



REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR-GENERAL

OAG/101/9/112

In reply please quote:

No.

P.O. BOX 50071
RIDGEWAY
LUSAKA, ZAMBIA

3rd November, 2025

The Council Secretary
Lusaka City Council
P.O Box
LUSAKA

**RE: AUDITED FINANCIAL STATEMENTS FOR LUSAKA CITY COUNCIL FOR
THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2024**

The above-mentioned subject matter refers.

Find attached the audited financial statements for Lusaka City Council and the proposed Independent Auditor's Report for the financial year ended 31st December 2024.

The financial statements are being sent to you for consideration, adoption and signing in line with the Local Authorities Accounting Policies (LAAPs) of 2019 and the Treasury and Financial Management Circular No. 6 of 2021 which require that audited financial statements should be tabled in a Council meeting and be considered and authorised by the Council for issuance. In this regard, you are hereby advised to proceed accordingly and have the financial statements tabled in a Council meeting for authorisation.

After the financial statements have been authorised you will be required to send ten (10) copies of the signed financial statements to my Office for inclusion of signed copies of the Independent Auditor's Reports.

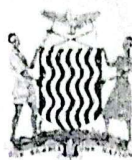
In addition, you are advised to ensure that the signed copies are the exact copies audited and approved by the Council.

Be guided accordingly.

Dr. Ron M. Mwambwa - FCMA, FZICA, CGMA, CFE

ACTING AUDITOR GENERAL

Cc: The Permanent Secretary
Ministry of Local Government and Rural Development
LUSAKA



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

STAND No. 7951
HAILE SELASSIE AVENUE
LONGACRES
P.O BOX 50071
LUSAKA, ZAMBIA

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To the Minister – Ministry of Local Government and Rural Development

**Report on the Audit of Lusaka City Council Financial Statements for the Financial Year
Ended 31st December, 2024**

Opinion

I have audited the financial statements of Lusaka City Council for the financial year ended 31st December, 2024 which comprise Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) and a summary of significant accounting policies and disclosures and other explanatory information.

In my opinion, the accompanying financial statements of Lusaka City Council present fairly, in all material respects, the Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), Statement of Cash Receipts and Payments for Constituency



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Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) for the year ended 31st December 2024 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the amended Local Authorities Accounting Policies (LAAPs).

Basis for Opinion

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

Key Audit Matters

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis International Public Sector Accounting Standard, the Local Government Act No.2 of 2019, the Public Finance Management Act No.1 of 2018 and Local



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Authorities Accounting Policies (LAAPs) of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing Lusaka City Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lusaka City Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Lusaka City Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, the going concern of Lusaka City Council is dependent on the government policy decision.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

Report on Other Legal and Regulatory Requirements

Lusaka City Council is required, under Section 45 of the Local Government Act No. 2 of 2019 to prepare a Statement of Comprehensive Income and a Statement of Financial Position. However, the Council prepared the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) using Cash Basis IPSAS in line with the LAAPS.

Dr. Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE

ACTING AUDITOR GENERAL

OFFICE OF THE AUDITOR GENERAL

Date: 07/11/2025