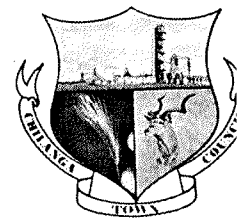
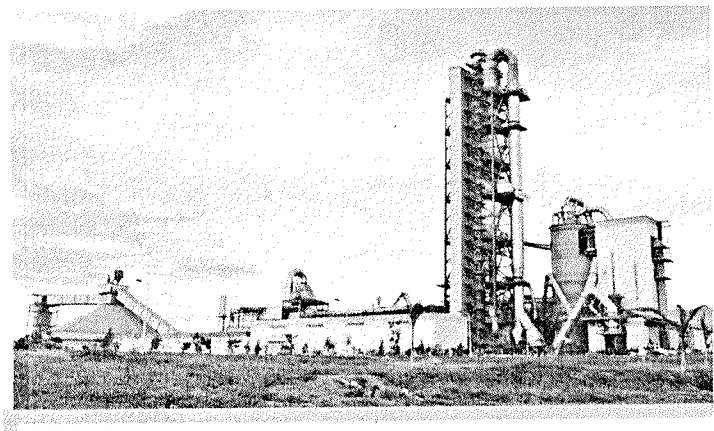
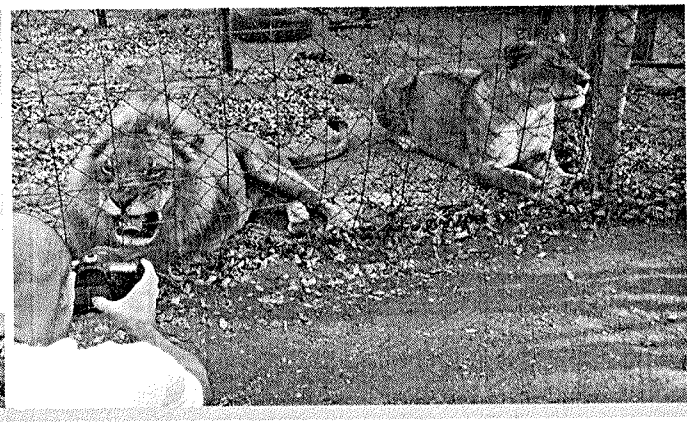
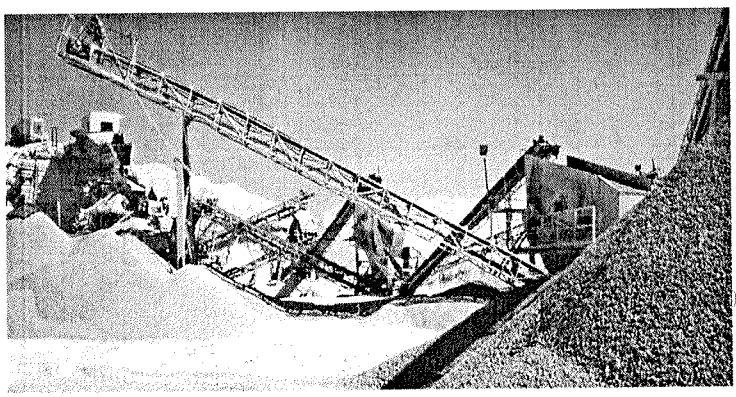






CHILANGA TOWN COUNCIL



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REPORT OF THE COUNCIL

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

Background and Location of the Council

Chilanga Town lies on latitude 15° South and longitude 16° East, and shares its boundaries with Kafue Town on the south-east, Mumbwa Town on the west, Lusaka Town on the North and Chibombo Town on the North-western side. Chilanga Town lies about 15 kilometres south of the greater city of Lusaka. Chilanga town is multi-ethnic with a good number of its residents working in Lusaka or surrounding towns.

The town has a total population of 107,051 as at 2010 National Census representing 53,863 males and 53,188 females. The town is recorded to have a total of 21,260 households. In percentage terms, the town boats of a more male dominated population of 50.3% as compared to 49.7% women.

Chilanga was declared a district and separated from Kafue district in 2012 and this decision was confirmed in Statutory Instrument No. 41 of 2012. This action by then Republican President Mr Michael Chilufya Sata was pursuant to the provisions of the Provincial and District Boundaries Act, Cap 286 of the Laws of Zambia. Consequently, Chilanga Town Council was established with the full authority to discharge local government functions as provided for in the Local Government Act No. 22, Cap 281 1991. Similarly, Chilanga Town Council is mandated to discharge all other delegated functions as provided for in different legislation including the Public Health Act, Cap 295, Markets and Bus Stations Act No. 7 of 2007

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

The Civic Centre
Kafue Road
P.O. Box 350045
CHILANGA

Composition of the Council

Chilanga 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 Chilanga District.

The Council is composed of an elected Chairman, eleven (13) elected councillors from twelve (12) 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 2025. The Deputy Chairperson was elected from among the Councillors in 2021 for the period of two and half years and re-elected for another term of two and half years in 2023.

The Councillors who held office during the year were:

S/No	NAME	GENDER	POSITION	WARD
1	Champion Tembo	Male	Chairperson	Not Applicable
2	Misheck Mweeba	Male	D/Chairperson	Chilanga
3	Chipo Nulubisha	Female	Councillor	Chinyanja
4	Morgan Mundia Luywa	Male	Councillor	Nyemba
5	Jabulani Mutema	Male	Councillor	Mundengwa
6	Tungenengene Chinoya	Male	Councillor	Kasupe
7	Bright Sinazongwe	Male	Councillor	Namalombwe
8	Arnold Dube	Male	Councillor	Mwembeshi
9	Monde Kayenge	Male	Councillor	Mount Makulu
10	Principal Mweeba	Male	Councillor	New Farms
11	Trust Mutuba	Male	Councillor	Kalundu
12	Nicholas Katampi	Male	Councillor	Chilongolo
13	Mwachiyaba Clement	Male	Councillor	Nakachenje

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

Name	Gender	Constitutency
Hon. Sipho Hlazo	Male	Chilanga

The affairs of Central Government in the district are coordinated by the District Commissioner. During the year under review Mr. David Sheleni was the District Commissioner for Chilanga

The Council Secretariat

The Secretariat of Chilanga 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 Offices responsible for Finance, Planning, Engineering, Human Resource and Administration, and two (2) 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 all or any of the functions set out in Article 147 (2) (c) of the Constitution of Zambia (Amendments) Act No. 2 of 2016 and First Schedule of 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

	2024 Kwacha	2023 Kwacha
Cash Receipts	62,895,101	58,837,879
Payments	69,363,645	52,838,274
Increase/(decrease) in Cash and Cash Equivalents	- 6,468,544	5,999,605

Key Policies Adopted During the Year

The Council adopted the following policies during the year:

- Adoption of the cash based accounting policy (IPSAS)
- Formulation of Valuation Roll

Related Party Transactions

There were no related party transactions during the financial year.

Property, Plant and Equipment

The Council purchased property, plant and equipment amounting to K19,774,986. No property, plant and equipment were disposed of during the year.

Intangible Assets

There were no purchases of intangible assets during the year.

Employees

The Council had 146 employees at the beginning of the year and has 154 employees at end of the year. The total amount spent on employees' remuneration and welfare during the year was K16,993,219.

Health and Safety of Employees

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

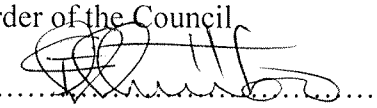
Recreation

The Council during the financial year incurred K245,237 towards sponsoring various sporting activities.

Auditors

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

By order of the Council



Champion Tembo

Council Chairperson

Date:.....2025

STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

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

The Council is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The Auditor General has audited the financial statements and his report is shown on pages 7 to 11.

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 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 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 Chilanga 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 2024.

Signed on behalf of the Chilanga Town Council on ..... by;

Signature :.....	**Signature :**.....	**Signature:**.....
Name:.....	**Name:** FRANCIS NDOLA	**Name:** EUNICE MAPALA
Position: Council Chairperson	**Position: Council Secretary**	**Position: Director of Finance**
Date: 11/11/2025	Date: 10/11/2025	Date: 10/11/25

REPUBLIC OF ZAMBIA
CHILANGA TOWN COUNCIL
11 NOV 2025
COUNCIL SECRETARY
P. O. BOX 350045,
CHILANGA

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

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

Opinion

I have audited the financial statements of Chilanga Town Council for the financial year ended 31st December 2024 which comprise Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grants (Devolved Functions) and a summary of significant accounting policies and disclosures and other explanatory information.

In my opinion, the accompanying financial statements of Chilanga Town Council present fairly, in all material respects, the Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution

Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grants (Devolved Functions) for the year ended 31st December 2024 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the amended 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 Chilanga 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 Chilanga Town 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 Chilanga Town Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Chilanga Town 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, the going concern of Chilanga Town Council is dependent on the government policy decision.
- 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 Chilanga Town 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 (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grants (Devolved Functions) using Cash Basis IPSAS in line with the LAAPS.

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

Date: 11/11/2025

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

	Note	2024 Kwacha	2023 Kwacha
RECEIPTS			
Local taxes	2	5,579,637	5,665,774
Fees and Charges	3	3,340,893	2,518,416
Licences	4	3,360,497	3,348,031
Levies	5	3,913,397	3,426,320
Permits	6	1,388,821	1,387,537
Local Government Equalisation Fund	7	8,833,168	8,365,164
Constituency Development Fund	8	21,189,398	22,600,000
Other Grants	9	2,694,737	10,404,008
Borrowings	10	-	-
Commercial Venture	11	-	-
Sector Grants (Devolved functions)	12	12,500,448	-
Other Receipts	13	94,105	1,122,629
TOTAL RECEIPTS		**62,895,101**	**58,837,879**
PAYMENTS			
Personnel Emoluments	14	16,993,219	13,145,632
Use of goods and services	15	20,988,653	29,253,567
Financial Charges	16	-	-
Social benefits	17	7,355,186	2,172,447
Non-financial assets acquisition	18	19,774,986	2,765,125
Financial Assets	19	3,951,600	5,079,662
Loan Repayments	20	-	-
Other payments	21	300,000	421,841
TOTAL PAYMENTS		**69,363,645**	**52,838,274**
Increase/(decrease) in Cash		**(6,468,544)**	**5,999,605**
Foreign Exchange Losses	22	-	-
Cash at beginning of the year	23	31,173,757	25,174,152
Cash at the end of the year	23	**24,705,213**	**31,173,757**

Incorporated in the payments recognised in this statement are those for Local Government Equalisation and Constituency Development Funds, Zambia Devolution Support Programme (ZDSP) capital grant and Sector Grants (Devolved Functions). 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 :**..... **Signature:**.....

Name: Tembo Champion **Name:** FRANCIS NDOLA **Name:** EUNICE MAPALA

Position: Council Chairperson **Position: Council Secretary** **Position: Director of Finance**

Date:.....2025 Date: 10/11/25 .....2025 Date: 10.11.25 2025

REPUBLIC OF ZAMBIA
CHILANGA TOWN COUNCIL
11 NOV 2025
COUNCIL
P.O. BOX
CHILANGA

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

	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha	Actual Amounts Kwacha	% Performance	Variance Kwacha	% Variance
RECEIPTS							
Local taxes	9,279,525	-	9,279,525	5,579,637	60%	(3,699,888)	**-40%**
Fees and Charges	3,251,400	-	3,251,400	3,340,893	103%	89,493	**3%**
Licences	4,147,437	-	4,147,437	3,360,497	81%	(786,940)	**-19%**
Levies	5,350,000	-	5,350,000	3,913,397	73%	(1,436,603)	**-27%**
Permits	1,571,000	-	1,571,000	1,388,821	88%	(182,179)	**-12%**
Local Government Equalisation Fu	8,833,168	3,259,072	12,092,240	8,833,168	73%	(3,259,072)	**-27%**
Constituency Development Fund	30,635,642		30,635,642	21,189,398	69%	(9,446,244)	**-31%**
Other Grants	4,155,280	-	4,155,280	2,694,737	0%	(1,460,543)	**-35%**
Borrowings	-	-	-	0	0%	-	**0%**
Commercial Venture	-	-	-	0	0%	-	**0%**
Sector Grant (Devolved Function)	7,799,219		7,799,219	12,500,448	0%	4,701,229	**60%**
Other Receipts	-	-	-	94,105	0%	94,105	**0%**
TOTAL RECEIPTS	**75,022,671**	**3,259,072**	**78,281,743**	**62,895,101**	**5**	**(15,386,641)**	**-20%**
PAYMENTS							
Personnel Emoluments	15,551,296	-	15,551,296	16,993,219	109%	(1,441,923)	-9%
Use of goods and services	19,947,041	-	19,947,041	20,988,653	105%	(1,041,612)	-5%
Financial Charges	-	-	-	-	0%	-	0%
Social benefits	8,149,081	-	8,149,081	7,355,186	90%	793,895	10%
Non-financial assets acquisition	26,682,790	3,259,072	29,941,862	19,774,986	66%	10,166,876	34%
Financial Assets	3,492,463	-	3,492,463	3,951,600	113%	(459,137)	-13%
Loan Repayments	-	-	-	-	0%	-	0%
Other payments	1,200,000	-	1,200,000	300,000	25%	900,000	75%
TOTAL PAYMENTS	**75,022,671**	**3,259,072**	**78,281,743**	**69,363,645**	**89%**	**8,918,098**	**11%**
Increase/(Decrease in Cash	-	-	-	**(6,468,544)**		**(6,468,544)**	

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

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

	Note	2024 Kwacha	2023 Kwacha
RECEIPTS			
Funding	7(a)	8,833,168	8,365,169
TOTAL RECEIPTS		**8,833,168**	**8,365,169**
PAYMENTS			
Operational Expenditure Payments:	7(b)		
Salaries and Wages		8,833,168	6,846,205
Terminal Benefits			
Utility bills		-	
Service Provision			
Goods and Services			
Administrative Costs			
Other Costs		-	
Sub-Total		**8,833,168**	**6,846,205**
Capital Expenditure Payments:	7(c)		
Infrastructure Development		-	345,784
Rehabilitation Works		-	14,553
Asset Acquisition		-	847,040
Other Costs		-	60
Sub-Total		-	1,207,437
TOTAL PAYMENTS		**8,833,168**	**8,053,642**
Increase/(decrease) in cash		-	**311,527**
Cash at beginning of the year		3,219,657	2,908,130
Cash at the end of the year		**3,219,657**	**3,219,657**

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

	Note	2024 Kwacha	2023 Kwacha
RECEIPTS			
Funding	8(a)	20,658,312	22,600,000
Others Sources of CDF/Other Receipts:			
Empowerment Loans Repayment	8(b)	403,662	190,441
Other Receipts	8(c)	127,425	168,727
TOTAL RECEIPTS		**21,189,398**	**22,959,167**
PAYMENTS			
Infrastructure Development	8(d)	9,070,685	7,022,474
Rehabilitation Works and Upgrades	8(e)	2,827,199	963,783
Asset Acquisition	8(f)	1,800,000	6,595,020
Rural Electrification	8(g)	-	-
Social Benefits:	8(h)		
Empowerment Grants - Women & Youth	8(h) (i)	2,368,309	2,172,447
Secondary Boarding Schools & Skills Development Bursaries	8(h) (ii)	4,986,877	3,748,696
Empowerment Loans	8(i)	3,951,600	5,079,662
Administrative Costs	8(j)	2,324,828	1,321,269
Disaster Contingency	8(k)	441,502	580,646
TOTAL PAYMENTS		**27,771,000**	**27,483,998**
Increase/(decrease) in Cash		**- 6,581,601**	**- 4,524,830**
Cash at beginning of the year		**16,229,022**	**20,753,852**
Cash at the end of the year		**9,647,421**	**16,229,022**

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

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR ZAMBIA DEVOLUTION SUPPORT PROGRAMME (ZDSP) CAPITAL FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	2024 Kwacha	2023 Kwacha
RECEIPTS			
Funding	9(a)	2,694,737	-
Other Receipts	9(b)		
TOTAL RECEIPTS		**2,694,737**	**-**
PAYMENTS			
Goods and Services	9(c)	-	-
Non - Financial Asset Acquisition	9(d)	-	
Infrastructure development	9(e)	-	
Rehabilitation works	9(f)	-	
TOTAL PAYMENTS		-	-
Increase/(decrease) in Cash		**2,694,737**	**-**
Cash at beginning of the year		-	-
Cash at the end of the year		**2,694,737**	**-**

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

	Note	2024 Kwacha	2023 Kwacha
RECEIPTS			
Funding	12(a)	12,500,448	-
Other Receipts	12(b)		
TOTAL RECEIPTS		**12,500,448**	
PAYMENTS			
Goods and Services	12(c)	5,278,047	-
Non - Financial Asset Acquisition	12(d)	-	-
Infrastructure development	12(e)	-	-
Rehabilitation works	12(f)	-	-
TOTAL PAYMENTS		5,278,047	-
Increase/(decrease) in Cash		**7,222,402**	-
Cash at beginning of the year		-	-
Cash at the end of the year		**7,222,402**	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of the Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*, issued by the International Public Sector Accounting Standards Board (IPSASB) and Local Authorities Accounting Policies (LAAPs). These financial statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

The accounting policies have been applied consistently throughout the period.

1.1 Migration to Accrual Basis Financial Reporting

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

(a) Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting.*
This standard provides that public sector entities adopting Accrual Basis for the first time may apply Cash Basis IPSAS provisions as an intermediate step to assist them in the transition to Accrual Basis IPSASs. In this vein, the Council has produced these financial statements under Cash Basis IPSAS as part of its transition to Accrual Basis of Accounting.

(b) Accounting Pronouncement: 2023/1 – Applicability of International Public Sector Accounting Standards (IPSASs)

This pronouncement issued by the Zambia Institute of Chartered Accountants (ZICA) pursuant to the Accountants Act No. 13 of 2008 requires the adoption of Accrual Basis of Accounting by public entities by 1st January 2025 with a transition period of three (3) years. The Council is preparing to adopt Accrual Basis IPSASs on 1st January 2028.

(c) Treasury and Financial Management Circular No.18 of 2022 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 2025 up to 31st December 2027.

iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January 2025 by following the guidelines provided in IPSAS 33 – "First Time Adoption of Accrual Basis IPSASs".

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.

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 Chilanga Town Council (KTC). 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 Local Government Equalization Fund, Constituency Development Fund, Zambia Devolution Support Programme and Sector Grants in the district.

1.3 Authorization Date

The financial statements were authorized for issue on 10/11/25 ..... by the ~~ordinary~~/ special Council.

1.4 Revenue

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

a. Local Taxes

Article 161 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 authorises Chilanga 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 of 2014, a system of local taxes which Local Authorities can raise by passing by-laws imposing levies on:

- leviable persons owning or occupying property or premises situated within the area of the District;
- leviable 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.

b. Fees and Charges

Section 27 (1) of the Local Government Act No.2 of 2019 empowers Local Authorities, subject to the Business Regulatory Act, 2014, to impose fees or charges payable to the Council:

- For any licence or permit issued under any regulation or by-law 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 local authority in pursuance of or in connection with the performance of any function of the local authority. These may include survey fees, consent fees, building inspection fees, waste collection fees and parking fees.

1.5 Expenditure

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

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

1.6 Reporting on Gross Basis

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

1.7 Cash in hand at the Beginning and the End of the Year

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

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

that can easily be converted to known amounts of cash and are subject to insignificant risk of change in values.

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

1.8 Local Government Equalization Fund

Article 163(2) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 provides that Parliament shall annually appropriate monies to the Local Government Equalization Fund (LGEF) 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 regulated by the 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.

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.

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 Mayor/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.

Chilanga Town 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 Chilanga 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 Tax Type	2024 Kwacha	2023 Kwacha
Residential Rates	469,802	856,084
Industrial / Commercial Rates	4,816,802	4,590,186
Mining Rates		
Personal Levy	293,033	219,504
TOTAL	**5,579,637**	**5,665,774**

The Council is using the 2018 Valuation Roll which was approved in 2020.

3. Fees and Charges

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

	2024 Kwacha	2023 Kwacha
Fees and charges	3,317,893	2,491,916
Land Development Charges	23,000	26,500
Total	**3,340,893**	**2,518,416**

a. Fees and charges

The Council generated the following fees:

Fees and Charges Type	2024	2023
	Kwacha	Kwacha
Consent Fees	-	
Survey Fees	-	-
Building Inspection fees	1,612,518	820,100
Plan Scrutiny Fees	79,430	93,040
Change of use	60,600	40,580
Rentals/Lease of Council's properties	94,100	104,920
Application Form Fees	89,405	103,541
Reant From Houses		
Sketch Fees	6,000	2,860
Search Fees	350	320
Market Fees	17,814	23,856
Parking Fees		
Bus Station Fees		
Affidavit Fees	-	80
Notice board advert fees		-
Grave Reservation		-
Refuse Disposal Fees	20,000	19,000
Notice of Marriage	43,206	35,342
Registration of Clubs and Societies	19,030	14,275
Abbattoir/Meat Inspection Fees	586,107	328,660
Farm Produce Levy		
Communication Mast Levy	-	270,000
Land Record		
Billboard and Banner	195,949	46,002
Lease of Council Transport	28,070	-
Ilegal Parking Fees		-
Penalties	401,281	508,815
Ground Rent		
Site Rent	49,435	77,376
Repairs of Cars /Wash		-
Other Fees and Charges/other income	14,599	3,149
TOTAL	**3,317,893**	**2,491,916**

b. Land Development Charges

The Council collected the following land development related charges:

	2024 Kwacha	2023 Kwacha
Service charges - residential plots	12,000	21,000
Service charges - Industrial plots	-	-
Other	11,000	5,500
TOTAL	23,000	26,500

4. Licenses

A total of K3,360,497 cash receipts was raised from issuance of various licenses.

Licence Type	**2024** **Kwacha**	**2023** **Kwacha**
Manufacturers licence	-	-
Retail licence	-	-
Wholesale licence	-	-
Occupancy licence		-
Commercial travellers licence	-	-
Hawkers licence	-	-
Peddlers licence	-	-
Stall licence	-	-
Fire certificate	1,315,094.36	1,315,721
Liquor licence	42,920	44,609
Firearm and ammunition licence	592,351	662,200
Petroleum licence	1,408,251	1,319,301
Restaurant licence		
Business levy		
Other licences	330	
Dog licence	1,550	6,200
TOTAL	**3,360,497**	**3,348,031**

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	**2024** **Kwacha**	**2023** **Kwacha**
Livestock Levy	2,494	2,693
Bird Levy	115,006	40,601.00
Charcoal Levy		-
Sand Levy	1,020,993	1,228,690
Business levy	2,569,904	2,154,336
Miscellaneous levies		-
Communication Mast Levy	205,000	
TOTAL	**3,913,397**	**3,426,320**

Income from business levy includes (manufacturer, retail, wholesale Commercial travellers, hawkers, peddlers, stall, and restaurant licences fess).

6. Permits

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

Type of Permit	2024 Kwacha	2023 Kwacha
Health Permit	1,347,821	1,349,687
Burial Permits and Grave sites	32,900	18,950
Extension of business hours permits	8,100.00	
Other Permits	-	18,900
TOTAL	**1,388,821**	**1,387,537**

7. Local Government Equalization Fund

a. Funding

	2024 Kwacha	2025 Kwacha
1st Funding	736,097	697,097
2nd Funding	736,097	697,097
3rd Funding	736,097	697,097
4th Funding	736,097	697,097
5th Funding	736,097	697,097
6th Funding	736,097	697,097
7th Funding	736,097	697,097
8th Funding	736,097	697,097
9th Funding	736,097	697,097
10th Funding	736,097	697,097
11th Funding	736,097	697,097
12th Funding	736,097	697,097
TOTAL	**8,833,168**	**8,365,164**

b. Operational Expenditure

The Council applied amounts totalling K8,833,168 of LGEF receipts towards meeting operational expenses representing 100% of the total LGEF funding for the reporting period. These expenses are included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

c. The Council spent 100% of the 2024 LGEF on operation cost therefore the Council did not allocate any amount for Capital projects due to the fact that councils where now allowed to spend 100% LGEF on operation costs.

8. Constituency Development Fund

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

a) CDF Funding

Constituency	2024 Kwacha	2023 Kwacha
Chilanga	20,658,312	22,600,000
Other Source	-	
Total Funding	**20,658,312**	**22,600,000**

Other CDF Sources of Funding/Other Receipts:

b) Loan Repayment

	2024 Kwacha	2023 Kwacha
Principal	373,956	171,838
Interest	29,706	18,602
TOTAL	**403,662**	**190,441**

c) Other Receipts

Other Receipts	2024 Kwacha	2023 Kwacha
Interest Earned on CDF Revolving Acc	47,425	107,575
Donations/Contributions	-	-
Other receipts	80,000	61,152
TOTAL	**127,425**	**168,727**

d) Infrastructure Development

Expenditure	2024 Kwacha	2023 Kwacha
Construction of primary school	3,315,541	2,211,114
Construction of Secondary School	320,030	1,157,882
Construction of Market Shelters	678,155	111,740
Construction of Bus Station		
Construction of Clinics/Rural Heath Posts	1,953,932	2,269,964
Construction of Staff House	492,488	571,500
Construction of Police Station	1,087,015	
Construction of Culverts/Bridgers		
Construction of Boreholes	578,987	344,943
Other Construction works	644,537	355,330
		-
TOTAL	**9,070,685**	**7,022,473**

e) Rehabilitation Works

Payments	2024 Kwacha	2023 Kwacha
Rehabilitation of feeder roads	2,827,199	951,740
Rehabilitation of Police stations		
Rehabilitation of Boreholes		12,043
Other Rehabilitations		
TOTAL	**2,827,199**	**963,783**

f) Asset Acquisition

	2024 Kwacha	2023 Kwacha
Motor Vehicles		1,200,000
Plant and machinery	1,800,000	5,395,020
TOTAL	**1,800,000**	**6,595,020**

g) Rural Electrification

The Council did not incur any expenditure in respect of Rural Electrification during the period under review.

h) Social Benefits

i. Youths, Women and Community Empowerment Grants

Social Benefits	2024 Kwacha	2023 Kwacha
Youth Empowerment grants	-	-
Women Empowerment grants	2,368,309	2,172,447
Community Empowerment grants		
TOTAL	**2,368,309**	**2,172,447**

ii. Secondary Boarding Schools and Skills Development Bursaries

	2024 Kwacha	2023 Kwacha
Skills Development	4,832,852	3,652,696
Secondary Boarding Schools	154,025	96,000
		-
TOTAL	**4,986,877**	**3,748,696**

i) Youths, Women and Community Empowerment Loans

Loans	2024 Kwacha	2023 Kwacha
Youth Empowerment Loans	-	-
Women Empowerment Loans	-	-
Community Empowerment Loans	3,951,600	5,079,662
Small and Medium Enterpries (SMEs)		
TOTAL	**3,951,600**	**5,079,662**

j) Administrative Costs

	2024 KWACHA	2023 KWACHA
Bank charges	7,430	-
Monitoring civil works	32,668	
Refreshments for Meetings	307,226	-
Stationary	282,751	
Allowances	677,025	
Transport	5,700	
Fuel	174,209	
Office Equipment	83,370	
Other	754,450	1,321,269
Total	**2,324,828**	**1,321,269**

k) Disaster Contingency

	2024 KWACHA	2023 KWACHA
Floods	-	-
Fire	-	-
Lightening	-	-
Others	**441,502**	**580,646**
Total	**441,502**	**580,646**

The disaster contingency includes payments for Hire of water bowser to supply water in different wards in Chilanga at K198,000, Construction of five tank stands and plumbing works for cholera emergency works at K140,743 and Cholera suppliers for the 2023 Cholera disaster at K102,758.

9. Other Grants

During the year, the Council received the following grants:

Grants	2024	2023
	Kwacha	Kwacha
Devolution grant world Bank	2,694,737	
other Grants		10,404,008
TOTAL	**2,694,737**	**10,404,008**

Goods and Services

The Council did not incur any expenditure on goods and services from the Zambia devolution support program during the period under Review

Non-financial Asset Acquisition

The Council did incur any expenditure on Non-financial asset acquisition during the period under review.

Infrastructure Development

The Council did not incur any expenditure on Infrastructure Development during the period under review.

Rehabilitation Works

The Council did not incur any expenditure on Rehabilitation Works during the period under review.

10. Borrowings

The Council did not borrow cash in the year 2024.

11. Council Commercial Venture

The Council did not have Commercial Venture during the year.

12. Sector Grant (Devolved functions)

The Council received Grants totaling K12,500,448 in its bank accounts from the Treasury for the Devolved Functions of the Central Government broken down as follows

a) Sector Grants (Devolved Functions)

	2024	2023
	Kwacha	Kwacha
Primary Care Services	1,396,333	-
Pontoons, Ferries, Jetties and Piers	-	-
Community sport	215,517	-
Cultural matters	3,612	-
District Archives	14,431	-
Veterinary Services	64,052	-
Vehicle Licensing (Roads Funds)	1,715,472	-
Cash for work	9,065,326	-
District livestock service	-	-
District Fisheries services	-	-
District agriculture services	-	-
District community development services	-	
Funding not identified to respective departments	25,704	
TOTAL	**12,500,448**	-

Goods and Services

The Council made payments amounting to K5,278,047 for goods and services for the devolved functions the year under review (Allowances for cash for work, fuel. stationery, and other operation costs) as follows:

Details	2024	2023
	Kwacha	Kwacha
Cash for Work	4,323,726	-
Office Materials	236,309	-
Petrol, Oil and Lubricants	327,199	-
Servicing (Other Consumables)	80,726	-
Drugs, Vaccines	104,538	-
Road Maintenance Materials	39,000	-
Other Purchases Refreshments	26,690	-
Allowances	46,054	-
Workshops, Seminars and Conferences	30,826	-
Other Purchases	62,980	-
TOTAL	**5,278,047**	-

Non-financial Asset Acquisition

The Council did not acquire any Non-Financial Assets during the period under review.

Infrastructure Development

The Council did not incur any expenditure on Infrastructure Development during the period under review.

Rehabilitation Works

The Council did not incur any expenditure on rehabilitation works during the period under review.

13. Other Receipts

	2024	2023
	Kwacha	Kwacha
Donations	-	
Other Income	94,105	1,122,629
	-	-
TOTAL	**94,105**	**1,122,629**

The other incomes under other receipts Include (income form Photo copying at K14,360, Hire of Equipment at K18,210 imprest retirement at K8,311, Offsetting of indebtedness by employers amounting to K25,594, Over payments levies, permits, licenses K14,471, and others receipts amounting to K13,159

14. Personal 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:

	2024	2023
	Kwacha	Kwacha
Salaries Division 1	4,552,126	3,392,286
Salaries Division 2	3,931,913	3,174,677
Salaries Division 3	4,382,506	3,287,026
Wages- Division 4	4,126,674	3,291,643
Other wages		
TOTAL	**16,993,219**	**13,145,632**

15. Use of Goods and Services

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

Expenditure Type	2024 Kwacha	2023 Kwacha
Office Running Costs	620,898	643,074
Building, Repair and Maintenance Costs	69,790	162,963
Plant, Machinery and Vehicle Running and Maintenance (	2,377,206	1,855,586
Other Administrative operating costs	1,491,905	1,194,402
Requisites	1,027,557	1,338,554
Services	12,309,670	21,409,413
Travel expenses	2,584,659	2,235,275
Training	506,968	391,800
Subscriptions	-	22,500
Other costs		-
TOTAL	**20,988,653**	**29,253,567**

16. Financial Charges

The Council did not incur any Financial Charges.

17. Social Benefits

The Council paid K7,355,186 for Social benefits (Empowerment grants for woman and youth and Skills development Bursaries).

Social Benefits	2024 Kwacha	2023 Kwacha
Youths, Women and Community Empowerment Grants	2,368,309	2,172,447
Secondary Boarding Schools and Skills Development Bursaries	4,986,877	
Total	**7,355,186**	**2,172,447**

18. Non-financial Asset Acquisition

Acquisition of assets involved the following payments:

	2024 Kwacha	2023 Kwacha
Office block	-	
Purchase of officer furniture	6,900	116,771
Construction of street lights		
Non Residential Buildings	13,057,873	488,605
Plant and Machinery	1,800,000	
Computers, Peripherals and Equipment	78,877	277,459
Mototr Vehicles	1,170,749	1,811,690
Boreholes	-	-
Rehabliltation of roads	3,625,906	
Other office equiment	34,681	70,600
	19,774,986	**2,765,125**

19. Financial Assets

The Council acquired financial assets amounting (CDF Loans) to K 3,951,000.

20. Loan Repayments

The Council did not make any loan repayments in 2024.

21. Other Payments

Other payments include terminal benefits and liabilities.

	2024 Kwacha	2023 Kwacha
Terminal benefits	250,000	200,000
Liabilities	50,000	221,841
TOTAL	**300,000**	**421,841**

Liabilities under 2024 was payment to ZRA for pay as you earn tax.

22. Foreign Exchange Losses

During the year under review the council did not have any foreign exchange Losses.

23. Cash Balances

The Council's Cash amounts as at 31st December consisted of only demand deposits

	2024 Kwacha	2023 Kwacha
Cash on hand	-	-
Demand Deposits	24,705,213	31,173,758
Cash equivalents	-	-
TOTAL	**24,705,213**	**31,173,758**

a. Cash on hand

There was no cash at hand:

b. Demand Deposits – Bank Balances

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

Account Name	Account No	2023 Kwacha	2023 Kwacha
CDC-RWSS BASKET FUND	INDO 32030000399	9,579	10,779
CDC-WARD PROJECT FUND	INDO 32020000106	221,465	69,642
CDC-RWSSP	INDO 32020000080	141,891	150,079
CDC-WARD-DEVELOPMENT FUI	INDO 32020000105	12,699	13,691
CDF	INDO 32020000076	8,509,031	15,013,052
CDC OPERATIONS	INDO 32020000064	102,137	25,854
CDC CAPITAL	INDO 32020000077	5,473,101	3,219,652
CDC-SALARIES	INDO 32020000063	85,157	86,748
CDC- RATES	IND0 32020000124	(187,984)	593,214
CDC- FIRE	IND0 32020000123	247,715	543,331
CDC-HIV	IND0 32020000129	1,718,898	10,231,746
CDF REV	IND0 32020000137	1,138,390	1,215,970
SECTOR GRANT	IND0 32020000144	7,233,133	
TOTAL		**24,705,213**	**31,173,758**

24. Budget Adjustments and Variances

Budget Adjustments

The original budget was approved on 15th February 2024 by the Minister responsible for Local
Government and the 23rd October 2024 approved any upwards adjustment of the budget from K75,022,671 to K78,281,743

Budget Variances

- **Local Taxes**
  The Council planned to generate K9,279,525 from local taxes but collected K5,579,637 resulting in an adverse variance of K3,699,888 representing 40% of the budgeted amount. This was attributed to resistance by rate payers to pay the New Rates which were implemented in 2020 and the draught which the country experienced in 2024 which resulted into low production

- **Levies**
  The Council planned to generate K5,350,000 but only generated K3,913,400 resulting in a variance of K1,436,600 representing 27% of the budgeted collections. This was attributed to the low collection on sand levy due to load shedding which resulted into low production and low compliance to pay for services.

- **Local Government Equalization Fund**
  The Council had total budget of K12,092,240 against which amounts totalling K8,833,168 were disbursed by the ministry of Local government resulting in a variance of 27% of the budgeted amount. This was attributed to the mopped funds by Ministry of Finance which were not retained back to the Council.

- **Constituency Development Fund**
  Chilanga Town Council had a total CDF budget of K30,635,642 against which amounts totalling K21,189,398 were received for the CDF projects. Out of the funded amount K6,798,221 was for the year 2023, K531,087 was from other source (interest on Account and loan repayments) while K13,860,090 was for the financial year ended 2024 representing 45% of 2024 CDF budget.

- **Other Grants**
  The Council planned to receive of K3,720,000 from Zambia Devolution Support Programme and K435,280 for Grant in Lieu of Rates. However, the Council received K2,694,737 only due to the change of exchange rate, did not receive any funding for Grant in lieu of rates from Central Government as at 31st December, 2024 resulting to an adverse variance of K 1,025,263 representing 35% budgeted funding

- **Sector Grants (Devolved Functions)**
  The Council planned to receive of K7,799,219. However, the Council received K 12,500,448 from Central Government during the period under review resulting into cadence t variance of K 4,701,229 representing 60% of the budgeted. This was attributed to the Funding for Cash for work which was not budgeted for

Other Receipts

The Council did not budget for other receipts but received Income amount K94,105 from other receipts this is attributed income that are collected but Palmsoft accounting software has no codes

- **Non – Financial asset Acquisition**
  The Council planned to spend K29,941.862 but only spent K19,774,986 on non-financial assets acquisition resulting in a variance of K10,166,876 representing 66%. This was attributed to the low collection of local Revenue and delayed funding for CDF

- **Other Payments**
  The council planned to spend K1,200,000 but only spent K300,000 resulting in a variance of K900,000 representing 75%. This was attributed to the low collection of Local revenues.

25. Provision of Services

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

Type of Services	2024 Kwacha	2023 Kwacha
Borehole drilling/serviceing	578,987	321,476
Gravel for road construction	-	568,987
Plant Machinary, Vehicle, Servicing	573,665	563,686
Hand Tools	18,339	108,675
Fuel	1,509,921	1,116,605
Street light Electricity Charges	67,490	117,000
Refuse Collection	61,500	41,500
Make Zambia clean and Health	33,825	33,825
HIV/AIDS Prevention		100,000
TOTAL	**2,843,727**	**2,971,754**

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

26. Property, Plant and Equipment

The Council had property, plant and Equipment valued at K35,535,914

	Kwacha	Kwacha	Kwacha	Kwacha	Kwacha	Kwacha	Kwacha
Opening balance	1,263,410	236,459	44,689	936,799	5,283,340	7,996,232	**15,760,929**
Additions	109,574	6,900	-	16,687,763	1,800,000	1,170,749	**19,774,986**
Revaluation				-	-	-	-
Re-classfication	-			-	-	-	-
Disposal	-			-	-	-	-
Closing balance	**1,372,984**	**243,359**	**44,689**	**17,624,561**	**7,083,340**	**9,166,981**	**35,535,914**

27. Investments in Other Entities

The Council held shares in the following entities:

NAME OF ENTITY	PRINCIPAL ACTIVITY	PERCENTAGE SHAREHOLDING
Lusaka Water Supply and Sewerage Company	Water supply and sewerage services	8%

The Council did not receive any dividends from its investments during the period under review.

28. Administered Transactions

The Council did not administer tax collection on behalf of Zambia Revenue Authority.

29. Related Party Disclosures

They were no third-party transactions during the year under review.

a. Fringe benefits Disclosures

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

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 Chilanga Town Council are:

Aggregate Remuneration	K864,000
Number of persons	12

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

c. Remuneration of Senior Management

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

Aggregate Remuneration	K 1,673,278.58
Number of persons	7

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

30. External Assistance

There were no External assistance transactions during the year under review.

31. Third Party Payments

Chilanga town council did not benefit from payments made by third parties because no transaction was made relating to the following:

APPENDICES

This section is optional but encouraged to be done in order to track changes
The following supplementary information does not form part of the Annual Financial Statements and is unaudited:

APPENDIX A – List of Payables

Details	2024 Kwacha	2023 Kwacha
Suppliers of goods and services	163,354	201,222
Zambia Revenue Authority	5,356,886	3,372,995
NAPSA	3,456,494	7,169,956
LASF		-
Zambia United Local Authorities Workers Union		-
Terminal Benefits	1,481,783	1,813,287
Leave travel Benefits	-	-
Settling Allowance	-	-
TOTAL	**10,458,517**	**12,557,460**

APPENDIX B – List of Assets Acquired in the Year

Assets acquired during the year 2024 included the following:

Description of Assets	2024 Kwacha
Fixtures and Fittings	
Office Funiture	6,900
Subtotal	**6,900**
Office Equipment	
Laptops and Computers	78,877
Office Equipment	30,697
Solar Panel	3,984
Subtotal	**113,558**
Property, Plant and Equipment	
Earth Moving Equipment	1,800,000
Subtotal	**1,800,000**
Land & Buildings	
Rehabilitation Works	3,625,906
Other Buildings	-
Infrastructure Development (Non-Residential Buildings)	13,057,873
Subtotal	**16,683,779**
Vehicles and Motorcycles	
Utility Vehicle (Ford Ranger)	1,170,749
Subtotal	**1,170,749**
Total	**19,774,986**