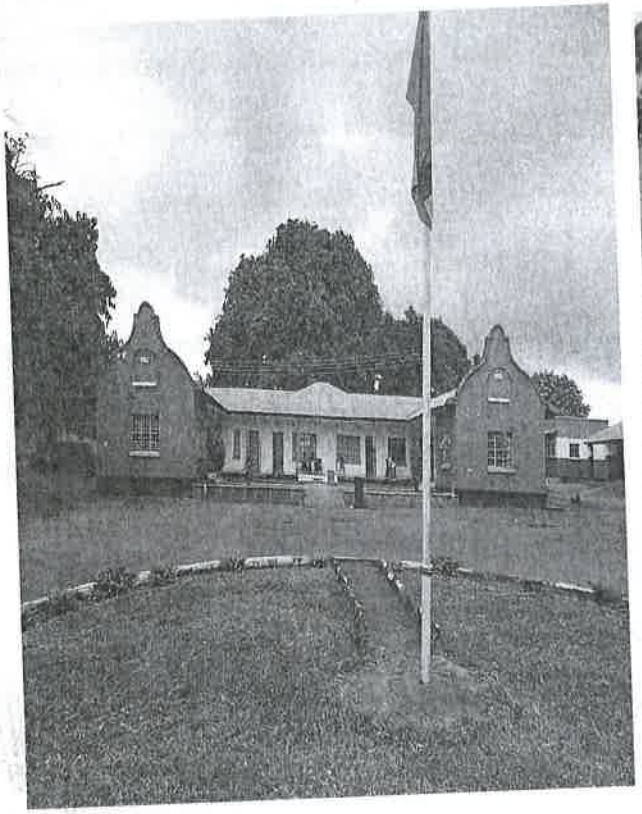
All correspondences must be addressed to the office of the Council Secretary

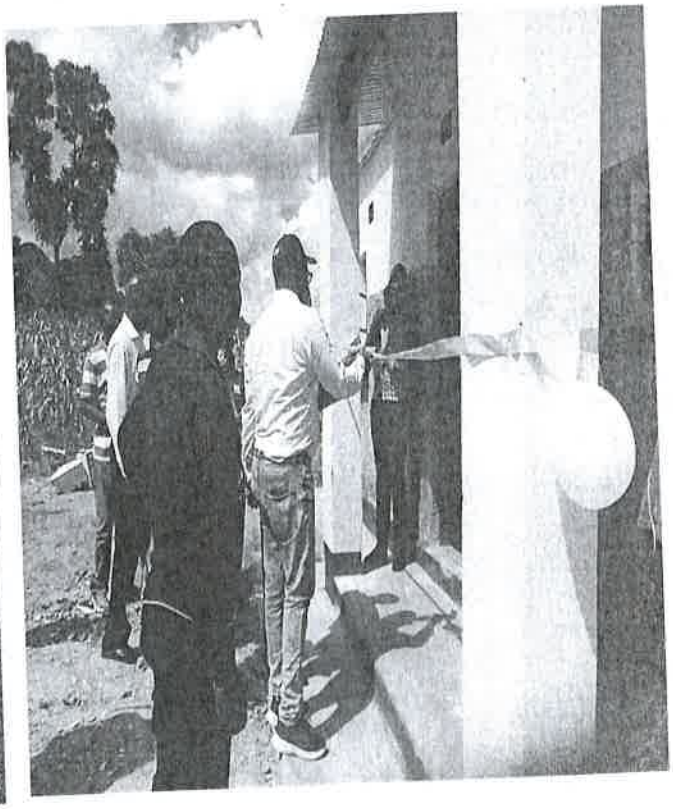
REPUBLIC OF ZAMBIA
MINISTRY OF LOCAL GOVERNMENT
& RURAL DEVELOPMENT
DIRECTOR FINANCE
RECEIVED
P.O.BOX 50027 RW 1510, LUSAKA

REPUBLIC OF ZAMBIA
KASENENGWA TOWN COUNCIL
REGISTRY OFFICE
P. O. BOX 510130, KASENENGWA
14 NOV 2024

KASENENGWA TOWN COUNCIL

FINANCIAL STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2023





OFF MFUWE
ROAD
P O BOX 510130
KASENENGWA

REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL
CHIPATA PROVINCIAL AUDIT OFFICE
16 OCT 2024
REGIONAL HEAD OF AUDITS
P.O. Box 511159, CHIPATA

Received By
E. P. Mambwe

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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 2023 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 28 km 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 2020 shows that the district has a total population of 155,565 which is shown below:

CONSTITUENCY	2020 POPULATION	2010 POPULATION
Kasenengwa	155,565	98,117
Total	**155,565**	**98,117**

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 2023 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 2023. 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 2023.

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

	2023 Kwacha	2022 Kwacha
Cash Receipts	39,066,445	41,488,790
Payments	46,089,138	17,244,223
Increase/(decrease) in Cash and Cash Equivalents	**- 7,022,694**	**24,244,567**

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 incurred K20,634,687 on asset acquisition during the financial year.
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 number of employees at the beginning of the year was 31 and at the end of the year was 33The total amount spent on employees' remuneration and welfare during the year was K5,797,347.

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 :SOKO FALESI

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 2023 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 9.

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 2023.

Signed on behalf of the Council ...KASENENGWA....., by:

Name: ...SOKO FAILESI.....

Signature: .....

Position: Council Chairperson

Name: ...EMMA MUMBA.....

Signature: .....

Position: Director of Finance

REPUBLIC OF ZAMBIA
KASENENGWA TOWN COUNCIL
09 SEP 2024
DIRECTOR FINANCE
P. O. BOX 510130, KASENENGWA

Name: ...MPHANDE CAROLINE.....

Signature: .....

Position: Council Secretary

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 & Rural Development

Report on the Audit of the Financial Statements for Kasenengwa Town Council for the Financial Year Ended 31st December 2023

Opinion

I have audited the financial statements for Kasenengwa Town Council for the financial year ended 31st December 2023 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.

In my opinion, the accompanying financial statements for Kasenengwa Town Council present fairly, in all material respects, its cash receipts and payments and balances for the year ended 31st December 2023 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.

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) using Cash Basis IPSAS in line with the LAAPS.

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

DATE: 17/09/2024

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31st DECEMBER 2023

DESCRIPTION	Note	2023 Kwacha	2022 Kwacha
RECEIPTS			
Local Taxes	2	5,213	5,745
Fees and Charges	3	1,330,572	682,931
Licences	4	82,830	15,900
Levies	5	3,048	260,104
Permits	6	394,052	16,832
Local Government Equalisation Fund	7	9,255,556	9,292,753
Constituency Development Fund	8	27,503,533	23,869,196
Other Grants	9	465,791	7,289,480
Borrowings	10	-	-
Commercial Venture	11	-	-
Other Receipts	12	25,850	55,850
TOTAL RECEIPTS		**39,066,445**	**41,488,790**
PAYMENTS			
Personnel Emoluments	13	5,797,347	5,083,156
Use of goods and services	14	10,350,155	8,200,006
Financial Charges	15	-	-
Social benefits	16	6,323,789	-
Non-financial assets acquisition	17	20,634,687	3,826,061
Financial Assets	18	2,733,220	-
Loan Repayments	19	-	-
Other payments	20	249,939	135,000
TOTAL PAYMENTS		**46,089,138**	**17,244,223**
Increase/(decrease) in Cash		- **7,022,694**	**24,244,567**
Foreign Exchange Losses	21	-	-
Cash at beginning of the year	22	**27,824,184**	**3,579,617**
Cash at the end of the year	22	**20,801,491**	**27,824,184**

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.

Name: SOKO FOLESI

Signature: .....

Position: Council Chairperson

Name: MPHANDE CAROLINE

Signature: .....

Position: Council Secretary

Name: EMMA ANAMBA

Signature: .....

Position: Director of Finance

REPUBLIC OF ZAMBIA
KASENENGWA TOWN COUNCIL
09 SEP 2024
DIRECTOR FINANCE
BOX 510130, KASENENGWA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Original Budget	Adjustments	Final Budget	Actual Amounts	% Performance	Variance	% Variance
RECEIPTS	**Kwacha**	**Kwacha**	**Kwacha**	**Kwacha**		**Kwacha**	
Local taxes	6,570	-	6,570	5,213	79%	1,358	21%
Fees and Charges	2,241,440	608,954	1,632,486	1,330,572	82%	301,914	18%
Licences	124,850	4,250	120,600	82,830	69%	37,770	31%
Levies	1,500	-	1,500	3,048	203%	(1,548)	-103%
Permits	256,450	11,300	245,150	394,052	161%	(148,902)	-61%
Local Government Equalisation Fund	9,419,520	-	9,419,520	9,255,556	98%	163,964	2%
Constituency Development Fund	28,300,000	-	28,300,000	27,503,533	97%	796,467	3%
Other Grants	325,000	-	325,000	465,791	0%	(140,791)	-43%
Borrowings	-	-	-	-	0%	-	0%
Commercial Venture	-	-	-	-	0%	-	0%
Other Receipts	-	-	-	25,850	0%	(25,850)	100%
TOTAL RECEIPTS	**40,675,330**	**624,504**	**40,050,826**	**39,066,445**	**98%**	**984,381**	2%
PAYMENTS							
Personnel Emoluments	6,221,877	50,000	6,171,877	5,797,347	94%	374,530	6%
Use of goods and services	17,663,803	574,504	17,089,299	10,350,155	61%	6,739,143	39%
Financial Charges	-	-	-	-	0%	-	0%
Social benefits	-	-	-	6,323,789	0%	(6,323,789)	100%
Non-financial assets acquisition	16,229,650	-	16,229,650	20,634,687	127%	(4,405,037)	-27%
Financial Assets	-	-	-	2,733,220	0%	(2,733,220)	100%
Loan Repayment	-	-	-	-	0%	-	0%
Other payments	560,000	-	560,000	249,939	0%	310,061	55%
TOTAL PAYMENTS	**40,675,330**	**624,504**	**40,050,826**	**46,089,138**	**115%**	(6,038,313)	-15%
Increase/(decreas	-	-	-	**(7,022,694)**		**7,022,694**	

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 2023

	Notes	2023 Kwacha	2022 Kwacha
RECEIPTS			
Funding	7(a)	9,255,556	9,292,753
TOTAL RECEIPTS		**9,255,556**	**9,292,753**
Operational Expenditure Payments	7(b)		
Salaries and Wages		5,362,809	4,989,727
Terminal Benefits			-
Utility Bills		3,900	6,800
Service provision		243,658	435,533
Goods and Services		1,481,620	1,370,151
Administrative Cost		20,393	95,057
Other Costs		183,326	129,875
Sub-Total		**7,295,706**	**7,027,143**
Capital Expenditure Payments :	7(c)		
Infrastructure Development		298,250	269,969
Rehabilitation Works			-
Asset Acqusition		334,656	1,380,775
Other Costs			-
Sub-Total		**632,906**	**1,650,744**
TOTAL PAYMENTS		**7,928,612**	**8,677,886**
Increase /(Decrease) in Cash		**1,326,944**	**614,867**
Cash at the beginning of the year		2,089,026	1,474,159
Cash at the end of the year		**3,415,970**	**2,089,026**

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

Account Name	Bank	2023 Kwacha	2022 Kwacha
Capital Project Account	Indo Zambia	2,258,613	1,117,365
District Fund Account	Zanaco	1,091,386	835,769
Salaries Account	Zanaco	65,972	135,892
		3,415,970	**2,089,026**

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR YEAR ENDED 31st DECEMBER 2023

		2023 Kwacha	2022 Kwacha
RECEIPTS			
Funding	8(a)	27,261,470	23,739,911
Other sources	8(b)	242,063	129,285
TOTAL RECEIPTS		**27,503,533**	**23,869,196**
PAYMENTS			
Infrastructure Development	8(c)	14,998,950	1,424,108
Rehabilitation Works	8(d)	378,068	188,164
Asset Acquisition	8(e)	4,989,200	577,500
Administrative Costs	8(f)	1,978,862	735,905
Empowerment	8(g)	2,100,000	1,935,000
Bursaries	8(h)	4,223,789	1,052,560
Loans	8(i)	2,733,220	-
TOTAL PAYMENTS		**31,402,089**	**5,913,237**
Increase/(decrease) in Cash		**(3,898,556)**	**17,955,959**
Cash at beginning of the year		**19,879,856**	**1,923,897**
Cash at the end of the year		**15,981,301**	**19,879,856**

Please note that the amount other Sources is composed of interest earned through the account amounting to K216,331 and loan repayments of K25,732.

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 accrual 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 2024. The Council is preparing to adopt Accrual Basis IPSASs on 1st January 2025.

(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 2025.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January, 2026 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, 2025 and should end on 31st December, 2027. 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 09/09/24..... 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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 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 a gross basis without netting off similar classes of receipts and payments. However, transactions may be reported on a 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 consists 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.13 Borrowings

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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	2023 Kwacha	2022 Kwacha
Industrial Commercial Rates	-	-
Mining Rates	-	-
Personal Levy	5,213	5,745
TOTAL	**5,213**	**5,745**

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.

	2023 Kwacha	2022 Kwacha
Fees and Charges (a)	684,277	598,431
Land Development Charges (b)	646,295	84,500
Total	**1,330,572**	**682,931**

NOTES TO THE FINANCIAL STATEMENTS

Fees and Charges Type	2023 Kwacha	2022 Kwacha
Consent Fees	-	5,000
Building Inspection fees	1,250	-
Plan Scrutiny Fees	1,000	-
Rentals/Lease of Council's properties	47,480	-
Application Form Fees	169,910	20,385
Rentals from houses	-	10,350
Search Fees	-	150
Market Fees	5,312	-
Certification	6,850	-
Hire of Halls	1,000	-
Notice of Marriage	-	100
Abbattoir/Meat Inspection Fees	61,270	10,958
Communication Mast Levy	50,000	25,500
Lease of Council Transport	308,255	-
Ilegal Vending Fees	4,450	-
Affidavit Fees	-	4,510
Other Fees and Charges/other income	27,500	-
Sub-TOTAL	**684,277**	**76,953**

NOTES TO THE FINANCIAL STATEMENTS

Fees and Charges Type	2023 Kwacha	2022 Kwacha
Farm Produce Levy	-	162,636
Penalties	-	1,350
Other Fees and Charges/other income	-	357,492
TOTAL	**-**	**521,478**

Charges Type	2023 Kwacha	2022 Kwacha
Service charges - residential plots	639,795	78,100
Legalisation of plots	6,500	-
Other	-	6,400
TOTAL	**646,295**	**84,500**

4. Licenses

A total of K82,830 cash receipts was raised from issuance of various licenses.

Licence Type	2023 Kwacha	2022 Kwacha
Liquor licence	8,180	8,900
Firearm and ammunition licence	14,100	7,000
Hawkers licence	1,395	-
Petroleum licence	55,000	-
Dog licence	4,110	-
Other licences	45	-
TOTAL	**82,830**	**15,900**

NOTES TO THE FINANCIAL STATEMENTS

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	2023 Kwacha	2022 Kwacha
Livestock Levy	148	740
Charcoal Levy	2,900	1,005
Other Permits	-	258,009
Miscellaneous levies	-	350
TOTAL	**3,048**	**260,104**

6. Permits

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

Type of Permit	2023 Kwacha	2022 Kwacha
Health Permit	7,800	5,320
Transportation of Animals	17,213	-
Transportation of meat products	-	9,012
Fire Certificates	-	2,500
business Permits	369,039	-
TOTAL	**394,052**	**16,832**

NOTES TO THE FINANCIAL STATEMENTS

7. Local Government Equalisation Fund

a. Funding

Equalisation Funds	2023 Kwacha	2022 Kwacha
1st Funding February 2023	773,415	1,541,238
2nd Funding March 2023	773,016	782,970
3rd Funding April 2023	752,596	762,451
4th Funding May 2023	770,596	779,173
5th Funding June 2023	774,054	-
6th Funding July 2023	774,054	1,558,346
7th Funding August 2023	774,054	772,872
8th Funding August 2023	774,054	775,172
9th Funding October 2023	774,054	774,672
10th Funding October 2023	774,054	1,545,859
11th Funding November 2023	774,054	-
12th Funding December 2023	767,554	-
TOTAL	**9,255,556**	**9,292,753**

b. Operational Expenditure

The Council applied amounts totaling K7,295,706 of LGEF receipts towards meeting operational expenses representing 79% 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 K632,906 of LGEF receipts towards meeting capital expenditure representing 7% of the total LGEF funding for the reporting period. This expenditure is included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

Capital Expenditure Payments:	7 (C)	2023 Kwacha	2022 Kwacha
Infrastructure Development		298,250	269,969
Asset Acquisition		334,656	1,380,775
Sub-Total		**632,906**	**1,650,744**

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	2023 Kwacha	2022 Kwacha
Kasenengwa	27,261,470	23,739,911
Total Funding	**27,261,470**	**23,739,911**

b. Other CDF Sources of Funding

	2023 Kwacha	2022 Kwacha
Interest Earned	220,774	129,285
Other Loan repayments	21,289	-
Total Other Sources	242,063	129,285

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 and loan repayments.

c. Infrastructure Development

Infrastructure Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	14,998,949	1,424,108
Sub-Total	**14,998,949**	**1,424,108**

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

NOTES TO THE FINANCIAL STATEMENTS

d. Rehabilitation Works

Rehabilitation Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	378,067	188,164
Sub-Total	**378,067**	**188,164**

Rehabilitation works were done during the year under review.

e. Asset Acquisition

Asset Acquisition Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	4,989,200	577,500
Sub-Total	**4,989,200**	**577,500**

f. Administrative Cost

Administration Cost Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	1,978,862	735,905
Sub-Total	**1,978,862**	**735,905**

g. Empowerment

Empowerment Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	2,100,000	1,935,000
Sub-Total	**2,100,000**	**1,935,000**

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

NOTES TO THE FINANCIAL STATEMENTS

h. Bursaries

Bursaries Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	4,223,789	1,052,560
Sub-Total	**4,223,789**	**1,052,560**

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

i. Loan Payments

Loans Constituency	2023 Kwacha	2022 Kwacha
Kasenengwa	2,733,220	-
Sub-Total	**2,733,220**	-

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	2023 Kwacha	2022 Kwacha
Grants in Lieu of Rates	200,000	240,000
8th National Development Plan	-	49,480
Other Revenues	265,791	7,000,000
TOTAL	**465,791**	**7,289,480**

Please note that other revenues were made up of K249,869 as funds for the water and sanitation programs, while K15,922 was refunded by ZDSP on expenditure during verification meeting on qualification for the capital grants from the World Bank.

10. Borrowings

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

NOTES TO THE FINANCIAL STATEMENTS

11. Council Commercial Ventures

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

12. Other Receipts

A total of K25,850 was received as other receipts during the year under review.

	2023 Kwacha	2022 Kwacha
Donations for Public Events	-	8,800
Other Receipts - Water scheme	14,900	47,050
Other Receipts- ECZ	10,950	-
TOTAL	**25,850**	**55,850**

Please note that other receipts is made of K14,900 were for the village water schemes and K10,950 for the Electoral Commission of Zambia activities bringing the total to K25,850.

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	2023 Kwacha	2022 Kwacha
Salaries Division I	1,680,618	1,266,631
Salaries Division II	1,303,060	1,377,269
Salaries Division III	368,860	334,556
Wages- Division IV	526,690	390,482
NAPSA	355,271	331,088
LASF	15,996	49,163
ZRA	946,405	892,905
FUNERAL SCHEME	37,196	34,416
NHIMA	57,880	50,935
ZULAWU	7,959	12,360
Other Personnel Related Cost	62,874	255,851
Sub Total	**5,362,809**	**4,995,655**

NOTES TO THE FINANCIAL STATEMENTS

Expenditure from Local Resources Grade	2023 Kwacha	2022 Kwacha
Salaries Division 1	103,000	25,819
Salaries Division 2	107,800	54,611
Salaries Division 3	112,100	800
Wages- Division 4	29,802	6,271
Other Personnel Related Cost	24,083	-
NAPSA	55,753	-
ZULAWU	2,000	-
TOTAL	**434,538**	**87,501**
Grand Total	**5,797,347**	**5,083,156**

14. Use of Goods and services

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

Expenditure Type	2023 Kwacha	2022 Kwacha
Office Running Costs	251,523	107,935
Building, Repair and Maintenance Costs	59,795	30,092
Plant, Machinery and Vehicle Running and Maintenance Cost	898,839	1,164,796
Other Administrative operating costs	2,061,398	1,237,890
Requisites	1,350	55,513
Services	5,836,154	4,906,601
Travel expenses	1,136,246	571,743
Training	104,850	125,437
TOTAL	**10,350,155**	**8,200,006**

15. Financial Charges

No financial charges were paid during the period under review.

NOTES TO THE FINANCIAL STATEMENTS

16. Social Benefits

Social benefits include payments towards death on duty, burial and other related benefits. During the year ending 31st December, 2023 such payments were made.

Social Benefit Type	2023 Kwacha	2022 Kwacha
CDF Grants	2,100,000	-
CDF Bursaries	4,223,789	-
TOTAL	6,323,789	-

During the year total of K6,323,789 was paid out as social benefits under the Constituency development funds broken down as K2,100,000 for grants and K4,223,789 for bursaries.

17. Non-Financial Assets Acquisition

Acquisition of non-financial assets involved the following payments:

	2023 Kwacha	2022 Kwacha
Infrastructure Development (Capital)	298,250	269,969
Asset Acquisitions (Capital)	334,657	1,380,775
Infrastructure Development (CDF)	14,998,949	1,424,108
Asset Acquisitions (CDF)	4,989,200	577,500
Rehabilitation works (CDF)	13,632	173,709
TOTAL	20,634,687	3,826,061

18. Financial Assets

Kasenengwa Town Council did have financial assets during the year in form of the Constituency loans paid out

Financial Asset Type	2023 Kwacha	2022 Kwacha
Loans paid out	2,733,220	-
TOTAL	2,733,220	-

19. Loan Repayments

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

NOTES TO THE FINANCIAL STATEMENTS

20. Other Payments

The other payments totaling K249,939 relate to.

	2023 Kwacha	2022 Kwacha
Terminal Benefits	183,326	135,000
Napsa Outstanding Debt	55,663	-
Electoral Commision of Zambia	10,950	-
TOTAL	**249,939**	**135,000**

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 none during the year ending 31st December 2023.

22. Cash Balances

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

	2023 Kwacha	2022 Kwacha
Cash On Hand	-	-
Demand Deposits	20,801,491	27,824,184
Cash Equivalents	-	-
TOTAL	**20,801,491**	**27,824,184**

a. Cash on hand

The Council had no cash on hand.

NOTES TO THE FINANCIAL STATEMENTS

b. Demand Deposits – Bank Balances

The Council had the following reconciled bank account balances as at the 31st December 2023:

Account Name	Bank	Account Number	Balance 2023 Kwacha	Balance 2022 Kwacha
Development Fund Account	Indo Zambia	0122020000061	112,401	152,867
Capital Project Account	Indo Zambia	0122020000060	2,258,613	1,117,365
District Fund account	Zanaco	5660883300351	2,004,294	6,448,566
Salaries Account	Zanaco	5660883300149	65,972	135,892
Constituency Development fund CDF	Investrust Banl	0710357362017	13,854,953	16,939,188
Constituency Development fund CDF-Revolving Fund	Investrust Banl	0110357362045	2,126,348	2,940,668
Bus Account	Investrust Banl	0110357362035	224,316	89,639
WASHE	Zanaco	5660883300250	154,594	-
Elections	Zanaco	5660883300452	-	-
Total			**20,801,491**	**27,824,184**

c. Cash Equivalents

The council held no treasury bills at the year end.

23. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister responsible for Local Government on 22nd February, 2023. There was subsequent approved adjustments to the budgets made on 1st November, 2023.

b. Budget Variances

- **Local Taxes**

The council planned to generate K6,570 from Local Taxes but collected K5,213 resulting in variance of K1,358 representing a variance of 21%. At the time of budgeting, we were hoping that teachers working within Kasenengwa district but appearing under the Chipata City payroll would be transferred to the Kasenengwa payroll to enable us to easily collect personal levy.

NOTES TO THE FINANCIAL STATEMENTS

- **Licences**

  The council planned to generate K120,600 from licenses but collected K82,830 resulting in a variance of K37,770 representing a variance of 31%. The variance was as a result of the ban by the government to discourage people from opening and trading within residential areas as they had been included at the time of budgeting.

- **Levies**

  The Council planned to generate K1,500 from Levies but collected K3,048 resulting in a variance of K1,548 above the target representing 103% variance. The favourable variance was as a result of the intensification on the patrols and mounting of checkpoints after the construction of revenue shelters.

- **Permits**

  The Council planned to generate K245,150 from Permits but collected K394,054 resulting in a variance of K148,902 above target representing 61%. The favourable variance was because more business people intending to bid for contracts under the Kasenengwa Constituency development funds were encouraged to register their businesses under the Kasenengwa district.

- **Other Receipts**

  The Council did not plan to receive other receipts but received K25,850 resulting in a variance of 100%. This was due to nature of what constitutes other receipts such as donations.

- **Other Grants**

  The Council planned to receive 325,000 as other grants but received K465,791 resulting in a variance of 43%. This was due to funds for water and sanitation programs that were not budgeted.

- **Financial Assets**

  The Council did not plan to spend on Financial Assets but spent K2,733,220 resulting in a variance of 100%. This is a newly introduced component on CDF.

NOTES TO THE FINANCIAL STATEMENTS

- **Non-Financial Assets**
  The Council planned to spend K16,229,650 on non-financial assets but spent K20,634,687 resulting in a variance of K4,405,037 representing 27% variance. The payments were inclusive of 2022 Constituency Development Funds projects which were completed in the year under review.

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	2023 Kwacha	2022 Kwacha
Make Zambia Clean and Health Campaign	2,380	-
Orientation of Ward Development Committees	-	37,510
Printing	480	15,590
Traditional Ceremonies	36,650	11,000
Public Functions and Ceremonies	68,830	35,891
Boards,Councils and Committees expenses	194,412	207,762
Land Demarcation and Survey	10,228	306,245
Water Treatment and Reticulation	52,835	-
Dumpsite Creation	73,000	-
Bank Charges	8,788	35,575
Roads,Bridges and Culverts	4,644,225	1,234,142
TOTAL	**5,091,827**	**1,883,714**

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

NOTES TO THE FINANCIAL STATEMENTS

25. Property, Plant and Equipment

The Council had property, plant and Equipment valued at K27,035,235 as shown below:

	Land & Buildings K	Motor Vehicles K	Plant & Machinery K	Office Equip & Furniture K	TOTAL K
Opening Balances	3,859,343	530,343	1,977,587	33,275	6,400,548
Additions	15,488,981	136,901	-	5,008,805	20,634,687
Revaluation	-	-	-	-	-
Re-classification	-	-	-	-	-
Disposal	-	-	-	-	-
Closing Balance	**19,348,324**	**667,244**	**1,977,587**	**5,042,080**	**27,035,235**

26. Investments in Other Entities

The council held no shares in other entities.

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 Councilors

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:

	2023 Kwacha	2022 Kwacha
Councillors		
Aggregated Remuneration	396,000	396,000
TOTAL	**396,000**	**396,000**

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

NOTES TO THE FINANCIAL STATEMENTS

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:

	2023 Kwacha	2022 Kwacha
Senior Management		
Aggregated Remuneration	980,123	815,277
TOTAL	**980,123**	**815,277**

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.