

Lilongwe City Council



July 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.

July 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 July, LCC identified 11 hectares of land under protected rivers & wetlands; 53 hectares of land to be re-afforested; additional 13 hectares of land for new leisure parks

Solid Waste management

To Collect and properly dispose of 70% of all solid waste generated, LCC collected and disposed 682 tonnes of refuse in addition to 1,551 tonnes of refuse collected by private operators. Cleaning was done in Areas; 1, 2, 3, 4, 5, 9, 10, 11, 12, 14, 15, 18, 19, 43; M1 road from Lumbadzi to Bunda turn-off, Presidential Way from Area 18 Roundabout to the State House gate, Chidzanja road, Youth Drive and Crossroads. LCC also conducted dumpsite clearing activities for 11 days using a hired Dozer.

Works & Engineering - Transport

The strategic objective is to Make roads safer, cleaner and less congested. In the month of July 2021 LCC launched the first phase of roads upgrading where drainage systems in area 49, Mtandire at Kankodola, and Kaliyeka near Chipasula secondary will be rehabilitated and also rehabilitation of the road from Chipiku plus to Onions building in area 4 as well as the road from Senti to area 25.

In the same month, LCC started construction of box culverts across Mchesi river on the Biwi-Penyenye road and Nankhaka river on area 18 Senti road through funds channeled to roads fund administration

■ Public Health

The strategic objective under Public Health is to Mitigate covid 19, strengthen public health, and triple MCH visits. In the month of July, the following were done:

Growth Monitoring - 3,811 people were monitored; 95 new visits, 2347 revisits and among them 1236 were of normal weight and 23 were registered underweight.

Immunization - 1,094 children were given pentavalent (1, 2 and 3); 1,091 children were given Polio (1, 2, and 3); 1,098 children were given PCV (1, 2, and 3); 661 children were given Rota (1, 2, and 3); 551 children were given Measles (1 and 2); none received Vitamin A; 429 women were given TTV (1, 2, 3, 4 and 5); 338 were given IPV and 65 children were given BCG.

Family Planning - 326 women were administered Depo; 66 women received oral contraceptive pills and none was given condoms and jadelle method.

HTC - 13 people were tested for HIV of which none was found reactive and 13 were non-reactive, we also had 0 previous positive

■ Town Planning

To ensure a well-planned, managed and regulated land use system in Lilongwe city, in July LCC managed to inspect some major buildings for occupation purposes and issuance of occupation certificates and came up with designs for the proposed LCC Infrastructural developments.

■ Basic Education

To improve management and equitable access to quality primary education, LCC has implemented the following activities: the formulation and administration of standardized tests for the primary schools in the City; administering of City Mock; training of 579 teachers under the Continuous Professional Development (CPD) on Teaching and Learning Using Locally Available Resources (TALULAR); training of specialist teachers and Special Education Needs Coordinators (SENCOs) in Paralympic sports; Training teachers on inclusive education to cater for special needs students; and Procurement and distribution of food supplement to fight HIV among teachers.

Commerce, Trade & Industry

8.1 Public Private Partnerships

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

8.2 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, the council focused on appraising performance of employees during the ended 2020-2021 financial year and refining scorecards found in performance agreements to align them with implementation of the strategic plan

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 11.1 to 11.4.

11.1 Budget Management Reform

In the month of July, the 2021-22 budget document has been prepared for publication to make the budget transparent, prioritized, and result-oriented. 49% of ORT resources have been allocated to operations in the month of July 2021.

11.2 Revenue collection

Revenue collection has significantly improved despite the effects of COVID-19 on the local economy. In July 2021 LCC collected at total of MWK 541 million of Locally Generated Revenues (LGR) and attaining a 10% performance of the budget collections in the year. During the same

month last year, July 2020 LCC collected a total of MWK 273 million which is a 98% increase. Total LGR realized in July 2021 is totaling MWK594 million.

11.3 Asset and Liability Management

In its quest to reducing its debt burdens, LCC has spent MWK 90 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.

11.4 Scrutiny

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

External auditor from National Audit Office have completed auditing financial statements for 2018-2019 and 2019-2020 financial years and the draft management report was responded to in the month of July.

The internal auditor, among other activities, conducted an Investigative audit on suspected fraud of medical examination cards and undertook audit for Lilongwe water sanitation project finance by the world bank.

■ Outlook for August 2021

In the month of August 202, 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. It is expected that Covid-19 cases will reduce and the restrictions uplifted to enable the city residents do their businesses.



Chief Executive Officer

Consolidated Itemized Financial Report

July 2021 Consolidated Financial Report						
Monetary Figures in Malawi Kwacha (MWK)						
Item Description	Note	Approved Budget	Current Month Actual	Total Actual to date	Balance on Budget	Budget Performance
REVENUE						
Government Transfers	14.1					
General Resource Fund	14.1.1	99,703,587	18,037,590	18,037,590	81,665,997	18%
Development Fund	14.1.2	48,000,000	16,000,000	16,000,000	32,000,000	33%
Sector Funds	14.1.3	318,610,532	57,193,458	57,193,458	261,417,075	18%
Constituency Development Fund	14.1.4	160,000,000			160,000,000	0%
Infrastructure Development Fund	14.1.5	128,425,791	42,808,597	42,808,597	85,617,194	33%
Sub-Total: Government Transfers	14.1	754,739,911	134,039,645	134,039,645	620,700,266	18%
Total Government Transfers		754,739,911	134,039,645	134,039,645	620,700,266	18%
Locally Generated Revenues	14.2					
Central Government Property Rates	14.2.1	199,861,998	19,967,415	19,967,415	179,864,645	10%

July 2021 Consolidated Financial Report						
Monetary Figures in Malawi Kwacha (MWK)						
Item Description	Note	Approved Budget	Current Month Actual	Total Actual to date	Balance on Budget	Budget Performance
Other Property Rates	14.2.1	2,807,367,000	258,236,220	258,236,220	2,549,130,780	9%
Income from Market Establishments	14.2.2	331,245,165	32,065,600	32,065,600	299,179,565	10%
Fees and Service Charges	14.2.3	893,685,900	79,262,019	79,262,019	818,423,881	9%
Licenses and Permits	14.2.4	791,246,000	204,825,760	204,825,760	586,420,240	26%
Total Locally Generated Revenues	14.2	5,023,406,063	594,357,014	594,357,014	4,433,019,111	12%
TOTAL REVENUE		5,778,145,974	728,396,659	728,396,659	5,053,719,377	13%
Direct Staff		2,123,891,050	203,770,896	203,770,896	1,920,120,154	10%
Sub Total: Personal Emoluments		2,123,891,050	203,770,896	203,770,896	1,920,120,154	10%
Other Recurrent Transactions						
Internal Travel		281,324,806	4,051,754	4,051,754	324,973,052	1%
External Travel		20,800,000			20,800,000	
Public Utilities		201,911,675	19,518,053	19,518,053	182,393,622	10%

July 2021 Consolidated Financial Report
Monetary Figures in Malawi Kwacha (MWK)

Item Description	Note	Approved Budget	Current Month Actual	Total Actual to date	Balance on Budget	Budget Performance
Office supplies & Services		518,021,954	18,698,813	18,698,813	382,933,835	4%
Medical supplies		15,327,250			15,327,250	
Rent Expenses						
Education supplies		1,445,000			1,445,000	
Training expenses		31,885,119			31,885,119	
Acquisition of Technical Services		105,500,000			178,296,869	
Insurance Expenses						
Agriculture inputs						
Food and rations		7,651,475	688,640	688,640	6,962,835	9%
Other goods and services		315,017,550	663,157	663,157	314,354,392	0%
Motor Vehicle Running Expenses		258,604,830	15,995,768	15,995,768	302,609,062	6%
Routine Maintenance of assets		241,648,565	101,355	101,355	241,547,210	0%
Subscriptions		3,237,420	812,500	812,500	2,424,920	25%
Grants & Subvention		71,065,953			71,065,953	

July 2021 Consolidated Financial Report

Monetary Figures in Malawi Kwacha (MWK)

Item Description	Note	Approved Budget	Current Month Actual	Total Actual to date	Balance on Budget	Budget Performance
Formation and maintenance of capital assets		596,134,914	30,158,550	30,158,550	561,838,864	5%
Council & functions		117,651,648	11,966,826	11,966,826	105,684,822	10%
HIV/AIDS Intervention		23,853,489	600,500	600,500	23,252,989	3%
Debt Servicing		600,000,000	90,057,081	90,057,081	449,942,919	15%
Sub Total: ORT		3,411,081,647	193,312,997	193,312,997	3,217,738,712	6%
Capital Outlay						
Own capital contribution		68,749,236			68,749,236	
Constituency Development Fund		160,000,000	352,848	352,848	159,647,152	0%
Infrastructure Development Fund		128,425,791	3,961,000	3,961,000	123,039,000	3%
Development Fund		48,000,000			48,000,000	0%
Sub Total: Own Capital		405,175,027	4,313,848	4,313,848	399,435,388	1%
TOTAL EXPENDITURE		5,940,147,724	401,397,741	401,397,741	5,537,294,254	7%
Surplus/Deficit		(162,001,750)	326,998,918	326,998,918	485,000,668	
Commercial Undertakings						

July 2021 Consolidated Financial Report

Monetary Figures in Malawi Kwacha (MWK)

Item Description	Note	Approved Budget	Current Month Actual	Total Actual to date	Balance on Budget	Budget Performance
Income from Commercial Undertakings	14.2	162,001,750	14,047,917	14,047,917	147,953,834	9%
Direct Staff (commercial Undertakings)						
Operational Expenses from Commercial Undertakings						
Contribution from Commercial undertakings		162,001,750	14,047,917	14,047,917	147,953,834	9%
Operating Surplus/Deficit		(0)	341,046,834	341,046,834	341,046,834	
Donor Funds						
Donor Receipts						
Less: Donor Expenditure			2,354,671	2,354,671	-2,354,671	
Donor Surplus/Deficit			2,354,671	2,354,671	-2,354,671	

Notes to July 2021 Financial Report

14.1 Government Transfers

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

14.1.1 General Resource Fund (GRF)

The budget provision for 2021-2022 Financial year is MWK99 million. LCC has received MWK18 million funding for July 2021 representing 18% budget performance. GRF funds are used for fuel for refuse collection, maintenance of motor vehicles and HIV Aids intervention at work place.

14.1.2 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. LCC has received MWK16 million which is funding for July 2021, 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.

14.1.3 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. LCC has received MWK 55 million of which MWK30 million is for Basic Education operations and MWK25 million is for Education Covid Response. July 2021 funding is 18% of the approved budget.

b) Sports Sector

The budget provision for 2021-2022 Financial year is MWK5 million. LCC has received MWK 0.5 million as July 2021 funding, 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. LCC has received MWK 0.618 million as July 2021 funding, representing 11% budget funding performance. There were no activities undertaken under the sector in July.

d) Environment sector

The budget provision for 2021-2022 Financial year is MWK2 million. LCC has received MWK0.264 million which is July 2021 funding, representing 10% budget funding performance. No single activity has been undertaken under the environment sector.

14.1.4 Constituency Development Fund (CDF)

These are funds for micro infrastructure projects in the four constituencies of Lilongwe City. LCC has an annual budget of MWK160 million and has not received funding this month. In June 2021, a total of MWK91 million was brought forward to July 2021 as unused funds as follows:

Lilongwe City South West Constituency: MWK18, 867, 952.85

Lilongwe City South East Constituency: MWK32,015, 442.17

Lilongwe City West Constituency: MWK23, 227, 825.62

Lilongwe City Centre Constituency: MWK17, 557, 610.76

In July, 2021, Lilongwe City South West Constituency incurred administrative cost amounting to MWK352, 848.00 on supervision of ongoing project in the constituency which was paid from the opening balances.

14.1.5 Infrastructure Development Fund (IDF)

The total budget for the year 2021-2022 is MWK128 million. LCC has received MWK42 million funding for July 2021, representing 33% budget funding performance. MWK 35 million was brought forward from 2020-2021 as unused funds. MWK3.9 million has been utilized in the month of July on the project shown in the table below:

Project Title	Location	Total Estimated Cost for 2021-2022 Budget (MWK)	Actual Amount Spent in 2021-2022 Financial Year (MWK)	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	work still in progress	ESCOM delays to connect electricity
Total		3,961,000.00	3,961,000.00		

14.2 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:

14.2.4 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 July 2021 as a proportion of the total biannual billing. Amount collected on Government properties for July 2021 is zero. However, MWK72 million for the 2020-21 financial year was received on 21st July 2021.

Other property rates - Total budgeted revenues under other property rates for the 2021-2022 financial year are at MWK2.8 million. MWK258 million has been realized in the month of July 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 July 2021 is MWK210 million.

Property rates collection schedule for July 2021

Description	Amount (MWK)
Property rates Areas	89,080,658.01
Property rates current	121,120,825.40
Total	210,201,483.41

14.2.5 Incomes from market establishments

The amount collected from all LCC markets for July 2021 is MWK32 million representing a 10% performance against the budget.

Market revenues for July 2021

Description	Amount (MWK)
Gulliver	29,800.00
Lumbadzi	1,068,600.00
Kanengo	786,500.00
Area 25 A	271,900.00
Area 25 B	41,400.00

Nsungwi	1,903,600.00
Mgona	45,000.00
Dubai	165,800.00
Upper Biwi	330,200.00
Area 47 bwandiro	411,200.00
Area 47 chigoneka	198,200.00
Central market	9,364,400.00
Tsoka market	9,382,600.00
Mchesi	1,352,600.00
Chinsapo	66,000.00
Area 3	661,300.00
Area 18A	402,200.00
Area 18B	258,000.00
Chilinde 1	176,400.00
Biwi tank	320,500.00
Phwetekere	178,400.00
Mwenyekondo	202,600.00
Kawale 1	488,700.00
Kawale 2A	36,000.00
Kawale 2B	-
Area 13	86,800.00
Area 24	363,700.00
Ngwenya	1,844,500.00
Chilinde 2	287,000.00
Area 23A	551,000.00

Area 23B	359,500.00
Area 23C	-
Area 22A	273,400.00
Chipasula	157,800.00
Kaliyeka	-
Total	32,065,600.00

14.2.6 Fees and Service Charges

The revenue collected as fees and service charges in the month of July 2021 amounts to MWK 79 million of which MWK27.6 million is for planning fees, MWK21 million is for development charges, MWK2.7 million for refuse collection, MWK3.8 million is for advertisement charges and MWK 1.4 million for car park fees. These are the major fees under this category.

July 2021 Fees & Service Charges schedule

Description	Budget	Actual collections in the period	Collections to date to date	Balance on Budget	Performance %
Hire Charges	4,000,000	290,000	290,000	3,710,000	7
Car Park Fees	65,070,450	1,486,250	1,486,250	63,584,200	2
Bus Depot Fees	12,485,300	2,080,050	2,080,050	10,405,250	17
Cemetery & Mortuary Fees	4,352,000	1,350,000	1,350,000	3,002,000	31
Plant & Flower Sales	3,199,000	-	-	3,199,000	0
Advertising Fees	46,013,400	3,822,750	3,822,750	42,190,650	8
Interest Income	106,000	-	-	106,000	0

Refuse Collection Fees	83,625,000	2,705,000	2,705,000	80,920,000	3
Consent Fees	1,989,000	190,000	190,000	1,799,000	10
Blockage Clearing Fees	100,000	6,543,180	6,543,180	(6,443,180)	6543
Development Fees	146,889,000	21,386,423	21,386,423	125,502,577	15
Planning Fees	447,461,000	27,611,030	27,611,030	419,849,970	6
Sale of Tender Documents	839,000	695,000	695,000	144,000	83
Asset Disposal	500,000	1,000,000	1,000,000	(500,000)	200
Admin Charges Recovered	36,444,000	1,612,588	1,612,588	34,831,412	4
Food Handlers Fees	10,000,000	3,308,750	3,308,750	6,691,250	33
Fire Fighting Training Fees	923,000	155,000	155,000	768,000	17
Park Entry Fees and Pav Hire	2,700,000	50,000	50,000	2,650,000	2
Tree Cutting / Felling	1,000,000	296,723	296,723	703,277	30
Medical Examination Fees	734,000	50,000	50,000	684,000	7
Change of Ownership Application	7,446,000	751,425	751,425	6,694,575	10
Rates Clearance Cert. Fee	2,499,000	545,000	545,000	1,954,000	22
Pest and Disease Control	1,745,000	3,265,000	3,265,000	(1,520,000)	187
Title Deeds	10,815,750	-	-	10,815,750	0
Departure fees	6,750,000	-	-	6,750,000	0
TOTAL	897,685,900	79,194,169	79,194,169	818,491,731	

14.2.7 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 July 2021 is MWK203 million representing a 26 performance against the budget.

14.2.8 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.

MWK13million has been realized in the month of July 2021 as a proportion of the quarterly billing. Total amount collected for the month is MWK15 million representing 9% performance against the budget.

14.3 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.

14.3.4 Property rate debtors

Other property rates debtors as at the beginning of July 2021 was MWK11.9 billion. MWK 1,658,052,449.52 is the billing amount for July - December 2021 and total revenues collected for the month amounts to MWK210 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 July the total property rates receivables were at MWK13 billion.

July 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
Bal as @ 31/07/21	11,873,811,037.18	1,536,931,624.12	13,410,742,661.30

14.3.5 Government property rates receivables

Outstanding government property rates as at 1st July 2021 was MWK875 million. The amount billed for July – December 2021 is MWK119 million while total receipts for the month amount to MWK72,418,256.00. As at 31st July the total government property rates receivables were at 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		922,216,221.46

14.3.6 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 July 2021 was MWK20,398,608.40. Total invoice for July 2021 is MWK6,925,000.00. and the outstanding debt as at end July 2021 is MWK 27,323,608.

Refuse Collection receivables schedule for July 2021

Organization Name	Balance B/d as @ 01/07/21	Total Invoice Amount - July	July-Receipts 2021	Balance
Reserve Bank	-	770,000.00	0	770,000.00
Solomon Mkt	50,675		0	50,675.00
Pacific Hotel	2,721,440	190,000.00	0	2,911,440.00
Alliance One	(1,044,962)	710,000.00	0	-334,961.60
Seba Foods	827,150	180,000.00	0	1,007,150.00
Castel MW	7,922,000	3,180,000.00	0	11,102,000.00
Kallos Beverages	1,176,650		0	1,176,650.00
Pacific Ltd	1,759,150		0	1,759,150.00
Central Poultry	-	585,000.00	0	585,000.00

Organization Name	Balance B/d as @ 01/07/21	Total Invoice Amount - July	July- Receipts 2021	Balance
Sunbird Capital Hotel	730,455		0	730,455.00
Umodzi Park	1,258,200		0	1,258,200.00
Sunbird Lilongwe Hotel	1,223,250		0	1,223,250.00
Tama	244,650		0	244,650.00
TEVETA	209,700		0	209,700.00
FCB	244,650		0	244,650.00
TNM	34,950		0	34,950.00
STD	279,600		0	279,600.00
KTPL	2,097,000		0	2,097,000.00
Law Commission	139,800		0	139,800.00
Rab Processors	-	220,000.00	0	220,000.00
World wide Ltd	-	120,000.00	0	120,000.00
Four Season	-	180,000.00	0	180,000.00
M.A. Motors	-	140,000.00	0	140,000.00
Constantine LTD	-	310,000.00	0	310,000.00
Capital Furniture	-	160,000.00	0	160,000.00
Capital Foods Ltd	-	180,000.00	0	180,000.00

Organization Name	Balance B/d as @ 01/07/21	Total Invoice Amount - July	July- Receipts 2021	Balance
Chinese Embassy	524,250	0	0	524,250.00
Total	20,398,608	6,925,000	-	27,323,608

14.3.7 Property Rental receivables

The balance as 1st July 2021 was at MWK22,064,806.98 and the July - September 2021 invoice amount is MWK40,733,750.00. Total revenues collected for the month of July 2021 is MWK13,773,000.00 and the balance at the end of July 2021 is MWK49,025,556.98.

Below are the Property Rental Debtors movements for July 2021

Location	Opening balance 01/07/21	Invoices 01/07/21	Total Due	Receipts July- 21	Balance 31/07/21
Area 13	3,060,500	595,500	3,656,000	-	3,656,000
Community Centre	7,123,600	360,000	7,483,600	50,000	7,433,600
Area 47	3,082,500	3,270,000	6,352,500	1,565,000	4,787,500
Chidzanja House	(2,171,800)	2,700,000	528,200	675,000	(146,800)
Central Market/Kw	2,467,150	1,170,000	3,637,150	1,260,000	2,377,150
Mchesi	3,375,000	1,125,000	4,500,000	737,000	3,763,000
Town Hall	343,750	643,750	987,500	-	987,500
Wenela Complex	4,784,107	30,869,500	35,653,607	10,922,500	24,731,107
Total	22,064,807	40,733,750	62,798,557	15,209,500	47,589,037

14.4 Expenditures

14.4.4 Personal Emoluments

The total budget for personal emoluments for the financial year is MWK 2.1billion and MWK 203 million has been spent in July 2021 of which MWK 191,342,600.41 are salaries and wages and MWK12,458,910.68 is severance pay and death gratuities. 10% of the annual budget has been utilized. LCC has no unpaid net salaries, wages and leave grants for its staff.

14.4.2 Other Recurrent Expenditures (ORT)

A total of MWK 171 million has been spent in July 2021; out of which MWK 90 million was spent on Debt Servicing to Malawi Revenue Authority and FDH Bank, MWK 4 million was on Internal Travel, Motor Vehicle running costs amounted to MWK15.9m, MWK19m was spent on Public Utilities, Office Supplies amounted to MWK18.3 million. Total ORT expenditure is at 5% of budget.

14.4.3 Own Capital Contribution

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

14.5 Liabilities

14.5.4 Payables

As at 31st July LCC had a total of MWK2.3 billion in liabilities. MWK112 million was paid in July to reduce the liability.

	July Payments	Outstanding Balance
MRA	80,000,000	1,456,747,557
NICO PENSIONS		56,554,725
SEVERANCE PAY	12,458,911	
OLD MUTUAL PENSIONS		90,959,620
TEVET		82,108,505
FDH	19,057,585	640,423,158
TRADE CREDITORS		18,870,406
MOTORCYCLE LOANS(NLGFC)	929,588	26,958,045
	112,446,084	2,372,622,015

14.5.5 PAYE Tax arrears

LCC has accumulated arrears on PAYE remittances for the past 9 years. The amount has reduced from MWK1.6 billion to MWK1.31 billion as at 31 July 2021. July PAYE will be remitted by 14th August 2021. In July 2021 MWK80 million was paid to MRA towards clearing PAYE arrears.

Date	Reference/Invoice No	Amount Paid	Outstanding Amount
7/1/2021	MRA PAYE arrears opening balance	0.00	1,392,352,080.89
7/31/2021	PAYE arrears repayment	80,000,000.00	1,312,352,080.89
			1,312,352,080.89
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
TOTAL			13,936,537.95	0.00	

14.5.6 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 to July 2021 have not been made and are planned to be paid by 14th August 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
Total		9,155,293.22	0.00	

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
TOTAL		23,618,203.56	0.00	

14.5.7 Severance pay and Death Gratuities

In July 2021 LCC has paid MWK12,458,911.25 towards severance and death gratuities

DATE	PAYEE	Description	Reference	Amount
07/23/21	Mike Mkandawire	Severance Allowance for Mike Mkandawire	15827	903,220.32
07/23/21	Zagwa Jomiasi	Payment for Terminal benefits for Zagwa Jomiasi	15865	1,272,794.88
07/23/21	Enock gremu	Payment for Pension Benefits for Enock Grem	15849	1,189,578.20
07/23/21	S Longwe	Payment for Pension Benefits for S Longwe	15850	964,522.19
07/23/21	F Mtiyesanji	Payment for Pension Benefits for F Mtiyesanji	15851	910,174.53
07/23/21	Lekished	Payment for Pension Benefits for Lekished	15852	532,286.76
07/23/21	Dimon Smart	Payment for Pension Benefits for Dimon Smart	15854	527,016.63
07/23/21	Mary Mkumba	Payment for Pension Benefits for Mary Mkumba	15855	539,744.50
07/23/21	Y Matola	Payment for Pension Benefits for y Matola	15864	527,016.63

DATE	PAYEE	Description	Reference	Amount
07/23/21	Frackson Kamowa	Payment for Pension Benefits for Frackson Kamowa	15857	1,104,864.27
07/23/21	Maggie Anafi	Payment for Pension Benefits for Maggie Anafi	15858	532,286.76
07/23/21	Lezita Matazila	Payment for Pension Benefits for Lezita Matazila	15859	539,744.50
07/23/21	Hudson Kubwalo	Payment for Pension Benefits for Hudson Kubwalo	15860	1,329,341.06
07/23/21	Joice Msuku	Payment for Pension Benefits for Joice Msuku	15862	527,016.63
07/23/21	Haslon Gowa	Payment for Pension Benefits for HJaslon Gowa	15863	532,286.76
07/23/21	Lekisen Mdimba	Payment for Pension Benefits for Lekisen Mdimba	15853	527,016.63

14.5.8 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 July 2021 the balance is at MWK 82,108,504.50.

Tevet levy arrears

Date	Details	Amount paid	Balance
1/7/2021	Bal b/d		31,412,879.24
July-21	TEVET Levy Repayment	0.00	31,412,879.24
TOTAL		0.00	

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	1,913,426.00		50,695,625.26
TOTAL		1,913,426.00	0.00	

14.5.9 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 600 million. 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 MWK 357,785,424. As at 31 July 2021 the outstanding loan balance is at MWK 640,423,158.38.

FDH bank loan schedule

DATE	DETAILS	Invoice	PRINCIPAL REPAYMENT	Outstanding
1-Jul 2021	opening balance		0	659,480,743.82
30th Jul 2021	Loan Repayment		19,057,585.44	640,423,158.38
Total			19,057,585.44	

14.5.10Sundry payables

As at 31 July LCC owed various traders a sum of MWK18,870,405.94 for acquisition of various goods and services, of which MWK8.5 million is to various traders of tools and equipment, MWK 7.3 million to suppliers of stationery and computer accessories, MWK1.3 million is for motor vehicle maintenance and MWK1.3 m is for building materials. Attached is a schedule.

Invoice Date	Supplier	Description Of Item Or Service	Invoice No	Invoiced Amount
15-Jul-20	Wonders Commercial Printers	Purchase of market fee books	724	1,864,000.00
10-Nov-20	V & V General Trading	Purchase of Gumbboots	1593	774,725.00
10-Nov-20	KJ Hardware & General Dealers	Purchase of roofing nails	24059	26,212.50
17-Mar-21	Lemko General Suppliers	Purchase of Photocopying paper	000051	382,453.32
6-Apr-21	Glalee Enterprise and General Dealers	Purchase of Tonner for Health dpt	7182	62,910.00
10-May-21	LKS General Traders	Purchase of tyres MG 813	6563	1,349,070.00
19-May-21	Canotech(Malawi)Ltd	Purchase of photocopier drum	62920	510,000.00
25-May-21	Lemko General Suppliers	Purchase of stationnery	000054	18,000.10
25-May-21	Lemko General Suppliers	Purchase of stationnery	000053	78,742.21
26-May-21	FEFA Investments	Purchase of Tonner	3018	75,725.00
26-May-21	ZIK Enterprise	Purchase of Date stamp	0553	82,715.00
27-May-21	Glalee Enterprise and General Dealers	Purchase of Tonner for Planning	8344	373,650.00
27-May-21	Glalee Enterprise and General Dealers	Purchase of Tonner for Admin	8341	58,250.00
27-May-21	Glalee Enterprise and General Dealers	Purchase of Tonner for Planning	8342	40,775.00
28-May-21	V & V General Trading	Purchase of Work suits	1659	1,953,705.00

Invoice Date	Supplier	Description Of Item Or Service	Invoice No	Invoiced Amount
31-May-21	Lemko General Suppliers	Purchase of staple machine	00001901	8,000.00
4-Jun-21	A.A.M Furnishers	Purchase of office Furniture	206	419,400.00
4-Jun-21	A.A.M Furnishers	Purchase of office Furniture	207	995,000.00
7-Jun-21	Lemko General Suppliers	Purchase of stationnery	00000221	553,449.91
7-Jun-21	Lemko General Suppliers	Purchase of stationnery	00000222	40,000.04
9-Jun-21	Canotech(Malawi)Ltd	Purchase of printer for DHWS secretary	63165	320,000.00
15-Jun-21	Lemko General Suppliers	Purchase of extension cord	00000223	21,000.00
15-Jun-21	Lemko General Suppliers	Purchase of stationnery	00000228	171,135.16
15-Jun-21	E-TECH Systems	Purchase of ICT working tools	18621	1,026,947.50
16-Jun-21	PEC Enterprise	Purchase of Tonner for HR	7323	704,825.00
17-Jun-21	Glalee Enterprise and General Dealers	Purchase of Flash disk	8282	7,572.50
17-Jun-21	Lemko General Suppliers	Purchase of stationnery	00000229	89,999.98
17-Jun-21	KJ Hardware & General Dealers	Purchase of building materials	24349	765,367.72
17-Jun-21	KJ Hardware & General Dealers	Purchase of building materials	24451	452,020.00
17-Jun-21	KJ Hardware & General Dealers	Purchase of building materials	24452	101,355.00

Invoice Date	Supplier	Description Of Item Or Service	Invoice No	Invoiced Amount
21-Jun-21	M1 Electronics	Purchase of computer set	8073	1,328,100.00
28-Jun-21	Chafuwa enterprise	Purchase of construction cards	01	1,020,000.00
30-Jun-21	KLASSIQ Rent A Car	Hire of Minibus to salima	470	308,725.00
1-Jul-21	Canotech(Malawi)Ltd	Purchase of Tonner	63473	2,240,000.00
5-Jul-21	A.A.M Furnishers	Purchase of office Furniture	237	122,325.00
5-Jul-21	A.A.M Furnishers	Purchase of office Furniture	238	524,250.00
	TOTAL			18,870,405.94

14.5.11 Councilors' motor cycle loans

LCC 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 31st July 2021, LCC has made repayments to NLGFC amounting to MWK16,662,367.03 for the period January 2020 to June 2021. July 2021 deduction will be paid in August 2021 amounting to MWK 929,587.76.

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	653,125.00	996,875.00
2	Ruth ChingwaluNjirayafa	1,650,000.00	34,375.00	653,125.00	996,875.00
3	William KhumboNguluwe	1,650,000.00	34,375.00	653,125.00	996,875.00
4	Alex ChipatalaChimphanda	1,650,000.00	34,375.00	653,125.00	996,875.00
5	McjoeKufamkugonaMwaza ni	1,650,000.00	34,375.00	653,125.00	996,875.00
6	JulinaGondweKaduya	1,650,000.00	35,106.38	631,914.89	1,018,085.11
7	MactonicJosiaPhiri	1,650,000.00	34,375.00	653,125.00	996,875.00
8	LynoldChakakalaChaziya	1,650,000.00	34,375.00	653,125.00	996,875.00
9	ChipiliroPhambala	1,650,000.00	34,375.00	653,125.00	996,875.00
10	Joe Katalama	1,650,000.00	34,375.00	653,125.00	996,875.00
11	VumaniNkhoma	1,650,000.00	34,375.00	653,125.00	996,875.00
12	GanizaniThawani	1,650,000.00	34,375.00	653,125.00	996,875.00
13	Felix TsutsaniTsokonombwe	1,650,000.00	34,375.00	653,125.00	996,875.00
14	HestonYohaneZybion	1,650,000.00	34,375.00	653,125.00	996,875.00
15	Triza Silo	1,650,000.00	34,375.00	653,125.00	996,875.00
16	Rose Antonio	1,650,000.00	34,375.00	653,125.00	996,875.00
17	BishatiChiombe	1,650,000.00	34,375.00	653,125.00	996,875.00
18	Esther Sagawa	1,650,000.00	34,375.00	653,125.00	996,875.00
19	MaloniChatewa	1,650,000.00	34,375.00	653,125.00	996,875.00
20	Chafungatira Samuel Beni	1,650,000.00	34,375.00	653,125.00	996,875.00

#	NAME	TOTAL LOAN AMOUNT	REPAYMENT AMOUNT FOR THE MONTH	TOTAL DEDUCTIONS TO DATE	BALANCE DUE
21	MtemwanengeMhango	1,650,000.00	34,375.00	653,125.00	996,875.00
22	Reuben ThunduPhiri	1,650,000.00	34,375.00	653,125.00	996,875.00
23	Patricia NgwiraSingini	1,650,000.00	34,375.00	653,125.00	996,875.00
24	Trouble NtchonaKamanga	1,650,000.00	34,375.00	653,125.00	996,875.00
25	Patrick Makumba	1,650,000.00	34,375.00	653,125.00	996,875.00
26	Richard Banda	1,650,000.00	35,106.38	631,914.89	1,018,085.11
27	Gift Dzaone Tanganyika	1,650,000.00	34,375.00	653,125.00	996,875.00
	TOTAL	44,550,000.00	929,587.76	17,591,954.79	26,958,045.21

14.6 Appendices Attached

- 1) The Consolidated Monthly Financial Report Summary- Attached
- 2) The Detailed Financial Report-Attached
- 3) Supporting schedules:
- 4) Central Government transfers summary return
- 5) Bank reconciliation statements
- 6) Constituency Development Fund return
- 7) Project report