## HUMAN RIGHTS COMMISSION

# FINANCIAL REPORT FOR THE YEAR ENDED 31st DECEMBER 2022

*Building a Sustainable Culture of Human Rights Together*

## Table of Contents

## THE INSTITUTIONAL PERFORMANCE REPORT

It is my honor to provide the background and overview of the performance of the Human Rights Commission for the financial year ended 31st December, 2022.

### Background and Location of the Commission

The Human Rights Commission is a Constitutional, autonomous National Human Rights Institution (NHRI) for Zambia, mandated by the Constitution under Article 230 of the Constitution of Zambia, to promote and protect human rights, by "ensuring that the Bill of Rights is upheld and protected. Further, the Constitution of Zambia empowers the Commission to undertake the following:

a) Investigate and report on the observance of rights and freedoms;
b) Take necessary steps to secure appropriate redress where rights and freedoms are violated;
c) Endeavour to resolve a dispute through negotiation, mediation or conciliation;
d) Carryout research on rights and freedoms and related matters;
e) Conduct civic education on rights and freedoms; and
f) Perform such other functions as prescribed.

### Functions and Powers of the Commission

The Human Rights Act, Chapter 48 of the Laws of Zambia prescribes the functions and powers of the Commission as follows:

a) Investigate human rights violations
b) Investigate any maladministration of justice
c) Propose effective measures to prevent human rights abuse
d) Visit prisons and places of detention or related facilities with a view to assessing and inspecting conditions of persons held in such places and make recommendations to redress existing problems
e) Establish a continuing programme of research, education, information and rehabilitation of victims of human rights abuse to enhance the respect for and protection of human rights
f) Do all such things as are incidental or conducive to the attainment of the functions of the Commission.

I therefore wish to call upon all the people of Zambia, to support this plan and contribute to "Building a Sustainable Human Rights Culture" in our country. I remain hopeful that the Government and our partners will be able to mobilise the required funding and support, to ensure a successful implementation of this plan.

The address of the registered office of the Human Rights Commission is as follows;

Human Rights House,
Mulungushi House Annex,
Independence Avenue,
P. O. Box 33812,
**Lusaka.**

**The Commission Executive Management**

The Commission Executive Management consists of the Director who is the Controlling Officer, Deputy Director, three (3) Heads of Departments, two (2) Heads of Sections and three (3) Heads of Units.

**Major Developments / Key Policies Implemented for the financial year ended 31st December 2022**

The Commission has seen a number of projects and carried out the following events for the financial year ended 31st December, 2022: -

1. Complaint's handling - A total of 2,123 complaints were handled of which 1, 664 were male and 459 female.
2. Legal Reforms/Parliamentary Submissions - The Commission made appearances before Parliament and submitted reports/ memorandum on ten (10) different and other pertinent matters of interest Bills.

For the financial year ended 31st December, 2022, the Commission participated and undertook the following activities:

1. Inspection of Places of Detention - Out of the target of sixty (60), the Commission conducted fifty (50) human rights sensitisation sessions in various inspected detention and correctional facilities, directly reaching out to an estimated 9,179 persons in detention and correctional facilities in the seven (7) provinces as planned.

2. Legal Clinics/desks - The Commission conducted twenty (20) community sensitisation meetings, two (2) in each of the ten (10) provinces as planned.

3. Public Awareness on human rights - The Commission participated in three (3) traditional ceremonies. A total of 952 copies of various Information Education and Communication (IEC) materials were distributed.

4. Branding visibility of HRC - 300 T-Shirts and 300 Caps were procured and branded and distributed to stakeholders during commemorations of human rights days and community sensitisation meetings.

   Over 25,000 different types of IEC materials were printed/reprinted and distributed during the year under review against 30,000 planned.

5. Monitoring on Business and Human Rights - Zambia accepted a recommendation during the Universal Periodic Review (UPR) to develop a National Action Plan (NAP) on Business and Human Rights. The commission had a three (3) day capacity building to equip the Ministry of Justice with necessary knowledge and skills to take a leading role in the Zambian National Action Plan process

6. Democracy Strengthening Project in Zambia - The project supported the development of the Commission Case Management System and the continued operations of three (3) Provincial Offices

7. Press Statements - The Commission issued three (3) Press Statements to provide advice on human rights matters.

8. Enabling Access to Justice, Civil Society Participation and Transparency - The Commission, in collaboration with the Jesuit Centre for Theological Reflection, conducted a capacity building Workshop on Economic, Social and Cultural Rights (ESCR) for its members of staff.

9. Implementation of Child Rights project activities under the Driving Sustainable Change for Children's Rights (DSCCR) - The commission implemented activities on child rights protection in 20 districts of seven (7) provinces as planned.

10. Social Media Monitoring - By 31st December 2022, the Commission had 31,609 followers on various social media platform. The Commission received thirteen (13) complaints through the social media platform.

With regards the key policies, the Human Rights commission came up with the 2022-2026 Human Rights Strategic Plan which is a framework of the national, regional and international human rights instruments. It seeks to scale up the promotion and protection of human rights in Zambia, by expanding national coverage, and improving the standards, efficiency and effectiveness of service delivery.

The plan is founded upon the assumption that adequate funding will be provided by the Government, and the supplemental support from the Cooperating Partners and other well-wishers. It is my considered view that, the successful implementation of this plan will significantly contribute to the attainment of the national goals on human rights, and the attainment of the country's regional and international human rights obligations. This in the end is expected to lead to increased observation of human rights, to the benefit of all the people in Zambia.

Mr. Mudford Zachariah Mwandenga
**Chairperson**
**HUMAN RIGHTS COMMISSION**

………………………….. 2023.

## THE CONTROLLING OFFICER'S REPORT

I have the pleasure of presenting the report regarding the Human Rights Commission together with the Interim Financial Statements for the year ended 31st December 2022 which disclose the sources, utilization and balances of cash for the Human Rights Commission for the financial year ended 31st December 2022

## OPERATING RESULTS

### Receipts

Total receipts amounted to K21,199,507 compared to K17,411,771 for the previous year. This represented 22% (K3,787,736) increase. The increase is attributed to an increase in disbursed funds from treasury.

### Expenditures

Total expenditure amounted to K21,146,950 compared to K17,211,744 for the previous year. This represented 23% (K3,935,206) increase. The increase is attributed to an increase in funding from the Treasury.

### Increase /Decrease in Cash

The increase in cash during the financial year ended 31st December 2022 was K52,557 as compared to K200,027.00 in 2021. This was attributed to timely funding from the Treasury.

### Related Party Transactions

There were no related party transactions for the financial year ended 31st December, 2022

### Property, Plant and Equipment

The Commission purchased property, plant and equipment amounting to K797,799.04 and did not receive equipment and motor vehicles from Cooperating partners. No property, plant and equipment were disposed off for the financial year ended 31st December, 2022.

### Intangible Assets

There were no purchases of intangible assets for the financial year ended 31st December, 2022.

### Employees

The number of employees at the beginning of the year was 55 which increased to 57 at the end of December 2022. The total amount spent on employees' remuneration and welfare for the year ended 31st December 2022 was K12,183,605.28

### Health and Safety of Employees

The Commission is aware of its responsibilities regarding the safety and health of employees as prescribed in the Occupational, Health and Safety Act No.36 of 2010 and took appropriate measures to safeguard their safety and health such as providing employees with training in safety protocols, use of correct working tools and keeping the work environment clean.

**Auditors**

In line with Article 250 of the Constitution of Zambia (Amendment) Act No.2 of 2016 and Section 73 of the Public Finance Management Act No.1 of 2018, the Commission is audited by the Auditor-General.

**Appreciation**

I wish to express my sincere gratitude and appreciation to all the Officers that facilitated Government programmes for the financial year ended 31st December, 2022.

**…………………………………**

**Mrs. Sindiso Ngatsha Sichone**
**Controlling Officer**

………………………………..2023

## STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

In line with requirements of the Part VI Section 70 (4) of the Public Finance Management Act No. 1 of 2018, the Controlling Officer is responsible for preparing and certifying the correctness of the financial statements for the year ended 31st December 2022 which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the International Public Sector Accounting Standard (IPSAS) Cash Basis. In preparing the financial statements, the Commission selected applicable policies from the Central Government Accounting Policies Number 2 (CGAPs No. 2) and applied them consistently, making judgment and estimates that were reasonable and prudent.

The Controlling Officer is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information.

The Controlling Officer accepts responsibility for the annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the International Public Sector Accounting Standard (IPSAS) Cash Basis, the requirements of the Public Finance Management Act No.1 of 2018 and Central Government Accounting Policies Number 2 (CGAPs No. 2).

In addition, Part III and Section 8(s) of the Public Finance Management (General) Regulations 2020, requires the Head of the Accounting Unit to sign off accounts, management reports, financial statements, or any component of the work submitted to the supervising officer or any other officer as input in the financial report of the Republic.

The Controlling Officer and Head of Accounting Unit, further accepts responsibility: -

- for the maintenance of accounting records that may be relied upon in the preparation of financial statements;
- for designing, implementing and maintaining systems of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the best of our knowledge, proper books of accounts were maintained to support preparation of financial statements comprising Statement A – Statement of Cash Receipts and Payments, Statement B – Statement of Comparison of Budget and Actual Amounts (Budget Execution), Statement C – Statement of Comparison of Budget and Actual Amounts (by Programme and Sub -Programme), a summary of significant accounting policies and explanatory notes to the financial statements that present fairly the financial results of the Commission for the financial year ended 31st December 2022.

Signed on behalf of the Human Rights Commission:

| | |
|---|---|
| **Name: SINDISO NGATSHA SICHONE** | **Name: KABANDALA INAMBAO** |
| **Signature: …………………………………** | **Signature: ………………………** |
| **Date: ………………2023.** | **Date: …………………….2023** |
| **Position: Controlling Officer** | **Position: Head Finance and Accounting** |

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**

**E-mail:** auditorg@ago.gov.zm

**Website: www.ago.gov.zm**

**Telephone: +260211252611/252771**


To: The Chairperson - Human Rights Commission

**Report on the Audit of the Financial Statements of Head 34 - Human Rights Commission for the Financial Year Ended 31st December 2022**

**Unmodified Opinion**

I have audited the financial statements of Head 34 - Human Rights Commission for the financial year ended 31st December 2022, which comprise Statement A - Statement of Cash Receipts and Payments, Statement B - Statement of Comparison of Budget and Actual Amounts (Budget Execution), Statement C - Statement of Comparison of Budget and Actual Amounts (by Programme and Sub-Programme) and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the Statement A - Statement of Cash Receipts and Payments, Statement B - Statement of Comparison of Budget and Actual Amounts (Budget Execution) and Statement C - Statement of Comparison of Budget and Actual Amounts (by Programme and Sub-Programme) for the year ended 31st December 2022, in accordance with the International Public Sector Accounting Standard (IPSAS) Cash Basis and the Central Government Accounting Policies Number 2 (CGAPs No. 2).

**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 Head 34 - Human Rights Commission 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 with the Controlling Officer, 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 International Public Sector Accounting Standard Cash Basis, the Public Finance Management Act No. 1 of 2018 and Central Government Accounting Policies Number 2 (CGAPs No. 2), 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 Head 34 - Human Rights Commission 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 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.

- 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 Head 34 - Human Rights Commission'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 Head 34 - Human Rights Commission 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 Head 34 - Human Rights Commission 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.

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.

REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR GENERAL

……………………………

Dr. Dick Chellah Sichembe **DATE:……………………..2023**

**AUDITOR GENERAL**

## STATEMENT A – STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

| | | 2022 | 2021 |
|---|---|---|---|
| **RECEIPTS** | | **Kwacha** | **Kwacha** |
| Treasury | **2** | 21,199,507 | 15,947,495 |
| External Assistance | **3** | 3,331,153 | 1,464,276 |
| **TOTAL RECEIPTS** | | **24,530,660** | **17,411,771** |
| **PAYMENTS** | | | |
| Personnel Emoluments | **4** | 12,501,422 | 11,238,237 |
| Goods and Services | **5** | 7,836,029 | 3,833,507 |
| Social Benefits | **6** | 11,700 | - |
| Non-financial assets acquisition | **7** | 797,799 | 2,000,000 |
| Other payments | **8** | 2,947,094 | 140,000 |
| **TOTAL PAYMENTS** | | **24,094,044** | **17,211,744** |
| **Increase/(decrease) in Cash** | | **436,616** | **200,027** |
| **Foreign Exchange Losses** | **9** | - | - |
| Cash at beginning of the year | **10** | 451,733 | - |
| **Cash at the end of the year** | **10** | **888,349** | **200,027** |

**Name: SINDISO NGATSHA SICHONE**

**Signature: ………………………………**

**Date: ………………2023.**

**Position: Controlling Officer**

**Name: KABANDALA INAMBAO**

**Signature: …………………………………**

**Date: ……………………2023**

**Position: Head Finance and Accounting**

## STATEMENT B – STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (BUDGET EXECUTION) FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2022+

| | Original Budget Kwacha | Adjustments Kwacha | Final Budget Kwacha | Actual Amounts Kwacha | % Performance | Variance Kwacha | % Variance |
|---|---|---|---|---|---|---|---|
| **RECEIPTS** | | | | | | | |
| Funding | 21,199,507 | | 21,199,507 | 21,199,507 | 100% | - | **0%** |
| **TOTAL RECEIPTS** | **21,199,507** | **-** | **21,199,507** | **21,199,507** | **100%** | **-** | **0%** |
| **PAYMENTS** | | | | | | | |
| Personnel Emoluments | 12,501,423 | - | 12,501,423 | 12,501,422 | 100% | 1 | 0% |
| Use of goods and services | 7,886,384 | - | 7,886,384 | 7,836,029 | 99% | 50,355 | 1% |
| Social benefits | 11,700 | - | 11,700 | 11,700 | | - | 0% |
| Non-financial assets acquisition | 800,000 | - | 800,000 | 797,799 | 99.7% | 2,201 | 0% |
| **TOTAL PAYMENTS** | **21,199,507** | **-** | **21,199,507** | **21,146,950** | **3** | **52,557** | **0** |

**Note:** The composition of budget adjustments and explanations of major variances are provided in note 12.

**Name: SINDISO NGATSHA SICHONE**

**Signature: …………………………………**

**Date: ………………2023.**

**Position: Controlling Officer**

**Name: KABANDALA INAMBAO**

**Signature: …………………………………**

**Date: ……………………2023**

**Position: Head Finance and Accounting**

## STATEMENT C – STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (BY PROGRAMME AND SUB-PROGRAMME) FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

| | | 2022 KWACHA | | | | |
|---|---|---|---|---|---|---|
| | | **Original Budget** | **supplementary/ Variance Budget** | **Final Budget** | **Actual Expenditure** | **Variance** |
| 4140 | Protection and Promotion of Human Rights | 10,812,694 | | 10,812,694 | 10,790,368 | 22,326 |
| 4199 | Management Support Services | 10,386,813 | | 10,386,813 | 10,356,582 | 30,231 |
| | **TOTAL** | **21,199,507** | **-** | **21,199,507** | **21,146,950** | **52,557** |

**Name: SINDISO NGATSHA SICHONE**

**Signature: ………………………………**

**Date: ………………2023.**

**Position: Controlling Officer**

**Name: KABANDALA INAMBAO**

**Signature: ……………………**

**Date: …………………….2023**

**Position: Head Finance and Accounting**

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of the Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with IPSAS Cash Basis, *Financial Reporting under the Cash Basis of Accounting*, issued by the International Public Sector Accounting Standards Board (IPSASB) and Central Government Accounting Policies Number 2 (CGAPs No. 2)

These Financial Statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise. The accounting policies have been applied consistently throughout the year.

### 1.1 Reporting Entity

These Financial Statements are for the Human Rights Commission. The Financial Statements encompass the Commission as set up in the Constitution of Zambia (Amendment) Act No. 2 of 2016, Human Rights Act, Chapter 48 of the Laws of Zambia and the Public Finance Management Act No.1 of 2018.

The principal function of the Commission is outlined under Article 230 the Constitution of Zambia (Amendment) No.2 of 2016.

Further, the Human Rights Act, Chapter 48 of the Laws of Zambia prescribes the functions and powers of the Commission.

### 1.2 Authorisation Date

The Financial Statements were authorised for issue on …………….. by the Controlling Officer.

### 1.3 Revenue

The Commission does not generate its own revenue. Instead, it receives financial support from Central Government in form of funding. Funding consists of amounts appropriated by Parliament which the Treasury releases to the Commission. The Commission does not operate its own bank accounts for the amounts from the Treasury. Instead, the Government through the Ministry of Finance Treasury Services Department operates a centralised treasury function through the Treasury Single Account (TSA) set up in line with Section 25 of the PFMA No. 1 of 2018.

Amounts are funded on request in IFMIS to the Commission by the Treasury. Funded amounts are moved from Government revenue control account maintained at Bank of Zambia (BOZ) to TSA Payment Account also maintained with BOZ. Except for funds meant for capital projects, amounts authorised for use by the Commission which are unexpended at year end are transferred back to the revenue control account of the Treasury.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Apart from funds received from the Treasury, the Commission operates Third Party Accounts to cater for specific projects funded by cooperating partners. The balances on these accounts are reported in the Financial Statements.

### 1.4 Expenditure

Expenditure is recognised when payment is made for expenses incurred. The Commission incurs expenditure relating to the discharge of its functions which includes expenses relating to other Personal Emoluments, goods and services, general administration and acquisition of Non-Financial Assets.

Items of a capital nature are expensed at the time of payment and such transactions are depicted in the appropriate class and heading in the Financial Statements. Since capital expenditure is expensed when incurred, neither depreciation nor amortization is charged on Non-Current Assets.

### 1.5 Reporting on Gross Basis

Transactions are reported on gross basis without netting off similar classes of receipts and payments. However, transactions may be reported on net basis when they relate to transactions the Commission administers on behalf of other entities recognised in the Financial Statements

### 1.6 Cash on hand at the Beginning and the End of the Year

Cash at the beginning and end of the year consist of cash on hand, demand deposits and cash equivalents held at such dates.

Cash on hand refers to notes and coins held by the Commission at the reporting date and it includes petty cash. Demand deposits consist of reconciled balances held in the Commission's bank accounts which it can use on demand. Cash equivalents, on the other hand, refer to short term high liquid investments that can easily be converted to known amounts of cash and are subject to insignificant risk of change in values.
The Commission recognises all short-term high liquid investments having maturities of three months or less as cash equivalents.

### 1.7 Presentation Currency

The presentation currency is Zambian Kwacha.

### 1.8 Foreign Currencies

Transactions in other currencies are converted into Zambian Kwacha using the Spot rate at the time of receipt or payment. Balances expressed in foreign currencies at the year-end are translated into Kwacha at the ruling rate then. The resulting difference from the conversion and translation are charged to the Statement of Cash Receipts and Payments.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

The Commission did not make any foreign transactions for the financial year ended 31st December, 2022.

### 1.9 Borrowings

No borrowings are undertaken by the Commission. Therefore, neither borrowings nor their repayments are recognised in the Financial Statements of the Commission.

### 1.10 Budgets and Actual Amounts

A final budget includes all adjustments (supplementary and re-allocations) made to the original approved budget during the year. Supplementary budgets consist of additional provisions beyond what was originally approved while re-allocations are approved budget variations.

The approved budget is developed on the same accounting and classification basis as Statement B for revenue and Statement C for expenditure, and for the same year as for the Financial Statements. All material differences between final budgets and actual amounts are explained in the notes to the annual Financial Statements. Budget differences of 20% and above are considered material.

### 1.11 Encouraged Disclosures of Accrual Type of Items

The Commission makes Accrual Basis type of disclosures called Encouraged Additional Disclosures in line with Part 2 of Cash Basis IPSAS as follows: -

#### i. Property, Plant and Equipment

These are assets that have useful economic lives or service potential of more than one year. They are recorded and disclosed at either cost or valuation. Valuations are conducted by the Government Valuation Department. Where valuation has been undertaken, the applicable valuation bases are as follows: -

- Land — Market Value
- Buildings — Historical Cost or Market Value
- Plant and Equipment — Historical Cost

#### ii. Investments in Other Entities

The Commission made no investments in other entities for the financial year ended 31st December 2022.

#### iii. Administered Transactions

There were no administered transactions by the Commission for the year ended 31st December 2022.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### iv. Related Party Transactions

A related party is one that has the ability to control the Commission or exercise significant influence over the Commission in making financial and operating decisions. The related party entity is also any entity that is subject to common control with the Commission.

Related parties include: -

(a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Commission;
(b) Associates being entities over which the Commission has significant influence;
(c) Individuals that have significant influence over the Controlling Officer such as Members of Parliament, Chiefs and close family members of such individuals;
(d) Key management personnel, and close members of the family of key management personnel; and
(e) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

The key management personnel of the Commission are: -

(a) the Commissioners, members of the Audit, Administration & Finance and Procurement Committees; and
(b) The Director, Deputy Director and other members of the management team.

Spouses, children and grandchildren, grandparents, brothers, sisters, parents in law, brothers in law, and sisters in law of key management personnel are related parties to the Commission Secretariat.

The Commission discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the Financial Statements. Such transactions may include remuneration, loans and contracts awarded to key management personnel and their close relatives.

### v. External Assistance

External assistance comprises grants from multilateral and bilateral agencies provided under agreements specifying the purposes for which the assistance will be utilised.

The Human Rights Commission discloses total external assistance received in cash during the year, total external assistance paid by the agencies for the benefit of the Commission, external assistance received in form of loans and grants, their classifications, purposes for which it was received and undrawn balances.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### vi. Other Receipts

There were no other receipts for the financial year ended 31st December, 2022.

### vii. Payments to Third Parties

There were no payments to third parties for the financial year ended 31st December, 2022.

### 2. Funding from the Treasury

During the financial year ended 31st December, 2022, the Commission received funding from the Treasury as follows: -

| Funding | 2022<br>KWACHA | 2021<br>KWACHA |
|---|---|---|
| 1st Funding | 1,955,000.00 | 74,922.00 |
| 2nd Funding | 175,000.00 | 936,520.00 |
| 3rd Funding | 1,099,202.00 | 1,011,442.00 |
| 4th Funding | 1,463,321.00 | 1,011,442.00 |
| 5th Funding | 649,999.00 | 1,011,442.00 |
| 6th Funding | 1,099,202.00 | 1,011,442.00 |
| 7th Funding | 1,472,500.00 | 1,011,442.00 |
| 8th Funding | 1,099,202.00 | 1,011,442.00 |
| 9th Funding | 1,099,202.00 | 1,011,442.00 |
| 10th Funding | 1,099,202.00 | 1,111,442.00 |
| 11th Funding | 1,099,202.00 | 1,111,442.00 |
| 12th Funding | 1,099,202.00 | 1,111,442.00 |
| 13th Funding | 1,099,202.00 | 159,967.00 |
| 14th Funding | 1,514,999.00 | 11,666.67 |
| 15th Funding | 360,000.00 | 500,000.00 |
| 16th Funding | 450,000.00 | 1,150,000.00 |
| 17th Funding | 25,000.00 | 350,000.00 |
| 18th Funding | 425,000.00 | 250,000.00 |
| 19th Funding | 1,099,202.00 | 649,575.00 |
| 20th Funding | 1,420,586.00 | 914,700.80 |
| 21st Funding | 1,099,202.00 | 2,000,000.00 |
| 22nd Funding | 250,000.00 | |
| 23rd Funding | 46,082.00 | |
| **TOTAL** | **21,199,507** | **17,411,771** |

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 3. External Assistance

During the financial year ended 31st December 2022, the Commission received K3,331,153 as funding from Cooperating Partners: -

| | 2022 | 2021 |
|---|---|---|
| | KWACHA | KWACHA |
| USAID | - | 1,464,276 |
| Save the Children | 881,249 | - |
| GIZ | 1,095,186 | - |
| UNDP | 1,354,718 | - |
| **Total** | **3,331,153** | **1,464,276** |

### 4. Personnel Emoluments

The Commission prepares its own payroll and below are actual amounts of emoluments paid to staff in various categories amounted to K12,501,422:

| | 2022 | 2021 |
|---|---|---|
| | KWACHA | KWACHA |
| Super scale | 874,541 | 998,772 |
| Salary Division 1 | 8,871,485 | 7,493,136 |
| Salary Division 2 | 1,380,046 | 1,627,261 |
| Salary Division 3 | 1,057,534 | 1,003,332 |
| Wages Division 4 | | |
| Other Personal Emolume | 317,817 | 115,736 |
| | **12,501,422** | **11,238,237** |

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 5. Use of Goods and Services

Use of Goods and services consist of expenditure incurred on administrative activities (Refer to Appendix 1).

| | 2022 | 2021 |
|---|---|---|
| Office Costs | 370,903 | |
| Building Repair and Maintenance Cost | 508,854 | |
| Plant, Machinery, Vehicle Running & Maintenance Cost | 1,684,929 | |
| Other Administrative & operating costs | 282,367 | 729,340 |
| Requisites | 44,880 | |
| Services | 1,761,041 | 1,734,986 |
| Travel expenseswithin Zambia | 2,437,669 | 1,369,181 |
| Travel expensesOutside Zambia | 525,010 | |
| Short Term Training & staff development | 15,000 | |
| Registration & Subscription (Professional Bodies) | 205,376 | |
| **TOTAL** | **7,836,029** | **3,833,507** |

### 6. Social Benefits

Social benefits include payments towards death on duty, burial, and other benefits. For the financial year ended 31st December, 2022 the Commission made K11,700.00 towards social benefit payments.

### 7. Non-financial Asset Acquisition

Acquisition of assets involved the following payments **(Refer to Appendix 2)**: -

| | 2022 KWACHA | 2021 KWACHA |
|---|---|---|
| Equipment | 187,649 | 176,609 |
| Furniture | - | 496,431 |
| Plant & Machinery | - | - |
| Building | - | - |
| Motor Vehicle | 610,150 | 1,326,960 |
| Assets under construction | - | - |
| Other assets | - | - |
| **TOTAL** | **797,799** | **2,000,000** |

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 8. Other payments

The Commission made K2,947,094 on other payments for the financial year ended 31st December 2022. This expenditure incurred from funds received from External Assistance (Co-operating Partners) and was applied on Technical and Capacity Building such as annual state of Human Rights Report, Abolishing Death Penalty, Early Warning Early Response on Human Rights Violation and Public order Act.

### 9. Foreign Exchange Losses/Gains

There were no foreign Exchange losses/gains for the financial period year 31st December 2022.

### 10. Demand Deposits – Bank Balances

The closing balances for 2021 were understated in that the bank balances in the third-party accounts were omitted from the closing balance in statement A- Statement of Cash Receipts and Payments. Therefore, the Commission's bank balances for the financial year ended 31st December 2021 and 2022 were as follows:

| | 2022<br>KWACHA | 2021<br>KWACHA |
|---|---|---|
| TSA | 52,557 | 200,027 |
| GIZ-HRC Annual State of Human Rights | 702,791 | 471 |
| GIZ-HRC Awareness | 1,676 | 1,676 |
| HRC-Save the Children | 30,059 | - |
| HRC-EU Death Penalty | 101,266 | 193,790 |
| HRC-UNDP Ewer | - | 255,796 |
| **TOTAL** | **888,349** | **651,760** |

**Note:** Of the total closing bank balance of K651,760 in the Commission's accounts as at 31st December 2021, an amount of K200,027 in the Treasury Single Account (TSA) was withheld bringing the closing bank balance for the Commission to K451,733 as at 31st December 2021.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 11. Cash Equivalents

The Commission held no treasury bills for the financial year ended 31st December 2022.

### 12. Budget Adjustments and Variances

### a. Budget Adjustments

The original budget was approved by the National Assembly on 31st December 2021. There were no subsequent approved adjustments to the budgets.

### b. Budget Variances

- **Own Source Revenues**

The Commission did not generate any form of revenue for the financial year ended 31st December, 2022.

- **Use of Goods**

There was no variance for the use of goods and services budget for the financial period ended 31st December, 2022.

### 13. Property, Plant and Equipment

The Commission had property, plant and Equipment valued at K6,510,652.88.

| | Land and Buildings | Motor Vehicles | Office Equipment | Communication Equipment | Furniture and Fittings | Plant and Equipment | Total |
|---|---|---|---|---|---|---|---|
| | K | K | | | | K | K |
| Opening balance (Restated) | **554,203.96** | **2,919,890.00** | **562,228.21** | **6,015.58** | **400,402.08** | **5,011.31** | **4,447,751.14** |
| Additions | - | 2,585,650.00 | 294,960.00 | - | 21,320.00 | - | 2,901,930.00 |
| Revaluation | - | - | - | - | - | - | - |
| Re-classification | - | - | - | - | - | - | - |
| Disposal | - | 235,081.84 | - | - | - | - | 235,081.84 |
| **Closing balance** | **537,557.72** | **4,869,427.60** | **741,983.54** | **2,257.85** | **357,405.68** | **2,020.49** | **6,510,652.88** |

**Note: The restatement is as a result of a comprehensive audit of assets that was conducted in 2022**

### 14. Investments

The Commission held no investments for the financial year ended 31st December 2022.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 15. Administered Transactions

The Commission did administer tax collection amounting to K128,322.81 on behalf of Zambia Revenue Authority (ZRA) for the financial year ended 31st December, 2022.

### 16. Related Party Disclosures

The following disclosures are made in the Financial Statements of the Human Rights Commission:

**a. Fringe benefits Disclosures**

The Director/Controlling Officer was provided with a personal-to-holder car, an office and personal secretary.

**b. Remuneration of the Director/Controlling Officer**

The aggregate remuneration of the Director/Controlling Officer determined on a full-time equivalent basis receiving remuneration under the Commission is:

| | |
|---|---|
| Aggregate Remuneration | K960,357 |
| Number of persons | 1 |

The Director/Controlling Officer did not have any outstanding loans obtained under the Secretariat.

**c. Remuneration of Senior Management**

The aggregate remuneration of members of the Senior Management and the number of individuals determined on a full-time equivalent basis receiving remuneration from the Commission Secretariat are:

| | |
|---|---|
| Aggregate Remuneration | K4,676,566.68 |
| Number of persons | 10 |

Five (5) of the members of Senior Management acquired loans amounting to K140,000.00 from the Commission for the financial period ended 31st December, 2022.

For the purposes of this part:

- Remuneration refers to salaries and other personal emoluments; and
- Senior Management refers to officers from salary scale HRC H to Super Scale.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 17. Third Party Payments (Direct Payments)

The Human Rights Commission did not benefit from payments made by third parties for the financial year ended 31st December, 2022.

# APPENDICES

## APPENDIX1– List of Goods & Services

| Goods & Services | 2022 |
|---|---|
| | **KWACHA** |
| **OFFICE COSTS** | |
| Office Material | 281,506.71 |
| Telephone Fax Telex | 34,700.00 |
| Internet Charges | 23,473.60 |
| Postal Charges | 13,000.00 |
| Maintenance of Office | 12,136.00 |
| Books Magazines News | 3,680.00 |
| Insurance - Other | 2,407.00 |
| **SUB TOTAL** | **370,903.31** |
| | |
| **BUILDING REPAIR AND MAINTENANCE COSTS** | |
| Rentals for Building | 38,952.45 |
| Water and Sanitation | 84,033.93 |
| Electricity Charges | 108,400.00 |
| Maintenance of Building | 148,799.17 |
| Security and Care taking | 124,846.40 |
| Taxes & Levies | 3,822.00 |
| **SUB TOTAL** | **508,853.95** |
| | |
| **PLANT MACHINERY, VEHICLE RUNNING AND MAINTENANCE COSTS** | |
| Petrol oil & lubricant | 1,110,893.06 |
| Servicing Other Consumables | 122,713.89 |
| Spare Parts | 18,147.00 |
| Tyres | 17,400.00 |
| Repairs | 2,925.00 |
| Insurance - Plant and equipment | 387,032.96 |
| Licences and Taxes | 23,713.60 |
| Toll Fees | 7,740.00 |
| Other Costs | 512.00 |
| **SUB TOTAL** | **1,691,077.51** |
| | |
| **OTHER ADMINISTRATIVE AND OPERATING COSTS** | |
| Tool Allowance | 5,200.00 |
| Boards And committee | 277,166.61 |
| **SUB TOTAL** | **282,366.61** |
| | |
| **REQUISITS** | |
| Hand tools & Equipment | 25,680.00 |
| Protective Wear Clothing | 19,200.00 |
| **SUB TOTAL** | **44,880.00** |

| Goods & Services | 2022 |
|---|---|
| | KWACHA |
| **SERVICES** | |
| Consultancy | 23,026.00 |
| Accounts & Audit services | 11,832.00 |
| Printing | 147,992.09 |
| Advertising & Public | 766,300.69 |
| Office Entertainment | 48,468.00 |
| Public functions & ceremonies | 3,000.00 |
| Medical Fees | 2,550.00 |
| Conferences, seminars, workshops | 751,723.11 |
| **SUB TOTAL** | **1,754,891.89** |
| | |
| **TRAVEL EXPENSES WITHIN ZAMBIA** | |
| RoadRail & Air Fare | 3,610.00 |
| Allowances-Travel Expense | 2,434,059.40 |
| **SUB TOTAL** | **2,437,669.40** |
| | |
| **TRAVEL EXPENSES OUTSIDE ZAMBIA** | |
| Airfares Outside zambia | 271,485.00 |
| Visa Foreign | 6,555.00 |
| Allowances Foreign | 246,970.39 |
| **SUB TOTAL** | **525,010.39** |
| | |
| **SHORT TERM TRAINING AND STAFF DEVELOP. WITHIN ZAMBIA (<= 6 months)** | |
| Training. & Educatio | 15,000.00 |
| **SUB TOTAL** | **15,000.00** |
| | |
| **REGISTRATION AND SUBSCRIPTIONS (PROFESSIONAL BODIES)** | |
| Subscriptions | 205,375.60 |
| **SUB TOTAL** | **205,375.60** |
| | |
| **GRAND TOTAL** | **7,836,029.00** |

**APPENDIX 2 – List of Assets Acquired in the Year**

| Assets | 2022 |
|---|---|
| | **KWACHA** |
| Filling Cabinet | 41,650 |
| Desktop computers | 32,480 |
| office eqipment | 25,327 |
| llaptop,phone,harddrive | 24,300 |
| Printers | 24,000 |
| routers | 6,650 |
| Filing cabinet | 5,950 |
| Hi back chair | 3,500 |
| Desktop computer | 23,792 |
| Vehicle and Motor Cy | 610,150 |
| **Total** | **797,799** |