



RUMPHI DISTRICT COUNCIL

ALL CORRESPONDENCES TO BE ADDRESSED TO
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MONTHLY FINANCIAL REPORT AS AT 31TH DECEMBER, 2025

FOR FINANCIAL YEAR 2025-2026

1.0 Introduction

Rumphi District Council is one of the Local Authorities in Malawi established under the local Government Act (CAP 22:02) of 1998. The council is operating in a decentralized governance environment backed by the National Decentralization Policy of 1998, the Local Government Act, the Public Finance Management Act, Malawi constitution of 1995 and the Local Authorities Accounting and Financial Management Procedure Manuals.

Rumphi District Council is mandated by the local government act 1998 to produce monthly, quarterly and annual financial statement showing income and expenditure for the financial year.

2.0 Objectives

The main objectives of financial reporting are as follows:

- i. To monitor budget implementation by all sectors.
- ii. To monitor local revenue collection and utilization.
- iii. To assess progress in implementation of projects including those funded from the District Development Fund, Borehole and the Constituency Development Fund;
- iv. To make sure that all bank accounts held by the council are reconciled.
- v. To monitor all income and expenditure of the council.

1. Government transfers;

- 1.1. Rumphi District Council receives its funding from Treasury through National Local Government Finance Committee (NLGFC).
- 1.2. These transfers consist of General Resource Fund (GRF), District Development fund (DDF), Water funds, Sector funds and Constituency Development fund (CDF).
- 1.3. The approved budget for the 2025-2026 financial year is **MK3, 219,566,682**.

2. General Resource Fund (GRF).

- 2.1. The General Resource Fund (GRF) is an unconditional allocation provided by Central Government to support the Council's operational activities. These include expenses such as utilities and other administrative costs.
- 2.2. The approved annual budget for the GRF is **MK114,752,166**. During the reporting month, the Council received **MK1,912,536**. Cumulative receipts total **MK68,851,296** and **MK40,000,000** for Councilors' gratuity, for a total of **MK108,851,296**. Expenditure to date is **MK136,286,125**, leaving a balance of **MK29,347,365** on receipts. See Appendix 1.

3. Sector funds

- 3.1. The Council's consolidated sector budget for the 2025/2026 financial year is **MK1,615,542,361**. The Council has so far received **MK1,242,160,060**. Cumulatively, expenditure is at **MK1,002,125,849**, resulting in a closing balance of **MK233,721,303**. See Appendix 2

4. Constituency Development Fund (CDF)

4.1. The total budget for the Constituency Development Fund (CDF) is **MK880,000,000**, which is allocated equally across the four constituencies in Rumphi District. The Council carried forward a balance of **MK31,186,532** from the previous financial year. During the month, there were no receipts, and the receipts for the previous periods totaled **MK330,000,000**. Meanwhile, the expenditure for the month amounted to **MK144,082,965**, cumulatively totaling **MK338,071,508**, resulting in a closing balance of **MK23,115,024**. See Appendix 3

5. District Development Fund (DDF) and Water Fund

District Development Fund (DDF)

The total budget for the District Development Fund (DDF) is **MK182,031,550.00**. The Council carried forward a balance of **MK9,843,283.00** from the 2024/2025 financial year and cumulative receipts to date total to **MK55,43,773,828.00**. Cumulative expenditure stands at **MK156,115,623.97** and closing balance remains at **MK-156,115,623.97**.

Water Fund

The total budget for the Water Fund is **MK48,000,000**. The Council carried forward a balance of **MK437,737** from the 2024/2025 financial year. There were no receipts as well as expenditures during the month resulting in a closing balance of **MK8,369,000** reported in the previous month. See Appendix 3

6. Locally Generated Revenues

The Council is required to collect revenues according to Section 44 (1) of the Local Government Act, Third Schedule. Rumphi District Council earns revenue from market fees, business licenses, service fees, and plot sales. The approved budget for the 2025/2026 financial year is **MK305,370,000.00**

During the month, a total of **MK6,677,600** was collected from Business Licenses, Market Fees, and others, and **MK16,650,000** from Plot sales. Cumulative receipts amounts to **MK554,369,353**. Total cumulative expenditures to date are **MK513,115,492**, resulting in a closing balance of **MK41,253,862** as at 31st December. See Appendix 4

7. Other Government Transfers

The council also receives other government transfers. The opening balance for the Month was **MK6,216,426** and receipts amounted to **MK18,590,103**. Expenditure during the month was at **MK13,299,478**, leaving a balance of **MK11,507,050**. See Appendix 5

8. Donor Funds

8.1 SSRLP

8.1.1 CLIMATE SMART PUBLIC WORKS PROGRAM

The budget for CSEPWP for the year is **MK1,194,163,000**, out of it **MK1,003,000,000** is for wages of participants and foremen who are paid directly through Mpamba. Total receipts to date

amounts to **MK155,924,500**. Total expenditure to date **MK143,742,000**, leaving a balance of **MK143,742,000** See appendix 5

8.1.2 SOCIAL CASH TRANSFER

The budget for the year is **MK1,662,641,500**, and cumulative receipts are at **MK449,708,500.00**, representing 27% of the budget. Total expenditures to date amount to **MK448,110,731.42**. See Appendix 6

8.2 GESD and RCRP

The carried forward budget for GESD 3.1 is **MK264,977,322** and has been received in full. The total expenditure to date amounts to **MK241,858,657**, leaving the balance of **MK23,118,665**

Additionally, the Council is implementing the **Regional Climate Resilience Project**, which has an approved annual budget of **MK317,788,299**. As of 31st December, the Council had received a total of **MK188,425,986** in project funds. Expenditures to date stand at **MK173,505,745**, leaving the balance of **MK14,920,241**. See Appendix 7

8.3 Ulimi ndi Chilengedwe (UCHI) Project

The Council successfully secured funding for the implementation of the European Union (EU) Project, which carries a total budget of **MK598,320,197** for the first implementation year (2025/26). As of the reporting date, the Council has received **MK273,432,143** from the approved allocation to facilitate project commencement and initial activities. As at 31st December, the Council had incurred expenditure amounting to **MK244,883,188**, leaving an unutilized balance of **MK28,548,956**.

8.4 Other Donor Funds

The Council has other distinct donor projects, including PRIDE, ASAP, MEPA, LIFE AR, TRADE, Home Grown and Invest in Early Years. The opening balances during the month were **MK82,405,383**. Receipts and expenditures were **MK13,254,470** and **MK56,851,228** respectively, leaving a balance of **MK38,808,624**. See Appendix 8

9. Hospital Rehabilitation Funds

The Council has a total budget of **MK407,850,886** for the 2025/2026 financial year, allocated for the rehabilitation of hospitals and health facilities in the district.

A carryover balance of **MK232,280,047** from the previous fiscal year, combined with **MK96,864,585** received in May, brought the total available funds to **MK329,144,632**.

Cumulative expenditure is **MK4,968,573.75** leaving a balance of **MK245,240,081.25** for continued rehabilitation activities.

10. Bank reconciliations

The council is also required to perform bank reconciliations for all its bank accounts. During this financial year, the council has the following active accounts, and the table shows that all council accounts are in IFMIS except for four accounts: PRIDE, ASAP, IEYP, and Deceased Estate.

Attached are the reconciliation statements for the council's accounts, prepared as of 31st December, 2025.

| NUMBER | BANK ACCOUNT | ACCOUNT NUMBER | BANK | IFMIS/MANUAL | STATUS |
|--------|-------------------------|----------------|------|--------------|-----------|
| 1 | ORT | 14311041 | NBS | IFMIS | Dec, 2025 |
| 2 | DDF | 1004812715 | NB | IFMIS | Dec, 2025 |
| 3 | Invest in Early Years | 0021704000091 | FCB | IFMIS | Dec, 2025 |
| 4 | Operations | 14357847 | NBS | IFMIS | Dec, 2025 |
| 5 | Pride | 1630000142074 | FDH | Manual | Dec, 2025 |
| 7 | Social Cash Transfer | 0021701000055 | FDH | IFMIS | Dec, 2025 |
| 8 | TRADE Project | 1630000288311 | FDH | IFMIS | Dec, 2025 |
| 9 | Revenue | 14353518 | NBS | IFMIS | Dec, 2025 |
| 10 | Chiefs Salary | 748846 | NB | IFMIS | Dec, 2025 |
| 11 | ASAP | 1630000179989 | FDH | Manual | Dec, 2025 |
| 12 | Roads Community Project | 1630000111411 | FDH | IFMIS | Dec, 2025 |
| 13 | Deceased Estate | 1436734 | NBS | Manual | Dec, 2025 |
| 14 | Sustainable Rural Water | 20179244 | NBS | IFMIS | Dec, 2025 |
| 15 | GESD | 0021704000109 | FCB | IFMIS | Dec, 2025 |
| 16 | Rumphu DHO Paying Ward | 1630000209373 | FDH | IFMIS | Dec, 2025 |
| 17 | Rumphu DC MANEB | 1630000209381 | FDH | Manual | Dec, 2025 |
| 18 | RU CDF ACCOUNT | 22935402 | NBS | IFMIS | Dec, 2025 |
| 19 | WFP | | NBS | Manual | Dec, 2025 |
| 20 | MEPA Account | | NBS | Manual | Dec, 2025 |
| 21 | LIFE AR | | NBS | Manual | Dec, 2025 |

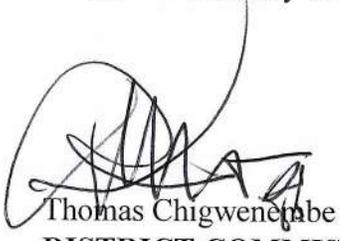
11. Challenges

- i. Ministry of justice taking too long to vet the by-laws, hence affecting implementation of the same as some clients request for a legal document.
- ii. Few ICT materials to use by finance personnel thereby derailing payments as many are very old causing slothfulness in processing.
- iii. Office space very minimal following the accident of DEMs office which caught fire.
- iv. Delays in funding has negatively affected operations

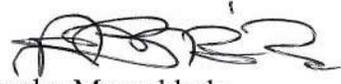
12. Recommendations

- i. The ministry to facilitate vetting of by-laws.
- ii. Need for procurement of ICT materials like computers and office furniture.

- iii. There is also need for IFMIS refresher course training to both procurement and accounts personnel.
- iv. Treasury to adhere to cash flows.



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