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	4,956,898	(253,546)	4,703,352	1,644,548	35%	(3,058,804)	(1)
Fees and Charges	11,407,195	(7,445,511)	3,961,684	4,196,332	106%	234,648	0
Licences	354,049	-	354,049	269,444	76%	(84,605)	(0)
Levies	2,203,912	(811,165)	1,392,747	1,591,568	114%	198,821	0
Permits	1,093,728	256,972	1,350,700	1,032,616	76%	(318,084)	(0)
Local Government Equalisation Fund	16,302,639	-	16,302,639	16,472,284	101%	169,645	0
Constituency Development Fund	56,600,000	-	56,600,000	55,459,691	98%	(1,140,309)	(0)
Other Grants	250,000	4,500,000	4,750,000	4,750,000	100%	-	-
Borrowings	-	-	-	(98,570)		(98,570)	
Commercial Venture	-	-	-	-		-	
Other Receipts	12,000	-	12,000	342,823	2857%	330,823	28
TOTAL RECEIPTS	**93,180,420**	**(3,753,250)**	**89,427,171**	**85,660,736**	**96%**	**(3,766,435)**	(0)
PAYMENTS							
Personal Emoluments	19,686,548	(68,500)	19,618,048	17,330,590	88%	2,287,458	0
Use of Goods and Services	31,304,943	(2,005,565)	29,299,378	13,290,725	45%	16,008,653	1
Financial Charges	-	-	-	257,072		(257,072)	
Social Benefits	-	-	-	11,613,681		(11,613,681)	
Non-financial Assets Acquisition	39,598,929	(456,684)	39,142,245	31,197,703	0%	7,944,542	0
Financial Assets	-	-	-	11,793,508		(11,793,508)	
Loan Repayments	400,000	-	400,000	294,912		105,088	0
Other Payments	2,190,000	(1,222,500)	967,500	1,159,991	0%	(192,491)	-
TOTAL PAYMENTS	**93,180,420**	**(3,753,249)**	**89,427,171**	**86,938,182**	**97%**	**2,488,989**	3%
Increase/(Decrease in Cash	-	(1)	-	**(1,277,446)**		**(6,255,424)**	

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

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

		2023 Kwacha	2022 Kwacha
RECEIPTS			
Funding	8(a)	55,459,691	47,479,822
Other Sources	8(b)	670,169	503,216
TOTAL RECEIPTS		**56,129,860**	**47,983,038**
PAYMENTS			
Infrastructure Development	8(c)	24,552,592	1,812,503
Rehabilitation Works	8(d)	930,562	537,227
Asset Acquisition	8(e)	3,484,081	397,760
Administrative Costs	8(f)	2,268,233	1,195,010
Skills and Bursaries	8(g)	7,398,744	5,442,073
Accrued Interest paid to MOF	8(h)	503,215	-
Youth & Women Empowerment	8(i)	4,214,937	2,480,978
Soft loans	8(j)	11,793,508	-
Other Payments	8(j)	1,410,384	-
TOTAL PAYMENTS		**56,556,256**	**11,865,551**
Increase/(decrease) in Cash		**- 426,396**	**36,117,487**
Cash at beginning of the year		40,155,503	4,038,016
Cash at the end of the year		**39,729,107**	**40,155,503**

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

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INDEPENDENT AUDITOR'S REPORT

REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

STAND No. 7951

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To the Minister – Ministry of Local Government and Rural Development

Report on the Audit of the Financial Statements of Mongu Municipal Council for the Financial Year Ended 31st December 2023

Opinion

I have audited the financial statements of the Mongu Municipal 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 Mongu Municipal 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 amended Local Authorities Accounting Policies (LAAPs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Mongu Municipal Council in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

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: 30/10/2024

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