

Lilongwe City Council



August 2021 Financial Report

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Chief Executive Statement

Introduction

Lilongwe City Council (LCC) has a total budget of MWK 5.9 billion for the 2021-2022 financial year, of which MWK 5.1 billion is financed by Locally Generated Revenues (LGR) and MWK 754 million by Government Transfers. Central Government has also committed an allocation of MWK7.6 billion for upgrading of roads in the City in addition to MWK660 million which is administered by Road Fund Authority.

The 2021-22 budget has been allocated towards implementation of programs to achieve the outputs in the 2020-2025 strategic plan. The plan is supported by a detailed “roadmap to success,” and is divided into 3 components and 18 strategic objectives (SOs). The 18 strategic objectives are in the following areas: Budget Reform, Revenue Collection; Asset and Liability Management; Financial Management and Audit; Good Governance and Organizational Culture; Public Private Partnerships; Partnerships; Restructuring; Performance management; Private Sector Development; Parks and the Environment; Solid Waste Management; Transport; Public Health; Town Planning; Investment Program; Primary Education; and Youth and Sports.

August 2021 Performance Highlights

Parks & Environmental Management

The plan is to expand green areas by 300 hectares and protect the city’s environment for future generation. In the month of August, LCC undertook routine landscaping maintenance and nursery and forestry management and additionally, engaged into discussions with Lilongwe Ecological Corridor Initiative (LECI) on launch of the Ecological Restoration Strategic Plan.

Solid Waste management

To Collect and properly dispose of 70% of all solid waste generated, LCC collected and disposed 3,600 tonnes of refuse. Routine cleaning and clearing of refuse was done in Mwenyekondo, Majiga, Ngwenya, Matchansi, Kaliyeka, Chilinde II, Area 23, Phwetekere, Nsungwi, Kanengo, Chinsapo, Dubai and Lumbadzi markets as well as in the streets of Area 22 Junction, Works Training Centre (Area 22), Biwi Triangle, Utatu Oyera, Area 47(near Bwandilo market), Youth Drive, Next to Botanic gardens, Falls, Mchesi Primary School. LCC also conducted dumpsite clearing to allow refuse vehicles to access the site as there was not enough space, to accommodate more waste for another month

Works & Engineering - Transport

The strategic objective is to Make roads safer, cleaner and less congested.

Public Health

The strategic objective under Public Health is to Mitigate covid 19, strengthen public health, and triple MCH visits.

Town Planning

To ensure a well-planned, managed and regulated land use system in Lilongwe city.

Basic Education

To improve management and equitable access to quality primary education, LCC has implemented the following activities: Updating monthly staff and infrastructure returns, real time data monitoring, filling back ground information and distribution of passbooks to schools, data entry for DEP stakeholders' questionnaires, supervision (Curriculum tracking) and formulation of standardized tests

Commerce, Trade & Industry

Public Private Partnerships

LCC has developed a detailed Public Private Partnership (PPP) manual to guide implementation of the PPP projects.

Private Sector Development

To spur local economic development, in the month of July, LCC managed to produce a report to re-engineer the environment inspection; create transparent checklists and reporting procedures, and of all revised by-laws; and made it available to business forums.

General Administration - Good Governance and Organizational Culture

LCC continues to interact with its residents through its toll free line, its Facebook page and the website. In July, LCC conducted sensitization meetings on ban of plastic papers, conducted public announcements for clean-up campaign, for fire emergency lines, and organized a clean-up campaign in partnership with First Capital Bank

To further Improve Urban Governance systems to the satisfaction of the City residents, LCC facilitated formulation of the 2021-22 Lilongwe City Contingency plan (final document of the plan awaits the September Weather Forecasts which are usually generated by Department of meteorological services in September.

Human Resource Management - Performance management

During the reporting period, LCC retired 35 employees, relocated 35 rangers, recruited 70 temporary engineers

Financial Management Services

The main goal is to fix LCC finances by significantly increasing revenues; better allocating and managing available resources; and freeing up resources to expand the delivery of critical services. Performance under financial management services is presented in sections 1.0 to 4.0

Revenue collection

Revenue collection has significantly improved despite the effects of COVID-19 on the local economy. In August 2021 LCC collected at total of MWK 478,964,793 million of Locally Generated Revenues (LGR) and attaining a 20% performance of the budget collections in the year. During the same month last year, August 2020 LCC collected a total of MWK501 million which is a 4% decrease. The decrease is due to the increased collections in July when collection campaigns were intensified. Total LGR realized in August 2021 is totaling MKW 608,404,930

Asset and Liability Management

In its quest to reducing its debt burdens, LCC has spent MWK 84 million repaying its liabilities. While the LCC owes Central Government through Malawi Revenue Authority about MWK 1.4 billion, the Central Government also has significant property tax arrears now at MWK922 million.

To ensure timely replacement of assets, LCC will invest funds for asset accumulation. The plan is to make an initial investment of MWK135 million. Approval processes have been approved by Management and the proposal will be submitted to Finance Committee in August 2021.

Scrutiny

To rebgain and maintani credibility, LCC continued to meet all fiduciary responsibilities in the month of August 2021.

Outlook for September 2021

In the month of September 2021, LCC shall relentlessly continue to deliver on the outputs as planned in the Strategic Plan. Each Directorate will focus on implementation of the activities in the 2021-22 work plans. Covid-19 cases have reduced and the restrictions uplifted to enable the city residents do their businesses.



John Chome

Chief Executive Officer

Consolidated Itemized Financial Report

ITEM DESCRIPTION	BUDGET PROVISION	August-21	REV / EXP TO DATE	TOTAL REV/ EXP TON DATE	BALANCE ON BUDGET	BUDGET UTILIZATION %
CONSOLIDATED ITEMISED FINANCIAL REPORT						
REVENUE						
Government Transfers						
General Resource Fund	99,703,587		18,037,590	18,037,590	81,665,997	18%
Development Fund	48,000,000		16,000,000	16,000,000	32,000,000	33%
Sector Funds	318,610,532		57,193,458	57,193,458	261,417,075	18%
Constituency Development Fund	160,000,000		-	0	160,000,000	0%
Infrastructure Development Fund	128,425,791		42,808,597	42,808,597	85,617,194	33%
<i>Sub-Total: Government Transfers</i>	<i>754,739,911</i>	<i>-</i>	<i>134,039,645</i>	<i>134,039,645</i>	<i>620,700,266</i>	
Total Government Transfers	754,739,911		134,039,645	134,039,645	620,700,266	18%
Locally Generated Revenues						
Central Government Property Rates	199,861,998	19,938,415	39,905,830	39,905,830	159,956,168	20%
Other Property Rates	2,807,367,000	258,236,220	516,472,439	516,472,439	2,290,894,561	18%

ITEM DESCRIPTION	BUDGET PROVISION	August-21	REV / EXP TO DATE	TOTAL REV/ EXP TON DATE	BALANCE ON BUDGET	BUDGET UTILIZATIO N %
Income from Market Establishments	331,245,165	39,135,300	71,200,900	71,200,900	260,044,265	21%
Fees and Service Charges	893,685,900	114,736,561	193,998,580	193,998,580	699,687,320	22%
Licenses and Permits	791,246,000	58,654,474	263,480,234	263,480,234	527,765,766	33%
Total Locally Generated Revenues	5,023,406,063	594,357,014	594,357,014	594,357,014	4,433,019,111	12%
TOTAL REVENUE	5,778,145,974	594,357,014	728,396,659	728,396,659	5,053,719,377	13%
EXPENDITURE						
Personal Emoluments						
Direct Staff	2,123,891,050	259,625,205.01	203,770,896	267,213,596	1,856,677,454	13%
Sub Total: Personal Emoluments	2,123,891,050	259,625,205	203,770,896	267,213,596	1,856,677,454	0
Other Recurrent Transactions						
Internal Travel	281,324,806	25,098,663	29,150,417	29,150,417	252,174,389	10%
External Travel	20,800,000		-	0	20,800,000	0%

ITEM DESCRIPTION	BUDGET PROVISION	August-21	REV / EXP TO DATE	TOTAL REV/ EXP TON DATE	BALANCE ON BUDGET	BUDGET UTILIZATION %
Public Utilities	201,911,675	19,796,028.05	39,314,081	39,314,081	162,597,594	19%
Office supplies & Services	518,021,954	24,387,263.79	51,241,077	51,241,077	466,780,877	10%
Medical supplies	15,327,250		-	0	15,327,250	0%
Rent Expenses			-	0	-	
Education supplies	1,445,000		-	0	1,445,000	0%
Training expenses	31,885,119	1,196,717	1,196,717	1,196,717	30,688,402	4%
Acquisition of Technical Services	105,500,000	32,253,360.15	32,253,360	32,253,360	73,246,640	31%
Insurance Expenses			-	0	-	
Agriculture inputs			-	0	-	
Food and rations	7,651,475	688,460	1,377,100	1,377,100	6,274,375	18%
Other goods and services	315,017,550	5,803,970.75	6,810,473	6,810,473	308,207,076	2%
Motor Vehicle Running Expenses	258,604,830	27,698,102.05	43,693,870	43,693,870	214,910,960	17%
Routine Maintenance of assets	241,648,565	9,795,243.71	10,901,599	10,901,599	230,746,966	5%
Subscriptions	3,237,420	1,807,022.50	2,619,523	2,619,523	617,898	81%
Grants & Subvention	71,065,953		-	0	71,065,953	0%

ITEM DESCRIPTION	BUDGET PROVISION	August-21	REV / EXP TO DATE	TOTAL REV/ EXP TON DATE	BALANCE ON BUDGET	BUDGET UTILIZATION %
Formation and maintenance of capital assets	596,134,914		30,158,550	30,158,550	565,976,364	5%
Council & functions	117,651,648	10,819,547.60	22,786,374	22,786,374	94,865,274	19%
HIV/AIDS Intervention	23,853,489	595,500	1,196,000	1,196,000	22,657,489	5%
Debt Servicing	600,000,000	84,031,334.43	174,088,416	174,088,416	425,911,584	29%
Sub Total: ORT	3,411,081,647	243,971,213	446,787,555	446,787,555	2,964,294,092	
Capital Outlay						
Own capital contribution	68,749,236			0	68,749,236	0%
Constituency Development Fund	160,000,000	19,380,065.39	19,732,913	19,732,913	140,267,087	12%
Infrastructure Development Fund	128,425,791		3,961,000	3,961,000	124,464,791	3%
Development Fund	48,000,000		-	0	48,000,000	0%
Sub Total: Own Capital	405,175,027	19,380,065	23,693,913	23,693,913	312,731,878	0
TOTAL EXPENDITURE						
	5,940,147,724	522,976,483	674,252,365	737,695,065	5,133,703,423	0
Surplus/Deficit						
	(162,001,750)	71,380,530	54,144,294	(9,298,406)	(79,984,046)	(0)

ITEM DESCRIPTION	BUDGET PROVISION	August-21	REV / EXP TO DATE	TOTAL REV/ EXP TON DATE	BALANCE ON BUDGET	BUDGET UTILIZATION %
Commercial Undertakings						
Income from Commercial Undertakings	162,001,750	14,047,917	28,095,833	28,095,833	133,905,917	17%
				0	-	
Direct Staff (commercial Undertakings)				0	-	
Operational Expenses from Commercial Undertakings				0	-	
<i>Contribution from Commercial undertakings</i>	<i>162,001,750</i>	<i>14,047,917</i>	<i>28,095,833</i>	<i>28,095,833</i>	<i>133,905,917</i>	
Operating Surplus/Deficit	(0)	85,428,447	82,240,127	18,797,427	53,921,871	(0)
Donor Funds						
Donor Receipts				0	-	
Less: Donor Expenditure		1,790,129.01	4,144,800	4,144,800	(4,144,800)	
Donor Surplus/Deficit		-1,790,129	-4,144,800	-4,144,800	4,144,800	

Notes to August 2021 Financial Report

1.0 Government Transfers

Total government transfers budget for 2021-2022 Financial year is MWK 754 million. Funding performance against the budget is as presented below:

1.1 General Resource Fund (GRF)

The budget provision for 2021-2022 Financial year is MWK99 million. There are no funds received for the month of August 2021 as such total receipts to date amount to MWK18 million representing 18% budget performance. GRF funds are used for fuel for refuse collection, maintenance of motor vehicles and HIV Aids intervention at work place.

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 2021-2022 Financial year is MWK48 million. There are no funds received for the month of August 2021 as such total receipts to date amount to MWK16 million representing 33% budget funding performance. In July 2021, a total of MWK 47 million was brought forward from the 2020-21 as unused funds. None of the constituencies has spent the funds this month.

1.3 Sector Funds

Sector funds are government transfers for programs under devolved sectors of: Education, Sports, Youth and Environment. There is no funding in this financial year for sectors of Gender and community development. Total sector funds budget for 2021-2022 Financial year is MWK318 million and 18% of the budget has been received.

a) Urban Basic Education

The budget provision for 2021-2022 Financial year is MWK305 million. There are no funds received for the month of August 2021 as such total receipts to date amount to MWK 55 million of which MWK30 million is for Basic Education operations and MWK25 million is for Education Covid Response. This represents 18% of the approved budget.

b) Sports Sector

The budget provision for 2021-2022 Financial year is MWK5 million. There are no funds received for the month of August 2021 as such total receipts to date amount to MWK 0.5 million representing 9% budget funding performance. The sector has not commenced implementation of its activities.

c) Youth sector

The budget provision for 2021-2022 Financial year is MWK5 million. There are no funds received for the month of August 2021 as such total receipts to date amount to MWK 0.618 million representing 11% budget funding performance. The sector has managed to train 74 youths in entrepreneurship, 33 youths trained in Leadership and another 33 youths trained in SRHR

d) Environment sector

The budget provision for 2021-2022 Financial year is MWK2 million. The sector has not received any funding in the month of August 2021 as such total receipts to date amount to MWK0.264 million representing 10% budget funding performance. No single activity has been undertaken under the environment sector.

1.4 Constituency Development Fund (CDF)

These are funds for micro infrastructure projects in the four constituencies of Lilongwe City. LCC has an annual budget of Mk160,000,000.00 and has not received funding this month. In June 2021, a total of MK91,668, 831.40 was brought forward to July 2021 as unused funds as follows:

Lilongwe City South West Constituency: MK18, 867, 952.85

Lilongwe City South East Constituency: MK32,015, 442.17

Lilongwe City West Constituency: MK23, 227, 825.62

Lilongwe City Centre Constituency: MK17, 557, 610.76

In August, 2021 Lilongwe City South West Constituency spent MKW 20, 095, 661.12 on projects and MKW 352, 848.00 on (administration) supervision of ongoing project in the constituency making a total of MKW 20, 448,509.12 which was paid from the opening balances as shown

1.5 Infrastructure Development Fund (IDF)

The total budget for the year 2021-2022 is MK128,000,000.00. LCC has not received funding for this month of August, 2021. MWK 35 156 108.13 was brought forward from 2020-2021 as unused funds. MK3.9 million was utilized in the month of July on the project shown in the table below:

Project Title	Location	Total Estimated Cost for 2021-2022 Budget (MK)	Actual Amount Spent in 2021-2022 Financial Year	Balance (MK)	Status of the Project	Challenges & Action taken or To be taken To Address the Challenge
Maintenance and Rehabilitation of Electricity	Central Markets	3,961,000.00	3,961,000.00	0	work still in progress	ESCOM delays to connect electricity
Total		3,961,000.00	3,961,000.00	0		

2.0 Locally Generated Revenues

A total of MWK5,185,377,875.00 has been budgeted for the 2021-2022 financial year under locally generated revenues. Actual performance against budget is as below:

2.1 Property Rates

These are 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.

Government property rates - Total budget ceiling for the year 2021-2022 is MWK199 million. MWK19 million has been realized in August 2021 as a proportion of the total biannual billing. No payment has been received on Government properties to date.

Other property rates - Total budgeted revenues under other property rates for the 2021-2022 financial year are at MWK2.8 billion. MWK258 million has been realized in the month of August 2021 as a proportion of the total biannual billing. LCC is working towards achieving a collection rate of 80% on current bills. Actual collection on other property rates for August 2021 is MWK257 million.

Property rates collection schedule for August 2021

Description	Amount (MWK)
Property rates Areas	55,913,301.66
Property rates current	201,149,655.90
Total	257,062,957.56

2.2 Incomes from market establishments

One of the strategic objectives of the commercial section is to significantly increase revenue collection from its sections namely Markets, carparks, property rentals and advertising.

LCC undertook the following activities in order to enhance revenue performance in markets:

- Effected rotation of revenue collectors and market masters which enhanced revenue collection
- Set revenue targets and intensified inspection of markets

The amount collected from all LCC markets for August 2021 is MWK39 million. Cumulative market revenue to date is MKW71 million representing a 21.59% performance against the budget.

Market revenues for August 2021

Description	Amount (MWK)
Gulliver	66,600.00
Lumbadzi	835,000.00
Kanengo	733,300.00
Area 25 A	236,500.00
Area 25 B	29,800.00
Nsungwi	1,605,800.00
Mgona	181,000.00
Dubai	135,900.00

Upper Biwi	294,600.00
Area 47 bwandiro	527,200.00
Area 47 chigoneka	274,400.00
Central market	12,617,000.00
Tsoka market	11,515,100.00
Mchesi	1,320,000.00
Chinsapo	372,000.00
Area 3	756,700.00
Area 18A	546,400.00
Area 18B	205,300.00
Chilinde 1	176,400.00
Biwi tank	357,400.00
Phwetekere	234,600.00
Mwenyekondo	287,600.00
Kawale 1	888,300.00
Kawale 2A	74,200.00
Kawale 2B	-
Area 13	246,400.00
Area 24	495,200.00
Ngwenya	1,772,200.00
Chilinde 2	132,000.00
Area 23A	1,564,000.00
Area 23B	277,900.00
Area 23C	-
Area 22A	165,400.00
Chipasula	211,100.00
Kaliyeka	-
Total	39,135,300.00

2.3 Fees and Service Charges

The revenue collected as fees and service charges in the month of August 2021 amounts to MWK114 million of which MWK81 million is for planning fees, MWK10 million is for development charges, MWK1 million for refuse collection, MWK0.7 million is for advertisement charges and MWK5 million for car park fees. These are the major fees under this category. Total collection to date is MWK193 million representing a 22% performance against the budget.

To increase revenues in car parks, LCC engaged MDF for enforcement of Car parking by laws.

August 2021 Fees & Service Charges schedule

Description	Budget	Actual collections in the period	Collections to date	Balance on Budget	Performance %
Hire Charges	4,000,000	170,000	460,000	3,540,000	12
Car Park Fees	65,070,450	5,586,450	7,072,700	57,997,750	11
Bus Depot Fees	12,485,300	2,378,375	4,458,425	8,026,875	36
Cemetery & Mortuary Fees	4,352,000	2,620,000	3,970,000	382,000	91
Plant & Flower Sales	3,199,000	213,300	213,300	2,985,700	7
Advertising Fees	46,013,400	726,300	4,549,050	41,464,350	10
Interest Income	106,000	-	-	106,000	0
Refuse Collection Fees	83,625,000	1,328,000	10,576,180	73,048,820	13
Consent Fees	1,989,000	230,000	420,000	1,569,000	21
Blockage Clearing Fees	100,000	-	-	100,000	0
Development Fees	146,889,000	10,355,685	31,742,108	115,146,892	22
Planning Fees	447,461,000	81,748,251	109,359,281	338,101,719	24
Sale of Tender Documents	839,000	719,500	1,414,500	-575,500	169
Asset Disposal	500,000	140,000	1,140,000	-640,000	228
Admin Charges Recovered	36,444,000	1,547,125	3,159,713	33,284,287	9
Food Handlers Fees	10,000,000	1,143,000	4,451,750	5,548,250	45
Fire Fighting Training Fees	923,000	150,000	305,000	618,000	33
Park Entry Fees and Pav Hire	2,700,000	-	50,000	2,650,000	2
Tree Cutting / Felling	1,000,000	379,000	675,723	324,277	68
Medical Examination Fees	734,000	-	50,000	684,000	7

Change of Ownership Application	7,446,000	1,217,425	1,968,850	5,477,150	26
Rates Clearance Cert. Fee	2,499,000	266,650	811,650	1,687,350	32
Pest and Disease Control	1,745,000	1,600,000	4,865,000	-3,120,000	279
Title Deeds	10,815,750	-	-	10,815,750	0
Departure fees	6,750,000	2,217,500	2,217,500	4,532,500	33
TOTAL	897,685,900	114,736,561	193,930,730	703,755,170	22

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 August 2021 is MWK59 million, while total collection to date is MWK264 million representing a 33% performance against the budget.

2.5 Income from Commercial undertakings

These are incomes from property rentals, and hall hire. Properties being let out by LCC and include, Wenela complex, Chidzanja house, Mchesi carpentry buildings, Town hall rooms, Area 47 market shops, Area 13 market shops, Central market shops and community Centre rooms. LCC Issued notices of eviction to non-compliant tenants

MWK13million has been realized in the month of August 2021 as a proportion of the quarterly billing. Total amount collected for the month is MWK9 million. Total collection to date is MWK22 million representing a 14% performance against the budget.

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

Other property rates debtors as at the beginning of August 2021 was MWK13.4 billion and total revenues collected for August 2021 amounts to MWK257 million.

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. As at 31st August 2021 the total property rates receivables were at MWK13 billion.

August 2021 property rates receivables schedule

Description	Arears	current bill	Total
Bal as @ 01/07/21	11,962,891,695.19	1,658,052,449.52	13,620,944,144.71
July 2021 receipts	89,080,658.01	121,120,825.40	210,201,483.41
August 2021 receipts	55,913,301.66	201,149,655.90	257,062,957.56
Bal as @ 31/08/21	11,817,897,735.52	1,335,781,968.22	13,153,679,703.74

3.2 Government property rates receivables

Outstanding government property rates as at 1st August 2021 was MWK922 million. No revenue has been collected on Government properties for the month of August 2021, as such the total government property rates receivables to date is MK922 million.

Government Property rates schedule

Period	Invoices	Receipts	Outstanding Balance
Bal as @ 01/07/2021			802,777,729.78
Jul-Dec 2021	119,438,491.68	0	922,216,221.46
Aug-2021	0	0	922,216,221.46

3.3 Refuse collection receivables

LCC has a number of registered companies that get their garbage collected and billed monthly according to tonnage of waste collected. Total invoice amount outstanding as at 1st August 2021 was MWK 27,323,608. Total invoice for August 2021 is MWK6,763,300.00 and the outstanding debt as at end august 2021 is MWK32,945,908.40.

Refuse Collection receivables schedule for August 2021

Organization Name	Balance as @ 01/08/21	Total Invoice Aug 2021	Aug 2021 receipts	Balance
Reserve Bank	770,000			770,000
Rainbaw		60,000	60,000	0
Solomon Mkt	50,675			50,675
Pacific Hotel	2,911,400			2,911,440
Alliance One	-334,961			-334,961

Organization Name	Balance as @ 01/08/21	Total Invoice Aug 2021	Aug 2021 receipts	Balance
Seba Foods	1,007,150			1,007,150
Castel MW	11,102,000			11,102,000
Kallos Beverages	1,176,650			1,176,650
Pacific Ltd	1,759,150			1,759,150
Central Poultry	585,000		681,000	-96,000
Sunbird Capital Hotel	730,455			730,455
Umodzi Park	1,258,200			1,258,200
Sunbird LL Hotel	1,223,250			1,223,250
Tama	244,650			244,650
TEVETA	209,700			209,700
FCB	244,650			244,650
TNM	34,950			34,950
STD	279,600			279,600
KTPL	2,097,000			2,097,000
Law Commission	139,800			139,800
Rab Processors	220,000			220,000
World wide Ltd	120,000			120,000
Four Season	180,000			180,000
M.A. Motors	140,000			140,000
Constantine LTD	310,000			310,000
Capital Furniture	160,000			160,000
Capital Foods Ltd	180,000			180,000
Chinese Embassy	524,250			524,250
Chibuku Products		6,273,300		6,273,300
Malawi Housing Corp		30,000		30,000

Organization Name	Balance as @ 01/08/21	Total Invoice Aug 2021	Aug 2021 receipts	Balance
Sun Seed Oil		400,000	400,000	0
One off receipts			187,000	0
Total	27,323,608	6,763,300	1,328,000	32,945,908

3.4 Property Rental receivables

The balance as at 1st August 2021 was at MWK49,025,556.98. Total revenues collected for the month of August 2021 is MWK9,375,500 and the balance at the end of August 2021 is MWK39,650,056.98.

Below are the Property Rental Debtors movements for August 2021

LOCATION	BAL as @ 01/08/21	RECEIPTS AUGUST-21	BALANCE 31/08/21
AREA 13	3,656,000.00	100,000.00	3,556,000.00
COMMUNITY CENTRE	7,433,600.00	576,000.00	6,857,600.00
AREA 47	4,787,500.00	-	4,787,500.00
CHIDZANJA HOUSE	(146,800.00)	-	(146,800.00)
CENTRAL MARKET/KW	2,377,150.00	3,050,000.00	(672,850.00)
MCHESI	3,763,000.00	919,000.00	2,844,000.00
TOWN HALL	987,500.00	160,000.00	827,500.00
WENERA COMPLEX	26,167,606.98	4,570,500.00	21,597,106.98
TOTAL	49,025,556.98	9,375,500.00	39,650,056.98

4.0 Expenditures

4.1 Personal Emoluments

The total budget for personal emoluments for the financial year is MWK 2.1 billion and MWK 259,625,205.01 has been spent in August 2021 of which MK 186,884,683.16 are salaries and wages MK8,071,047.89 is severance pay and death gratuities, MK62,735,273.21 is pension contribution and MK1,934,200.75 is Industrial Levy. 22 % of the annual budget has been utilized. LCC has no unpaid net salaries, wages and leave grants for its staff.

4.2 Other Recurrent Expenditures (ORT)

A total of MK 240,885,752.03 has been spent in August 2021; out of which MK 84 Million was spent on Debt Servicing to Malawi Revenue Authority, FDH Bank and repayment of TEVET Levy arrears, MK25m was on Internal Travel, Motor Vehicle running costs amounted to MK27.6m, MK19.7m was spent on Public Utilities, Office Supplies amounted to MK23.8m, MK 32.2m was spent on acquisition of technical services and MK 9.7m was on routine maintenance of council assets representing 13% budget utilization.

Some of the council activities from various programs spent from other recurrent expenditures are:

- ✓ On-going building Inspections with the purpose of issuing out Occupation Certificates
- ✓ City rates awareness campaign
- ✓ Area 27 land acquisition preparatory meetings
- ✓ Enforcement activities on illegal vending
- ✓ Revenue automation
- ✓ Legal charges

4.3 Own Capital Contribution

In August 2021 there was no any expenditure on own capital contribution.

5.0 Liabilities

5.1 Payables

These are monies the council owe its suppliers of goods and services and these are both long term and short term obligations. As at 31st August the council had a total of MK2.3 billion in liabilities. MK134 million was paid in August to reduce the liability.

	AUGUST PAYMENTS	OUTSTANDING BALANCE
MRA	40,000,000.00	1,413,620,204.73
NICO PENSIONS		48,140,368.66
SEVERANCE PAY	8,071,047.89	71,733,002.82
OLD MUTUAL PENSIONS		71,012,462.33
TEVET	36,199,082.01	47,805,638.53
FDH	19,348,213.61	621,074,944.77
TRADE CREDITORS	29,495,767.09	33,634,877.03
MOTORCYCLE LOANS(NLGFC)	929,587.76	26,028,457.45
	134,043,698.36	2,333,049,956.31

5.2 PAYE Tax arrears

LCC has accumulated arrears on PAYE remittances for the past 9 years. The amount has reduced from MWK1.6 billion to MWK1.27 billion as at 31 August 2021. August PAYE will be remitted by 14th September 2021. In August 2021 we have paid to MRA MK40m towards clearing PAYE arrears.

DATE	REFERENCE/INVOICE NO	AMOUNT PAID	OUTSTANDING AMOUNT
7/1/2021	MRA PAYE arrears opening balance	0.00	1,352,352,080.89
7/31/2021	PAYE arrears repayment	40,000,000.00	1,312,352,080.89
8/31/2022	PAYE arrears repayment	40,000,000.00	1,272,352,080.89
TOTAL		80,000,000.00	

Tax deductions and remittances for the current financial year

DATE	REFERENCE/INVOICE NO	Details	PAYROLL AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
7/1/2021	Balance b/d	Bal b/d			130,458,938.00
7/31/2021	JULY 2021 PAYROLL	July 2021 PAYE	13,936,537.95		144,395,475.95
8/31/2022	AUGUST 2021 PAYROLL	August 2021 PAYE	10,809,185.84	13,936,537.95	141,268,123.84
TOTAL			24,745,723.79	13,936,537.95	

5.3 Pension and Terminal benefits

As of 31st July 2020 LCC had put every employee on pension scheme. Remittances to Old Mutual and NICO for the months of May and June 2021 have been made in August 2021. July and August remittances are planned to be paid by 14th September 2021.

Below are payments towards pension for the current financial year

NICO Pension payments 2021-2022

DATE	REFERENCE/INVOICE NO	PAYABLE AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
1/7/2021	Balance b/d			47,399,431.54

Jul-21	July 2021 Pension contribution	9,155,293.22		56,554,724.76
8/31/2021	August 2021 Pension contribution	9,542,999.38	17,957,355.48	48,140,368.66
TOTAL		18,698,292.60	17,957,355.48	

Below are deductions and remittances towards Old mutual pension fund

Old mutual pension 2020-2021

DATE	DETAILS	PAYABLE AMOUNT	AMOUNT PAID	OUTSTANDING AMOUNT
1/7/2021	Bal b/d	-		67,341,416
Jul-21	July 2021 Pension contribution	23,618,203.56		90,959,619.58
8/31/2021	August 2021 Pension contribution	24,830,760.46	44,777,917.71	71,012,462.33
TOTAL		48,448,964.02	44,777,917.71	

5.4 Severance pay and Death Gratuities

In August 2021 LCC has paid MK8,071,047.89 towards severance and death gratuities

DATE	PAYEE	Description	Reference	Amount
8/3/2021	DISTRICT COMMISSIONER -LILONGWE	Death gratuity for Late Lucas Dzinza 10523	15891	707,427.25
8/19/2021	MMDERANJI PHIRI	Payment of Terminal Benefits : Mudelanji Phiri	5811	2,364,490.40
8/19/2021	TOPSON SOKOLE	Payment of Terminal Benefits : Topson Sokole	5812	2,634,639.84
8/19/2021	S GOVATI	Payment of Terminal Benefits : Samalani Govati	5813	2,364,490.40
TOTAL				8,071,047.89

5.5 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. Currently, the repayment plan is to be paying MK10 Million per month towards settlement of the TEVET arrears as the current monthly bills are being paid. As at 31 August 2021 the balance is at MK 47,805,638.53.

Tevet levy arrears

Date	Details	Amount paid	Balance
1/7/2021	Bal b/d		31,412,879.24
Jul-21	TEVET Levy Repayment		31,412,879.24
Aug-21	TEVET Levy Repayment	10,000,000.00	21,412,879.24
TOTAL		10,000,000.00	

Tevet levy 2021-2022

DATE	DETAILS	MONTHLY TEVET LEVY(1%)	AMOUNT PAID	BALANCE
1/7/2021	Bal b/d			48,782,199.26
Jul-21	JULY 2021 TEVET LEVY	1,934,200.75		50,716,400.01
Aug-21	AUGUST 2021 TEVET LEVY	1,875,441.29	26,199,082.01	26,392,759.29
TOTAL		3,809,642.04	26,199,082.01	

5.6 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 MWK15 million. In December 2020 LCC obtained a motor vehicle loan from FDH amounting to MK 357,785,424. As at 31 August 2021 the outstanding loan balance is at MWK 621,074,944.77.

FDH bank loan schedule

DATE	DETAILS	Invoice	PRINCIPAL REPAYMENT	Outstanding
1-Jul	opening balance		0	659,480,743.82
Jul-21	Loan Repayment		19,057,585.44	640,423,158.38
Aug-21	Loan Repayment		19,348,213.61	621,074,944.77
Total			38,405,799.05	

5.7 Sundry payables

As at 31 August LCC owed various traders a sum of MWK33,634,877.03 for acquisition of various goods and services, of which MK27.8m is for vehicle and plant hiring. Attached is a schedule.

Invoice Date	Supplier	Description of item or service	INVOICE NO	INVOICED AMOUNT
11-Dec-20	KJ Hardware & General Dealers	Purchase of empty sacks	24081	58,250.00
25-May-21	KJ Hardware & General Dealers	Purchase of plumbing materials	24347	2,383,590.00
17-Jun-21	KJ Hardware & General Dealers	Purchase of cement	24350	1,302,470.00
17-Jun-21	Budget carhire	Hire of vehicle		2,633,880.00
17-Jun-21	Budget carhire	Hire of vehicle		2,324,620.00
17-Jun-21	Budget carhire	Hire of vehicle		2,722,475.00
17-Jun-21	Budget carhire	Hire of vehicle		984,650.00
17-Jun-21	Budget carhire	Hire of vehicle		2,614,610.00
25-Jun-21	Xerographics Ltd	Purchase of tonner	34241	577,007.03

30-Jun-21	KLASSIQ Rent A Car	Hire of Minibus to salima	471	280,000.00
30-Jun-21	KLASSIQ Rent A Car	Hire of Minibus to salima	472	291,250.00
1-Jul-21	RE Enterprise	Hire of vehicle		16,000,000.00
13-Aug-21	Builders corner	Purchase of Padlocks	4200	104,850.00
25-Aug-21	Kwik fit	Purchase of Tyres LL1	KT119957	920,350.00
26-Aug-21	KJ Hardware & General Dealers	Purchase of Nylon rope	24493	436,875.00
TOTAL				33,634,877.03

5.8 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 August 2021 LCC has made repayments to NLGFC amounting to MWK17,591,954.79 for the period January 2020 to July 2021. August deduction will be paid in September 2021 amounting to MK929,587.76.

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	687,500.00	962,500.00
2	Ruth ChingwaluNjirayafa	1,650,000.00	34,375.00	687,500.00	962,500.00

3	William KhumboNguluwe	1,650,000.00	34,375.00	687,500.00	962,500.00
4	Alex ChipatalaChimphanda	1,650,000.00	34,375.00	687,500.00	962,500.00
5	McjoeKufamkugonaMwazani	1,650,000.00	34,375.00	687,500.00	962,500.00
6	JulinaGondweKaduya	1,650,000.00	35,106.38	667,021.28	982,978.72
7	MactonicJosiaPhiri	1,650,000.00	34,375.00	687,500.00	962,500.00
8	LynoldChakakalaChaziya	1,650,000.00	34,375.00	687,500.00	962,500.00
9	ChipiliroPhambala	1,650,000.00	34,375.00	687,500.00	962,500.00
10	Joe Katalama	1,650,000.00	34,375.00	687,500.00	962,500.00
11	VumaniNkhoma	1,650,000.00	34,375.00	687,500.00	962,500.00
12	GanizaniThawani	1,650,000.00	34,375.00	687,500.00	962,500.00
13	Felix TsutsaniTsokonombwe	1,650,000.00	34,375.00	687,500.00	962,500.00
14	HestonYohaneZybion	1,650,000.00	34,375.00	687,500.00	962,500.00
15	Triza Silo	1,650,000.00	34,375.00	687,500.00	962,500.00
16	Rose Antonio	1,650,000.00	34,375.00	687,500.00	962,500.00
17	BishatiChiombe	1,650,000.00	34,375.00	687,500.00	962,500.00
18	Esther Sagawa	1,650,000.00	34,375.00	687,500.00	962,500.00
19	MaloniChatewa	1,650,000.00	34,375.00	687,500.00	962,500.00

20	Chafungatira Samuel Beni	1,650,000.00	34,375.00	687,500.00	962,500.00
21	MtemwanengeMhango	1,650,000.00	34,375.00	687,500.00	962,500.00
22	Reuben ThunduPhiri	1,650,000.00	34,375.00	687,500.00	962,500.00
23	Patricia NgwiraSingini	1,650,000.00	34,375.00	687,500.00	962,500.00
24	Trouble NtchonaKamanga	1,650,000.00	34,375.00	687,500.00	962,500.00
25	Patrick Makumba	1,650,000.00	34,375.00	687,500.00	962,500.00
26	Richard Banda	1,650,000.00	35,106.38	667,021.28	982,978.72
27	Gift Dzaone Tanganyika	1,650,000.00	34,375.00	687,500.00	962,500.00
	TOTAL	44,550,000.00	929,587.76	18,521,542.55	26,028,457.45

Appendixes attached

- 1) The Consolidated Monthly Financial Report Summary- Attached
- 2) The Detailed Financial Report-Attached
- 3) Supporting schedules:
 - Bank reconciliation statements