NYIMBA TOWN COUNCIL

Ministry of Local Government and Rural Development

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2022

Nyimba Town Council, P.O. BOX 570022, Nyimba.

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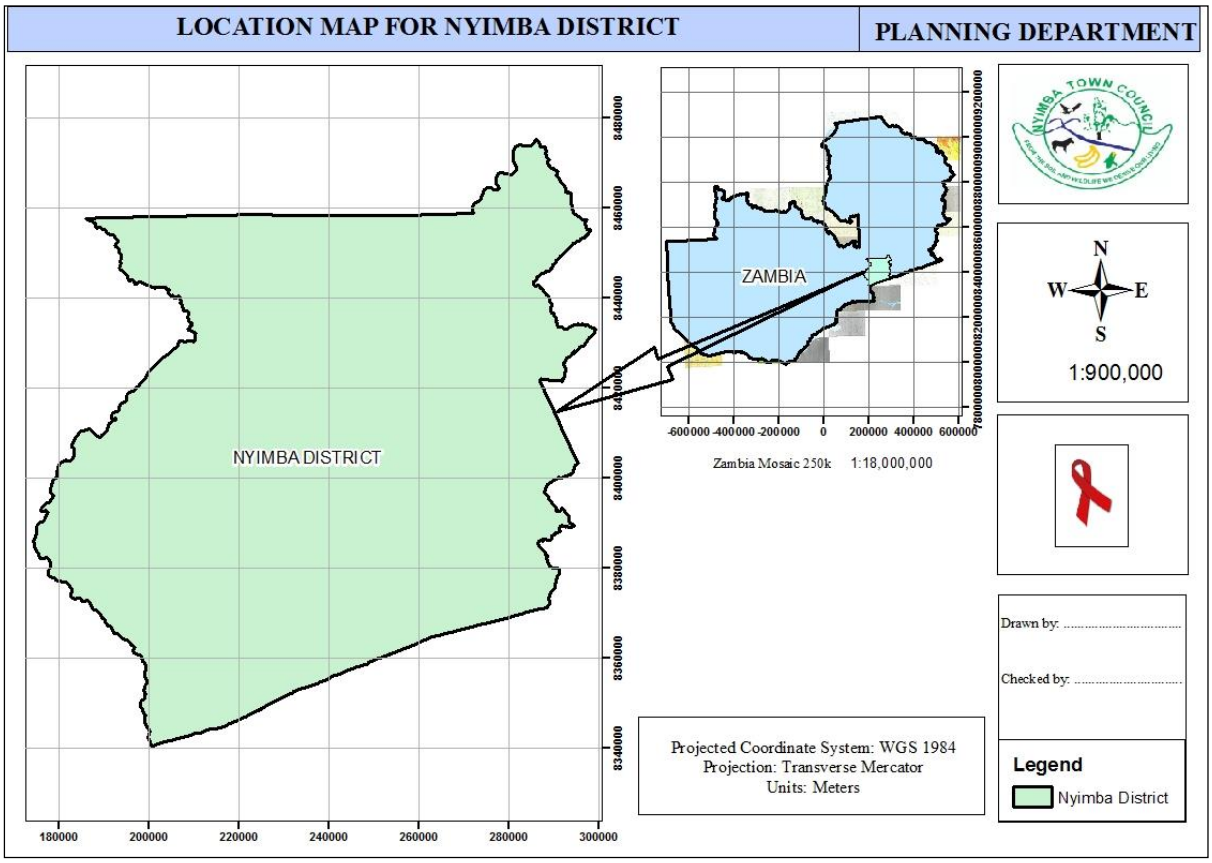
REPORT OF THE COUNCIL

The Council has the pleasure of presenting the report together with the financial statements for the year ended 31st December 2022 which disclose the sources, utilization and balances of cash for Nyimba Town Council during the period under review.

Background and Location of the Council

The Council is located in Nyimba District, Eastern Province of Zambia on Great East Road. The District is about 220 km from Chipata City, the Eastern Province of Zambia and 340 km from the Nation's capital, Lusaka. The latitudinal and longitudinal position of Nyimba District is 29^0 and 27^0 east and 15^0 and 17^0 south respectively.



District Profile

Nyimba District has an approximate surface area of about 10,468 sq km. It is divided into two (2) landform segments, the plateau and the valley. The plateau is characterized by gently undulating relief with some hills. The lower Luangwa valley is characterized by rough landform. The terrain is rough with steep slopes and is bordered by hills to the east and escarpments to the west. The plateau spans from east to southeast, the valley from north to northwest, with the Luangwa River as a bordering physical feature. The valley is characterized by poor accessibility with several hills and mountains.

REPORT OF THE COUNCIL

The District has a total population of 85,025 segmented into urban and rural population with a growth rate of 2.5% per annum (Central Statistics Office 2010). The urban population stand at 3,738 males and 3,928 females, while rural population stand at 38,254 male and 39,105 females (Central Statistics Office 2010).

Political System and Governance

Nyimba District is composed of fifteen (15) Wards and One (1) Parliamentary Constituency. Each of these wards is represented by a Councillor popularly elected by ward residents. The major role of the Councillors is to make local policies and by-laws that promote and guide development activities in the district. The Council Chairperson is the political head of the Council while the Council Secretary is the Chief Executive Officer and is assisted by; Chief Administrative Officer (Administration), District Planning Officer (Planning), Council Treasurer (Finance), and Director of Works (Works). In addition, the Council has four (4) standing specific committees, namely;

a. Health, Environment and Social Services Committee
b. Plans, Works, Development and Real Estates Committee
c. Audit Committee
d. Finance, Human Resource and General Purposes Committee.

Traditional Leaders in Nyimba District

Nyimba district has four (4) traditional leaders; HRH Senior Chief Luembe, HRH Chieftainess Mwape, HRH Chief Ndake, and HRH Chief Nyalugwe. The township is in Chief Ndake area, Nyimba ward.

Social Environment

The District is predominately occupied by the indigenous Nsenga people, with a mixture of other tribes.

Culture and Ethnicity

There is one major cultural ceremony conducted yearly in the district known as Tuwimba ceremony. The major languages spoken in the district are English (official language), Nsenga, Nyanja, Bemba, and Chewa. The district follows customary and statutory system of marriag

REPORT OF THE COUNCIL

Religion

Christianity is the main religion in the district. Most of the people are Christians whose main denominations are Seventh Day Adventist, New Apostolic, Roman Catholic, Faith, CCAP, Baptist, Jehovah's Witness, Assemblies of God, Bread of Life, United Church of Zambia, Reformed Church of Zambia and others.

Physical Address

The address of the registered office of Nyimba Town Council (NTC) is as follows:

The Civic Centre

Great East Road

P.O Box 570022

NYIMBA

Composition of the Council

Nyimba 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 Cap 281 of the Laws of Zambia.

The Council is composed of one (1) elected Council Chairperson, fifteen (15) elected Councillors from fifteen (15) 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 Deputy Council Chairperson was elected from among the Councillors in 2021 for the period of two and half years.

The Councillors who held office in 2022 were:

REPORT OF THE COUNCIL

S/N	Name	Gender	Position	Ward
1	Cllr Gadson Tembo	Male	Council Chairperson	Not applicable
2	Cllr Shelly Sakala	Male	Deputy Council Chairperson	Nyimba Central
3	Cllr Mumba Zulu	Male	Councillor	Msima
4	Cllr Moses A. Tembo	Male	Councillor	Chamilala
5	Cllr Derrick Daka	Male	Councillor	Chinsimbwe
6	Cllr Dismas Mwengwe	Male	Councillor	Luangwa
7	Cllr Mabvuto Phiri	Male	Councillor	Chiweza
8	Cllr Petros Daka	Male	Councillor	Katipa
9	Cllr Elisha Daka	Male	Councillor	Mphundwe
10	Cllr Twendepi Lungu	Male	Councillor	Mombe
11	Cllr Kelvin Sakala	Male	Councillor	Chinambi
12	Cllr Cacious Zimba	Male	Councillor	Vizimumba
13	Cllr Evaristo Phiri	Male	Councillor	Mtilizi
14	Cllr Matthews Daka	Male	Councillor	Lwezi
15	Cllr Joshua Lungu	Male	Councillor	Kaliwe
16	Cllr Stephen Tembo	Male	Councillor	Mpundwe
17	Ben Maponda Phiri	Male	Senior Chief Ndake	Not applicable
18	Salatiele Ndhlovu	Male	Chief Nyalugwe	Not applicable
19	Serah Lungu	Female	Chieftainess Mwape	Not applicable

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

S/N	Name	Gender	Constituency
1	Hon.Menyani Zulu	Male	Nyimba

REPORT OF THE COUNCIL

During the year under review, Mr. Paul Daka was the the District Commissioner.

The Council Secretariat

The Secretariat of Nyimba 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) Heads of Department responsible for Finance, Planning, Works, 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 Second Schedule of Local Government Act No.2 of 2019 Cap 281 of the Laws of Zambia which include, among others, power to make by-laws, power to make regulations, imposition of levies, fees and charges and to formulate local policies to promote, guide and regulate development in the district through various relevant departments of the Council.

Financial Results

	2022 Kwacha	2021 Kwacha
Cash Receipts	39,001,913	19,336,469
Payments	(20,864,908)	(19,113,280)
Increase/(decrease) in Cash and Cash Equivalents	**18,137,005**	**223,189**

Key Policies Adopted During the Year

The Council adopted the following policies during the year:

- Upward adjustment of house rentals from K 1,000 to K 1,500 for non-Council Workers
- Upward adjustment of house rentals from K 800 to K 1,200 for Council Workers

Related Party Transactions

There was no related party transactions during the financial year.

Property, Plant and Equipment

The Council purchased the following equipment in the ywae under review:-

- **Motel Equipment**
  The Council purchased Air Conditioners amounting to K 226,800

- **Office Equipment**
  The Council purchased Differential Differential GPS amounting to K179,550.

- **Furniture**
  The Council purchased furniture for the motel amounting to K 22,166

REPORT OF THE COUNCIL

Intangible Assets

The Council did not purchase any intangible asset during the year under review.

Employees

The average number of employees during the year was 113. The total amount spent on employees' remuneration and welfare during the year was K 9,250,513, 2021 was K 6,520,059.

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 is sponsoring Nyimba Council Football Club using local resources.

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

Signature: .....

Name: .....

Position: Council Chairperson

Date: ... 5/12/2022 ...

STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

The Nyimba Town Council is responsible for preparing the financial statements for the year ended 31st December 2022 which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS). In preparing the financial statements, the Council selected applicable policies from Local Authorities Accounting Policies (LAAPs) of November,2022 (Amended) 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 9 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 Cap 281 of the Laws of Zambia, the Public Finance Management Act No. 1 of 2018 and Local Authorities Accounting Policies (LAAPs) of 2022.

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 Nyimba Town Council will not remain a going concern for at least twelve months from the date of this statement.

In the opinion of the Council, proper books of accounts were maintained to support preparation of financial statements that present fairly the financial results of the Town Council for the financial year ended 31st December 2022.

Signed on behalf of the Council on 8/12/2023 **by;**

Name: Cllr. Reuben Chisoti

Signature:

Position: Council Chairperson

8/12/2023

Name: Gibson Mwemba

Signature:

Position: Council Secretary

NYIMBA TOWN COUNCIL
COUNCIL SECRETARY
0 8 DEC 2023
P. O. BOX 570022,
NYIMBA

Name: Aphes Simukoko

Signature

Position: Council Treasurer

NYIMBA TOWN COUNCIL
COUNCIL TREASURER
0 8 DEC 2023
P. O. BOX 570022
NYIMBA

INDEPENDENT AUDITOR'S REPORT

REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR GENERAL

STAND No.7951

HAILE SELASSIE AVENUE, LONGACRES

P.O BOX 50071

LUSAKA, ZAMBIA

E-mail: auditorg@ago.gov.zm

Website:www.ago.gov.zm

Telephone: +260252611/252771

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

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

Unmodified Opinion

I have audited the financial statements of the Nyimba Town Council for the financial year ended 31st December, 2022 which comprise the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund and the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF) and a summary of significant accounting policies and other explanatory information on pages 12 to 39.

In my opinion, the accompanying financial statements of Nyimba Town Council present fairly, in all material respects, its cash receipts and payments and balances for the year ended 31st December, 2022 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the Local Authorities Accounting Policies (LAAPs).

Basis for Unmodified 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 Nyimba Town Council in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in

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

Emphasis of Matter

I draw attention to part 1.1 to the financial statements which describe the roadmap of the Council to adoption of Accrual Basis Financial Reporting Framework as result of which the Council has not produced Accrual Basis type of financial statements required by the Local Government Act No. 2 of 2019.

My opinion is not modified in respect of this matter.

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

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

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

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

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

- 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.

Dr. Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE

ACTING AUDITOR GENERAL

OFFICE OF THE AUDITOR GENERAL

DATE: 14/12/2023

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

	NOTES	2022 Kwacha	2021 Kwacha
RECEIPTS			
Local Taxes	**2**	1,285,405	1,092,752
Fees and Charges	**3**	2,544,526	2,036,789
Licences	**4**	38,403	25,470
Levies	**5**	780,463	961,779
Permits	**6**	575,853	238,279
Local Government Equalisation Fund	**7**	9,347,735	8,080,662
Constituency Development Fund	**8**	23,949,376	1,600,000
Other Grants	**9**	335,150	345,000
Borrowings	**10**	-	-
Commercial Venture	**11**	145,002	19,961
Other Receipts	**12**	-	4,935,777
TOTAL RECEIPTS		**39,001,913**	**19,336,469**
PAYMENTS			
Personal Emoluments	**13**	9,250,513	6,520,059
Use of Goods and Services	**14**	6,065,783	3,739,525
Financial Charges	**15**	-	-
Social Benefits	**16**	1,956,233	-
Non-Financial Assets Acquisition	**17**	2,840,615	2,791,472
Financial Assets	**18**	-	-
Loan Repayments	**19**	-	-
Other Payments	**20**	751,764	6,062,224
TOTAL PAYMENTS		**20,864,908**	**19,113,280**
Increase/(decrease) in Cash		**18,137,005**	**223,189**
Foreign Exchange Losses	**21**	-	-
Cash at beginning of the year		**3,078,198**	**2,855,009**
Cash at the end of the year	**22**	**21,215,203**	**3,078,198**

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

Signature:.....

8/12/2023

Position: Council Chairperson

Signature.....

Position: Council Treasurer

NYIMBA TOWN COUNCIL
COUNCIL TREASURER
0 8 DEC 2023
P. O. BOX 570022
NYIMBA

Signature:.....

Position: Council Secretary

NYIMBA TOWN COUNCIL
COUNCIL SECRETARY
0 8 DEC 2023
P. O. BOX 570022,
NYIMBA

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

	Original Budget	Adjustments	Final Budget	Actual Amounts	% Performance	Variance
	Kwacha	Kwacha	Kwacha	Kwacha		Kwacha
RECEIPTS						
Local Taxes	1,315,923	-	1,315,923	1,285,405	98%	(30,518)
Fees and Charges	4,218,490	-	4,218,490	2,544,526	60%	(1,673,964)
Licences	142,400	-	142,400	38,403	27%	(103,997)
Levies	1,182,300	-	1,182,300	780,463	66%	(401,837)
Permits	1,225,300	-	1,225,300	575,853	47%	(649,447)
Local Government Equalisation Fund Constituency	9,575,814	-	9,575,814	9,347,735	98%	(228,079)
Development Fund	25,739,911	-	25,739,911	23,739,911	92%	(2,000,000)
Other Grants	300,000	-	300,000	335,150	112%	35,150
Borrowings	-	-	-	-	0%	-
Commerical Venture	96,000	-	96,000	145,002	151%	49,002
Other Receipts	34,797	-	34,797	209,465	602%	174,668
TOTAL RECEIPTS	**43,830,935**	**-**	**43,830,935**	**39,001,913**	**89%**	**(5,003,690)**
PAYMENTS						
Personal Emoluments	10,022,196	-	10,022,196	9,250,513	92%	771,683
Use of Goods and Services	15,717,221		15,717,221	6,065,783	39%	9,651,438
Financial Charges	-	-	-	-	0%	-
Social Benefits	1,956,233	-	1,956,233	1,956,233	100%	-
Non-Financial Assets Acquisition	14,657,347	-	14,657,347	2,840,615	19%	11,816,732
Financial Assets	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-
Other Payments	1,477,938	-	1,477,938	751,764	51%	(726,175)
TOTAL PAYMENTS	**43,830,935**	**-**	**43,830,935**	**20,864,908**	48%	**21,513,677**
Increase/(Decrease in C	**(0)**	**-**	**(0)**	**18,137,005**	**48%**	**(26,517,367)**

The composition of the 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 THE YEAR ENDED 31ST DECEMBER 2022

		2022 Kwacha	2021 Kwacha
RECEIPTS			
Funding	**7(a)**	9,347,735	8,080,662
TOTAL RECEIPTS		**9,347,735**	**8,080,662**
PAYMENTS			
Operational Expenditure Payments:	**7(b)**		
Salaries and Wages		8,444,037	6,520,059
Terminal Benefits			-
Utility bills			-
Service Provision			-
Goods and Services			-
Administrative Costs		-	2,335
Other Costs			-
Sub-Total		**8,444,037**	**6,522,394**
Capital Expenditure Payments:	**7(c)**		
Infrastructure Development		1,115,380	1,134,707
Rehabilitation Works		88,563	340,579
Asset Acquisition		179,550	274,208
Other Costs		-	-
Sub-Total		1,383,493	1,749,494
TOTAL PAYMENTS		**9,827,530**	**8,271,888**
Increase/(decrease) in cash		**(479,795)**	**(191,226)**
Cash at the beginning of the year		483,155	674,381
Cash at the end of the year		**3,361**	**483,155**

Note 7 explains the composition and other details relating to the various elements included in this Statement.

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

		2022 Kwacha	2021 Kwacha
RECEIPTS			
Funding	**8a**	23,739,911	1,600,000
Loan Repayments	**8b**	-	-
Other Sources	**8c**	209,465	-
TOTAL RECEIPTS		**23,949,376**	**1,600,000**
PAYMENTS			
Infrastructure Development	**8d**	850,353	700,003
Rehabilitation Works	**8e**	547,404	226,001
Disater Contigency	**8f**	58,699	-
Asset Acquisition	**8g**	267,000	-
Rural Electrification	**8h**	-	-
Youth and Women Empowerment	**8i**	1,956,233	
Soft Loans	**8j**	-	-
School Bursaries	**8k**	876,220	-
Administrative Costs	**8l**	795,270	80,000
TOTAL PAYMENTS		**5,351,179**	**1,006,004**
Increase/(decrease) in Cash		**18,598,197**	**593,996**

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 Comparatives

In line with the Local Authorities Accounting Policies (LAAPs) and the Treasury and Financial Management Circular No 2 of 2019 issued prior but applicable to finalisation of these financial statements, the starting point for preparation of financial statements using Cash Basis IPSAS *Financial Reporting under the Cash Basis of Accounting of* 2018.

1.2 Reporting Entity

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

1.3 Authorization Date

The financial statements were authorized for issue on …… by the Ordinary/Special Council.

1.4 Revenue

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

a. Local Taxes

Article 161 of the Constitution of Zambia (Amendment) Act No 2 of 2016 mandates Nyimba Town Council as a Local Authority to levy, impose, recover and retain local taxes. Further, the Local Government Act, 1991 Cap 281 section 69(1) prescribes a system of local taxes by empowering Local Authorities to make by-laws imposing all or any of the following levies:

- a levy on leviable persons owning or occupying property or premises situated within the area of the council.
- A levy on leviable persons carrying on a business, trade or occupation within the area of the council.

- A levy on the purchase or sale of a commodity within the area of the District. This includes levies on sale of livestock, grain and poles.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Fees or Charges

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

- For any licence or permit issued under any by-law or regulation made under the Act. These may include health permits, fire certificate licences, burial permits and extension of business hours permits.

- For any service or facility provided or goods or documents supplied by the Council in pursuance of or in connection with the discharge of any function of the Council. These may include survey fees, consent fees, building inspection fees, waste collection fees and parking fees.

1.5 Expenditure

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

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

1.6 Reporting on Gross Basis

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

1.7 Cash at the Beginning and End of the Year

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

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

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

1.8 Local Government Equalization Fund

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1.10 Other Grants

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

1.11 Presentation Currency

The presentation currency is Zambian Kwacha (ZMW).

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:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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.

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.

Nyimba 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 Nyimba

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 FOR THE YEAR 2022

2. Local Taxes

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

Local Tax Type	2022	2021
	Kwacha	Kwacha
Residential Rates	481,890	285,400
Industrial / Commercial Rates	776,699	771,315
Mining Rates	-	-
Personal Levy	26,815	36,037
TOTAL	**1,285,405**	**1,092,752**

The Council relied on the Valuation Roll updated for the period 2018-2023 to determine the property rates received.

3. Fees and Charges

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

	2022	2021
	Kwacha	Kwacha
Fees	2,133,733	1,487,689
Land Development Charges	410,793	549,100
Total	**2,544,526**	**2,036,789**

Fees

The Council generated the following fees:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

Fees Type	2022 Kwacha	2021 Kwacha
Plan scrutiny fee	18,750	5,154
Survey fees	12,655	33,860
Building inspection-fees	4,030	41,540
Rentals/lease of Council's properties	224,293	222,048
Application forms fees	164,717	112,280
Rentals from houses	129,689	194,012
Market fees	243,006	106,660
Bus Station fees	450,014	395,624
Hire of halls	70,236	9,900
Farm produce Fee	304,399	
Affidavit fees	2,280	200
Refuse disposal	28,362	9,600
Notice of marriage fees	-	-
Abattoir/meat inspection fees	59,831	39,532
Communication mast levy	110,000	170,000
Billboards and banners	75,669	71,322
Ground rent	27,655	28,522
Change of ownership of plot	8,100	1,500
Change of Land use	320	533
Other fees and charges	199,728	45,402
Total	**2,133,733**	**1,487,689**

Land Development Charges
The Council collected the following land development related charges

Charges Type	2022 Kwacha	2021 Kwacha
Service charges - residential plots	410,793	549,100
Service charges - Industrial plots	-	-
Other	-	-
TOTAL	**410,793**	**549,100**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

4. Licenses

The Council collected the following cash receipts from issuance of various licenses.

Licence Type	2022	2021
	Kwacha	Kwacha
Occupancy License in Chief Ndake	25,679	10,720
Liquor Licence	-	150
Firearm and ammunition licence	12,724	14,600
TOTAL	**38,403**	**25,470**

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	2022	2021
	Kwacha	Kwacha
Business levy	760,051	523,317
Miscellaneous levies	-	418,686
Pole levy (Zesco poles)	3,840	
Fish levy	90	
Livestock levy	12,091	5,347
Charcoal levy	4,391	14,429
TOTAL	**780,463**	**961,779**

6. Permits

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

Type of Permit	2022	2021
	Kwacha	Kwacha
Health Permit	208,975	4,000
Herbalist permit	400	1,000
Fire Certificate	364,498	187,017
Transportation of meat product Opaque beer permit	-	470
Opaque beer permit	-	5,750
Extension of business hours permits	1,980	
Other Permits	-	40,042
TOTAL	**575,853**	**238,279**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

7. Local Government Equalization Fund Funding

a) Funding

	2022	2021
	Kwacha	Kwacha
1st Funding	786,827	687,984
2nd Funding	755,064	665,478
3rd Funding	777,247	666,046
4th Funding	778,193	681,046
5th Funding	786,783	685,542
6th Funding	768,014	675,542
7th Funding	782,954	652,942
8th Funding	779,954	658,309
9th Funding	781,832	656,515
10th Funding	782,712	685,542
11th Funding	781,327	
12th Funding	786,827	1,365,714
TOTAL	**9,347,735**	**8,080,662**

b) Expenditure

The Council applied amounts totalling K 8,444,037 of LGEF receipts towards meeting operational expenses representing 90% of the total LGEF funding for the reporting period. These expenses are included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

c) Capital Expenditure

The Council applied amounts totalling K 891,132 of LGEF receipts towards meeting capital expenditure representing **10**% 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. Further, the Council made payment amounting to K 491,361 for 2021 projects implemented in 2022, therebymaking the total cash payment to be K 1,383,493.

8. Constituency Development Fund

The various elements constituting Statement of Cash Receipts for CDF are as shown below:

a. CDF Funding

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

Budget Allocation

The Council planned to receive CDF funding amounting to K25,739,911 but only received K23,739,911 resulting in a variance of K2,000,000.

The unreceived funds amounting to K 2,000,000 was retained by the Ministry of Local Government and Rural Development to facilitate the procurement of two vehicles one for monitoring and supervision of CDF Projects and the other one for the Zambia Police Services as shown below.

		2022	2021
Vehicles	**Qty**	**Kwacha**	**Kwacha**
CDF vehicle for Monitoring and supervision	1	1,200,000	
CDF vehicle for Zambia Police Services	1	800,000	
Totals	**2**	**2,000,000**	**-**

The Council received a Toyota Landcruiser vehicle Registration Number GRZ 117DA for CDF Project Monitoring and Supervision that had been procured by the ministry while the vehicle for the Zambia Police Service had not been received by the Council as at the time of reporting.

b. Loan Repayments

The Council did not receive any other funds such as Loan Repayment in CDF bank accounts.

c. Other CDF sources

The Council did not earn interest from CDF funding

d. Infrastructure Development

	2022	2021
Constituency	**Kwacha**	**Kwacha**
Nyimba	850,353	700,003
Total	**850,353**	**700,003**

e. Rehabilitation Works

	2022	2021
Constituency	**Kwacha**	**Kwacha**
Nyimba	547,404	226,001
Total	**547,404**	**226,001**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

f. Disaster Contigency

Constituency	2022 Kwacha	2021 Kwacha
Nyimba	58,699	-
Total	**58,699**	**-**

g. Asset Acquisition

Constituency	2022 Kwacha	2021 Kwacha
Nyimba	267,000	-
	-	-
Total Asset Acquisition Payments	**267,000**	**-**

There were no assets which were acquired in the year 2022.

h. Rural Electrification

There were no Rural Electrification in the year 2022.

i. Youth and Women Empowerement

Constituency	2022 Kwacha	2021 Kwacha
Youth and Women Empowerment	1,956,233	-
	-	-
Total	**1,956,233**	**-**

j. Loans

There were no loans payments in the year 2022.

k. Secondary Boarding Schools and Skills Development Bursaries

Constituency	2022 Kwacha	2021 Kwacha
Nyimba	876,220	-
Total	**876,220**	**-**

l. Administrative Costs

Constituency	2022 Kwacha	2021 Kwacha
Nyimba	795,270	80,000
Total	**795,270**	**80,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

The administrative costs included project supervision costs, project appraisal cost, refreshments and transport refunds during CDF committee meetings.

9. Other grants

During the year under review, the Council received the following grants:

Revenue Source	2022 Kwacha	2021 Kwacha
Grants in Lieu of Rates	280,000	345,000
Grant towards Orientation of Ward Development Committees on the implementation CDF projects	55,150	-
TOTAL	**335,150**	**345,000**

The Council received the Grant in lieu of rates and a special grant for orientation of Ward Development Committee on the implementation of CDF Projects.

10. Borrowings

During the year the Council did not obtain any loan from bank.

11. Council Commercial Venture

This consists of receipts and payments relating to operations of Nyimba Town Council Motel owned by the Council.

Council Commercial Venture

	2022	2021
Receipts	**Kwacha**	**Kwacha**
Restaurant Sales Receipts	633,172	440,398
Lodging Receipts	665,976	350,100
Food and Beverages Sales Receipts	1,044,118	652,754
Sundry	115,103	5,109
TOTAL	**2,458,369**	**1,448,361**
Payments		
Restaurant Purchases	557,149	251,489
Beer and Beverages	835,232	568,777
Wages	543,922	562,537
Sundry	377,064	45,597
TOTAL	**2,313,367**	**1,428,400**
Surplus/(defict)	**145,002**	**19,961**

12. Other Receipts

During the year under review, the Council realised K 209,465 as interest earned on CDF account.
During the period under review, the Council did not receive funds for chiefs retainers and elections.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

	2022	2021
Receipts	**Kwacha**	**Kwacha**
Chiefs' retainers	-	191,400
Elections (ECZ) operations	-	4,360,334
TOTAL	**-**	**4,551,734**

13. Personal Emoluments

Personal Emoluments consist of actual amounts of salaries and wages from both local government equalisation fund and the local revenue paid to staff of the Town Council. The total personal emoluments under review were **K 9,250,513.**

	2022	2021
Grade/Division	**Kwacha**	**Kwacha**
Salaries Div 1	2,720,202	1,564,143
Salaries Div 2	1,691,402	1,711,206
Salaries Div 3	1,080,871	1,617,892
Wages Div 4	3,206,329	1,349,676
Other Wages	551,709	277,142
Total	**9,250,513**	**6,520,059**

The Council managed to pay salaries using the Local Government Equalisation Fund of K8,444,037 and K806,476 from Own Source Revenue.

14. Use of Goods and Services

General expenditure consists of expenditure incurred on administrative activities

Expenditure Type	**2022**	**2021**
	Kwacha	**Kwacha**
Office Running Costs	220,055	316,893
Building, Repair and Maintenance Costs	187,930	458,754
Plant, Machinery and Vehicle Running and Maintenance Cost	379,255	896,667
Other Administrative operating costs	45,467	12,524
Requisites	50,200	78,731
Services	4,100,532	1,059,486
Travel expenses	606,312	629,385
Training	457,622	263,460
Other Expenses	18,410	23,625
TOTAL	**6,065,783**	**3,739,525**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

15. Financial Charges

During the period under review, the Council did not pay any financial charges.

16. Social Benefits

Social benefits include payments towards death on duty, burial, community empowerment loans, grants and other benefits. During the year, the Council made social benefit payments amounting to K1,956,233 as empowerment grant under Constituency Development Fund.

17. Non-financial Asset Acquisition

Acquisition of assets involved the following payments:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

Nature of Project	Project Type	2022 Kwacha	2021 Kwacha
Construction of Nyimba Council Library	CDF	-	28,928
Construction of Nyimba East Market	LGEF	-	50,636
Construction of Nyimba Council Motel	LGEF	1,115,380	729,823
Rehabilitation of feeder roads at Daniel Village	CDF	337,243	185,936
Drilling of boreholes at Misebe village	CDF	-	436,500
Fire Tender Repair	CDF	-	324,918
Construction of Chalubilo Rural Health Centre	CDF	4,541	
Construction of Prison Ablution block	CDF	14,990	-
Construction of Kacholola Health Centre	CDF	-	111,594
Construction of Ndake Day Secondary School	CDF	166,076	-
Construction of Chimpanje Health Post	CDF	80,307	-
Construction of Mnyazi Primary School	CDF	3,040	
Construction of Nyatumba Community School	CDF	1,500	
Construction of Beulani Community School	CDF	133,893	
Construction of Bridge at Solomon Village	CDF	200,598	-
Construction of Chinambi Health Centre	CDF	16,055	194,827
Construction of Msima Health Post	CDF	1,988	83,126
Rehabilitation of Chifukuzi Primary School	CDF	142,444	111,902
Rehabilitation of Sangano Community School	CDF	9,488	74,928
Rehabilitation of Unyanya Primary School	CDF	42,426	
Rehabilitation of Ng'ambwa Primary School	CDF	36,667	
Rehabilitation of 5 km roads from Nyimba boarding to Nyimba Primary School	CDF	22,350	
Rehabilitation of Nyimba Market Street lights	CDF	-	12,020
Construction of Luembe Health Mother's shelter	CDF	9,670	33,545
Rehabilitation of Mkopeka Rural Health Centre	CDF	19,947	22,606
Rehabilitation of Chipembe bridge	CDF	16,273	
Purchase of Furniture	LGEF	22,166	274,208
Purchase of Grader spares	CDF	48,377	
Purchase of TV	LGEF	-	72,235
Purchase of air conditioner	LGEF	226,800	
Repair of Nyimba Council Land Cruiser.	CDF	119,486	
Repair of Nyimba Urban Clinic Mortuary	CDF	48,910	
Purchase of Computer	LGEF	-	43,740
TOTAL		**2,840,615**	**2,791,472**

18. Financial Asset

The Council did not acquire any financial asset.

19. Loan Repayments

The Council did not pay any principal amounts of loans as it had no loan with any bank:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

20. Other Payments

These relate to sundry payments pertaining to the chiefs retainer's wages, elections expensesand liabilities in the year under review.

a) Chiefs Retainers and Elections Operations

	2022 Kwacha	2021 Kwacha
Payments		
Chiefs Retainers Wages	-	222,150
Elections Operations Expenses	-	5,222,797
TOTAL	**-**	**5,444,947**

b) Liabilities

	2022 Kwacha	2021 Kwacha
Payments		
NAPSA	-	140,489
LASF	41,002	360,774
ZRA	35,000	55,000
Long Service Bonus	99,794	61,014
Retirement Benefits	33,500	-
Salary Arrears	520,210	-
ZULAWU	22,258	-
TOTAL	**751,764**	**617,277**

21. Foreign Exchange Losses

These arise from transactions made in other currencies and determined by reconciling opening cash to closing cash balances. There was no foreign exchange activities in the financial year under review.

22. Cash Balances

a) Opening Cash Balances

The Council's Cash amounts consisted of cash on hand, demand deposits in amounts totalling K 21,215,204 as shown below:

	2022 Kwacha	2021 Kwacha
Cash on Hand	-	
Demand Deposits	21,215,203	3,078,198
Cash Equivalents	-	-
TOTAL	**21,215,203**	**3,078,198**

b) Cash on hand

The Council did not have any cash on hand as at 31st December 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

c) Demand Deposits – Bank Balances

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

Account Name	Account No	2022 Kwacha	2021 Kwacha
District Fund A/c	Indo -0152020000004	23,226	2,090
Salaries A/c	ZANACO-5688568300121	26,281	(11,296)
Capital Projects A/C	ZANACO-5688568300222	3,361	492,361
Service Provision A/c	Indo-0152020000053	-	524
Bus Station A/c	Indo-0152020000002	1,613	3,077
CDF A/C	Indo-0152020000007	20,366,107	2,510,210
CDF Revolving Fund A/C	Indo-0152020000105	741,300	-
Grader A/C	Indo-0152020000022	4,350	4,379
Housing A/C	ZNBS-0414420888021	32,925	16,063
Chiefs A/c	Indo-0152020000009	50	2,055
KFW Rural Water A/C	Indo-0152020000056	1,272	1,272
Rural Water Community Contribution A/C	ZNBS-0414412109021	4,783	31,014
Rural Water Somap A/C	Indo-0152020000005	938	20,324
Motel A/C	Indo-0152020000075	8,127	4,909
HIV/AIDS A/C	Indo-0152020000076	740	1,165
ECZ A/C	Indo-0152020000015	55	50
Fire Services A/C	Indo-0152020000106	75	
TOTAL		**21,215,203**	**3,078,198**

23. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister responsible for Local Government on February 10, 2022 and did not have any Subsequent approved adjustments to the budget.

b. Budget Variances

- **Local Taxes**

The Council planned to collect K1,315,923 from Local Taxes but collected K1,285,405 resulting in a negative variance of K30,518. representing 2%.

The underperformance on local taxes was due to low compliance from the rate payers on the rates due to the effects of COVID 19. Also, non-remittance of personal levy by the Ministry of Finance.

- **Fees and Charges**

The Council planned to collect K 4,218,490 but managed to collected K 2,544,526 giving a variance of K 1,673,964 representing 40%. The variance on fees and charges was because of inadequate vehicles

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

for revenue collection exercise to follow up receivables and conduct robust revenue collection and the low revenue base.
The variance on plot charges was because the advertisement for plots which was done in quarter four of 2022 and payments were made in 2023.

Additionally, the Council planned to offer land for development in the central business district which Department of Correction Services is holding on resisting to surrender to the Local authority. Efforts to get the land has failed as the department is refusing to surrender land to the Council. To improve the revenue base, the Council has engaged Ward Development Committee to collect revenue in all the fifteen wards in the district.

- **Licenses**

The Council planned to collect K142,400 but managed to collected K 38,403 giving a variance of K 103,997 representing 73%. The variance on licenses was because of inadequate vehicles for revenue collection exercise to follow up receivables and conduct robust revenue collection.

- **Levies**

The Council planned to collect K 1,182,300 but managed to collected K 780,463 giving a variance of K 401,837 representing 34%. The variance on levies was because of low revenue base and inadequate vehicles for revenue collection exercise to follow up receivables and conduct robust revenue collection. To improve the revenue base, the Council has formulated a draft Carbon Trading Levy By-Law awaiting approval by the approval by Ministry of Justice.

- **Permits**

The Council planned to collect K 1,225,300 but collected K 575,853 giving a revenue budget variance of K 649,447 representing 53%. The variance on permits was because of lack of vehicle for revenue collection exercise to follow up receivables and conduct robust revenue collection.

- **Non-Financial Assets**

The Council planned to spend K 14,657,347 on non-financial assets but spent K 2,840,615 resulting in a variance of K 11,816,732 representing 81%. The variance on non-financial assets was because of projects procured in 2022 but payments were done in 2023 after successful completion of the projects and also retention fee to be paid later after six months or even one year. Additionally, the delay to implement the projets was due to slow procurement procedures and clearance of contracts by Attorney General and Secertary to the Treasury.

- **Use of Goods and Services**

The Council planned to spend K 15,717,221 but only spent K 6,065,783 giving an expenditure budget variance of K 9,651,438 representing 61%. The variance on the use of goods and services was due to not maintain the buildings, plants, machinery and vehicles as budgeted for in the year 2022 as per the expenditure target due to financial constraints.

24. Provision of Services

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

Type of Services	2022 Kwacha	2021 Kwacha
Consultancy, Studies, Fees, Technical Assistance	-	-
Audit Fees	10,394	-
Printing	3,000	-
Advertising and Publicity	21,346	25,426
Technical Equipment Repair and Maintenance	-	-
Transportation	-	-
Traditional Ceremonies	5,274	-
Official Entertainment	-	-
Public Functions and Ceremonies	-	10,260
Shows and Exhibits	-	-
State Functions	-	-
Accommodation	-	-
Boards, Councils and Committees' Expenses	907,018	476,070
Creation of cemetries	-	-
Land demarcation	18,214	
Relief, Repartriation and Burial of Destitutes	11,450	-
Staff Welfare and Recreation	15,242	301,431
Research and fesibility studies	-	-
Valuation of properties	-	-
Labour Day Expenses and Awards	21,662	15,000
Provision of fire services	57,964	102,115
Hire of Plant and Equipment	-	20,808
Construction and maintenance of bridges	-	15,800
Roads Maintenance	11,734	6,162
Bush clearing and vegetation control	-	15,890
Waste and Refuse Collection	194,267	34,364
Maintenance of Street Lighting	-	-
Maintenance of Dumpsite	-	26,000
Conferences, Serminars and Workshops	-	-
Burial of destitutes	-	-
Bank Charges	35,355	-
Water Facility Supply	-	-
Sanitation Supply	-	-
Market Facilities	10,640	10,160
Drainage systems		
	1,323,560	**1,059,486**

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 FOR THE YEAR 2022

25. Property, Plant and Equipment

The Council had property, plant and Equipment valued at **K 3,655,645.**

	Land and Buildings Kwacha	Plant and Machinery Kwacha	Motor vehicles Kwacha	Total Kwacha
Opening balance	3,608,196	28,290	19,159	**3,655,645**
Additions	-	-	-	-
				-
Closing balance	3,608,196	28,290	19,159	**3,655,645**

26. Investments in Other Entities

The Council held shares in the following entities:

Name of Entity	Activity	Shareholding
Eastern Water Supply & Sewerage Company	Water supply & sewerage services	5%

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

27. Administered Transactions

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

28. Related Party Disclosures

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

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 Nyimba Town Council are:

Aggregate Remuneration	K 648,000
Number of persons	18

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 2,720,202
Number of persons	6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

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

29. External Assistance

The council did not receive any external assistance during the year under review

30. Third Party Payments

Nyimba Town Council did not benefit from payments made by third parties during the year under review.

APPENDICES

The following supplementary information does not form part of the Annual Financial Statements and is unaudited:

APPENDIX A – List of Payables

INSTITUTIONAL PAYABLES

S/N	Name of Institution	Details	Amount in 2022 (K)	Amount in 2021 (K)
1	ZRA	PAYE plus interests	3,178,952	2,189,984
2	NAPSA	NAPSA plus interests	4,468,040	2,706,953
3	LASF	LASF plus interests	402,553	246,816
4	Madison Insurance	Funeral Insurance	64,091	25,583
5	NHIMA	Health Insurance	203,749	89,858
6	FIRESUIZ	Union Contributions	0	4,666
7	ZULAWU	Union Contributions	0	54,785
		Total	**8,317,385**	**5,318,645**

SUPPLY OF GOODS AND SERVICES

S/N	Name of Institution	Details	Amount (K) - 2022	Amount (K) - 2021
1	Kolby Press	Stationery	-	13,500.00
2	Peace Guest House	Accommodation	-	11,200.00
		Total	**-**	**24,700.00**

APPENDICES

STAFF CREDITORS

S/N	NAME OF INSTITUTION	DETAILS	AMOUNT- 2022	AMOUNT- 2021
			Kwacha	Kwacha
1	Council Staff	Long Service Bonus	590,000	677,674
2	Council Staff	Leave days	45,147	45,147
3	Council Staff	Settling-in-Allowances	12,300	65,643
4	Council Staff	Retirement Benefits	240,000	181,224
5	Council Staff	Salary arrears	54,150	687,319
		Total	**941,597**	**1,657,007**

APPENDIX B – List of Receivables

S/N	NAME OF INSTITUTION	DETAILS	AMOUNT- 2022	AMOUNT- 2021
1		Morgan Kayama Hse# 01		1,000
2		Auntie Olie Hse#04		1,000
3		Mabvuto Mwanza Hse#06		2,000
4		Nathan Chitotela Hse# 21		1,000
5		Mainza Food Parlour	700	
6		John White	3,600	
7		Ratica Access Business Centre	600	
8		Mfecane Shop	700	
9	National Registration	Office Space	41,000	
		Total	**46,600**	**5,000**

APPENDICES

APPENDIX C – List of Assets Acquired in the Year					
S/N	**DESCRIPTION**	**LOCATION**	**REMARKS**	**AMOUNT-2022**	**AMOUNT-2021**
1	Office equipment	Civic Centre	Working	0	115,975
2	Motel Furniture	Finance, Admin	In good condition	22,166	274,208
3	Air Conditioner	Finance	Working	226,800	
4	Dirrential GPS	Planning	Working	179,950	
		Total		**428,916**	**390,183**