



FINANCIAL STATEMENTS

Email:
serenedistrictcouncil@gmail.com

CIVIC CENTRE
NG'ANSWA ROAD
P.O BOX 850013
SERENJE

STC 2023



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REPORT OF THE COUNCIL

The Council has the pleasure of presenting the report together with the Financial Statements for the year ended 31st December, 2023 which disclose the sources, utilization and balances of cash for Serenje Town Council during the period under review.

Background and Location of the Council

The Council is located in Serenje District in Central Province of Zambia on Great North Road. The District is about 191 km North of Kabwe, the Provincial capital of the Province, and 407.9 Km North of the Nation's capital, Lusaka. The latitudinal and longitudinal position of Serenje District is 13⁰ and 13.1⁰ east and 30⁰ and 13.97⁰ south respectively.

Serenje District has a total area of 23,351 square kilometers (km²). The Census of Population undertaken by the Central Statistics Office in 2010 revealed that the population of Serenje District had reached 166,741, making it the third most populous district in the province after Kabwe and Kapiri-Mposhi respectively. The district has Six (6) Chiefs namely Chisomo, Serenje, Kabamba, Mailo, Chibale and Muchinda.

The Civic Centre
Ng'answa Road
P.O Box 850013
SERENJE

Composition of the Council

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

The Council is composed of an elected Chairperson, twenty-one (21) elected Councilors from twenty-one (21) 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 (5) year term up to 2026. The Deputy Chairperson was elected from amongst the Councilors from both Muchinga Constituency and Serenje Central constituency of Serenje district in 2021 for the period of two and half years.

The Councilors who held office from January, 2023 to December, 2023 were as follows

REPORT OF THE COUNCIL

S/N	Name	Gender	Position	Ward
1	Staivous Mulumba	Male	Chairperson	Not applicable
2	Douglas Free Sigauke	Male	Deputy Chairperson	Mbaswa
3	Thomas Phiri	Male	Councillor	Muchinda
4	Eddy Mwandu	Male	Councillor	Lukusashi
5	Dickson Musonda	Male	Councillor	Masaninga
6	Francis Chola	Male	Councillor	Chibale
7	Leo Chinya	Male	Councillor	Chisomo
8	Gershom Changwe	Female	Councillor	Kanona
9	Hamalabi Mwinga	Female	Councillor	Mweshe
10	Stainely Mambwe	Male	Councillor	Serenje
11	Leonard Kanchepa	Male	Councillor	Lushibashi
12	Gift Mwandu	Male	Councillor	Sancha
13	Mwengwe Bravers	Male	Councillor	Mailo
14	Chricious Bwangwa	Male	Councillor	Kabansa
15	Elvis Chisengu	Male	Councillor	Lupiya
16	Francis Katoma	Male	Councillor	Milenje
17	Venon Chibuye	Male	Councillor	Musangashi
18	Brighton Yamba	Male	Councillor	Ibolelo
19	Emmanuel Mukosha	Male	Councillor	Chisangwa
20	Peter Mumbi	Male	Councillor	Kashishi
21	Thelma Kabwe	Male	Councillor	Kabamba
22	Wilfred Mulenga	Male	Councillor	Kabwe Kupela
23	Ngoma Boyd	Male	Chief Kabamba	Not applicable
24	Rhoda Kapi	Female	Chieftainess Serenje	Not applicable
25	Joshua Chibale Musonda	Male	Chief Chibale	Not applicable

The District also had two (2) elected Members of Parliament one for Muchinga constituency and the other for Serenje Central Constituency. The Members of Parliament that held office from January 2023 to December 2023 were as follows;

S/N	Name	Gender	Constituency
1	Hon. Emmanuel Banda	Male	Muchinga
2	Hon. George Kandafula	Male	Serenje Central

The affairs of Central Government in the district are coordinated by the District Commissioner. During the year under review Mr. Paul Masuwa was the District Commissioner for Serenje District.

The Council Secretariat

The Secretariat of Serenje Town Council is headed by the Council Secretary. The Council Secretary is assisted by Four (4) heads of departments responsible for Finance, Planning, Works and Administration, and two (2) heads of units namely Procurement and Internal Audit. The Council Secretary and the rest of the Secretariat are appointed by the Local Government Service Commission.

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 the Local Government Act No. 2 of 2019 which include, among others, power to make By-Laws, power to make regulations, imposition of levies, fees and charges and to formulate local policies to promote, guide and regulate development in the district through various relevant departments of the Council.

REPORT OF THE COUNCIL

Financial Results

	2023 Kwacha	2022 Kwacha
Cash Receipts	75,341,316	65,504,644
Payments	56,186,499	(21,692,508)
Increase in Cash and Cash Equivalents	<u>19,154,817</u>	<u>43,812,136</u>

Key Policies Adopted During the Year

The Council did not adopt any other policies during the year:

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 K17, 321,851

The Council did not dispose property, plant and equipment amounting during the financial year.

Intangible Assets

There were no purchases of intangible assets during the year.

Employees

The average number of employees during the year was 200. The total amounts spent on employees' remuneration and welfare during the year was K12,290,843

Health and Safety of Employees

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

Recreation

The Council during the financial year did not sponsor any recreations such as sporting activities.

Corporate Social Responsibility

The Council did not make any donations during the year for corporate social responsibilities.

Auditors

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

By order of the Council



Stavious Mulumba

COUNCIL CHAIRPERSON

Date 04-11-2024



STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

The Serenje Town Council is responsible for preparing the Financial Statements for the year ended 31st December, 2023 which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS). In preparing the financial statements, the Council selected applicable policies from Local Authorities Accounting Policies (LAAPs) of October 2019 and then applied them consistently, making judgment and estimates that were reasonable and prudent.

The Council is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual Financial Statements and related information. The Auditor-General has audited the Financial Statements and his report is shown on pages 5 to 7.

The Council accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the Cash Basis IPSAS, the requirements of the Local Government Act No. 2 of 2019, the Public Finance Management Act No.1 of 2018 and Local Authorities Accounting Policies (LAAPs) of 2019.

The Council further accepts responsibility:

- for the maintenance of accounting records that may be relied upon in the preparation of financial statements,
- for 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 Serenje Town Council will not remain a going concern for at least twelve months from the date of this statement.

In the opinion of the Council, proper books of accounts were maintained to support preparation of Financial Statements that present fairly the financial results of the Town Council for the financial year ended 31st December, 2023.

Signed on behalf of the Council on 04th NOVEMBER, 2024 by;

Name: STANVOUS MUKUMBA
Signature: [Signature]
Position: Council Chairperson

Name: STAN MWA-MATHANDA
Signature: [Signature]
Position: Council Secretary

Name: MARTIN SIKANYIKA
Signature: [Signature]
Position: Director Finance





REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

STAND No.7951

**HAILE SELASSIE AVENUE,
LONGACRES**

P.O BOX 50071

LUSAKA, ZAMBIA

E-mail: auditorg@ago.gov.zm

Website: www.ago.gov.zm

Telephone: +260252611/252771

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

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

Opinion

I have audited the financial statements of the Serenje Town Council for the financial year ended 31st December 2023 which comprise the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund and the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF) and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements of Serenje Town Council present fairly, in all material respects, its cash receipts and payments and balances for the year ended 31st December 2023 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the Local Authorities Accounting Policies (LAAPs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of my report. I am independent of Serenje 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



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OFFICE OF THE AUDITOR GENERAL**

Key Audit Matters

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional 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 control.



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OFFICE OF THE AUDITOR GENERAL

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

DATE: 29/11/2024

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

	Note	2023 Kwacha	2022 Kwacha
RECEIPTS			
Local Taxes	2	564,852	304,213
Fees and Charges	3	4,866,505	5,574,390
Licences	4	342,544	184,546
Levies	5	1,391,043	1,025,930
Permits	6	675,025	812,200
Local Government Equalisation Fund	7	9,479,317	9,413,953
Constituency Development Fund	8	55,895,947	47,479,822
Other Grants	9	2,106,226	220,000
Borrowings	10	-	-
Commercial Venture	11	(90,017)	95,720
Other Receipts	12	109,874	393,870
TOTAL RECEIPTS		75,341,316	65,504,644
PAYMENTS			
Personal Emoluments	13	12,290,843	10,729,496
Use of Goods and Services	14	8,423,114	6,616,055
Financial Charges	15	-	-
Social Benefits	16	13,313,108	-
Non-Financial Assets Acquisition	17	17,321,851	4,190,953
Financial Assets	18	4,695,210	29,000
Loan Repayments	19	-	-
Other Payments	20	142,373	127,004
TOTAL PAYMENTS		56,186,499	21,692,508
Increase/(decrease) in Cash		19,154,817	43,812,136
Foreign Exchange Losses	21	-	-
Cash at beginning of the year	22	49,973,370	6,161,234
Cash at the end of the year	22	69,128,187	49,973,370

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

Name: STANFORD MUKUMBA

Signature: [Signature]

Position: Council Chairperson

Name: STAN MUKUMBA

Signature: [Signature]

Position: Council Secretary

Name: MADATI SIKANYICA

Signature: [Signature]

Position: Director Finance



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

	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha	Actual Amounts Kwacha	% Performance	Variance Kwacha	% Variance
RECEIPTS							
Local Taxes	672,203	-	672,203	564,852	84%	107,351	16%
Fees and Charges	7,735,225	(1,234,800)	6,500,425	4,866,505	75%	1,633,920	25%
Licences	271,600	113,200	384,800	342,544	89%	42,256	11%
Levies	1,253,000	-	1,253,000	1,391,043	111%	(138,043)	-11%
Permits	949,750	-	949,750	675,025	71%	274,725	29%
Local Government Equalisation Fund	10,076,058	-	10,076,058	9,479,317	94%	596,741	6%
Constituency Development Fund	56,627,804	-	56,627,804	55,895,947	99%	(731,857)	-1%
Other Grants	200,000	-	200,000	2,106,226	1053%	(1,906,226)	-953%
Borrowings	-	-	-	-	-	-	-
Commercial Venture	296,087	(226,087)	70,000	(90,017)	-129%	160,017	229%
Other Receipts	170,000	-	170,000	109,874	0.65	60,126	35%
TOTAL RECEIPTS	78,251,727	(1,347,687)	76,904,040	75,341,316	98%	99,010	0%
PAYMENTS							
Personal Emoluments	13,660,524	(899,999)	12,760,525	12,290,843	96%	469,682	4%
Use of Goods and Services	10,647,813	(447,688)	10,200,125	8,423,114	83%	1,777,011	17%
Financial Charges	-	-	-	-	-	-	-
Social Benefits	15,062,996	-	15,062,996	13,313,108	88%	1,749,888	12%
Non-financial Assets Acquisition	32,257,324	-	32,257,324	17,321,851	54%	14,935,473	46%
Financial Assets	6,455,570	-	6,455,570	4,695,210	73%	1,760,360	27%
Loan Repayments	-	-	-	-	-	-	-
Other Payments	167,500	-	167,500	142,373	85%	25,127	15%
TOTAL PAYMENTS	78,251,727	-	76,904,040	56,186,499	73%	20,717,541	27%
Increase/(Decrease in Cash)	0	(1,347,687)	0	19,154,817		(20,618,531)	

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

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE LOCAL GOVERNMENT
 EQUALISATION FUND (LGEF) FOR THE YEAR ENDED 31ST DECEMBER 2023**

		2023	2022
		Kwacha	Kwacha
RECEIPTS			
Funding	7(a)	9,479,317	9,413,953
TOTAL RECEIPTS		9,479,317	9,413,953
PAYMENTS			
Operational Expenditure Payments:			
Salaries and Wages	7(b)	8,214,158	7,710,873
Terminal Benefits		-	-
Utility Bills		-	-
Service Provision		-	-
Goods and Services		-	-
Administrative Costs		-	-
Other Costs		-	-
Sub-Total		8,214,158	7,710,873
Capital Expenditure Payments:			
Infrastructure Development	7(c)	-	-
Rehabilitation Works		315,225	132,383
Asset Acquisition		252,025	306,528
Other Costs		-	922,550
Other Costs		491,267	34,400
Sub-Total		1,058,517	1,395,861
TOTAL PAYMENTS		9,272,674	9,106,734
Increase/(Decrease) in Cash		206,643	307,219
Cash at the beginning of the year		1,139,075	831,856
Cash at the end of the year		1,345,718	1,139,075

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

Funding	8(a)	54,522,940	47,479,822
Other Receipts	8(b)	<u>1,373,007</u>	
TOTAL FUNDING		<u>55,895,947</u>	<u>47,479,822</u>

PAYMENTS

Infrastructure Development	8(c)	10,930,312	1,905,438
Rehabilitation Works & Upgrade	8(d)	1,761,566	826,704
Asset Acquisition	8(e)	4,062,722	97,350
Rural Electrification	8(f)	-	-
Social Benefits	8(g)	6,961,307	847,500
Sec.Sch. & Skills Bursaries	8(i)	6,351,801	396,153
Loans	8(i)	4,673,210	-
Administrative Costs	8(j)	2,123,966	882,628
Disaster Contingency	8(k)		
Other payments	8(l)		
Total Expenditure		<u>36,864,884</u>	<u>4,955,773</u>
Increase/Decrease in Cash		<u>19,031,063</u>	<u>42,524,049</u>
Cash at the Beginning of the year		<u>47,625,598</u>	<u>5,101,549</u>
Cash at the end of the year		<u><u>66,656,661</u></u>	<u><u>47,625,598</u></u>

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 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

Serenje 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. However, the Act does not specify which particular accrual basis of accounting to use. In applying Cash Basis of Accounting, the Council followed guidance listed below:

(a) Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*.

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

(b) Accounting Pronouncement: 2018/3 – Applicability of International Public Sector Accounting Standards (IPSASs).

This pronouncement issued by the Zambia Institute of Chartered Accountants (ZICA) pursuant to the Accountants Act, 2008 requires the adoption of Accrual Basis of Accounting by public entities by 31st December, 2022. The Council is preparing to adopt Accrual Basis IPSAS on 1st January, 2025.

(c) Treasury and Financial Management Circular 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 (IPSAS) Cash Basis of Accounting as a first step in migration to IPSAS Accrual Basis of Accounting.
- ii. Local Authorities shall use Part 2 of Cash Basis IPSAS which requires extra disclosures called ‘Encouraged Additional Disclosures’ in Cash Basis Financial Statements for the years ending 31st December 2022 up to 2022.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January, 2022 by following the guidelines provided in IPSAS 33 – “First Time Adoption of Accrual Basis IPSAS.”
- iv. That the three (3) year transition period provided under IPSAS 33 should commence on 1st January, 2022 and should end on 31st December, 2024. Thereafter, all Local Authorities shall be required to comply fully with Accrual Basis IPSAS.

Based on these guidelines, the Council has not yet commenced production of Accrual Basis Financial Statements required by the Local Government Act, 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 IPSAS.

1.2 Reporting Entity

The Financial Statements are prepared for Serenje Town Council (STC). The Financial Statements encompass the Council as specified in the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No.2 of 2019, and the Public Finance Management Act No.1 of 2018. It also includes projects and activities of the Constituency Development Fund and the Local Government Equalization Fund in the district.

1.3 Authorization Date

The Financial Statements were authorized for issue on2024 by ordinary/special Council.

1.4 Revenue

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

a. Local Taxes

Article 161 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 authorizes Serenje 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:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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 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 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 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 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.

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Serenje 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 Serenje 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	2023	2022
	Kwacha	Kwacha
Residential Rates	139,723	117,871
Industrial / Commercial Rates	301,723	110,016
Mining Rates	74,937	33,708
Personal Levy	48,470	42,618
	-	-
TOTAL	<u>564,852</u>	<u>304,213</u>

The Council relied on the Valuation Roll updated for the period 2017 – 2022 to determine the property rates receivable.

3. Fees and Charges

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

	2023	2022
	Kwacha	Kwacha
Fees and charges	4,469,855	4,706,787
Land Development Charges	396,650	867,603
Total	<u>4,866,505</u>	<u>5,574,390</u>

NOTES TO THE FINANCIAL STATEMENTS

a. Fees and Charges

The Council collected the following fees and charges:

Fees and Charges Type	2023	2022
	Kwacha	Kwacha
Consent Fees	285,250	163,700
Survey Fees	28,750	37,570
Building Inspection Fees	112,100	49,650
Plan Scrutiny Fees	1,500	-
Rentals/Lease of Council's Properties	298,500	200,820
Application Form Fees	67,630	107,770
Sketch Fees	-	-
Search Fees	-	-
Market Fees	157,826	183,834
Parking Fees	315,674	275,284
Bus Station Fees	40,922	38,493
Affidavit Fees	1,560	2,110
Grave Reservation	-	750
Refuse Disposal Fees	262,100	406,400
Notice of Marriage	13,520	8,300
Abattoir/Meat Inspection Fees	-	-
Farm Produce Levy	-	-
Communication Mast Levy	249,039	258,728
Land Record	-	-
Billboard and Banner	27,768	21,123
Lease of Council Transport	-	-
Illegal Vending Fees	-	-
Penalties	16,050	30,900
Change of Premise Use	-	-
Hire of Halls	22,350	22,150
Site Rent	-	-
Change of Ownership of Plot	34,200	-
Other Fees and Charges/Other Income	2,535,116	2,899,205
TOTAL	4,469,855	4,706,787

NOTES TO THE FINANCIAL STATEMENTS

b. Land Development Charges

The Council collected the following land development related charges:

Charges Type	2023	2022
	Kwacha	Kwacha
Service Charges - Residential Plots	4,500	9,550
Service Charges - Industrial Plots	-	-
Premium Plots - Residential	67,150	237,465
Premium Plots - Commercial	325,000	502,250
Lease Charges	-	-
Other	-	118,338
TOTAL	396,650	867,603

4. Licences

A total of K342,544 cash receipts was raised from issuance of various licenses.

Licence Type	2023	2022
	Kwacha	Kwacha
Manufacturers Licence	-	-
Retail Licence	-	-
Wholesale Licence	-	-
Occupancy Licence	-	-
Commercial travellers Licence	-	-
Hawkers Licence	-	250
Peddlers Licence	-	-
Stall Licence	-	-
Liquor Licence	1,344	2,726
Firearm and Ammunition Licence	4,000	8,270
Petroleum Licence	334,800	171,000
Restaurant Licence	-	2,000
Dog Licence	2,400	-
Other Licences	-	300
	-	-
TOTAL	342,544	184,546

NOTES TO THE FINANCIAL STATEMENTS

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	2023	2022
	Kwacha	Kwacha
Livestock Levy	2,197	920
Bird Levy	-	-
Fish Levy	1,035	1,225
Pole Levy	-	-
Charcoal Levy	7,230	1,648
Sand Levy	18,700	440
Miscellaneous Levies	-	-
Business Levy	665,218	531,466
Other Levies - Crop Levy	696,663	490,231
TOTAL	1,391,043	1,025,930

6. Permits

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

Type of Permit	2023	2022
	Kwacha	Kwacha
Health Permit	311,115	317,175
Herbalist Permits	250	1,700
Transportation of milk products	32,550	39,300
Burial Permits and Grave Sites	4,410	3,230
Fire Certificates	311,600	433,395
Business Permit	-	-
Extension of Business hours Permits	13,050	5,100
Public Permits (social gatherings, etc)	2,050	-
Other Permits	-	12,300
TOTAL	675,025	812,200

NOTES TO THE FINANCIAL STATEMENTS

7. Local Government Equalisation Fund

a. Funding

	2023	2022
	Kwacha	Kwacha
1st Funding	805,482.34	826,902
2nd Funding	763,839.62	738,137
3rd Funding	792,556.14	800,077
4th Funding	802,514.00	732,574
5th Funding	784,924.27	785,504
6th Funding	794,056.14	803,970
7th Funding	786,931.14	793,970
8th Funding	799,556.14	807,971
9th Funding	802,514.16	807,971
10th Funding	786,931.14	762,431
11th Funding	763,997.32	795,657
12th Funding	796,014.15	758,790
TOTAL	<u>9,479,317</u>	<u>9,413,953</u>

b. Operational Expenditure

The Council applied amounts totalling K8,214,158 of LGEF receipts towards meeting operational expenses representing 86.65% 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 K1,058,517 of LGEF receipts towards meeting capital expenditure representing 11.17% 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.

8. Constituency Development Fund

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

a) CDF Funding

	2023	2022
Constituency	Kwacha	Kwacha
Serenje CDF	27,261,470	23,739,911
Muchinga CDF	27,261,470	23,739,911
Total Funding	<u>54,522,940</u>	<u>47,479,822</u>

NOTES TO THE FINANCIAL STATEMENTS

b) Other Sources

The Council received total amounts of K1,373,007 as Bank Interest.

	2023	2022
	Kwacha	Kwacha
Serenje Central Constituency	1,326,093	-
Muchinga Constituency	46,914	-
Total	<u>1,373,007</u>	<u>-</u>

c) Infrastructure Development

	2023	2022
Constituency	Kwacha	Kwacha
Serenje CDF	6,304,237	1,143,784
Muchinga CDF	4,626,076	761,654
Total	<u>10,930,312</u>	<u>1,905,438</u>

Infrastructure development works included construction of staff houses, health posts and classroom blocks.

d) Rehabilitation Works

	2023	2022
Constituency	Kwacha	Kwacha
Serenje CDF	352,613	630,871
Muchinga CDF	1,408,953	195,833
Total	<u>1,761,566</u>	<u>826,704</u>

Rehabilitation works included clinics, bridges, roads and classroom blocks.

e) Asset Acquisition

	2023	2022
Constituency	Kwacha	Kwacha
Serenje Central	651,588	48,675
Muchinga	3,411,135	48,675
Total	<u>4,062,722</u>	<u>97,350</u>

f) Rural Electrification

The Council did not incur any costs towards Rural Electrification.

NOTES TO THE FINANCIAL STATEMENTS

g) Social Benefits

	2023	2022
Constituency	Kwacha	Kwacha
Serenje Central	3,921,800	-
Muchinga	3,039,507	847,500
Total	<u>6,961,307</u>	<u>847,500</u>

h) Secondary Schools and Skills Development Bursaries

	2023	2022
Constituency	Kwacha	Kwacha
Serenje Central	4,453,786	143,650
Muchinga	1,898,015	252,500
Total	<u>6,351,801</u>	<u>396,150</u>

i) Loans

	2023	2022
Constituency	Kwacha	Kwacha
Serenje Central	2,580,000	-
Muchinga	2,093,210	-
Total	<u>4,673,210</u>	<u>-</u>

j) Administrative Costs

	2023	2022
Constituency	Kwacha	Kwacha
Serenje Central	1,087,663	358,931
Muchinga	1,036,303	523,697
Total	<u>2,123,966</u>	<u>882,628</u>

The administrative costs include stationery, Community Development Committee allowances, Workshops for CDF, Office equipment and fuel.

k) Disaster Contingency

The Council did not incur any costs towards Disaster Contingency.

NOTES TO THE FINANCIAL STATEMENTS

9. Other grants

During the year, the Council received the following grants:

Revenue Source	2023	2022
	Kwacha	Kwacha
Grants in Lieu of Rates	106,226	220,000
Grants from Cooperating Partners	-	-
Other	2,000,000	
TOTAL	<u>2,106,226</u>	<u>220,000</u>

10. Borrowings

The Council did not receive any loans from any bank or institution during the period under review.

11. Council Commercial Venture

This consists of receipts and payments relating to operations of Ibolelo Valley View Motel owned by the Council.

	2023	2022
	Kwacha	Kwacha
Receipts		
Restaurant Sales Receipts	307,243	348,279
Lodging Receipts	655,536	822,800
Food and Beverages Sales Receipts	254,215	322,906
Others	130,425	35,905
TOTAL	<u>1,347,419</u>	<u>1,529,890</u>
Payments		
Restaurant Purchaes	275,321	353,245
Beer and Beverages	96,655	274,658
Wages	483,951	295,913
Others	581,509	510,354
TOTAL	<u>1,437,436</u>	<u>1,434,170</u>
Surplus/deficit	<u>(90,017)</u>	<u>95,720</u>

12. Other Receipts

The Council received amounts totaling K109, 874 in its various bank accounts that could not be traced to the sources. Therefore, the amounts in question could not be recognized under any particular class of receipts in the Financial Statements except as ‘other receipts’

13. 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:

Grade	2023	2022
	Kwacha	Kwacha
Salaries Division 1	3,032,045	2,456,403
Salaries Division 2	2,484,778	1,914,609
Salaries Division 3	4,386,950	4,143,662
Wages- Division 4	1,860,790	1,415,771
Other wages	526,279	799,050
TOTAL	12,290,843	10,729,495

NOTES TO THE FINANCIAL STATEMENTS

14. Use of Goods and Services

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

Expenditure Type	2023	2022
	Kwacha	Kwacha
Office Running Costs	127,442	167,527
Building, Repair and Maintenance Costs	266,210	148,277
Plant, Machinery and Vehicle Running and Maintenance Cost	868,601	957,031
Other Administrative operating costs	1,782,295	1,285,796
Requisites	252,094	84,302
Services	4,085,011	2,938,818
Travel Expenses	838,919	1,004,726
Training	37,625	29,579
Registration (professional bodies)-LGAZ	74,919	-
Legal Costs	90,000	-
TOTAL	8,423,114	6,616,055

15. Financial Charges

During the period under review there were no Financial Charges.

16. Social Benefits

Social benefits include payments towards death on duty, burial, and other benefits was expensed during the year. During the year, the Council made social benefit payments as stated below;

	2023	2022
	Kwacha	Kwacha
CDF Bursaries	6,351,801	-
CDF Empowerment Grants	6,961,307	-
TOTAL	13,313,108	-

NOTES TO THE FINANCIAL STATEMENTS

17. Non-financial Asset Acquisition

Acquisition of assets involved the following payments:

	2023	2022
	Kwacha	Kwacha
Purchase of Motor Vehicle	-	688,000
Procurements of computers	-	97,350
Ibolelo Valley View Renovation	252,025	306,528
Procurements of differential GPS	-	234,550
Construction of the dry port	315,225	69,675
Construction of market shelter	-	7,033
Ibolelo Ablusion block	-	8,000
Muchinga CDF Infrastructure Development	4,626,076	761,654
Serenje Central Infrastructure Development	6,304,237	1,143,784
Serenje Central Rehabilitation works	352,613	630,871
Muchinga CDF Rehabilitation works	1,408,953	195,833
Procurement of school desks - Serenje Central constituer	651,588	
Asset acquisition - Muchinga consituency	3,411,135	
Installation of water tank at the Civic centre	-	47,675
TOTAL	<u>17,321,851</u>	<u>4,190,953</u>

18. Financial Assets

Acquisition of financial assets involved the following payments:

	2023	2022
	Kwacha	Kwacha
Staff Advance	22,000	29,000
CDF Loans-Muchinga Constituency	2,093,210	
CDF Loans-Serenje Central Constituency	2,580,000	
TOTAL	<u>4,695,210</u>	<u>29,000</u>

19. Loan Repayments

The Council did not have any loan repayments during the financial year

20. Other Payments

The council spent K76,402 for terminal benefits, LASF K40,000 and K25,971 for long service bonus

	2023	2022
	Kwacha	Kwacha
Terminal benefits	76,402	110,504
Long Service bonus	25,971	16,500
LASF	40,000	
TOTAL	<u><u>142,373</u></u>	<u><u>127,004</u></u>

NOTES TO THE FINANCIAL STATEMENTS

21. Foreign Exchange Losses

During the year under review the council had no foreign exchange losses.

22. Cash Balances

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

	2023	2022
	Kwacha	Kwacha
Cash on Hand	-	11,430
Demand Deposits	69,128,187	49,961,940
Cash Equivalents	-	-
TOTAL	<u><u>69,128,187</u></u>	<u><u>49,973,370</u></u>

a. Cash on hand

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

	2023	2022
	Kwacha	Kwacha
Cash Collections Undeposited	-	11,430
Petty Cash	-	-
TOTAL	<u><u>-</u></u>	<u><u>11,430</u></u>

b. Demand Deposits – Bank Balances

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

Account Name	Account No	2023 Kwacha	2022 Kwacha
Transport A/C	Atlas Mara - 0110843036002	91,672	61,353
Mac Fund A/C	Atlas Mara - 0110843095001	51,536	52,170
Housing Dev. Revolving Fund	Atlas Mara - 0110843016005	64,436	285,636
Wholesale	Atlas Mara - 0110844633007	48,398	289,867
Capital Projects A/C	Indo Z Bank- 0302020000006	448,738	807,499
District Fund Indo Z Bank	Indo Z Bank- 0302020000013	1,372,517	129,037
Development Fund	Indo Z Bank - 0302020000252	78,913	152,763
Serenje Central	Indo Z Bank- 0302020000015	33,726,045	23,423,664
Muchinga CDF	Atlas Mara - 0110858360008	32,201,626	22,723,975
Serenje Central CDF - Revolving	Indo Z Bank- 0302020000015	472,076	733,443
Muchinga CDF - Revolving	Atlas Mara - 0116023649019	256,914	733,443
Salaries Account	Indo Z Bank- 0302020000250	291,569	522,179
Fire Account	Indo Z Bank- 0302020000251	21,195	33,515
Rural Water Account	Indo Z Bank- 0302020000007	2,553	13,395
TOTAL		69,128,187	49,961,940

c. Cash Equivalents

The Council did not hold treasury bills at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

23. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister responsible for Local Government on 2nd March, 2023 and there were budget adjustments to the approved budget which was approved on 19th December, 2023. The table below were the adjustments to the approved budget

	Original Supplementar y Budget Kwacha	Approved Variation Kwacha	Total Adjustement s Kwacha
RECEIPTS			
Local Taxes	672,203	-	-
Fees and Charges	6,500,425	(1,234,800)	1,234,800
Licences	384,800	113,200	(113,200)
Levies	1,253,000	-	-
Permits	949,750	-	-
Local Government Equalisation Fund	10,076,058	-	-
Constituency Development Fund	56,627,804	-	-
Other Grants	200,000	-	-
Borrowings	-	-	-
Commercial Venture	70,000	(226,087)	226,087
Other Receipts	170,000	-	-
TOTAL RECEIPTS	76,904,040	(1,347,687)	1,347,687
PAYMENTS			
Personal Emoluments	12,760,525	(899,999)	899,999
Use of Goods and Services	31,718,691	(447,688)	447,688
Financial Charges	-	-	-
Social Benefits	-	-	-
Non-financial Assets Acquisition	32,257,324	-	-
Financial Assets	-	-	-
Loan Repayments	-	-	-
Other Payments	167,500	-	-
TOTAL PAYMENTS	76,904,040	(1,347,687)	1,347,687

b. Budget Variances

- **Fees and Charges**

The Council budgeted to collect K6,500,425 from various fees and charges but only managed to collect K4,866,505 resulting in a variance of K1,633,920 representing 25% adverse variance. This was due to the closure of Mining Companies resulting to low collection of manganese transportation fees. Further the adverse variance was attributed to late payments of Rentals from shops, low demand for survey fees.

- **Permits**

The Council Planned to collect K949,750 but managed to collect K675,025 resulting a variance of K274,725 representing 29% adverse variance attributed to low compliance level from far flung areas.

NOTES TO THE FINANCIAL STATEMENTS

- **Commercial Venture**

The Council planned to make a profit of K70,000. However, the Council only managed to make a loss of K90,017 resulting a negative variance of K160,017 representing an adverse variance of 229%. The adverse variance was as the result of commercial venture not operating at full capacity as some rooms were non-operational due to lack of running water.

- **Other Grants**

The Council Planned to receipt K200,000 as other grants but managed to receive K2,106,226 resulting a variance of K1,906,226 representing 953%. The variance was due to the receipt of K2, 000,000 from Central Government for the construction of bridges in the district and K106, 226 as grant in lieu of rates.

- **Other receipts**

The Council Planned to collect K170, 000 but managed to receipt K109,874 resulting a variance of K60,126 representing 35% adverse variance. The variance was as the result of the only funds receipted during the financial year not classified to other revenue streams

- **Non-Financial Assets**

Council budgeted to spend K32,257,324 on Non-Financial Assets. However, during the period under review, the Council only spent K17,321,851 resulting in a variance of K14,933,116 representing a variance of 46%. This is attributed to non-implementation of CDF projects due to late receipt of funds for the two Constituencies.

- **Financial Assets**

Council budgeted to spend K6,455,570 on Financial Assets. However, during the period under review, the Council only spent K4, 695,210 resulting in a variance of K1, 760,360 representing a variance of 27%. This is attributed to non-implementation of CDF loans due to late receipt of funds for the two Constituencies.

NOTES TO THE FINANCIAL STATEMENTS

24. Provision of Services

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

Type of Services	2023 Kwacha	2022 Kwacha
Development of Layman's Draft By-Laws	-	-
Police- Provision of Security	73,640	45,328
Fire Prevention	167,453	40,232
Fire Fighting	251,054	112,932
Solid Waste Management	297,976	387,906
Crematories, Cemeteries and Mortuaries	23,895	10,187
Malaria and TB Prevention and Treatment	-	-
Control and Regulation of Supply and Sales of Food, Liquor and Other Consumable things	-	4,400
Make Zambia Clean and Health Campaign	22,082	5,880
HIV/AIDS Prevention	18,190	15,241
Pool Transport	403,795	270,301
Road Transport Affairs and Services	71,682	91,484
Provision of Street Lights	-	-
Parks, Zoos and Botanical Gardens	-	-
Mangement of Council Buildings	676,995	514,820
Management and Control of Markets	66,925	495,412
Ward Development Fund Projects	17,200	31,200
Land Development and Management	45,611	308,122
Sanitation Facility Supply	12,957	7,268
Sports Centres	1,740	-
IDP Preparations	28,100	44,868
SUB TOTAL	2,179,295	2,385,580

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

25. Property, Plant and Equipment

The Council had Property, Plant and Equipment valued at K28,926,576

	Land and Buildings Kwacha	Plant & Machinery Kwacha	Motor vehicles Kwacha	TOTAL Kwacha
Opening balance	7,827,759	2,285,547	1,491,419	11,604,725
Additions	13,259,128	4,062,723	-	17,321,851
Disposal	-	-	-	-
Closing balance	21,086,887	6,348,270	1,491,419	28,926,576

26. Investments in Other Entities

The Council did not hold shares in any entities:

NOTES TO THE FINANCIAL STATEMENTS

27. Related Party Disclosures

The following disclosures are made in the Financial Statements of Serenje 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 Councilors

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

Aggregate Remuneration	K864,000.00
Number of persons	24

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	K2,896,783
Number of persons	8

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

28. External Assistance

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

29. Third Party Payments

Serenje Town Council did not benefit from payments made by third parties

APPENDICES

APPENDIX A – List of Payables

Summary of outstanding Staff Obligations as at 31st December 2023

S/N Details	Amount Kwacha
1 Long Service Bonus	1,057,152.39
2 Leave Travel Benefits	34,645.97
3 Salaries	179,273.53
4 Settling in Allowance	262,675.23
5 Terminal Benefits	3,479,213.15
Total	5,012,960.27

Summary of outstanding Statutory Obligations as at 31st December 2023

S/N Details	Amount Kwacha
1 ZRA	9,047,788.76
2 LASF	2,443,478.10
3 NAPSA	23,641,892.65
4 NHIMA	167,008.73
5 Madison	134,905.85
6 Union Contribution	105,801.45
Total	35,540,875.54

APPENDIX B – List of Receivables

S/N Details	Amount Kwacha
1 Property Rates	209,635.15
Total	209,635.15

APPENDIX C – List of Assets Acquired in the Year 2023

S/N Details	Amount Kwacha
1 Procurement of Desks	1,226,324.50
2 Procurement of Medical Equipment	1,213,336.00
3 Procurement of TLB	1,368,000.00
4 Procurement of Banker Beds	263,340.00
Total	4,071,000.50