

**FINANCE**

**Your Ref:**

**Our Ref:** LCC/FINANCE GENERAL



**LILONGWE CITY COUNCIL**

P.O. Box 30396

Lilongwe 3

MALAWI

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10<sup>th</sup> February, 2021

The Executive Secretary  
National Local Government Finance Committee (NLGFC)  
P.O. Box 31162  
**Lilongwe 3.**

Dear Sir,

**RE: SUBMISSION OF JANUARY 2021 FINANCIAL REPORT**

Find the attached Financial Report for January 2021.

Yours Faithfully,

A handwritten signature in blue ink, appearing to read 'John L. Chome'.

John L. Chome

**CHIEF EXECUTIVE OFFICER**



Lilongwe  
City  
Council

# January 2021 Financial Report



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## **Chief Executive Statement**

### **1. Introduction**

Lilongwe City Council (LCC) has an approved budget of MWK 6.9 billion for 2020-2021 financial year of which MWK 6.2 billion is financed under Locally Generated Revenues and MWK 729,698,699 under Government Transfers.

### **2. Performance for the month**

Total revenues realized in the month of January 2021 amounted to MWK513 million. Actual cash collected and received amounted to MWK413.7 million out of which MWK286 million is from Locally Generated Revenues (69%) and MWK127.1 million is from Central Government Transfers. The Central Government Transfers included MWK 0.5 million for disaster preparedness activities, and MWK20 million Covid – 19 funds. The Asian community contributed MWK0.6million towards fuel expenses for the JCB that was digging graves at Area 18 cemetery.

Cumulative performance for Locally Generated Revenue realized is at 52% of the budget. Actual cash collection is at MWK2.4 billion against a budget of MWK6.2 billion representing a 39% performance. There is a general slow in the economic activities in the City as residents and businesses observe covid-19 preventive measures, and this has affected revenue collection performance.

Expenditures in the month of January 2021 amounted to MWK387 million with MWK247 million spent on personnel emoluments. Cumulative expenditure for the period July 2020 to January 2021 is at 41% of the budget for ORT and 42% of the budget for Capital Outlay. Apart from the expenses on personnel emoluments, the funds have been used on the following:



**1) Health and Social Welfare Programs:** Inspection of 12 Early Childhood Development Centers; verification of beneficiaries of the urban social cash transfer in the hotspots; CBOs open day activity on Covid-19 sensitization in their communities; removed and temporarily placed 40 street Children at the Social Rehabilitation center for assessment and eventual repatriation to their homes; Enforcement of Covid -19 preventive measures at Central Market, area 29 and Lumbadzi Market; conducted cholera prevention and control activities in the City.

**2) Works and Engineering Programs:** Supervised and facilitated completion of 7 construction projects financed under IDF, CDF, and Water Resources funds in the City; Installed 50 heads of solar lights in area 10; Replaced HPS with LED lights on Presidential Way, Chilembwe Road, and Chayamba Road.

**3) Parks, Recreation and Environment:** Grass cutting has been done in all critical streets and open spaces of the City and is going on; 120 ornamental trees have been planted at Area 13 Park; 140 ornamental trees have been planted at Area 18 Park; 20 ornamental trees have been planted at Area 49 Park; 12,536 tree Seedlings have been planted along the banks of Lilongwe river.

**4) Education, Gender and Sports Programs:** Primary Schools in the City were supervised to ensure that education standards are maintained; sensitization sports committees on Covid 19 guidelines for sporting and recreation activities

**5) Planning and Development Programs:** 24 construction sites were inspected in both commercial and residential areas; issued one occupation certificate to one commercial building; held a plot allocation committee meetings where among other things 22 applications for regularization were processed, 54 applications for change of ownership were processed and 18 informal settlement developers had started paying regularization fees; withdrawal of 39 residential plots and 22 commercial plots for non-development and no payment of development charges; produced 10 site plans for various clients in the City. The Planning Department Civil Protection Committee was trained and capacitated; disaster risk reduction equipment in partnership with Concern Worldwide were distributed to various Ward Civil





Protection Committees; and compiled reports for the rapid needs assessment in Mtandire and submitted to DODDMA.

**6) Trade, Commerce and Industry:** Managed vendors in the City to ensure that they are trading in designated places; Controlled parking of vehicles in the Central Business centers; and Continued to license businesses in the City

**7) Finance, Administration and Human Resources Programs:** ensured adequate cash is available for provision of services by the Council; strengthened the operation systems for the Council including – installation of vehicle tracking system on utility vehicles; coordinated procurement of goods, supplies, services; ensured timely payment of salaries; and retired 106 employees who have been due for retirement since 2017.

### **3. Outlook for February 2021**

LCC is continuing with implementation of strategies towards collection of property rates and business licenses with strict observance of covid-19 preventive measures. It is expected that the general slowdown in economic activities will continue for some months to come. LCC is in the process of revising the budget downwards to incorporate the effects of Covid-19 and ensure provision of basic service continues.

**John Chome**

**Chief Executive**



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Notes to December 2020 Financial Report

### **1.0 Government Transfers**

Total government transfers were budgeted at MWK729 million and have been revised to MWK769 million after the revision of the Constituency Development Fund from MWK30 million to MWK40 million per constituency. Funding performance against the budget is as presented below:

#### **1.1 General Resource Fund (GRF)**

LCC has received MWK 10 million in the month of January 2021. Cumulatively MWK71 million has been received representing 58% budget performance. These GRF funds are being used for fuel for refuse collection, maintenance of motor vehicles and HIV Aids intervention at work place. In total, MWK54 million has been utilized to date leaving a balance of MWK16 million as at 31<sup>st</sup> January 2021.

#### **1.2 Development funds (Water Structures)**

Development funds are funds for provision of water resources for the four constituencies of the city

The budget provision for 2020-2021 Financial year is MWK48 million. LCC has received MWK40 million to date representing 83% budget funding performance.





In July 2020, a total of MWK30, 859,245.50 was brought forward from the 2019-20 as unused funds. Below is the summary report

<b>Summary report</b>					
	<b>City Centre</b>	<b>City West</b>	<b>City South West</b>	<b>City South East</b>	<b>Total</b>
Opening Balance	-9,246,619	6,056,420	12,056,420	3,499,786	12,366,007
Receipts	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
<b>Total Available</b>	<b>753,381</b>	<b>16,056,420</b>	<b>22,056,420</b>	<b>13,499,786</b>	<b>52,366,007</b>
					0
Payments	0	2,985,895	0	8,957,685	11,943,580
<b>Unused Funds</b>	<b>753,381</b>	<b>13,070,525</b>	<b>22,056,420</b>	<b>4,542,101</b>	<b>40,422,427</b>

### 1. 1.3 Sector Funds

Sector funds are government grants for programs under devolved sectors of: Education, Sports, Youth, Environment, Gender and Community development. Total sector funds budget for the year is MWK268 million and 66% of the budget has been received. Detailed sector performance is as below:

#### 1.3.1 Education urban sector

The sector has been funded MWK167 million to January 2021 out of the annual budget of MWK 251 million representing 67% budget funding performance. At the beginning of the year, Education Sector had MWK23,027,004 unused funds brought down from 2019-20 financial year. A total of MWK94 million has been paid out for activities in the period to January 2021.

#### 1.3.2 Sports sector

Sports sector has received MWK3, 791,937.00 to January 2021 against an annual budget of MWK6 million representing 57% budget funding performance. Sports sector had MWK1,907,411 unused funds at the beginning of the current financial year. Total expenditure to January 2021 is at MWK3.6 million leaving out a bank balance of unused funds amounting to MWK3.7 million.



### **1.3.3 Youth sector**

A total of MWK 3.9 million has been received to date against an annual budget of MWK6 million representing 57% budget performance. In July 2020, Youth Sector had MWK2,381,735 unused funds carried forward from the 2019-2020 financial year. A total of MWK1.8 million has been used to January 2021 leaving out a bank balance of unused funds amounting to MWK3.3 million.

### **1.3.4 Environment sector**

The sector has been funded MWK 1.8 million, to January 2021 out of MWK3 .1 million annual budget. The funding performance is at 58% of the budget. In July 2020, the Environment Sector had an opening bank balance of unused funds amounting to MWK2,763,681. All these funds have not been used. The total amount available at the bank is MWK4.6 million

### **1.3.5 Gender sector**

The sector has been funded MWK108, 931.27 to date of its MWK 186,739.37 total budget representing 58% budget performance. There is no expenditure on the budget line to date

### **1.3.6 Community Development**

The sector has been funded MWK 186,739.37 to date of its MWK 186,739.37 total budget representing 100% budget performance. A total of MWK135, 424 was not used in the 2019-20 financial year. There has not been any expenditure in the period to January 2021 and a total of MWK 322,163 is available at the bank.

### **1.4 Constituency Development Fund (CDF)**

These are funds for micro infrastructure projects in the four constituencies of Lilongwe City. Cumulatively, LCC has received MWK120 million out of the MWK 160 million annual budget representing 75% budget funding performance. Details of receipts and expenditures for the period are presented in the table below.



<b>CDF Summary Financial Report</b>					
<b>July - January 2021</b>					
<b>Monetary Figures in Malawi Kwacha.</b>					
<b>Detail</b>	<b>City Centre</b>	<b>City West</b>	<b>City South West</b>	<b>City South East</b>	<b>Total</b>
July 2020 Opening Balance	29,478,517	1,184,380	8,505,689	30,403,124	69,571,710
Receipts	30,000,000	30,000,000	30,000,000	30,000,000	120,000,000
<b>Total Available</b>	<b>59,478,517</b>	<b>31,184,380</b>	<b>38,505,689</b>	<b>60,403,124</b>	<b>189,571,710</b>
Payments	24,384,338	11,916,554	21,284,888	18,375,750	75,961,530
<b>Unused Funds</b>	<b>35,094,179</b>	<b>19,267,826</b>	<b>17,220,801</b>	<b>42,027,374</b>	<b>113,610,180</b>

### 1.5 Infrastructure Development Fund (IDF)

The total budget for the year 2020/2021 is MWK171 million. LCC has received funding amounting to MWK133 million to January 2021 representing 78% budget funding performance. MWK41,074,629 was brought forward from 2019-20 as unused funds. Total payments for the period July – January 2021 is MWK117 million. IDF has been used on the projects shown in the table below:

<b>PROJECT</b>	<b>CONTRACTOR</b>	<b>CONTRACT SUM (MWK)</b>	<b>AMOUNT PAID (MWK)</b>
Construction of offices & Conference room for DEM-(Refund)	Pachalo Building Co	23,674,273	23,674,273
PURCHASE OF 50X80 WATTS INTERG.SOLAR LED S.LIGHTS	Yewo logistics	29,826,913	29,826,913
Payment for Chilinde Market Shed- IDF	Nasundu	986,484	986,484
Electrical materials for maintenance of Street lights	WD Investment	1,345,808	1,345,808
Maintenance of Street Lights@ Area10	Duma electronics	2,899,749	2,899,749
Electrical Materials-250W Hps Fittings	Best Way	18,752,423	18,752,424
Electrical materials-25MM2 Overhead Twin Wire Aluminum	WD Investment	13,250,964	6,176,714



Procure of Ring pipes 600mm + TPT	Chikamu Investment	3,425,000	3,425,000
Final Payment for cons. of confe. room for LL DEM URBAN (Refund)	Pachalo Building Co	4,473,183	4,473,183
Transportation of Goods from Point of Delivery -IDF	Chikamu Investment	320,000	320,000
Fabricating and supply of solar panel holders	Allied Engineering	3,399,000	
Maintenance of Works Yard Offices	Noel Civil & Building	15,150,738	15,150,738
Maintenance of traffic lights Chitukuko	Cast Electrical	2,725,000	
Purchase of 12Volts,100AH Sealed Solar Batteries	Continental Trading	10,080,000	10,080,000
<b>Total</b>		<b>130,309,533</b>	<b>117,111,284</b>

## 2.0 Locally Generated Revenues

A total of MWK6.2 billion has been budgeted for the 2020-21 under locally generated revenues. As at 31<sup>st</sup> January 2021 MWK 3.2 billion had been realized representing a 52% budget performance.

### 2. 2.1 Property Rates

These are property rates charged on land and improvements for private properties in industrial, commercial, and residential housing areas and ground rents as well as for government owned properties.

#### 2.1.1 Government Property Rates

Total budget ceiling for the year 2020-2021 is MWK199 million. MK 33,341,286.12 has been realized in January 2021 as a proportion of the total biannual billing. There is no receipts in January 2021 from Central Government paying property rates.

#### 2.1.2 Other property rates

Total budgeted revenue under other property rates for the 2020-2021 financial year are at MWK2.5 billion. MWK 240,542,907.20 million has been realized in the



month of January 2021 as a proportion of the total biannual billing. Actual collection on other property rates for January 2021 is MWK 158 million.

## **2.2 Incomes from market establishments**

The amount collected in January 2021 is MWK 25,820,100. Revenue collection for January 2021 has gone down as compared to December 2020 where total revenues for market fees were MWK 31,302,800.

Cumulatively, a total of MWK152,182,570 million has been collected for the period July 2020 -January 2021 representing 34% budget performance.

## **2.3 Fees and Service Charges**

The revenue collected as fees and service charges in the month of January 2021 amounts to MWK57million, of which MWK20 million is for planning fees, MW23 million for development charges, MWK1 million for advertisement charges, Mk 0.4 million for refuse collection, MWK2 million for cemetery fees and MWK2 million for car park fees. These are the major fees under this category. A total of MWK524 million has been received against an annual budget of MWK1.5 billion representing a 34% performance against the budget. The performance is below expectation because of poor collections on development fees (10% performance and 73% of budget), and advertising fees (8% performance and 13% of budget) a combination of which formed 86% of the budget

## **2.4 Licenses and Permits**

These revenues include collections from business premises licenses, Liquor licenses, Occupation Certificates, business occupation licenses and food licenses

The door to door license collection exercise is ongoing and there is a proposal to introduce a target bonus system of revenue collection so as to motivate licensing officers. Total collection for January 2021 is MWK21million. The



accumulated collection to date is MWK 435 million and is representing 36% performance against annual budget. The below expectation performance is attributed to the covid-19 impact which has affected reduced number of businesses operating in the City and has also affected their capacity to pay.

## **2.5 Income from Commercial undertakings**

These are incomes from property rentals, and hall hire. Properties being let out by the council and they include, Wenela complex, Chidzanja house, Mchesi carpentry buildings, town hall rooms, and community Centre rooms.

MWK29million has been realized in the month of January 2021 as a proportion of the quarterly billing.

## **3.0 Receivables**

These are amounts being owed to the council. Main debtors for the council are the property rate debtors, refuse collection debtors and property rentals debtors

### **3.1 Property rate debtors**

Property rates debtors as at end January is MWK14.5 billion. The actual amount will be lower after cleaning the property rates database which has duplicated properties, unknown properties, Lilongwe City Council Properties, and Diplomatic Mission properties. A consultant is being procured to clean the data.

The outstanding government property rates debt is at MWK1, 066,583,886.86 including arrears

To reduce the property rate debt, LCC is continuing with the seal and seize property exercise and there are plans to engage the services of more external debt collectors to assist with recovery of very long outstanding debt.

List of outstanding property rates by area for other property rates is presented in the table below.





**OTHER PROPERTY RATES**

<b>Area</b>	<b>Bal as at 01/01/21</b>	<b>Revenue collected</b>	<b>Net Journals adjustments</b>	<b>Bal as at 31/01/21</b>
1	459,027,524.28	(672,100.00)	5,550.00	442,856,702.80
2	761,412,417.75	(13,528,088.80)	716,620.00	539,077,008.13
3	402,911,405.44	(15,840,811.40)	90,979.50	400,429,744.44
4	375,249,985.28	(14,252,242.69)	186,750.00	358,831,693.86
5	156,056,379.01	(3,216,865.11)		162,737,187.86
6	87,745,793.34	(2,268,194.00)	38,940.00	95,340,308.92
7	398,722,356.75	(660,950.00)		395,968,817.40
8	593,840,954.98	(1,571,251.04)	40,600.00	579,433,108.46
9	179,417,472.96	(32,656,861.55)	1,203,587.00	171,075,810.02
10	649,359,627.87	(2,140,409.60)	151,575.00	645,180,234.76
11	78,753,936.59	(105,900.00)		81,738,976.59
12	264,908,013.51	(2,651,190.24)	-	255,731,429.25
13	190,608,228.18	(8,712,697.10)	196,900.00	197,774,363.15
14	178,431,410.17	(2,668,624.44)	130,600.00	176,590,950.93
15	144,243,595.56	(3,173,860.50)		141,368,025.73
16	14,886,791.64	-		21,102,791.26
17	2,698,039.32	-		3,278,897.69
18	628,190,838.00	(1,483,800.20)		647,139,665.94
19	86,890,040.65	(370,000.00)		84,465,449.35
20	70,345,872.16	-		73,593,743.66
21	566,041,548.36	(1,201,892.25)		565,431,897.18
22	396,969,776.06	(2,710,243.98)		398,343,471.75
23	295,778,909.36	(664,384.80)		290,397,193.70
24				



	161,714,925.71	(71,300.00)		164,022,502.66
25	975,568,867.30	(3,995,698.64)		970,031,018.28
26	155,159,310.05	-		138,753,705.05
27	105,505,643.98	(2,806,346.00)		109,888,632.38
28	198,234,034.46	(5,791,983.93)		197,511,275.65
29	365,096,698.74	(4,003,466.43)	593,867.00	376,590,414.91
30	1,438,650.00			4,524,852.50
31	90,361,660.00	-		105,661,160.00
32	59,567,480.16	(35,865.00)	1,430,104.00	66,574,711.56
33	290,817,347.39	-		269,775,909.20
34	17,214,523.29	-		19,203,871.43
35	30,673,888.41	-		1,477,014.13
36	264,882,842.55	(1,752,475.00)	773,173.00	268,617,171.08
37	119,602,159.86	(329,630.00)	137,709.00	70,399,690.32
39	69,955,798.63	-	-	79,591,268.68
40	395,269,957.68	-	-	389,815,907.41
41	127,438,985.56	-	-	130,581,660.56
42	16,290,589.82	-	-	17,607,064.82
43	636,140,635.97	(3,310,870.00)	281,867.00	628,664,056.98
44	133,988,129.83	(394,136.20)		129,187,774.88
45	33,297,666.21	-		37,050,224.69
46	247,257,079.81	(1,336,950.00)		246,818,415.02
47	1,377,010,375.19	(13,586,980.21)	329,261.00	1,353,123,322.60
49	600,054,084.88	(5,214,273.43)	-	766,003,863.49
50	86,101,964.29	-	-	86,494,730.89
51	35,804,912.74	-	-	39,217,474.74



52	114,410,652.05	(5,395,160.47)	-	113,860,978.33
53	51,305,292.76	(11,285.00)	-	44,143,381.26
54	188,640.00	-	-	286,890.00
55	165,998,860.18	-	67,875.00	194,162,487.91
<b>Total</b>	<b>13,892,671,753.21</b>	<b>(158,586,788.01)</b>	<b>6,375,957.50</b>	<b>13,763,699,725.72</b>

### 3.2 Refuse collection debtors

LCC has a number of registered companies that get their garbage collected and billed monthly according to tonnage of waste collected. The total revenue collected for January 2021 was MWK 600,000.00 and the outstanding debt as at 31<sup>st</sup> January 2021 was MWK **11,583,790.00**

<b>REFUSE DEBT COLLECTION- REPORT JANUARY 2021</b>			
<b>Debtor</b>	<b>Balance as at 1/1/21</b>	<b>January Receipts 2021</b>	<b>Balance as at 31/01/21</b>
Reserve Bank	-	-	-
Rainbow	-	-	-
Solomon Mkt	20,000.00	-	20,000.00
Pacific Hotel	2,302,040.00	-	2,302,040.00
Alliance One	-	-	-
Seba Foods	466,000.00	-	466,000.00
Castel MW	3,495,000.00	-	3,495,000.00
Kallos Beverages	570,850.00	-	570,850.00
Pacific Ltd	1,060,150.00	-	1,060,150.00
Central Poultry	-	-	-
Capital Hotel	838,800.00	-	838,800.00
Umodzi Park	-	-	-
Lilongwe Hotel	279,600.00	-	279,600.00



Tama	104,850.00		104,850.00
KTPL	2,097,000.00	-	2,097,000.00
FCB	104,850.00	-	104,850.00
PG. GLASS	-	-	-
STD	104,850.00	-	104,850.00
SPAR	-	-	-
Chinese Embassy	139,800.00	-	139,800.00
One off Receipts	600,000.00	600,000.00	-
<b>Total</b>	<b>12,183,790.00</b>	<b>600,000.00</b>	<b>11,583,790.00</b>

### 3.3 Property Rental Debtors

The balance as 1<sup>st</sup> January 2021 was at MWK 51 million and the third quarter (January – March 2021) invoice amount was MK41, 851,250.00. MWK14 million was collected and the balance at the end of January 2021 was MWK78 million. The figure is likely to reduce once the bad debts have been confirmed and written off.

Property Rental Debtors movements for January 2020 are presented in the table below:

LOCATION	BALA B/F 01/01/21	INVOICE 01/01/21	RECEIPTS JAN 21	BALANCE 30/01/21
AREA 13	2,816,000.00	475,500.00	-	3,291,500.00
COMMUNITY CENTRE	7,528,600.00	210,000.00	100,000.00	7,638,600.00
AREA 47	5,834,500.00	3,270,000.00	500,000.00	8,604,500.00
CHIDZANJA HOUSE	(1,800.00)	2,700,000.00	1,350,000.00	1,348,200.00
CENTRAL MARKET	2,489,650.00	2,557,500.00	1,450,000.00	3,597,150.00
MCHESI	3,586,000.00	1,125,000.00	1,386,000.00	3,325,000.00
TOWN HALL	1,002,500.00	643,750.00	150,000.00	1,496,250.00
WENERA COMPLEX	27,876,606.98	30,869,500.00	9,374,500.00	49,371,606.98
<b>TOTAL</b>	<b>51,132,056.98</b>	<b>41,851,250.00</b>	<b>14,310,500.00</b>	<b>78,672,806.98</b>



#### **4.0 Personal emoluments**

The total budget for personal emoluments for the financial year is MWK 3 billion and MWK247million has been spent in January 2021 of which MWK 92million is severance pay for retired officers. LCC has cumulative undischarged commitments amounting to MWK39 million. Cumulatively 44% of the annual budget has been utilized. LCC has no unpaid net salaries, wages and leave grants for its staff.

#### **5.0 Other Recurrent Expenditures (ORT)**

A total of MWK121 million has been spent in January 2021. Undischarged commitments amount to MWK59million and expenditures for ORT to date amount to MWK1.39billion representing 41% budget utilization.

#### **6.0 Own Capital Contribution**

LCC has spent MK18.6m in January 2021, MWK27million in undischarged commitments and cumulative expenditure is at MWK223 million representing 42% budget utilization. Own Capital project implementation has been delayed due to delays in completing procurement processes.

#### **7.0 Payables**

##### **7.1 PAYE Tax arrears**

LCC has accumulated arrears on PAYE remittances for the past 9 years. The amount has reduced from MWK1.6 billion to MWK1.4 billion as at 31 January 2021. Monthly PAYE deductions have been remitted to MRA totaling MWK123 million from July to January 2021. January 2021 PAYE deductions will be paid in February 2021. In the current financial year a total of MWK60million has been paid towards clearing the PAYE Arrears.



DATE	REFERENCE/INVOICE NO	AMOUNT PAID	OUTSTANDING AMOUNT
7/1/2020	MRA PAYE arrears opening balance	0.00	1,532,352,080.89
8/5/2020	PAYE arrears repayment	20,000,000.00	1,512,352,080.89
9/19/2020	PAYE arrears repayment	20,000,000.00	1,492,352,080.89
10/13/2020	PAYE arrears repayment	20,000,000.00	1,472,352,080.89
11/30/2020	PAYE arrears repayment	0.00	1,472,352,080.89
12/31/2020	PAYE arrears repayment	0.00	1,472,352,080.89

**Tax deductions and remittances for the current financial year**

DATE	REFERENCE/ INVOICE NO	Details	PAYROLL AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
7/1/2020	Balance b/d	Bal b/d			130,458,938
7/31/2020	JULY 2020 PAYROLL	July 2020 PAYE	26,032,539.38	0	156,491,477.38
8/31/2020	AUGUST 2020 PAYROLL	August 2020 PAYE	25,054,556.51	26,032,539.38	155,513,494.51
9/30/2020	September 2020 PAYROLL	September 2020 PAYE	25,159,051.26	25,054,556.51	155,617,989.26
10/31/2020	October 2020 PAYROLL	October 2020 PAYE	25,685,664.60	25,159,051.26	156,144,602.60
11/30/2020	November 2020 PAYROLL	November 2020 PAYE	10,353,467.88	25,685,664.60	140,812,405.88
12/31/2020	December 2020 Payroll	December 2020 PAYE	11,658,104.06	0	152,470,510.06
1/31/2021	January 2021 Payroll	January 2021 PAYE	10,982,595.23	22,011,571.94	141,441,533.35
<b>TOTAL</b>			<b>134,925,978.92</b>	<b>123,943,383.69</b>	





## 7.2 Pension and Terminal benefits

As of 31<sup>st</sup> July LCC has put every employee on pension scheme. Remittances to Old Mutual and NICO have been made for the months of July - December 2020. January 2021 remittances are planned to be paid by 14<sup>th</sup> February 2021.

Below are payments towards pension for the current financial year:

### NICO Pension payments 2020-2021

DATE	REFERENCE/INVOICE NO	PAYABLE AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
1/7/2020	Balance b/d			31,883,778.00
JULY	July 2020 Pension contribution	10,090,608.72	11,076,263.76	30,898,122.96
8/31/2020	August 2020 Pension contribution	9,269,512.46	10,090,608.72	30,077,026.70
9/30/2020	September 2020 Pension contribution	9,049,729.68	9,269,512.46	29,857,243.92
10/31/2020	October 2020 Pension Contribution	9,049,729.68	9,049,729.68	29,857,243.92
11/30/2020	Nov2020 Pension Contribution	9,316,379.51	9,049,729.68	30,123,893.75
12/31/2020	December 2020 Pension Contribution	9,316,379.51	9,316,379.51	30,123,893.75
1/31/2021	January 2021 Pension Contribution	8,772,018.28	9,316,379.51	29,579,532.52
<b>TOTAL</b>		<b>64,864,357.84</b>	<b>67,168,603.32</b>	

Below are deductions and remittances towards Old mutual pension fund

### Old mutual pension 2020-2021

DATE	DETAILS	PAYABLE AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
1/7/2020	Bal b/d	-		1,211,600



JULY	July 2020 Pension contribution	22,416,359.95		23,627,959.95
August	August 2020 Pension contribution	22,280,024.20	22,416,359.95	23,491,624.20
September	September 2020 Pension contribution	22,280,024.20	22,280,024.20	23,491,624.20
October	October 2020 Pension contribution	22,181,402.48	22,280,024.20	23,393,002.48
11/30/2020	November 2020 Pension Contribution	21,947,612.64	22,181,402.48	23,159,212.64
12/31/2020	December 2020 Pension Contribution	22,246,823.90	21,947,612.64	23,458,423.90
1/31/2021	January 2021 Pension Contribution	22,226,885.87	22,246,823.90	23,438,485.87
<b>TOTAL</b>		<b>155,579,133.24</b>	<b>133,352,247.37</b>	

### 7.3 Severance pay arrears

Unpaid severance dates as far back as 2018. In January 2021 LCC has paid a total of MK 92,083,831.64 to employees who retired from 2018 to 2020. 41 employees are yet to be paid their dues amounting to MWWK51, 410,530.58

### 7.4 Tevet levy

Tevet levy is calculated as 1% of the total payroll amount per month. LCC had accumulated a total of MWK 91,412,879.24 as at 1st July 2020. The plan is to be servicing the arrears as the current monthly bills are being paid. Below are the outstanding arrears as at 31 January 2021.

#### *Tevet levy arrears*

Date	Details	Amount paid	Balance
1/7/2020	Bal b/d		43,722,749.07



JULY	Accumulated penalties	0.00	47,690,130.17
<b>SUB TOTAL</b>			<b>91,412,879.24</b>
Sep-20	TEVET Levy Repayment	30,000,000.00	61,412,879.24
Oct-20	TEVET Levy Repayment	0.00	61,412,879.24
Nov-20	TEVET Levy Repayment	0.00	61,412,879.24
Dec-20	TEVET Levy Repayment	0.00	61,412,879.24
Jan-21	TEVET Levy Repayment	0.00	61,412,879.24
<b>TOTAL</b>		<b>30,000,000.00</b>	

*Tevet levy 2020-2021*

DATE	DETAILS	MONTHLY TEVET LEVY(1%)	AMOUNT PAID	BALANCE
1/7/2020	Bal b/d			17,910,092.61
Jul-20	JULY 2020 TEVET LEVY	1,682,755.70	0	19,592,848.31
Aug-20	AUGUST 2020 TEVET LEVY	1,681,641.27	0	21,274,489.58
Sep-20	SEPTEMBER 2020 TEVET LEVY	1,703,504.43	0	22,977,994.01
Oct-20	October 2020 TEVET LEVY	1,754,800.49	0	24,732,794.50
Nov-20	November 2020 TEVET LEVY	1,542,011.71	0	26,274,806.21
Dec-20	December 2020 TEVET LEVY	1,698,133.68	0	27,972,939.88
Jan-21	January 2020 TEVET LEVY	1,564,825.84	0	29,537,765.73
<b>TOTAL</b>		<b>11,627,673.12</b>	<b>0.00</b>	

**3. 7.6 FDH Bank loan**

LCC obtained a MWK100 Million loan facility from First Discount House in 2012 which as at 30 June 2018 had accumulated to MWK 600Million. In August 2018 upon FDH bank becoming LCC main cashiering bank, the bank carried over the loan facility from First Discount House at a value of MWK 600 million to be serviced over a period of 60 months.



From October 2018 LCC started servicing the loan through a monthly standing order of MWK15million. In December 2020 LCC obtained a motor vehicle loan from FDH amounting to MWK 357,785,424. As at 31 January 2021 the outstanding loan balance is at MWK 750,793,122.06

#### **FDH bank loan schedule**

<b>DATE</b>	<b>DETAILS</b>	<b>Invoice</b>	<b>PRINCIPAL REPAYMENT</b>	<b>Outstanding</b>
1st-July 2020	opening balance		0	462,488,453.23
JULY	Loan Repayment		0	462,488,453.23
August	Loan Repayment		15,824,163.49	446,664,289.74
SEPTEMBER	Loan Repayment		8,602,992.82	438,061,296.92
October	Loan Repayment		8,699,558.86	429,361,738.06
NOVEMBER	Loan Repayment		8,842,376.62	420,519,361.44
DECEMBER	Loan Repayment		8,904,231.42	411,615,130.02
DECEMBER	FDH Motor vehicle Loan	357,785,424		769,400,554.02
1/14/2021	Loan Repayment		18,607,431.96	750,793,122.06
<b>Total</b>			<b>69,480,755.17</b>	

#### **4. 7.7 Sundry payables**

As at 31st January LCC owed various traders a sum of MWK44 million for acquisition of various goods and services, of which MWK28.6m is to various traders of office equipment and working tools, MWK 2.5m to suppliers of stationery and computer accessories, MWK8.1m is for vehicle and building maintenance and MWK4.3 million is hiring costs for motor vehicle and conference facilities, MWK0.5m is for Area 13 nursery tools.



## 7.8 Councilors' motor cycle loans

Lilongwe City Council has a total of 27 Councilors' and each one of them obtained a motor cycle loan amounting to MWK1.5 million. Each one is required to repay the principal amount together with 10% interest translating into a total repayment of MWK1, 650, 000 for each Councilor. LCC is required to recover the loans from Councilors' monthly honoraria payments and remit the same to NLGFC. The loans are to be recovered in 48 monthly installments starting from January 2020. As at 31<sup>st</sup> January 2021 LCC has made repayments to NLGFC from January 2020 to January 2021 amounting to MWK12, 014,428.19 and has no outstanding repayments to NLGFC.

### *Councilor's motor cycle loan schedule*

#	NAME	TOTAL LOAN AMOUNT	REPAYMENT AMOUNT FOR THE MONTH	TOTAL DEDUCTIONS TO DATE	BALANCE DUE
1	Florence Kamtogo	1,650,000.00	34,375.00	446,875.00	1,203,125.00
2	Ruth Chingwalu Njirayafa	1,650,000.00	34,375.00	446,875.00	1,203,125.00
3	William Khumbo Nguluwe	1,650,000.00	34,375.00	446,875.00	1,203,125.00
4	Alex Chipatala Chimphanda	1,650,000.00	34,375.00	446,875.00	1,203,125.00
5	Mcjoe Kufamkugona Mwazani	1,650,000.00	34,375.00	446,875.00	1,203,125.00
6	Julina Gondwe Kaduya	1,650,000.00	35,106.38	421,276.60	1,228,723.40
7	Mactonic Josia Phiri	1,650,000.00	34,375.00	446,875.00	1,203,125.00
8	Lynold Chakakala Chaziya	1,650,000.00	34,375.00	446,875.00	1,203,125.00
9	Chipiliro Phambala	1,650,000.00	34,375.00	446,875.00	1,203,125.00
10	Joe Katalama	1,650,000.00	34,375.00	446,875.00	



					1,203,125.00
11	Vumani Nkhoma	1,650,000.00	34,375.00	446,875.00	1,203,125.00
12	Ganizani Thawani	1,650,000.00	34,375.00	446,875.00	1,203,125.00
13	Felix Tsutsani Tsokonombwe	1,650,000.00	34,375.00	446,875.00	1,203,125.00
14	Heston Yohane Zybion	1,650,000.00	34,375.00	446,875.00	1,203,125.00
15	Triza Silo	1,650,000.00	34,375.00	446,875.00	1,203,125.00
16	Rose Antonio	1,650,000.00	34,375.00	446,875.00	1,203,125.00
17	Bishati Chiombe	1,650,000.00	34,375.00	446,875.00	1,203,125.00
18	Esther Sagawa	1,650,000.00	34,375.00	446,875.00	1,203,125.00
19	Maloni Chatewa	1,650,000.00	34,375.00	446,875.00	1,203,125.00
20	Chafungatira Samuel Beni	1,650,000.00	34,375.00	446,875.00	1,203,125.00
21	Mtemwanenge Mhango	1,650,000.00	34,375.00	446,875.00	1,203,125.00
22	Reuben Thundu Phiri	1,650,000.00	34,375.00	446,875.00	1,203,125.00
23	Patricia Ngwira Singini	1,650,000.00	34,375.00	446,875.00	1,203,125.00
24	Trouble Ntchona Kamanga	1,650,000.00	34,375.00	446,875.00	1,203,125.00
25	Patrick Makumba	1,650,000.00	34,375.00	446,875.00	1,203,125.00
26	Richard Banda	1,650,000.00	35,106.38	421,276.60	1,228,723.40
27	Gift Dzaone Tanganyika	1,650,000.00	34,375.00	446,875.00	1,203,125.00
		<b>44,550,000.00</b>	<b>929,587.76</b>	<b>12,014,428.19</b>	<b>32,535,571.81</b>



LILONGWE CITY COUNCIL JANUARY 2021 CONSOLIDATED FINANCIAL REPORT SUMMARY								
		1	2	3	4	5	7	8
	Notes	BUDGET PROVISION	REV / EXP FOR CURRENT MONTH	REV / EXP TO DATE	UNDISCHARGE D COMMITMENTS	TOTAL REV/ EXP (3+4)	BALANCE ON BUDGET (1-5)	BUDGET UTILIZATION % (5/1)*100
<b>REVENUE</b>								
<b>Government Transfers</b>	1.0							
General Resource Fund	1.1	-122,185,769	-10,186,912	-71,251,208		-71,251,208	-50,934,561	58.3
Development Fund	1.2	-48,000,000		-40,000,000		-40,000,000	-8,000,000	83.3
Sector Funds	1.3	-268,278,542	-18,150,930	-177,523,894		-177,523,894	-90,754,649	66.2
Constituency Development Fund	1.4	-160,000,000	-40,000,000	-120,000,000		-120,000,000	-40,000,000	75.0
Infrastructure Development Fund	1.5	-171,734,388	-38,052,086	-133,182,302		-133,182,302	-38,052,086	77.8
<b>Sub-Total: Government Transfers</b>		<b>-769,698,699</b>	<b>-106,389,928</b>	<b>-541,957,403</b>	<b>0</b>	<b>-541,957,403</b>	<b>-227,741,296</b>	<b>70%</b>
<b>Total Government Transfers</b>		<b>-769,698,699</b>	<b>-106,389,928</b>	<b>-541,957,403</b>	<b>0</b>	<b>-541,957,403</b>	<b>-227,741,296</b>	<b>70.4%</b>
<b>Locally Generated Revenues</b>	2.0							
Central Government Property Rates	2.1	-199,832,060	-33,341,286	-151,439,737		-151,439,737	-48,392,323	75.8
Other Property Rates	2.1	-2,590,205,848	-240,546,477	-1,762,336,842		-1,762,336,842	-827,869,006	68.0
Income from Market Establishments	2.2	-446,256,800	-25,820,100	-152,182,570		-152,182,570	-294,074,230	34.1
Fees and Service Charges	2.3	-1,528,176,000	-57,172,904	-523,707,321		-523,707,321	-1,004,468,679	34.3
Licences and Permits	2.4	-1,200,000,000	-21,417,600	-435,646,493		-435,646,493	-764,353,507	36.3
<b>Total Locally Generated Revenues</b>		<b>-5,964,470,708</b>	<b>-378,298,367</b>	<b>-3,025,312,962</b>	<b>0</b>	<b>-3,025,312,962</b>	<b>-2,939,157,745</b>	<b>50.7</b>
<b>TOTAL REVENUE</b>		<b>-6,734,169,407</b>	<b>-484,688,295</b>	<b>-3,567,270,366</b>	<b>0</b>	<b>-3,567,270,366</b>	<b>-3,166,899,041</b>	<b>53.0</b>
<b>EXPENDITURE</b>								
<b>Personal Emoluments</b>	4.0							
Direct Staff	4.0	3,069,495,691	247,926,416	1,360,631,377	34,863,982	1,395,495,359	1,674,000,331	45.5
<b>Sub Total: Personal Emoluments</b>		<b>3,069,495,691</b>	<b>247,926,416</b>	<b>1,360,631,377</b>	<b>34,863,982</b>	<b>1,395,495,359</b>	<b>1,674,000,331</b>	<b>45.5</b>
<b>Other Recurrent Transactions</b>	5.0							
Internal Travel		164,402,718	15,405,176	125,718,050	11,551,434	137,269,483	27,133,234	83.5
External Travel		35,960,000		0		0	35,960,000	-
Public Utilities		226,903,922	11,907,310	123,580,442	6,513,778	130,094,220	96,809,702	57.3
Office supplies & Services		248,438,205	11,555,481	106,279,782	17,069,262	123,349,043	125,089,162	49.6
Medical supplies		23,565,500		5,837,138		5,837,138	17,728,363	24.8
Rent Expenses			-15,000	-25,000	1,650,000	1,625,000	-1,625,000	
Education supplies		24,819,604		1,367,068	-722,420	644,648	24,174,956	2.6
Training expenses		75,044,658	745,010	9,056,409		9,056,409	65,988,249	12.1
Acquisition of Technical Services		238,524,250	4,829,600	73,016,418	10,000,000	83,016,418	155,507,832	34.8
Insurance Expenses				0		0	0	
Agriculture inputs		3,210,000		758,500		758,500	2,451,500	23.6
Food and rations		14,124,288		4,289,747		4,289,747	9,834,541	30.4
Other goods and services		84,724,598	4,131,494	51,488,514	-1,875,000	49,613,514	35,111,084	58.6
Motor Vehicle Running Expenses		223,932,064	42,177,656	143,509,282	4,620,558	148,129,840	75,802,224	66.1
Routine Maintenance of assets		150,874,463	1,694,102	58,454,959	115,000	58,569,959	92,304,504	38.8
Subscriptions		7,680,000		4,249,998		4,249,998	3,430,002	55.3
Grants & Subvention		69,742,643		8,292,255	2,764,415	11,056,670	58,685,973	15.9
<b>Formation and maintenance of capital assets</b>		<b>145,603,606</b>	<b>13,050,000</b>	<b>55,131,859</b>	<b>-9,769,136</b>	<b>45,362,722</b>	<b>100,240,884</b>	<b>31.2</b>
Council & functions		115,546,400	4,841,672	53,133,200	9,897,124	63,030,324	52,516,076	54.5
HIV/AIDS Intervention		16,708,416	610,000	3,405,025		3,405,025	13,303,391	20.4
Debt Servicing		1,517,633,993	10,478,928	158,477,764	7,288,072	165,765,836	1,351,868,157	10.9
<b>Sub Total: ORT</b>		<b>3,387,439,328</b>	<b>121,411,429</b>	<b>1,338,606,391</b>	<b>59,103,086</b>	<b>1,045,124,496</b>	<b>2,342,314,832</b>	<b>30.9</b>
<b>Capital Outlay</b>								
Own capital contribution	6.0	152,000,000		0	6,959,225	6,959,225	145,040,775	4.6
Constituency Development Fund		160,000,000		66,648,521	12,523,843	79,172,364	80,827,636	49.5
Infrastructure Development Fund		171,234,388	18,621,227	117,123,987	7,898,700	125,022,687	46,211,701	73.0
Development Fund		48,000,000		11,943,580		11,943,580	36,056,420	24.9
<b>Sub Total: Own Capital</b>		<b>531,234,388</b>	<b>18,621,227</b>	<b>195,716,087</b>	<b>27,381,768</b>	<b>223,097,855</b>	<b>308,136,533</b>	<b>42.0</b>
<b>TOTAL EXPENDITURE</b>		<b>6,988,169,407</b>	<b>387,959,072</b>	<b>2,894,953,855</b>	<b>121,348,837</b>	<b>2,002,402,437</b>	<b>4,945,766,970</b>	<b>28.7</b>
<b>Surplus/Deficit</b>		<b>254,000,000</b>	<b>-96,729,223</b>	<b>-2,312,783,222</b>	<b>121,348,837</b>	<b>-1,564,867,929</b>	<b>1,778,867,929</b>	
<b>Commercial Undertakings</b>								
Income from Commercial Undertakings	2.5	-254,000,000	-28,518,417	-193,284,627		-193,284,627	-60,715,373	76.1
Direct Staff ( commercial Undertakings)								
Operational Expenses from Commercial Undertakings								
<b>Contribution from Commercial undertakings</b>		<b>-254,000,000</b>	<b>-28,518,417</b>	<b>-193,284,627</b>	<b>0</b>	<b>-193,284,627</b>	<b>-60,715,373</b>	<b>76</b>
<b>Operating Surplus/Deficit</b>		<b>0</b>	<b>-125,247,640</b>	<b>-2,596,448,193</b>	<b>121,348,837</b>	<b>-1,758,152,555</b>	<b>1,718,152,555</b>	
<b>Donor Funds</b>								
Donor Receipts		-53,880,226	-6,337,286	-69,033,101		-69,033,101	15,152,875	
Less: Donor Expenditure		53,880,226	965,000	64,778,035	1,745,659	66,523,695	-12,643,469	
<b>Donor Surplus/Deficit</b>		<b>0</b>	<b>-5,372,286</b>	<b>-4,255,065</b>	<b>1,745,659</b>	<b>-2,509,406</b>	<b>2,509,406</b>	