

REPORT OF THE COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS FOR THE SECOND SESSION OF THE ELEVENTH NATIONAL ASSEMBLY APPOINTED ON 26TH SEPTEMBER, 2012

Consisting of:

Mr E Sing'ombe, MP (Chairperson); Mr H S Chansa MP; Mr M Chishimba, MP; Dr E Kazonga, MP; Mrs M C Mazoka, MP; Mr A Mbewe, MP; Mr M Ndalamei, MP; and Mr G Namulambe, MP.

The membership of your Committee changed following the resignation of Mr G Namulambe, MP as a Member of Parliament for Mpongwe Constituency. Mr G Lubinda, MP was appointed to replace him.

The Honourable Mr Speaker
National Assembly
Parliament Buildings
LUSAKA

Sir

Your Committee has the honour to present its Report for the Second Session of the Eleventh National Assembly.

Functions of your Committee

2. In accordance with the National Assembly Standing Orders, the functions of your Committee are to:

- (i) study, report and make recommendations to the Government through the House on the mandate, management and operations of the Ministry of Local Government and Housing and the Ministry of Chiefs and Traditional Affairs, departments and/or agencies under their portfolios;
- (ii) carry out detailed scrutiny of certain activities being undertaken by the Ministries, departments and/or agencies under their portfolios and make appropriate recommendations to the House for ultimate consideration by the Government;
- (iii) make, if considered necessary, recommendations to the Government on the need to review certain policies and/or certain existing legislation; and
- (iv) consider any bills that may be referred to it by the House.

Your Committee on Local Governance, Housing and Chiefs' Affairs also enjoys all the privileges, immunities and powers of a sessional committee as provided for in the National Assembly (*Powers and Privileges*) Act Cap 12 of the Laws of Zambia and the National Assembly Standing Orders.

Meetings of your Committee

3. Your Committee held twenty-five (25) meetings during the year under review.

Programme of Work

4. Your Committee considered and adopted the following programme of work for the Second Session of the Eleventh National Assembly:

- a) consideration of the Action-Taken Report on the Committee's main Report for 2011/2012 on the Hon Minister's Report for 2011 on audited accounts of local authorities;
- b) study on the Status of Fire Fighting Services in Zambia; and
- c) foreign tour to Namibia.

Operations of your Committee

5. Your Committee requested detailed memoranda from the Permanent Secretary of the Ministry of Local Government and Housing, heads of local authorities and chief executive officers of corporate organizations on the status of fire fighting services in Zambia. Your Committee further requested for clarifications on the audited accounts of local authorities.

Your Committee also undertook a foreign tour to Namibia to study the implementation of the Fire Policy in that country.

PART 1

CONSIDERATION OF THE TOPICAL ISSUE

The Status of Fire Fighting Services in Zambia

6. Your Committee, concerned about the status of fire fighting services in Zambia, resolved to carry out a study of the subject. The objectives of the study were as follows:

- i) to find out the major causes of fire outbreaks;
- ii) to find out the adequacy of the policy framework;
- iii) to establish the current strength/capacity of fire fighting agencies in fire fighting;
- iv) to establish the major drawbacks faced by the local authorities in the prevention and fighting of fire outbreaks; and
- v) to determine the way forward in the prevention and fight of fire outbreaks.

The following witnesses were invited to submit on the topic:

- i) the Permanent Secretary, Ministry of Local Government and Housing;
- ii) the Chief Executive Officer, Fire Services Association of Zambia;
- iii) the Chief Executive, Zambia Bureau of Standards;
- iv) the Town Clerk, Lusaka City Council;
- v) the Town Clerk, Solwezi Municipal Council;
- vi) the Town Clerk, Kitwe City Council;
- vii) the Town Clerk, Chipata Municipal Council;
- viii) the Town Clerk, Livingstone City Council;
- ix) the Council Secretary, Chongwe District Council;
- x) the Council Secretary, Mpongwe District Council;
- xi) the Council Secretary, Kaoma District Council;
- xii) the Director, Rosam Fire Control Services; and
- xiii) the Director, Amerex Fire Equipment Zambia Limited

Causes of Fire Out Breaks in Zambia

Your Committee was informed that the following were the major causes of fire out breaks in Zambia:

- i) sparks ensuing from faulty electrical wiring, igniting combustible materials in close proximity;
- ii) friction due to wheel binding on moving trucks, igniting tyres and causing fire to the whole vehicle;
- iii) lit candles left unattended to after melting which ignite combustible materials;
- iv) lit charcoal braziers left unattended and igniting combustible materials in close proximity, especially in restaurants;
- v) overloading of electrical appliances;
- vi) careless disposal of lit matchsticks on dry grass or any other combustible materials;
- vii) setting fire to heaps of garbage;
- viii) pressing irons left switched on and unattended to which ignite combustible materials; and
- ix) accidentally and in some cases deliberately (arson) setting fire to wooden stalls, especially in the markets.

Adequacy of the Policy Framework

Your Committee was informed that currently, Zambia had no fire policy and that due to lack of a national policy, there was inadequate overall policy guidance in the provision of fire fighting services in Zambia. The country was dependant on the Fire Services (Administration) Regulation of 1991, which had a limited scope and coverage. It did not empower the fire services personnel to close up premises and to take to court erring occupants. It did not give powers to fire officers to inspect premises. Your Committee also heard that due to the lack of national policy and legislation, there was inadequate overall policy guidance in the provision of fire fighting services in Zambia.

The Current Capacity of Fire Agencies in Fire Fighting

Your Committee was informed that whilst the country had recorded positive growth in terms of infrastructure, manufacturing and industry, there was no commensurate growth in the fire service provision. Population growth fostered more development in terms of amenities and dwellings, yet fire-related regulations did not cater for residential areas. The required tools of trade were in most cases non-existent. The level of preparedness to respond to an occurring emergency in any particular locality depended on many factors such as:

- i) capacity of the emergency responders; and
- ii) time of response (ideally the turn out should be within 3 to 5 minutes).

Fire Stations

Your Committee learnt that most of the stations were constructed in the pre-independence era, when the population and catchment area was relatively small. With current growth in population, residential, commercial and industrial areas, the radius of area covered by one fire station far outstripped the recommended response time.

Fire Fighting Vehicles

Your Committee was informed that, other than the aviation industry, which seemed to be well catered for in terms of fire appliances, in accordance with the categorisation of airports by International Civil Aviation Organisation (ICAO), most local fire authorities did not have fire tenders that matched the existing risk categories. The recommended number of fire tenders to an incident was four (4) with water capacity of between 5, 000 to 10, 000 litres, a turntable ladder to provide access in case of high rise buildings and a rescue fire tender carrying all types of rescue equipment, including an ambulance. At the moment, no single fire brigade has these appliances. The country cannot afford to rely on donated old fire fighting vehicles, most of which were incompatible with the terrain in most of the communities in Zambia.

Manpower

Your Committee was informed that according to the current establishment, most fire brigades in the country were understaffed. In the absence of part time supporting staff, coupled with lack of communication equipment, it was very difficult to mobilize reinforcement. A full shift at Lusaka City Fire Brigade was said to comprise of twelve (12) fire fighters. With a population of three million (3, 000, 000), the rescue ratio of fire fighters to that of the public was 1 to 250,000. This, unfortunately, was not an ideal situation.

Water Supply for Fire fighting

Your Committee learnt that it was the sole responsibility of the water utility companies to provide free adequate water supply for fire fighting purposes. This water supply had to be available for twenty four (24) hours per day. A survey carried out indicated that most fire hydrants had been vandalised and those that were available could not produce the required pressure and flow rate. In some cases, fire hydrants had been commercialised and the water utility companies were charging for their use.

Furthermore, the maintenance of these fire hydrants was non-existent. The water undertakers were not doing enough to ensure constant water supply, even to sensitive and public places like airports, supermarkets and hospitals.

Major Drawbacks faced by the Local Authorities in the Prevention of Fire Outbreaks

Your Committee was informed of the following major draw backs:

- i) lack of a national fire fighting policy;
- ii) lack of legislation on fire fighting services and on the enforcement of compliance to fire safety standards;
- iii) inadequate and non-functional fire fighting equipment;
- iv) inadequate private sector participation in the fire fighting services;
- v) inadequate funding and prioritisation, including staffing at district councils;
- vi) poor incentives and recognition of fire fighting as a high risk job;
- vii) inadequate fire fighting training schools and training equipment;
- viii) lack of volunteer fire fighters; and
- ix) poor communication due to lack of adequate fire ground communication equipment, which may lead to high casualties and even death of the safety emergency personnel.

Recommendations from the stakeholders on the Improvement of Fire Services in Zambia

The witnesses recommended that there should be formulated a Fire Policy and relevant legislation should be enacted as set out below:

The Fire Policy

A National Fire Policy to provide guidance on the following issues:

- i) construction and building designs to take into consideration fire prevention and escape routes;
- ii) city planning to include the operation, maintenance and positioning of fire hydrants and access roads;
- iii) inspection procedures should be formulated to be administered by local authority inspectors;
- iv) legal action to be taken against perpetrators;
- v) there should be provision for emergency lighting and disaster procedures;
- vi) fire certificates should be issued to qualifying businesses only;
- vii) all fire safety equipment should be duty free to assist the commercial, industrial and residential communities to adhere to regulations and purchase the correct equipment;
- viii) testing procedures should be strictly adhered to, to determine the quality of imported equipment; and
- ix) the governing body (fire brigade/council employees) should not be allowed to conduct business in the fire industry.

Legislation

Legislation was required to provide legal support to the fire policy through the enactment of a Fire Act in order to enforce fire safety such as prevention, protection, detection and suppression.

Therefore, legislation should be enacted for the following issues:

- i) action to be taken against perpetrators;
- ii) legislative provision elaborating on all the specifications pertaining to the fire industry;
- iii) stipulation of the service intervals and standards specific to the Zambian environment;
- iv) stipulation of fire equipment provisions to be included and designs of architectural drawings;
- v) stipulation of the use of vehicle warning lighting and sirens;
- vi) provision for the approval and compliance of the occupation of buildings (occupation certification); and
- vii) stipulation of the conditions for importation of fire safety equipment and to ensure that only registered and certified contractors imported the equipment.

Committee's Observations

Your Committee observes that:

- i) the country lacks a national fire policy and legislation;
- ii) fire safety engineering specifications are not included or provided with architectural drawings, consequently fire prevention is side-tracked, and ignored and left to commercial promotion;
- iii) residential houses are being used as warehouses for commercial and industrial goods, even highly flammable liquids, with no regard for the high fire risk;
- iv) speed humps country wide are a source of concern as they are not only causing serious damage to vehicle suspensions, but also cause delays in responding to fire emergencies; time was critical in emergency situations and these humps were prohibiting timely action;
- v) the Fire Services Association and its objectives are not well known to the public;
- vi) several fire hydrants in the country had been closed up, this made the operations of the fire service very difficult;
- vii) the Livingstone City Council, the tourist capital, is not fully prepared for fire prevention; and
- viii) most of the fire fighting equipment such as fire tenders that had been distributed to councils including Chongwe District Council in 2008 are very old outdated and obsolete.

Committee's Recommendations

- i) the Government should develop a Fire Policy and Fire Act in order to enforce fire safety such as prevention, protection, detection and suppression;
- ii) there is need for urgent intervention at the Livingstone Council to ensure that the Council is fully prepared for fire prevention during the hosting of the United Nations World Tourism Organisation (UNWTO) General Conference and also for long term fire prevention and management;
- iii) there is need to review the Fire Fighting Training Curriculum and for the upgrading of the current college in Kabwe; and for the establishment of a fire fighting training school in all provincial headquarters;

- iv) legislation should make it mandatory for the provision of fire plans for all public and industrial buildings; Councils should refuse to approve drawings submitted without fire plans and engineering designs; Council's issuance of an occupation certificates after construction should be used to enhance compliance.
- v) Legislation should prohibit the carrying out of industrial activities in residential areas as this is a very dangerous practice; Fire safety should no longer be a matter of commercial choice but a legal obligation;
- vi) there is need to review the policy on the putting up of road humps as regards to response to fire fighting in the country;
- vii) there is need to reduce duty on fire fighting chemicals and a whole package of equipment that has to do with fire fighting;
- viii) the Fire Services Association should sensitise the public about its existence and its main objectives; Further, that the Fire Fighting Association should interact more with the Zambia Bureau of Standards and with the private sector;
- ix) fire hydrants should be opened up and for the local authorities should engage with the water utility companies on the maintenance of the fire hydrants;
- x) a fire station should be a prerequisite for the establishment of a Council; it is also of the view that Traffic Police at road blocks should ensure that all vehicles have a working fire extinguisher;
- xi) there is need for inter-ministerial communication and also for involvement of the private sector in the revamping of the fire services in the Livingstone District Council and in the rest of the country; and
- xii) before accepting any donations of fire fighting equipment, a thorough assessment should be carried out to ensure that the equipment was functional and in line with the country's terrain and policy.

FOREIGN TOUR TO NAMIBIA

MONDAY, 22 APRIL TO FRIDAY 26TH APRIL, 2013

Introduction

In line with its Programme of Work for 2013, your Committee undertook a foreign study tour to Namibia. The main objective of the tour was to learn best practices from Namibia, one of the few countries in Africa that has put in place a Fire Policy. In order to adequately appreciate the subject, your Committee interacted with the following:

- i) the Parliamentary Committee on the Constitution, Legal Affairs, Local Governance, and Traditional Affairs;
- ii) the Ministry of Regional, Local Government and Housing;
- iii) the City of Windhoek Emergency Management Division;
- iv) the Walvis Bay City Council;
- v) the Walvis Bay Fire Brigade Department; and
- vi) the Ministry of Agriculture, in charge of Regional Fire Prevention.

Committee's Observations

Following the study tour, your Committee makes the following observations:

- i) the Namibian legal framework for Fire Fighting Services is good in that it directs the financial, infrastructural and human resource development of the sector;
- ii) the Namibian Forest and Veld Fire Management Policy has been provided with adequate resources for its effective implementation;
- iii) there was in place an all inclusive Disaster Management approach which is very effective;
- iv) the participation of the Ministry of Agriculture in the fire prevention is a very effective approach;
- v) the Fire Policy is supported by adequate structures;
- vi) the Emergency Management Division has direct access to Government support;
- vii) the personnel of the Emergency Management Division is well trained and well exposed to modern equipment and rescue strategies; the training is regularly reviewed and updated;
- viii) cleanliness of the environment is taken as a priority and the clean campaign is supported with adequate resources; the Windhoek Municipality has full control of the City's cleanliness and the control of street vendors;
- ix) the decentralisation process has clear set targets, resources in terms of trained personnel and funding set aside;
- x) the municipality and city councils are self-financed while small township councils are financed by the Central Government; and
- xi) the support for fire equipment to councils is a very good initiative.

Committee's Recommendations

In view of the observations above, your Committee recommends that:

- i) the Government should develop an effective Fire Fighting Policy that should be backed by an effective legal framework;
- ii) the current fire fighting legal framework in Zambia should be reviewed to ensure the inclusion of modern trends in fire fighting;
- iii) the Government should ensure that information on fire prevention and fighting is shared out to all the citizens; Citizens should be made aware that they have a role to play in fire prevention and fighting;
- iv) the Ministry of Agriculture and the Department of Forestry should play a more active role in the process of fire detection, prevention, fighting and sensitisation of the communities;
- v) the Government should ensure that fire prevention is given priority in terms of funding for training and purchase of modern fire fighting equipment;
- vi) the Ministry of Defence should play a more active role in fire prevention and fighting; the Army and the National Service have the necessary personnel; and
- vii) the Government should ensure that the process of fire prevention, detection, fighting and sensitisation starts at community level.

PART II

CONSIDERATION OF THE HONOURABLE MINISTER'S REPORT OF LOCAL GOVERNMENT AND HOUSING ON THE AUDITED ACCOUNTS OF LOCAL AUTHORITIES FOR 2012

KITWE CITY COUNCIL

Statutory Audit and Audit Inspection Report on the Constituency Development fund (CDF) for the Period January to 31st December, 2010

Outstanding Debtors – K34, 044,617 (KR34, 045)

7. In reply, the Town Clerk reported that the Council had since 2004, tried to come up with strong measures to ensure that all collectable revenues were collected. Realistic targets for debt collectors had been set after the 2008 Valuation Roll and bailiffs had been engaged to force debtors into paying promptly. However, these measures had constantly been thrown off balance by the numerous negative political pronouncements such as the stopping of councils from engaging bailiffs, as well as Ministerial directives such as the one in 2007, requiring the Council to give a 50% rebate on all outstanding owners rate debts and a further 5% discount for those paying in full. To date, these pronouncements had not been retracted. The Council had been disadvantaged by the pronouncements and resolved to shelve many developmental projects due to lack of funds. This impacted negatively on the quality of services provided to the community.

Your Committee directs the Town Clerk to ensure that steps are taken to collect the outstanding debts. Your Committee awaits a progress report on the matter.

8. Outstanding Creditors – K37, 594,196,674.18 (KR37, 594,197)

In response, the Town Clerk reported that the debt was a result of the liquidity challenges that the Council had been going through because of the low revenue collection levels. However, after the new Valuation Roll which had boosted the revenue base, the Council had put up programmes of liquidating most of the statutory obligations by making part payments to the Local Authority Superannuation Fund (LASF), National Pension Scheme Authority (NAPSA) and Workmen's Compensation Board, as well as a monthly programme on paying retirees. The Council had settled an agreement to be paying a monthly amount of K50 million to LASF; K50 million to NAPSA; and K25 million to Zambia Revenue Authority (ZRA) as part payments in respect of Statutory Creditors. With the funding of Division I, II and III salaries by the Government, the entire component of LASF, Pay As You Earn (PAYE) and NAPSA was paid as soon as the salaries grant was received.

Your Committee acknowledges that the outstanding debt continues to be paid for on a monthly basis. For this reason, your Committee awaits a progress report on the matter.

Poor maintenance of personal files

9. The Town Clerk responded by stating that at the time of the visit by the Auditors, most employees had no updated job descriptions and others had no job descriptions at all. However, the process of updating job descriptions was in progress and the formulation of job descriptions for those who did not have, had started. The updating of job descriptions and formulation of new ones had reached a very advanced stage.

The Town Clerk further reported that performance appraisal reports could only be generated where there was a performance appraisal system in place. In this particular case, employees at Kitwe City Council had no performance appraisal system for a long time and could not therefore submit performance reports. Nevertheless, following the re-establishment of the Local Government Service Commission, a performance appraisal system that would regulate employee performance in all the Councils throughout Zambia, was in the process of being formulated.

Your Committee notes the response and awaits the formulation of a performance appraisal system by the Local Government Service Commission. Your Committee directs the Town Clerk to follow up with the Commission on the formulation of a performance appraisal system. Meanwhile, the Town Clerk is advised to work with the trained human resource officers employed by the Council, to formulate an in-house performance appraisal system. Your Committee awaits a progress report on the matter.

Poor maintenance of records for Council properties

10. The Town Clerk stated that the Council's record keeping was poor during the period under review. The Council had, however, made some improvements in the area. The scenario was that a file that was availed to the Auditor was opened in the name of A C Chibambo who was the tenant while the business was run in the name of Koni Agencies. Some of the filing problems were as a result of the migrating process from a manual-based system to a computerised system. However, the property descriptions had since been normalised. Further, some sold properties were still appearing on the list of Council properties, due to the fact that documentation did not reach the Council offices in good time for them to be removed from the Council properties. Some properties had been identified and the Council was updating its Assets Register.

The Town Clerk further reported that before a lease was fully prepared, it had to be signed by both the Town Clerk and His Worship the Mayor. Therefore, it was possible that some of the files were not availed for audit purposes because they could have either been in the Town Clerk's Office or the Mayor's Office. An example was of the file for Club Jazzy Lazy, which was not availed for audit because the tenancy agreement for the incoming tenant, Chamanga Leisure and Entertainment, was being prepared at the time. The file was sent to the Town Clerk and later to the His Worship the Mayor for signing. The Files Movement Register had been opened and the files were now available for inspection.

Your Committee notes that the Council is still updating its assets register and awaits a progress report on the matter.

No Documents of Ownership for Motor Vehicles.

11. The Town Clerk responded that all white books of the motor vehicles with registration numbers of GRZ were not maintained by the Council but by the Ministry of Works and Supply because they were Government vehicles. The Council only paid insurance premiums on behalf of the Government. Further, the white book for motor vehicle registration number ABE 1252, which was a project utility vehicle for the Urban Markets Programme, was in the possession of the Council. The white book was available for inspection.

Your Committee directs the Town Clerk to follow-up the white books of the vehicles with the Ministry of Works and Supply. Since the vehicles are in the possession of the Council, it is important for the Council to fully own them by being in possession of the white books. Your Committee awaits a progress report on the matter.

Investment Register not Prepared

12. The Town Clerk responded by stating that the Council was in possession of the share certificates. However, an Investment Register had not been maintained because of variations in the shareholding caused by mergers which took place when Asset Holding Company – Mine Municipal Services AHC-Mining Municipal Services was taken over by Nkana Water and Sewerage Company, and later the formation of the Copperbelt Solid Waste Company. The Council was in consultation with Nkana Water and Sewerage Company for details which would enable the Council to open the Investment Register.

Your Committee notes that the Council is still consulting with the Nkana Water and Sewerage Company, to establish the details that would enable it to open the Investment Register. Your Committee directs the Council to expedite the consultations and to ensure that the Investment Register is ready in good time. Your Committee awaits a progress report on this issue.

Non-preparation of Financial Statements

13. The Town Clerk responded by stating that the Council had made efforts in clearing the backlog of unprepared financial statements. The financial statements up to 2006 had since been cleared and efforts to conclude the remaining statements up to 2011 were curtailed due to the breakdown of the accounting system.

Recommendation by the Committee

The Council had invested in the development of a Financial Management System, and a total sum of Kr 800, 000 had been spent so far since 2010. This allowed the Council to develop and implement the following integrated Accounting and Financial Sub-Systems:

- i) the Point of Sale and Billing System;
- ii) the Creditors/Cashbook/Budgeting/General Ledger System; and
- iii) the Payroll Management System.

However, the progress to complete the other modules was slowed down due to the introduction of the Medium Team Expenditure Framework (MTEF) and the Financial Management System (FMS). The two systems introduced by the Ministry of Local Government and Housing were of lesser capabilities as they had a highly manual interface and could not accept data in real time. This led to the crashing of the system. The system that had been currently developed was integrated with cash book reconciliation being performed on the system. The Town Clerk requested for the Ministry of Local Government and Housing to engage the designers of the MTEF/ABB and the FMS to check on what the Council had developed so far and on the possibility of integrating it with MTEF and FMS. This would hasten the Council's processing of information for reporting purposes.

Regarding the preparation of financial statements for the period from 2007 to date, the Town Clerk reported that the Council had put up a team to work on this information. The new accounting system was thus capable of producing financial statements for the Council.

Your Committee expresses concern on the poor performance of the system introduced by the Ministry. It directs the Ministry to develop an efficient system and awaits a progress report on the matter.

KALULUSHI MUNICIPAL COUNCIL

Statutory Audit Report and Audit Inspection Report for the Period 1st January to 31st December, 2010

Rates

14. The Town Clerk reported that the amount for outstanding property rates partly comprised bills that were wrongly billed by the Council. This was in respect to Government, Council and residential properties owned by Council employees. The Government did not pay rates for the properties it owned in the districts, but the Council had erroneously issued rate bills for Government properties in the District. Furthermore, the Council had equally erroneously included all its properties on its billing system. Council employees who resided in their own residential houses were also exempted from paying rates on the properties by their Conditions of Service. Unfortunately, these properties were included in the billing information by the Council. The Town Clerk further reported that part of the outstanding amounts related to residential properties that were owned mostly by individuals that bought the former council and mine houses. Most of these people were not in gainful employment and most of the time failed to settle the property rates in full, hence the continued accumulation of the property rates bills over the years.

Your Committee directs the Council to quickly correct the figures so that the right amount of money owed is reflected. Your Committee further directs the Council to discuss with the people who still owed it money, to agree on a payment scheme. Your Committee awaits a progress report on the matter.

Billboards

15. The Town Clerk reported that the outstanding amount for billboard charges were for the billboards that were erected on the highways. The Road Development Agency (RDA) had instructed Councils countrywide to stop collecting fees in respect of all billboards that were erected on the highways. This was in accordance with the law. The Council recommended for the revision of the Act to allow Local Authorities to collect charges for bill boards along the highway.

Your Committee directs the Council to follow up with the Ministry of Local Government and Housing on the revision of the Act. Your Committee awaits a progress report on the matter.

Outstanding Statutory Creditors – K6, 806, 537, 409.96 (KR6, 806, 537.41)

16. The Town Clerk reported that the Council had settled all the debts apart from the K 4,528,237,080.30 (KR 4,528,237) owed to ZRA. The Council engaged ZRA to find a suitable mode for liquidating the outstanding amount. It was the Council's proposal to ZRA that the outstanding amount be paid over an agreed period of time in monthly instalments that would be affordable to the Council. The Council was waiting for a response from ZRA on the proposed payment mode.

Your Committee notes the response and directs the Council to follow up with ZRA on the proposal to pay the outstanding amount. Your Committee awaits a progress report.

CHILILABOMBWE

Statutory Audit Report and Audit Inspection on the Constituency Development Fund (CDF) for the Period 1st January to 31st December 2010

17. *Outstanding debtors – K1, 444,253,880.76 (KR1, 444,253.88)*

The Town Clerk responded that the Council had sent out demand notices to the defaulters and the Sheriff's Office had been engaged to recover the outstanding amounts on property rates. Civil suits to recover the amounts due on rentals, service charges and billboards had been instituted.

The Council had so far recovered the sum of K108, 486,144.64 (Kr 108, 486.14)

TYPE OF DEBT	AMOUNT OWED (K)	AMOUNT RECOVERED
Rentals	159,631,000	91,939,700
Rates	1,251,037,416.76	
Services	1,237,428	
Bill Boards	32,348,036	16,546,444.64
TOTAL	1,444,253,880.76	108,486,144.64

Your Committee notes that there is still a large amount of outstanding debts. For this reason, your Committee awaits a progress report on the matter.

Outstanding Statutory Creditors – K5, 029,062,926.34 (KR5, 029,062.93)

18. The Town Clerk responded by stating that so far, a sum of K366, 042,202.76 (KR366, 042.20) had been paid to liquidate the outstanding amount. Efforts had been put in place to liquidate the NAPSA or LASF contribution because employees might have difficulties to access their dues once they retired. LASF had indicated the desire to have the debt swapped with land where they could put up some investments and the Council was working towards identifying appropriate land for this purpose.

Your Committee directs the Council to follow up on LASF's idea to have the debt swapped with some land for investment. Your Committee awaits a progress report on the matter.

Internal Audit Reports not Responded to by Management

19. The Town Clerk responded by stating that no responses were made to the Internal Auditor's report. The new management team had moved its Internal Audit Section from Finance Department to the Town Clerk's Office to give it more leverage.

Your Committee notes the efforts that have been put in place to give more leverage to the Internal Audit Section by moving it to the Town Clerk's Office. Your Committee therefore, awaits a progress report on the Council's response to the Internal Auditor's report.

Council Properties (Buildings) not Insured

20. The Town Clerk responded by stating that the Council had realised that most of the Council properties had not been surveyed and numbered by the Ministry of Lands, Environment and Natural Resources. For a building to be valued or insured, they had to have cadastral numbers. The Council had

since engaged a Surveyor from the Ministry of Lands, Environment and Natural Resources who had since assessed the works and quoted the Council for KR106, 000. The Council had proposed to settle this amount in phases and was awaiting a response.

Your Committee directs the Council to urgently follow up the project to survey Council property and to ensure that it is insured. For this reason, your Committee awaits a progress report on the matter.

Assets (Buildings) Without Documents of Ownership

21. The Town Clerk responded by stating that some Council properties had no cadastral numbers. However, every effort was being made to ensure that Council plots were numbered and titles obtained.

Your Committee directs the Council to urgently follow up the issue of survey of Council property and to ensure that the properties have cadastral numbers, in order to obtain Title Deeds. For this reason, your Committee awaits a progress report on the matter.

Ratio of Current Assets to Current Liabilities on the Balance Sheet was not as Per Recommended Standard

22. The Town Clerk responded by stating that the Council had cleared most of the outstanding creditors to improve the situation.

Your Committee notes the submission and requests for a progress report on the clearance of the outstanding debt.

KAFUE DISTRICT COUNCIL

Statutory Audit for the Period 1st January to 31st December 2011

Untimely Adoption of the Financial Statements by the Council

23. The Council Secretary responded by stating that the Council did not have adequate personnel to ensure a timely adoption of the financial statements. It had therefore, requested the Local Government Service Commission to deploy officers in its Finance Department.

Your Committee takes note of the submission and awaits a progress report on the deployment of adequate staff in the Council's Finance Department. This will allow for a timely adoption of the financial statements.

Outstanding debtors: K3, 686, 459, 000 (KR3, 686,459)

24. The Council Secretary responded by stating that the Council had prepared the schedules for debtors and it was in the process of preparing the debtors' age analysis. The debtors' ledgers were also presented for verification.

Your Committee takes note of the submission and awaits a progress report on preparation of the debtors' age analysis.

Outstanding Creditors/Accruals: K10, 519,584, 000 (KR10, 519,584)

25. The Council Secretary responded that the Council had experienced huge problems in liquidating its liabilities, especially under the staff creditors. The Council had, however, managed to pay a total of KR 569, 500 from 31st December, 2011.

Your Committee takes note of the submission and awaits a progress report on the clearance of the creditors.

Mistreatment of Financial Statements Items – K4, 252,162,000 (KR 4,252,162)

26. The Council Secretary responded by stating that companies like Nitrogen Chemicals of Zambia (NCZ) had started liquidating their Owners Rates Debts with the Council. It was hoped that the retirees who owned properties in the District would begin to pay their debts because they were also being paid their packages.

Your Committee takes note of the submission and awaits a progress report on the collection of the outstanding revenues.

CHINGOLA MUNICIPAL COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Funds (CDF) for the Years 2009 and 2010

Plant and Equipment without Documents of Ownership

27. The Town Clerk responded by stating that the plant and equipment were procured by the Government through the Ministry of Local Government and a Housing and as such, ownership was with the Government. Efforts had been made to acquire duplicate copies of white books from the Government and response was being awaited. One Grader had been registered and the Council held the white book. In future, the Council would ensure that white books were availed to Chingola Municipal Council upon handover of any plant and equipment.

Your Committee directs the Council to follow up with the Ministry of Local Government and Housing regarding the white books. For this reason, your Committee awaits a progress report on the matter.

Database on Land Administration not Maintained

28. The Town Clerk responded by stating that the Council had shifted the planning and numbering of plots from the Engineering Department to the Planning Department. This had improved the management of land although it was not yet fully computerised. The Council was making frantic efforts to acquire the software for land management. Currently, data on individual plots was maintained in the Legal Section. All the newly created plots were on a properly numbered and approved site plan. These had been approved by the Commissioner of Lands. The Council had put down plans to acquire the software which would show the status of each plot. Currently, the Information and Technology Department and the Procurement Department were exploring the market to come up with a better system.

Your Committee takes note of the submission and awaits a progress report on the improved maintenance of the land database in the District.

LUANSHYA MUNICIPAL COUNCIL

Statutory Audit Report and Audit Inspection Report for the Period 1st January to 31st December, 2010

Non-Preparation of Financial Statements

29. The Town Clerk responded by stating that the delay in preparation of financial statements had been caused by the non-availability of values for some non-current assets such as land and buildings. The financial statements for the year 2010 had however, been prepared. The Council requested, through the Ministry of Local Government and Housing, for a Valuation Officer from Kitwe City Council to be seconded to Luanshya Municipal Council to assist in the valuation of non-current assets. The Valuation Officer would liaise with the professional property valuer who was from the Government Valuation Department, for certification of values.

The Council also has made progress to improve its financial management system, by advertising in the press to invite tenders for the installation and commissioning of an integrated computer system and supply of computer hardware and software. This tender has been successfully concluded.

Your Committee notes the response and awaits a progress report on the preparation of all the outstanding financial statements.

Outstanding Statutory Creditors –K 3,445,985,907.92 (KR 3,445.91)

30. The Town Clerk responded by stating that the Council, during the period under review and in preceding years, had experienced liquidity problems as a result of the poor general economic conditions caused by closures of the Luanshya Mines. This adverse trend had since been reversed and the Council was looking forward to remitting all the amounts owed to statutory bodies.

The Council had started making payments towards the amounts owed to statutory bodies for both the current obligations and arrears on a monthly basis. The Council had entered into agreements on plans to settle outstanding statutory obligations with ZRA, NAPSA, and LASF officials who were expected to collect payments towards the owed amounts every month.

Your Committee awaits a progress report on the clearance of Statutory Creditors.

Lack of Share Certificate for Shares Held in Kafubu Water and Sewerage Company

31. The Town Clerk responded by stating that Kafubu Water and Sewerage Company, despite numerous reminders, had not made the share certificate available to Luanshya Municipal Council. The Council has written and made several visits to Kafubu Water and Sewerage Company, requesting for the share certificate but to no avail.

Since Council efforts to retrieve the share certificates from Kafubu Water and Sewerage Company have continued to be unsuccessful, they request intervention by the Ministry of Local Government and Housing.

The Council would ensure that once the share certificate was acquired, it would be kept properly under lock and key.

Your Committee directs the Council to follow up with the Ministry of Local Government and Housing, for the retrieval of the Share Certificate. Your Committee awaits a progress report on the matter.

LIVINGSTONE CITY COUNCIL

Statutory Audit Report on the Audited Financial Statements for the Period 1st January to 31st December, 2010

Non-Revaluation of Assets

32. The Town Clerk responded by stating that the Council had engaged the Government Valuation Department but the Department did not undertake the work on time. The Department was currently carrying out a supplementary roll and this would include Council properties. The Council would always endeavour to have an updated valuation of its assets in accordance with the generally accepted accounting principles and standards.

Your Committee awaits a progress report on re-valuation of assets.

Outstanding Creditors/Accrual: KR24, 551,325 (KR 24, 551.33)

33. The Town Clerk responded by stating that the Councils' indebtedness to trade creditors amounted to less than 5% of the outstanding liabilities. The balance of 95% was composed of staff-related liabilities such as outstanding leave pay, long service bonus, retirees, retrenched administrators for deceased estates and unremitted LASF dues.

The Council had continued engaging the Government over the liquidation of liabilities to retirees and retrenched. Retrenched' benefits posed a big challenge because every month they were entitled to a salary until their benefits were paid in full. The Government had responded by providing the Council with the restructuring grant. However, this had not been sufficient to dismantle the huge liabilities. The Council would continue mobilising local resources while engaging the Government in order to bring the debt to manageable levels.

Your Committee notes the response and awaits a progress report on the matter.

MUFULIRA MUNICIPAL COUNCIL

Statutory Audit Report and Audit inspection on the Constituency Development Fund (CDF) for the period 1st January to 31st December, 2010

Salaries Ledger not Prepared

34. The Town Clerk responded by stating that Council had a stand- alone payroll which kept the computerised ledgers for all payroll transactions. The same were required to be posted manually to the individual ledgers before they were incorporated into the financial statements of the Council. The manually generated ledgers were not being prepared. The salaries ledgers were prepared and were being posted into the financial statement monthly as the payroll was produced. The salaries ledgers were being maintained monthly. The Council has budgeted for a payroll system that could be user-friendly so that payroll transactions could be posted directly to the salaries ledger instantly.

Your Committee directs the Town Clerk to adhere to Regulation 103 of the Local Authorities (Financial) Regulations No 125 of 1992 and awaits a progress report on the preparation of a salaries ledger.

Investments Register not Prepared

35. The Town Clerk responded by stating that three councils namely Mufulira, Chingola and Chililabombwe formed Mulonga Water and Sewerage Company while Copperbelt Solid Waste Management Company (COPWASTE) was formed by all Councils in the Copperbelt Province.

To have equal representation and shares, each Council was allocated 1(one) share in Mulonga Water and Sewerage Company and 1(one) in COPWASTE. Mufulira Municipal Council received 1(one) share in Mulonga Water and Sewerage Company and 1(one) share in COPWASTE. These shares have no economic value for Councils to start maintaining them in the books of accounts. The Councils have not received share certificates to show that they owned shares in these companies.

Only Mulonga Water and Sewerage Company converted the 1(one) share into K2, 000, 000 (KR2, 000) at the value of K1 per share. COPWASTE still reported 1(one) share for Mufulira Municipal Council. Investment ledgers have been created with shares for Mulonga Water and Sewerage Company which stood at K2,000,000 (KR2, 000). The investment was being posted in the financial statements of the Council at the same value. The share in COPWASTE was being pursued so that the value could be attached to COPWASTE shares.

The Council was actively engaging COPWASTE so that the value of the shares in COPWASTE could be determined.

The Investment Register was checked by senior personnel annually. Finalisation of financial statements annually assisted to update the Council on its investment portfolio.

Your Committee notes the response and directs the Council to always adhere to Regulation 140 of Local Authorities (Financial) Regulations No 125 of 1992. It awaits a progress on the preparation of a complete Investment Register.

Council Properties not on Title

36. The Town Clerk responded by stating that since the inception of Mufulira as a District in 1954, there had been changes in the management of the District. In 1954, Mufulira was run as a board called Mufulira Management Board. From a Board, it moved to district council and now it was a municipality. In between, there had been different management teams. Most of the Councils infrastructure was built from 1954 to 1970. For the infrastructure built between these periods, it was difficult to locate the Title Deeds for the properties. The Council had applied to the Ministry of Lands, Natural Resources and Environmental Protection for duplicate copies of the Title Deeds. The matter was constantly being pursued with the Ministry of Lands, Environment and Natural Resources and Natural Resources Environmental Protection. The Deed Registry has been established under the Office of the Town Clerk to ensure that all properties of the Council were on title deeds.

Your Committee directs the Council to follow up the Title Deeds with the Ministry of Lands, Natural Resources and Environmental Protection. Your Committee awaits an update on the procurement of title deeds.

LUANGWA DISTRICT COUNCIL

Statutory Audit Report for the Period 1st January to 31st December, 2011

Lack of Internal Audit Reports and Weak Control Systems

37. The Council Secretary responded by stating that the failure to produce audit reports by the Internal Audit Unit was caused by the lack of manpower in the Unit. The Council has written to the Local Government Service Commission to fill the critical positions in the Council including that of the Internal Auditor. The Council tasked the Assistant Internal Auditor to conduct and prepare reports for the attention of the Audit Committee.

Your Committee notes the submission and awaits a progress report on the filling up of vacant positions.

NAMWALA DISTRICT COUNCIL

Audit Review Report on CDF Indebtedness and Assets Management for the Period 1st January, 2007 to 31st December, 2011

Lack of consultation between the Community and the CDF Committee leading to Provisions of hammer mills to the Wrong Community (Hichandi Women's Club) 2006

38. It was reported that Hichandi Women's club received one hammer mill and one sewing machine when the club did not apply for a hammer mill. This was contrary to the provisions of the CDF Guidelines of 2006.

The Council Secretary responded by stating that the distribution of the hammer mills was done by the former Member of Parliament without the involvement of the Director of Works and Stores Officer. The Council had encouraged the new Member of Parliament to follow the CDF Guidelines and liaise with other stakeholders during the implementation of CDF projects. CDF guidelines were distributed to all councillors.

Your Committee awaits a progress report on the return of the hammer mill to the rightful community that had applied for it.

Unaccounted for Four (4) Hammer Mills

39. The Council Secretary responded that the distribution of the hammer mills was done by the former Member of Parliament without the involvement of the Director of Works and Stores Officer. There were difficulties in tracing the communities that received them. The Council had sent officers to verify whether the communities had received the hammer mills. The four hammer mills were received by Maswati, Mamvu, Kalundu and Kezhy Shimalambo communities. Councillors were advised during orientation that processes of procurement and distribution were supposed to be handled by officers who were the experts.

Your Committee directs the Council to rectify the records to show that the four missing mills had been traced. Your Committee awaits a progress report on the matter.

Non-Preparation of Monthly Receipts and Payments Accounts

40. The Council Secretary responded by stating that the Finance Department was understaffed during the period under review. The assigned officers had produced the receipts and payment accounts. The receipts and payments accounts for 2010 and 2011 were available for verification. The Local Government Service Commission has taken over the employment of officers and the Council hoped that all vacant positions would be filled up.

Your Committee directs the Council Secretary to have the receipts and payments accounts for 2010 and 2011 verified and awaits a progress report on the filling up of the vacant positions.

SIAVONGA DISTRICT COUNCIL

Statutory Audit Report on the Audited Financial Statements for the Period 1st January to 31st December, 2011

Cash Flow Statement: K 568, 254, 000 (KR568, 254)

41. The Council Secretary responded by stating that the figure of KR568, 254 represented movement in cash and bank balances between 2010 and 2011. The Council was taking appropriate measures when preparing the 2012 financial statements.

Your Committee notes of the submission and awaits a progress report on the matter.

Outstanding Creditors/Accruals: K5, 944,218 (KR 5,944)

42. The Council Secretary responded by stating that the Council had taken measures to reduce the huge debt especially now that the Central Government had come to the aid of the Councils in terms of salaries grants. The Council had so far paid the creditors as tabulated below as at 31st March, 2013:

	KR
LASF	153,684.80
NAPSA	97,776.26
Long Service Bonus	150,000
Retirees	292,891.73
Other	243,504.40
Total	KR 937,857.19

The payment vouchers were available for verification. The Council had put up measures to ensure that creditors were paid on time and ensured that the creditor's position did not grow.

Your Committee notes the response and awaits a progress report on the clearance of the outstanding creditors.

Improperly Vouched Payments: K 62,533,000 (KR 62, 533)

43. The Council Secretary responded by stating that the Council was now strictly ensuring that payments were properly vouched. The payment vouchers were available for verification.

Your Committee directs the Council to review the above payments and to ensure that they are properly vouched for in line with Regulation 86 of the Local Authorities (Financial) Regulations No. 125 of 1992. Your Committee awaits a progress report on the matter.

Mistreatment of Financial Statements Items

44. The Council Secretary responded by stating that the leave days were captured under payables-leave travel benefits. However, the description had been adjusted to the leave days in the 2012 financial statement. The Auditor's observation had been noted and the Council would comply in the 2012 Financial Statements. A ledger has been opened for leave days for 2013 and the Council has made arrangements with the vendor of the accounting package which the Council was currently using to train the accounting staff of the Council on the proper usage of the software. This would help resolve the challenges the staff were currently facing.

Your Committee directs the Council Secretary to adhere to financial regulations and awaits a progress report on the matter.

KATETE DISTRICT COUNCIL

Audit Review Report on the Constituency Development Funds (CDF), Fixed Assets and Council Indebtedness for the Period 1st January 2007 to 31st December 2011

Assets Management

45. Non-Maintenance of Fixed Assets Register

The Council Secretary responded by stating that the Council was in the process of engaging property valuers to assess all Council properties.

Your Committee notes the response and awaits a progress report on the accurate valuation of all the property.

Constituency Development Fund (CDF)

Site Inspection

A. *Non-Completion of Chibolya Clinic – Mkaika Constituency (2010) K100,000,000 (KR 100,000) CDF*

46. The Council Secretary responded by stating that the project was not fully funded and as a result, there was a delay in the completion. The Constituency Development Fund was meant to contribute up-front material such as building and river sand, stones and bricks while the Ministry of Health was to provide cement and other materials. Unfortunately, the Ministry did not meet its obligation and now the project was fully under the Constituency Development Fund.

Your Committee notes the submission and awaits a progress report on the completion of the project.

B. *Non-Completions of Chiwuyu Rural Health Centre (RHC) – Sinda Constituency (2009 – 2011) K200,000,000 (KR 200,000) CDF*

47. In response, the Council Secretary responded that the project was not fully funded and as a result, there were delays in its completion.

Your Committee directs the Council Secretary to ensure the completion of the project and await a progress report on the matter.

C. *Non-Completion of Kawaza Rural Health Centre (RHC) – Milanzi Constituency (2009 – 2011) – K184,808,000 (K184,808) CDF*

48. The Council Secretary responded by stating that the project was not fully funded hence the delays in the completion.

Your Committee directs the Council Secretary to ensure completion of the project and awaits a progress report on the matter.

D. *Non-Existence of Chamatantha Culvert (2009) – Mkaika Constituency K40,000,000 (KR 40,000) - CDF*

49. In response, the Council Secretary stated that expenditures had been prepared and were ready for verification.

Your Committee directs the Council Secretary to take audit queries seriously and cause the expenditure to be verified. It awaits a progress report on the matter.

E. *Poor Workmanship at Mindola Cooperative Society House (2007) – Milanzi Constituency – K11,000,000 (KR 11,000) CDF*

50. The Council Secretary responded by stating that the Constituency Development Fund disbursed K3, 000,000 (KR 3,000) for the re-construction of the Mindola Cooperative Society and due to limited funds during construction, the foundation footing was not done resulting in the walls cracking because of a weak base. The project did not procure new iron sheets due to inadequate funds and used the old ones available for the same project.

Your Committee notes that there was lack of monitoring of the construction of Mindolo Cooperative Society House by the Council Management. It awaits a progress report on the completion of repairs to the project building.

F. *Non-completion of Seya Day Secondary School (2009) Sinda Constituency – K30,000,000 (KR 30,000) with no Bill of Quantities*

51. The Council Secretary reported that the disbursement of K30, 000,000 (K30, 000) from Constituency Development Fund to the construction of Seya Day Secondary School was a contribution to the project as the total funds were to be provided through the District Education Board (DEBs) Office. The Bill of Quantity (BOQ) elaborating the expenditure of the K30, 000,000(KR30, 000) was attached.

Your Committee notes the submission and awaits a progress report on the completion of the project.

G. *Nthongole Basic School (2009) – Sinda Constituency – Diversion of K10,000,000 (KR 10,000) CDF*

52. In response, the Council Secretary stated that the initial application at Nthongole Basic School was for the rehabilitation of the existing Constituency Development Funded teacher's house, which was not liked by the teachers due to inadequate space. The PTA then decided to start the construction of a bigger house with the disbursed K10, 000,000 (KR10, 000) from Constituency Development Fund. More funding was to be solicited through the DEBs office. The BOQ for construction of a standard staff house was available.

Your Committee notes the submission and awaits a progress report on the matter.

PETAUKE DISTRICT COUNCIL

Audit Inspection Report on the Constituency Development Fund (CDF), Fixed Assets and Council Indebtedness for the Period 1st January 2007 to 31st December 2011

Non-Maintenance of Completed Project Registers to Petauke Central, Kapoche and Msanzala Constituencies

53. The Council Secretary responded by stating that annual returns indicating the status of each approved project were prepared and sent to the Ministry of Local Government and Housing.

In noting the submission, your Committee directs the Council Secretary to present the register for verification. Your Committee awaits a progress report on the actual number of completed projects.

54. *Maintenance of a Fixed Assets Register*

The Council Secretary responded by stating that the Council was in the process of acquiring Title Deeds from Ministry of Lands, Environment and Natural Resources.

Your Committee directs the Council Secretary to always maintain an assets register and awaits a progress report on the acquiring of title deeds.

Non-Maintenance of Leave Ledger

55. The Council Secretary responded by stating that information on the leave days was contained on individual personnel files and it was updated monthly.

Your Committee notes with dismay that the Council does not keep a leave ledger and directs the Council to put in place a leave ledger. It awaits a progress report on the establishment of the ledger.

Non-Maintenance of a Payable Ledger

56. The Council Secretary responded by stating that the payable ledgers had been maintained and were ready for verification.

Your Committee directs the Council Secretary to ensure the payable ledgers are verified and awaits a progress report on the matter.

Site Inspection

Non-Completion of Show Grounds Market (2009) – Petauke Central – K53, 000,000 – (KR 53,000) CDF

57. The Council Secretary responded by stating that the challenge on the completion of the project was the non-mobilisation of upfront community contribution. The community had made a pledge but failed to provide as provided for under section 9 of the CDF Guidelines. Even with the balance of KR 13,613, no meaningful works could be carried out. The Council had therefore, provided further resources amounting to KR 50,000 for the completion of the project. The extra amount was meant for the construction of toilets. The balance on the previous allocation could not be spent because it was not adequate to complete the outstanding works on the project.

Your Committee notes the response and awaits a progress report on the completion of the project.

Purchase of Tractor (2008) – Msanzala Constituency – K97, 000,000 (KR 97,000) CDF

58. The Council Secretary responded by stating that the Council had plans to repair the tractor purchased at K97, 530,000 once resources were available.

Your Committee notes that the Council failed to provide a proper explanation with regards to the procurement process and repairs involved. It therefore, awaits a progress report on the benefits accrued to the community through the tractor, the procurement process and the repairs involved.

Commitment and Disbursement of Funds to Disaster Management and Mitigation Unit (DMMU) – K229, 000,000 (KR229, 000)

59. The Council Secretary responded by stating that the funds were reserved for emergencies, and therefore no BOQ could be reasonably prepared because at that time, the anticipated disasters had not yet occurred. The three (3) constituencies involved were Petauke Central K100, 000,000; Kapoche - K 29,000,000 and Msanzala – K100, 000,000.

Further, the funds were not allocated to DMMU as planned but were reserved for emergencies, during the disaster prone period. These funds were later used on other projects because the disasters did not materialise.

Your Committee directs the Council Secretary to provide a progress report on the actual projects implemented using the money originally reserved for disasters.

Kombo Culvert (2008) – Petauke Central – K2, 350,000 – (KR 2,350) CDF

60. The Council Secretary responded by stating that rehabilitations on the culvert had been carried out at a cost of K2, 367,000. However, the heavy rains and small discharge capacity of the culvert led to the collapse of the walls. There was therefore, need to carry out a full rehabilitation of the project.

Your Committee directs the Council Secretary to put in place mechanisms of monitoring projects and to ensure that the workmanship is satisfactory.

NYIMBA DISTRICT COUNCIL

Audit Review Report on the Constituency Development Fund (CDF), Indebtedness and Assets Management for the Period 1st January, 2007 to 31st December, 2011

Constituency Development Fund (CDF) – K2, 585,000,000 (KR 2,585) – 2007 - 2011 CDF

Non-Production of Council Minutes to Support Disbursement of Funds for the Financial Periods ended 2007 and 2008 – Nyimba Constituency

61. The Council Secretary responded by stating that the non-production of Council minutes was due to poor record keeping by the Council's Administration Department.

The minutes had been traced, and the officers in the Administration Department had been sternly warned to improve their record keeping.

Your Committee notes that poor record keeping can be due to lack of a strongroom for the safe keeping of accountable documents and requests a progress report on the matter.

62. ***Maintenance of a Fixed Assets Register***

Non-production of Updated Assets Register and Revaluation of Assets

The Council Secretary responded by stating that the updated assets register was available and that the Auditor only extracted the summary of fixed assets from the register.

Further, the Council Secretary responded by stating that the Council failed to carry out a management valuation of the assets because it did not have the resources required to engage professional valuers of property. The Council had provided for the activity in the 2013 Budget.

While noting the response, your Committee directs the Council Secretary to avail the assets register for verification and provide a valuation roll as per the International Accounting Standards No. 16. It awaits a progress report on the matter.

Employee Records: K453, 532,000 (KR 453,532) Outstanding Long Service bonus Computed using Current Salary Rate

63. In response, the Council Secretary stated that the Council was of the view that the long service

bonus computations were based on the current salary rate, in order to take into account the time value of money.

The Council has since adopted the Auditor's recommendation and would in future calculate long service bonuses according to the Auditor's advice.

Your Committee notes the submission and awaits a progress report on clearance of outstanding long service bonuses.

Ndake Rural Health Centre – Delayed Completion of Staff House – K126, 495,000 (KR 126,495)

64. The Council Secretary responded by stating that the community did not provide enough upfront materials for completion of the project. In future, the Council would ensure that enough upfront materials were on site before the project commenced.

Your Committee directs the Council Secretary to ensure that the staff house is completed and awaits a progress report on the matter.

Nyimba Skills Centre – K35, 000,000 (KR 35,000) without BOQ

65. The Council Secretary responded by stating that the funds allocated to the project were exhausted and that they were not enough to complete the project. The Council had advised the community to apply for further funding in the 2014 CDF allocation.

Your Committee directs the Council Secretary to ensure that such projects have BOQs and awaits a progress report on completion of the project.

Mwape Road (2011) Not Commenced – Nyimba Constituency – K219, 000,000 (KR 219,000)

66. The Council Secretary reported that Rural Roads Unit (RRU) withdrew the equipment before the project could commence. The equipment was now back in the district and works were progressing well.

Your Committee notes the submission and awaits a progress report on the completion of the project.

CHIPATA MUNICIPAL COUNCIL

Statutory Audit and Audit Inspection Report of Constituency Development Funds for the Period 1st January to December, 2010

Non-Acquisition of Certificates of Title for Council Properties

67. In response, the Town Clerk reported that the Council had made tremendous strides in an effort to acquire certificates of title as it was in the process of conducting an exercise of taking stock of all properties of the Council, including properties occupied by individuals and institutions suspected to be Council property. The Council, in liaison with the Ministry of Lands, Natural Resources and Environmental Protection, would carry out a land search with a view of repossessing some of the properties.

Your Committee notes the submission and awaits a progress report on the acquisition of certificates of title for Council properties.

Non Preparation of Trial balance

68. The Town Clerk reported that the anomaly was perpetuated by the fact that the Council's financial statements were based on the receipts and payment basis. However, the Council would, from the present financial year, prepare its financial statements on an accruals basis and present the income statement, statement of financial position and cash flows.

Your Committee notes the submission and awaits a progress report on the preparation of the trial balance.

Lack of Vehicle Policy Management

69. The Town Clerk reported that a log book system was now in place and log books were available for verification.

Your Committee directs the Town Clerk to present the log books for verification and awaits a progress report on the establishment of a full vehicle management policy.

Chipata Motel Account

Failure to Prepare Income Statements

70. The Town Clerk reported that the Council had prepared income statements for the commercial venture and had submitted them to the Ministry of Local Government and Housing for verification.

Your Committee notes the submission and awaits a progress report on the verification of the income statement.

Failure to Account for Money Raised through Laundry Services

71. In response, the Town Clerk stated that the Motel did not offer laundry services to the clients. It was used for washing Motel linen only.

Your Committee notes the submission and directs the Town Clerk to carry out a thorough investigation on the operations of the laundry. Your Committee awaits a progress report on the findings.

Unsupported Expenditure-K40, 953,000 (KR 40,953) - CDF

72. The Town Clerk reported that the invoices and receipts had since been located and accordingly attached to the respective vouchers. The documents were available for verification.

Your Committee directs the Town Clerk to ensure that accountable documents are kept safe and have them verified. It awaits a progress report on the matter.

CHIPATA MUNICIPAL COUNCIL

Audit Inspection Report on the Constituency Development Fund (CDF), Fixed Assets and Indebtedness for the Period 1st January, 2007 to 31st December, 2011

Constituency Development Fund (CDF) – K10, 340,000 (KR 10,340) CDF Grants for 2007 - 2011

Non - Assets Revaluations and Supporting Documents for Purchases

73. The Town Clerk reported that most Council assets were very old and no one was aware of when they were procured and no documentation was available. For the few assets procured in recent years, documentation and purchase cost were available and the Auditor accordingly verified. The Council has also engaged the Government Valuation Department to value the Council's property and assets in an effort to remedy the problem.

Your Committee notes the submission and awaits a progress report on the re-valuation of the Council assets.

Employees Records – K6, 730,526,329.68 (KR 6,730,526.33) Long Service Bonus

74. The Town Clerk reported that the Council computed long service bonus on the salary and it had been the practice for many years. The Council had not received any guidelines on which basis to apply.

Your Committee notes the submission and directs the Council to consult with the Ministry of Local Government and Housing regarding the computation of long service bonus. Your Committee awaits a progress report on the matter.

75. Maintenance of a Payable Ledger

The Town Clerk reported that the source documents in respect of salary arrears and retiree benefits were personal employee ledgers and these were available at the time of audit and were readily available for verification.

The source documents for suppliers, ZESCO, ZAMTEL and the Water and Sewerage Company, were the individual unpaid bills as well as account statements from the suppliers. The statements and invoices were available for verification.

Your Committee directs the Town Clerk to avail the documents for verification and awaits a progress report on the matter.

Non – Completion of Kaumbwe Market (2010)-Chipata Central – K30, 000,000 (KR 30,000) CDF

76. The Town Clerk reported that the project was underfunded and the Project Committee was advised to apply for additional funds to complete the project which they did and a BOQ was produced to that effect. The project only awaited approval of CDF Projects by Ministry of Local Government and Housing.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Electrification of St. Margrets Secondary School (2009) - Chipangali Constituency – K350, 000,000 2009 (KR 350,000) – 2010 CDF

77. The Town Clerk reported that the current system in place was that BOQs were submitted together with the application for funding under CDF. The same were scrutinised by the District Development Coordinating Committee before approval by the Council.

The Project Committee from the community had not applied for further funding. However, the Council would follow-up the matter and advise the community to request for more funding.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Non-Completion of Kazimule Basic School (2010) -Luangeni Constituency K 21,000,000 2010 – 2011 CDF

78. The Town Clerk replied that the current system in place was that BOQs were submitted together with the application for funding under CDF and the same were scrutinised by the District Development Coordinating Committee before approval by the Council.

The Project Committee from the community had not applied for further funding. The Council would follow-up this matter and advise the community to request for more funding.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Non – Completion of Mbenjele Rural Health Centre (2007) - Chipangali Constituency – K85, 000,000 (KR 85,000)

79. The Town Clerk reported that the current system in place was that BOQs were submitted together with the application for funding under CDF and the same are scrutinised by the District Development Coordinating Committee before approval by the Council.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Non-Completion of Mkowe Basic School (2007) - Kasenengwa Constituency – K47, 000,000 (KR 47,000) 2007 and 2010 CDF

80. The Town Clerk stated that the Council regretted the anomaly of non-availability of BOQs. However, the new system in place was that BOQs were submitted together with the application for funding under CDF and the same were scrutinised by the District Development Coordinating Committee before approval by the Council.

The Project Committee from the community had not applied for further funding. However, the Council would follow-up this matter and advise the community to request for more funding.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Chipata Motel Primary Health Care (2007) - Chipata Central – K 30,000,000 (KR 30,000) 2008 and 2010 CDF

81. The Town Clerk reported that the BOQ and financial records at the time of audit were misplaced. However, the new system in place was that BOQs were submitted together with the application for funding under CDF and the same were scrutinised by the District Development Coordinating Committee before approval by the Council. The payment records were available for verification

Your Committee notes the submission and awaits a progress report on the completion of the project.

Outstanding Works at Mkandamateyo Community School (2008)-Chipangali – K35, 000,000 (KR 35,000) 2008 and 2010 CDF

82. The Town Clerk reported that the current system in place was that BOQs were submitted together with the application for funding under CDF and the same were scrutinised by the District Development Coordinating Committee before approval by the Council.

The project was funded in phases due to inadequate funds hence the Project Committee was advised to apply for additional funds to complete the project which they did and a BOQ was produced to that effect.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Non-completion of two VIP toilets at Ndembela Community School (2009) - Kasenengwa Constituency – K10, 500,000 (KR 10,500) CDF

83. The Town Clerk reported that the current system in place was that BOQs were submitted together with the application for funding under CDF and the same were scrutinised by the District Development Coordinating Committee before approval by the Council.

The project was funded in phases due to inadequate funds hence the Project Committee was advised to apply for additional funds to complete the project which they did and a BOQ was produced to that effect.

Your Committee notes the submission and awaits a progress report on the completion of the project.

Rehabilitation of M nukwa Agriculture Shed (2011) - Chipangali Constituency K30, 000,000 (KR 30,000) CDF

84. The Town Clerk reported that works were completed except the plastering of walls and that the current system in place was that BOQs were submitted together with the application for funding under CDF and the same were scrutinised by the District Development Coordinating Committee before approval by the Council.

Your Committee notes the submission and awaits a progress report on the matter.

Jerusalem Police Post (2010)-Luangeni Constituency – K45, 000,000 (KR 45,000) CDF

85. The Town Clerk reported that the police post and staff house projects were successfully completed. However, the project could not be utilised as intended because another police post with better facilities (running water and electricity) was built within the same locality at St. Mary's Msupazi Catholic Parish. The Constituency Development Committee for Luangeni Constituency was yet to meet to decide

the usage of the project. Currently, the teachers from Jerusalem Basic School were using the building for accommodation due to shortage of staff houses at their school.

The variation in use had been occasioned by the Zambia Police Force not taking up the post in preference to another structure.

Your Committee takes note of the submission and awaits a progress report on the outcome of the decision of the Luangeni Constituency Development Committee.

ISOKA DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the CDF for the Period 1st January to 31st December, 2010

Motor Vehicles without Documents of Ownership

86. The Council Secretary reported that the Council received the said motor vehicles as donations from the Ministry. The Council was yet to collect the said documents and the Office of the Provincial Local Government Officer would ensure that the anomaly was addressed by June 30, 2013.

Your Committee notes the submission and will await a progress report on the acquiring of motor vehicle documents of ownership. Your Committee directs the Council to follow-up the issue with the Ministry of Local Government and Housing.

Motor Vehicles not Insured

The Council Secretary reported that the matter was still outstanding in respect of the Isuzu KB 250 and the hearse which were yet to be insured. However, the other movable assets were non-runners and obsolete.

Your Committee notes the submission and awaits a report on the insurance of vehicles. However, it directs the Council Secretary to seek advice on what to do with non-runner and obsolete vehicles.

Council Properties not Insured

87. The Council Secretary reported that it was irregular not to have insured its estate. However, the Office of the Provincial Local Government Officer would be approached to follow up the matter to ensure that buildings were insured.

Your Committee notes the submission and awaits a progress report on the insurance of Council properties.

Financial Statements not Prepared

88. The Council Secretary reported that the Council had abrogated the provision of the Local Government Act Cap 281 of the Laws of Zambia on the need to prepare annual financial statements. However, the Council had since made strides in the preparation of annual financial statements beginning with the year 2012. Necessary software to help in the preparation of the same had been acquired.

Your Committee notes the submission and awaits a progress report on the preparation of financial statements for 2011.

Low Level Service Provision

89. The Council Secretary reported that Council did not provide adequate services to residents of the District commensurate with the funds received due to the fact that of the K2, 115, 429, 855(KR 2,115,429.86) received during the year, K743, 723, 901 (KR743, 723.90) was transferred into the Council account for specific programs such as Electoral Commission of Zambia activities, restructuring grants, market grant and repair of the council grader. The money was broken down as follows;

i) ECZ activities	K430, 451, 086 (KR430, 451.09)
ii) Restructuring grant	K188, 155, 386 (KR188, 155.39)
iii) Repair of grader	K 75, 117, 428 (KR75, 117.43)
iv) Construction of market shed	K 50, 000, 000 (KR50, 000)

It was reported that K62, 896, 785 (KR62, 896, 79) meant for crop compensation was transferred back to the Ministry of Local Government and Housing in accordance with the instructions that were given to the bank to do so.

Most of the remaining funds were spent on payment of the backlog of retirement benefits for some former Council employees, who had taken the Council to court to claim their terminal benefits. The Council was always given directives by the Ministry to deduct from grants received in order to clear some of the outstanding claims that were in court.

The Council would, however, always strive to ensure that it adhered to the 40% minimum service provision requirement as provided for in the budget and in line with the Ministerial policy.

Your Committee notes the submission and awaits a progress report on the achievement of 40% community service provision.

MAFINGA DISTRICT COUNCIL

Statutory Audit Report Responses on the Books of Accounts for Mafinga District Council for the Period 1st January to 31st December 2011

No Internal Audit Function

90. The Council Secretary reported that the Council had written to the Local Government Service Commission (LGSC) to appoint more qualified staff for Mafinga District Council, to fill up all the vacant positions including the Internal Auditor.

Your Committee notes that Mafinga District is new and urges the LGSC to appoint staff to fill all vacant positions at Mafinga District. It awaits a progress report on the appointment of qualified staff in the Mafinga District Council Internal Audit Section by the LGSC.

MUNGWI DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the CDF for the Period 1st January to 31st December, 2010

Non-Segregation of Duties

91. The Council Secretary reported that at the time of audit, the Council did not have the Internal Auditor in the Treasury Department. Just like many other vacant positions, this was due to poor staffing levels. The Council wrote to the Local Government Service Commission to fill all the vacant positions including the position of Internal Auditor but there had not been a response to date. Considering the importance of functions of the Internal Audit, the Council assigned one officer to carry out the functions of Internal Auditor while waiting for the Local Government Service Commission decision.

Your Committee notes the response and awaits a progress report on the filling up of all vacant positions, especially that of Internal Auditor by the Commission.

Substantial Amount of Uncollected Debt –K45, 705,000 (Kr 45,705)

92. In response, the Council Secretary stated that the Council had written to the Permanent Secretary, Ministry of Local Government and Housing (MLGH) to intervene at the higher level. The Council had also requested the provincial leadership to recover from respective recurrent departmental funds. The Council had resolved to enhance follow-ups on revenue pursuits.

Your Committee notes the response and awaits a progress report on the collection of outstanding debt.

Lack of Depreciation Policy

93. The Council Secretary reported that there was no Council resolution at that time as management did not make the proposal to the Council. Management would report to the Council in July 2013 so that a depreciation policy could be put in place. Management had since assigned an officer to maintain a fixed asset register.

The Council would engage valuers to ensure that all assets had values to avert other lapses when it came to effecting the policy.

Your Committee notes the response and awaits a progress report on the matter.

Title Deeds for Council Properties not Available

94. The Council Secretary reported that Mungwi District Council, before inception, was a sub centre of the then Kasama District Council. All valued assets at the time appeared under Kasama District Council Valuation Roll. The buildings under Mungwi District Council were not yet valued.

The houses in Location 1, Location 2 and Location 3 were built by block allocation with each house sitting on un-numbered plot. The same applied to other buildings.

The Council applied for land development funds from the Ministry of Lands, Natural Resources and Environmental Protection and the request was honoured. The Council engaged the Department of Survey and Physical Planning to undertake the survey and the layout plans. The plots had since been numbered by the Ministry of Lands, Natural Resources and Environmental Protection. These processes would allow

for the buildings to be valued and later acquisition of certificates of title for Council properties including for those who had purchased Council houses. Documentation for the processes was available for audit verification. The Council would endeavour to work with the planning authorities to ensure that land was surveyed and plots numbered before issuance.

Your Committee notes the response and awaits a progress report on the completion of the surveying, numbering of plots and issuance of the deeds.

Misapplication of Government Grant for Service Provision K94, 634,800 2009 (KR 94,635)

95. The Council Secretary responded that at the time the Council had been struggling with unpaid salaries and wages for 15 months. There was a low revenue base and indebtedness outweighed cash flow. However, the Council was providing services from 31st March, 2010 and has so far spent K51, 213,400 (KR51, 213.40).

Your Committee notes the response and directs the Council Secretary to ensure that the money for service delivery is applied for its intended purpose.

Financial Statements not Fully Prepared up to Balance Sheet

96. The Council Secretary responded that the financial statements were not fully prepared up to balance sheet, but up to receipts and payments account due to the fact that most of the Council properties were not valued. The Council did not have the deprecation policy to ascertain values of movable assets. Management would report to the Council the proposed deprecation policy in July 2013. The Council would ensure that financial statements were fully prepared once the assets were valued.

Your Committee notes the response and awaits a progress report on the full preparation of the Balance Sheet.

Asset Register not Fully Updated

97. The Council Secretary reported that the Asset Register had not been fully updated with all the details of assets owned. This was mainly as a result of inadequate staff in the Treasury Department. The Fixed Assets Register was being maintained despite the values not being reflected. The same was available for audit verification.

Management had since assigned an officer of the Council to specifically ensure that a fixed assets register was regularly updated and adjusted to safeguard Council property.

Your Committee notes the response and awaits a progress report on the matter.

Assets not Insured

98. The Council Secretary reported that the Council's liquidity problems mainly resulted in its inability to insure most of its assets, especially the old fleet of vehicles which were over ten (10) years old. Management, during the year under review insured three vehicles namely; Hearse registration number GRZ 308 CE, Yuegin truck (Keep Zambia Clean Campaign) registration number GRZ 908CA and a Toyota Hilux registration number AAP 2205. Management had entered into a payment plan with the insurance company to pay the insurance premiums in instalments for the Council's vehicles and other assets including buildings.

Your Committee notes the response and directs the Council Secretary to avail the necessary documents for audit verification. A progress report will be awaited on the matter.

Payment Voucher Inadequacies (Shortfalls)

99. The Council Secretary reported that the weakness was on the part of the accounting staff. Payment vouchers and supporting documents had since been invalidated by stamping them “PAID” and all payment vouchers had been coded with the appropriate codes as provided by the chart of accounts and were ready for the auditor’s verification.

Management had designed new payment vouchers with a segment to reflect amounts in words. Suppliers had been instructed to include the provision for the amount in words.

Your Committee notes the response and directs the Council Secretary to submit the documents for verification. A progress report is awaited on the matter.

MPIKA DISTRICT COUNCIL

Statutory Audit on Council Accounts and Audit Inspection on the Constituency Development Fund for the Period 1st January to 31st December, 2010

Financial Statements not prepared

100. The Council Secretary reported that the Council had failed to prepare financial statements because most of its assets were not valued for the purpose of inclusion. This presented difficulties as it was not easy to ascertain the assets’ values in the financial statements. The Council had contacted the Government Valuation Department to assist it to value all its assets. However, as an immediate correctional measure, the Council had constituted a team which included some members from the Council Management and other line ministries to come up with management values to be recorded in the financial statements. The Council Secretary explained that the Council had started a capacity building program for the staff in the Finance Department to ensure that there was continuity in the preparation of financial statements.

Your Committee awaits a progress report on the valuation of assets.

Most assets in the Register not valued

101. The Council Secretary reported that the observation made by the auditor was correct. The values for the assets such as vehicles and computers, which were supposed to be recorded could not be ascertained as most of them were given to the Council by donors. The Council Secretary further explained that the Council had constituted a team which would work out the management values to be included in the register. Further, the Government Valuation Department had been requested to assist the Council to value all its assets. He stated that the Council has put measures in place to ensure that the asset register was continuously updated.

Your Committee awaits a progress report on the valuation of the assets.

Title Deeds not Available

102. The Council Secretary stated that the Council regretted the anomaly. He explained that the Council could not acquire title deeds because the plots were not numbered and surveyed. The

Department of Physical Planning had been engaged to prepare site plans for respective Council properties. The Survey Department has also been tasked to carry out survey on the said Council plots in readiness for the acquisition of Title Deeds from Ministry of Lands, Natural Resources and Environmental Protection. The Council Secretary assured your Committee that after engaging the physical planner, the process of acquisition of titles would be streamlined. The Council has applied for funds from Ministry of Local Government and Housing to enable it carry out various town planning activities.

Your Committee urges the Council Secretary to adhere to the Regulation 153 Local Authorities (Financial) Regulations No. 125 of 1992 and awaits a progress report on the acquisition of title deeds for the Council.

Database on Land Administration not Maintained

103. The Council Secretary responded that the Council did not maintain a database of plots due to the lack of qualified staff in the Council to create and maintain a database on plots. The Council did not have numbered plots left for offer. As a result, it started offering applicants unnumbered plots thereby approving applications for land without specifying the plot numbers offered to successful applicants. However, since the engagement of qualified staff, the Council had started creating the database. The Council, at its meeting of 11th March, 2013 under resolution No MDC/25/03/2013 suspended further interviews and approvals of any applications without specific plot numbers. The Ministry of Local Government and Housing had also given the Council a grant amounting to Kr650, 000 meant township planning. The Council would therefore, not be issue any unserviced plots which were and unnumbered.

Your Committee notes the response and awaits a progress report on the completion of the database and the numbering of the plots.

Profit and Loss Account not Prepared for the Rest House

104. The Council Secretary reported that during the period under review, the Council could not avail the auditor with the copies of profit and loss account. This was due to the fact that the Finance Department was short staffed with most of the positions managed by clerical officers who had limited capacity and skills and could only record transactions in the books of accounts. The Council had since established necessary measures to ensure that the profit and loss account for the rest house were prepared and was in the process of preparing the same. Further, the Council had procured the pastel accounting package to assist in the production of financial statements which included the profit and loss accounts.

Your Committee notes the response and awaits a progress report on the preparation of the profit and loss account for the rest house.

MBALA MUNICIPAL COUNCIL

Statutory Audit on Council Accounts for the Period 1st January to 31st December, 2011

Outstanding Statutory Creditors –K1, 255,126,783.98 (KR1, 255,127)

105. The Council Secretary responded by stating that after the abolishment of the grain levy by the Government, Mbala Municipal Council's revenue base was badly affected and resulted in the Council's failure to meet its obligation. Management took note of the auditor's concern and stated that a total of K251, 347,261 (KR251, 347.26) had been paid towards the amount owed to the statutory creditors. The

Council management would commit itself to continue making payments towards reducing the outstanding statutory debt.

No	Name of creditor	Amount o/s K	Amount paid K	Balance K
1	NAPSA	666,798,972.68	85,200,000	581,598,972.68
2	ZRA	380,798,860.60	100,000,000	280,798,860.60
3	LASF	207,532,950.70	66,147,261,	141,385,619.70
	Total	1,255,126,783.70	251,347,261	1,003,779,522.70
		KR 1, 255,126.78	KR 251, 347.26	KR 1, 003, 779.52

Your Committee urges the Council Secretary to ensure that the outstanding debt to the statutory bodies is cleared and awaits a progress report.

Service Provision Less than 40% (i.e. 9.09%)

106. The Council Secretary responded by stating that the Council management recognised the fact that the report showed an under expenditure of 9.09% incurred on the Service Provision Vote. However, after a thorough scrutiny of the payment vouchers, it was discovered that payment for casual workers on certain programmes were posted under that Wages Votes instead of Service Provision Votes. This anomaly had been corrected and a total sum of K37, 621,710 (KR37, 621.71) paid towards casual services provision of roads and drainage, parks and gardens, refuse collection and grass cutting had been correctly posted, thereby increasing the service provision to K203, 984,872.29 (KR203,984.87) (11.145%). Management would ensure that all payments made were properly coded and posted to the right vote when preparing management reports. Management had to date employed two (2) new officers and also requested the Local Government Service Commission to provide more qualified staff in the accounts section.

Your Committee notes the submission and awaits a progress report on the matter.

Motor Vehicles without Documents of Ownership

107. In response, the Council Secretary submitted that most of the motor vehicles that the Council owned were donated by the Ministry of Local Government and Housing which did not issue the Council with red books at the time of the donation. The Council Secretary stated that there was need for the Government to ensure that as it donated vehicles to Councils, red or white books should be given together with the vehicles to avoid future queries.

No.	Make Of Vehicle	Type	Registration No	Donated by
1	Toyota	Corona	AAP 5052	GRZ
2	Toyota	Prado	AAR 7409	IRISH AID DONATED
3	Mitsubishi	Rosa	GRZ 939 BM	GRZ
4	Mitsubishi	Tipper Truck	GRZ 856 BH	GRZ
5	Yugein	Light Truck	GRZ 227 CB	GRZ
6	Yugein	Light Truck	GRZ 169 CB	GRZ

7	Toyota	Corolla	GRZ 997 BM	GRZ
8	Grader	Champion 720	-	GRZ
9	Mitsubishi	L200		GRZ
10	Toyota	Surf	ABF 4005	
11	Tractor	-	-	GRZ
12	Beijing Jeep	Baw Hearse	GRZ 404 CE	GRZ
13	Beijing Jeep	Baw Hearse	GRZ 403 CE	GRZ

Your Committee urges the Council Secretary to ensure that all vehicle ownership documents are collected and awaits a progress report on the matter.

Motor Vehicles not Insured

108. The Council Secretary responded by stating that most of the motor vehicles were non-runners at the time of audit. Management found it fit not to insure them in 2011. He informed your Committee that the vehicles which were runners had been insured by the Council. Proof of insurance was attached for verification.

No.	Make of Vehicle	Type	Registration No.	Remarks
1	Toyota	Corona	AAP 5052	Non-runner
2	Toyota	Prado	AAR 7409	Non-runner
3	Yugein	Light Truck	GRZ 227 CB	Non-runner
4	Yugein	Light Truck	GRZ 196 CB	Runner
5	Toyota	Corolla	GRZ 997 BM	Non-runner
6	Grader	Champion 720	-	Non-runner
7	Mitsubishi	L200	-	Non-runner
8	Tractor	-	-	Runner

Your Committee urges the Council Secretary to ensure that the Council comes up with a resolution on what it intends to do with non-runner vehicles. It awaits a progress report.

Financial Statements not Prepared

109. The Council Secretary responded that the non-preparation of financial statements was due to the fact that most of the fixed assets were obsolete and did not have values worth stating in the financial statements. In the past, management did not have qualified manpower to undertake this exercise. However, with the Local Government Service Commission in place, it was hoped that the Council would benefit from the Commission by being allocated qualified manpower to boost the Finance Department. The Council Secretary explained that management hoped to invite qualified companies to undertake a revaluation of Council assets so that the fixed assets part could be completed. Management had started the process and had already contacted T P Chibwe and Company. In the meantime, management had started to attempt to prepare financial statements using the statement of affairs format from the incomplete records. A draft copy was available for verification.

Your Committee awaits a progress report on the preparation of the financial statements.

LUWINGU DISTRICT COUNCIL

Audit Responses to the Statutory Audit on Council Accounts for the Period 1st January to 31st December, 2011

Financial Statements not Prepared

110. The Council Secretary reported that the Council had not completed the process of valuing its assets. Funds amounting to K 80, 000, 000 (KR 80, 000) had been sourced from Irish Aid to value properties in Luwingu which would include all Council buildings and other assets. The Council had written to the Minister of Local Government and Housing for the appointment of the valuer. The Council has purchased pastel software to help in the preparation of financial statements. The letter to the Minister to appoint a valuer and the pastel software has been verified by the Auditor. The Council Secretary stated that as soon as the Council buildings were valued, the Council would ensure that financial statements were prepared annually.

Your Committee notes the response and awaits a progress report on the matter.

No Certificates of Title for Properties

111. The Council Secretary reported that the Ministry of Lands, Natural Resources and Environmental Protection in Kasama, which was engaged to survey the plots, had not yet produced the Survey Report for the District to pursue the issue of acquiring Title Deeds. However, the Council had started the process of acquiring title deeds for the Civic Centre and two (2) Council rest houses. Once the Ministry of Lands, Natural Resources and Environmental Protection produced the report, the Council would go ahead and acquire title deeds.

Your Committee awaits a progress report on the acquisition of title deeds for the three properties.

Non-Preparation of a Procurement Plan

112. The Council Secretary reported that the Council had been operating without a procurement officer on its permanent establishment. The Council had been depending on the services of procurement officers from other Government line departments. The Council had recommended one officer who was on attachment to the Local Government Service Commission to be considered for permanent employment. The Council resolution and the letter to the Local Government Service Commission has been verified by the Auditor. The Council has prepared the procurement plan for the year 2013 and this was ready for verification. The Council Secretary stated that the Council would ensure that procurement plans were prepared every year. It would also make a follow up with the Local Government Service Commission on the employment of a procurement officer on a permanent basis.

Your Committee awaits progress on the recruitment of a procurement officer.

CHAMA DISTRICT COUNCIL

Statutory Audit on Constituency Development Fund, Fixed Assets and Council Indebtedness for the Period 1st January, 2007 to 31st December, 2011

Constituency Development Fund (CDF)

Maintenance of a Fixed Assets Register

113. The Council Secretary responded by stating that the situation arose due to the non-valuation of Council assets. The Council had since valued the assets using management valuation in the interim as recommended by the auditor and had further requested for funding from the Ministry of Local Government and Housing for the valuation of properties in the District including, Council properties.

The Council would continue using the management valuation method until the valuation exercise of assets was done by the valuation experts.

Your Committee awaits a progress report on the valuation of assets.

Non Completion of Works at Chama Day High School (2010) - Chama North K40, 000,000 (Kr 40,000)

114. The Council Secretary responded by stating that in 2010, the project received an initial funding of KR35, 096 inclusive of labour and transport. In 2011, the CDF Committee allocated additional funding of KR40, 970. This explained the total expenditure of KR74, 687.40 which the auditor referred to in the report. During the time of audit, the Director of Works, who was also acting Council Secretary, was away on duty and the officers who were at the station could not locate the BOQs which were locked away in the Council Secretary's office. The other reason was that the CDF committee failed to heed management's advice to fund the projects wholly as opposed to partial funding. The Council had since written to the school to apply for funding from the CDF since the earlier funds were not adequate to complete the 1x3 classroom block.

Further, the Council would continue advising the CDF Committee to consider allocating funds to projects and to follow the BOQs submitted for each project when allocating funds.

Your Committee notes the response and awaits a progress report on the completion of the project.

Non – Construction of VIP toilets at Mwalala Rural Health Centre (RHC) (2010)-Chama North – K1, 232,000,000 (Kr 1, 232,000)

115. The Council Secretary responded that this was due to the non-allocation of funds by the CDF Committee for the construction of the VIP toilets as the allocated funds of K32, 000,000 were for the construction of the RHC. The Council, together with the Department of Health, had engaged the community at Mwalala RHC to apply for the construction of the VIP toilets in the next CDF funding. The Council would do its part to support the application for funding for the construction of the VIP toilets at the RHC from Chama North CDF in order to improve the sanitary conditions.

Your Committee notes the submission and awaits a progress report on the construction of a VIP toilet at

the RHC.

Over Expenditure Not Supported By Supplementary Estimates K442, 724,494.99 (Kr 442, 724.49)

116. The Council Secretary reported that the Internal Audit Office was now in full operation so as to strengthen budget controls and budget tracking systems. Further, the Council shall also be holding quarterly budget performance reviews.

Your Committee notes that the Council did not have expenditure ledgers to enable it monitor funds. Your Committee directs the Council to acquire ledgers and to provide a progress report on the matter.

Assets not insured

117. The Council Secretary reported that the assets had not been insured at the time of the audit inspection due to non-availability of financial resources at the Council. He promised that all assets would be insured as recommended by the auditors. Further, the Zambia State Insurance Corporation (ZISC) had been invited to assess all insurable properties so that they could be comprehensively insured.

In noting the submission, your Committee awaits a progress report.

No Certificates of Title for Properties

118. The Council Secretary reported that the Council was in the process of preparing the Development Plan for Kaputa Township. This was for the purpose of processing title deeds for its own properties within the district. The Development Plan was submitted to the Ministry of Lands, Natural Resources and Environmental Protection for numbering and surveying after which the Council would commence the process of applying for title deeds for all its properties.

In noting the submission, your Committee urges the Council Secretary to adhere to Regulation 153 of Local Authorities (Financial) Regulations No 125 of 1992 and awaits a progress report on the matter.

KAPUTA DISTRICT COUNCIL

Audit Review Report on Constituency Development Fund (CDF) for the Period 1st January, 2007 to 31st December, 2011

Use of Imprest to Make Procurements: KR240, 500

119. The Council Secretary responded that the Council would henceforth adhere to financial regulations and that transactions would only be done by cheque and directly to suppliers not middleman.

Your Committee resolves not to close the matter and directs that the documents be verified by the Ministry of Local Government and Housing. Your Committee awaits a progress report on the matter.

Funding of too many Unsustained Projects

120. The Council Secretary responded by stating that the CDF was supposed to be shared among the wards equally and that the Council had lamented that the position was not sustainable. Therefore, the Council had adopted a different way of allocating CDF by following constituency priority needs. Further, starting from 2014, the Council would only disburse funds to a few priority needy projects for the community.

In noting the submission, your Committee awaits a progress report on the implementation of CDF projects.

Updated Valuation Roll

121. The Council Secretary reported that the Council had no capacity to conduct an expensive exercise of updating the Valuation Roll. Further, the Council had written to the Ministry of Local Government and Housing to assist by sending Government valuers to update the Valuation Roll of the Council. This has affected the Council such that it did not receive grants in lieu of rates.

In noting the submission, you Committee awaits a progress report on the matter.

Review of Assets Management (No certificates of title for some properties)

122. The Council Secretary responded by stating that an approved development plan had been submitted to Ministry of Lands, Natural Resources and Environmental Protection for numbering. Thereafter, a survey would be conducted on numbered properties in order to facilitate the process of obtaining titles. Further, Council management had come up with management estimate book values for all fixed assets.

In noting the submission, your Committee directs the Council Secretary to adhere to Regulation 153 of the Local Authorities (Financial) Regulations No. 125 of 1992 and awaits a progress report on the matter.

Commercial Ventures not Recapitalised (Rest House)

123. The Council Secretary responded by stating that the Council had no capacity to recapitalise all the commercial ventures. However, the Council would soon embark on small renovations once the Council's cash flow improved. A contractor has already been identified to repair the water reticulation, plumbing, towering, repair of ceilings and modification of the non-self contained rooms to make them self-contained.

In noting the submission, your Committee awaits a progress report on the matter.

Undisposed of Obsolete Motor Vehicles, Plant and Machinery

124. The Council Secretary reported that the Council would soon dispose of the obsolete motor vehicles following the recommendation by the Auditors. A depreciation policy approved by the Council would be applied in order to avoid the existing fixed assets being declared obsolete.

In noting the submission, your Committee awaits a progress report on the matter.

LUKULU DISTRICT COUNCIL

Statutory Audit of District Fund Account and Constituency Development Fund Account for the Period 1st January to 31st December, 2011

Valuation of Council Assets

125. The Council Secretary reported that the assets have since been valued based on managements' estimates. However, the Council resolved to engage a registered valuer who would carry out the valuation of all the Council's property.

In noting the response, your Committee awaits a progress report on the matter.

Non Acquisition of Certificate of Title for Council Assets

126. The Council Secretary reported that the Council resolved to apply for the title deeds to the Ministry of Lands, Environment and Natural Resources so that most council property be on title. The Council would ensure that title deeds for the Council property were acquired.

In noting the response, your Committee awaits a progress report on the matter.

Ineffective Collection of Revenue- K1, 691,050 (Kr 1,691)

127. The Council Secretary responded that the Council could not collect revenue as budgeted due to its narrow revenue, base. Some of the revenue such as fish and timber levies, had been taken over by the Baroste Royal Establishment (BRE). One of the BRE revenue collectors had even vandalised the Council barrier making it difficult for the Council to collect certain levies and hence the low collection. However, the Council was holding talks with BRE to resolve the issue of the fish levy. Further, the BRE revenue collector who vandalised the Council barrier was arrested and the case was before the courts of law. The Council has also embarked on a program of sensitising the public on the importance of paying levies to the Council and increasing the number of revenue collectors to improve revenue collection in the current and future years. The Council would continue holding meetings with the BRE to ensure that some of the levies they were collecting were allocated to the Council. So far, two meetings have been held where the issues were discussed. The meetings proved to be fruitful. The Council has also requested the Ministry of Local Government and Housing to intervene in this issue.

Your Committee awaits a progress report on the matter.

GWEMBE DISTRICT COUNCIL

Statutory Audit for the Period 1st January to 31st December, 2011

Non-Review of Register of Accountable Documents

128. The Council reported that the Register for Accountable Documents shall be reviewed regularly by the Internal Auditor. The register was available for verification. Further, the Council had assigned the Internal Auditor to ensure that the register of all accountable documents were reviewed regularly.

Your Committee observes that the officer in question, had just graduated from Chalimbana and was therefore not yet appointed as Internal Auditor and therefore, directs that the matter should be referred to the Local Government Service Commission. Your Committee therefore, awaits a progress report on the matter.

Non-Acquisition of Certificates of Title for Council Properties

129. The Council Secretary reported that the query arose as a result of non-presentation of certificates of title because the person who had the original copies had passed away. The Council has since made a follow-up with the Ministry of Lands, Natural Resources and Environmental Protection requesting the Ministry to produce duplicate records for all the Council's properties and the letter was available for verification. The Council has assigned the physical planner to make sure that duplicate copies of title, if any, were obtained from the Ministry of Lands, Natural Resources and Environmental Protection.

Your Committee directs the Council Secretary to avail copies of title deeds for verification and to avail a progress report on the matter.

Non-preparation of Annual Financial Statements

130. In response, the Council Secretary stated that the non-preparation of financial statements was caused by poor staffing levels in the finance department and that the financial statements were currently being compiled and would soon be made available for verification. She added that the Council was working in conjunction with the Provincial Local Government Office to prepare the entire financial statement. The Council management has assigned a senior officer to work on the financial statements.

Your Committee resolved that a progress report on the preparation be submitted and are verified.

Non-Preparation of Trial Balance

131. The Council Secretary reported that the Trial Balance was being worked on and would soon be made available for verification together with the financial statements. The Council Secretary added that the Council has assigned a senior officer to work on the trial balance in conjunction with the Provincial Local Government Office.

Your Committee awaits a progress report on the preparation of the trial balance.

Unsupported payments – K33, 530,000 (Kr 33,530)

132. The Council Secretary reported that the payment in question did not have the necessary supporting document to back the payment of K33, 530, 000 (KR33, 530) because at the time of audit, the payroll or schedules was not availed to the Auditor for verification.

The payroll schedule had since been attached to the payment voucher in question and it was ready for verification. Your Committee also heard that the Council would ensure that all supporting documents were attached to payment vouchers for any future payments.

Your Committee directs the Council Secretary to avail documents for verification in line with Regulation 103 of Local Authorities (Financial) Regulations No. 125 of 1992 and awaits a progress report on the matter.

Three (3) Council Properties not on Title

133. The Council Secretary submitted that the Civic Centre, an old office block and the Guest House were not actually on title because there was an oversight on the part the council. However, the Council has started processing the certificate of title to ensure that the buildings in question were numbered.

Your Committee directs the Council Secretary to ensure that title deeds are acquired for the buildings in line with Regulation 146 of the Local Authorities (Financial) Regulation No. 125 of 1992 and awaits a progress report.

Missing Council Tractor

134 The Council Secretary reported that the tractor in question was sold by the Board of Survey (BOS) from the Ministry of Works and Supply. Pertaining to the action taken, your Committee was informed that the Council had made a follow-up and established that the same tractor sold by BOS was bought by a local government driver from the District Medical Office and that the Council would ensure that copied documents pertaining to Council property sold by BOS were obtained.

Your Committee wonders how a tractor that was under the custody of the Council could be sold without its knowledge let alone permission. Your Committee further wonders where the money went. The Council is therefore, directed to avail your Committee the following:

- i) information on the transfer of the tractor to the Council;
- ii) valuation report on the tractor;
- iii) the advertisement minute for the sale of the tractor;
- iv) recipient or receipt of the sale; and
- v) authority from the Local Government Service Commission to sell the tractor.

ZAMBEZI DISTRICT COUNCIL

Audit Review on Constituency Development Fund, Indebtedness and Assets Management for the Period 1st January, 2007 to 31st December, 2011

Failure to Complete Projects within One Year

135. In response, the Council Secretary stated that the Council regretted perpetually having carry-over projects under implementation in both constituencies in the District contrary to 2006 CDF guidelines. The failure could be attributed to the implementation of too many projects based on the ward requirements as opposed to constituency requirements. For instance in Zambezi West Constituency, twenty projects were earmarked for funding while in Zambezi East, thirty four projects were funded in all the wards. In addition, the implementation of huge capital projects like Kabulamema and Kanaji High Schools were beyond the capacity of CDF and were still at slab level. Most projects were likely to draw funds from the 2013 funding in order to finish the backlog of accrued projects. The Council has been advised to stop the principle of approving ward projects but to look at the projects that benefit the constituency other than individual wards.

The Council Secretary further reported the Council had resolved to implement projects that could start and finish in one financial year (Min no SP/04/2013). He also reported that out of the sixty five projects earmarked for implementation with the 2012 CDF allocation, only thirty six were approved. Out of the thirty six projects, fourteen were carried forward from the 2011 CDF while twenty two were new projects. Nine out of the twenty two projects were schools meant to benefit from their rural electrification which was currently going on in Zambezi East. What was of great relief was that out of twenty two new projects only ten would be completed with the 2013 CDF allocation to clear the backlog of inherited projects from 2007. Once the ten were completed with the 2013 CDF allocation, only an adequate number of projects would be identified and implemented.

The construction of a 1x4 classroom block at Loloma Day High School was complete and was in use after more funds were allocated from the 2011 CDF. Mbulundu Health Post and Loloma Mothers' Shelter were destined for completion with the 2012 CDF allocation. The 2012 CDF - funded projects has been appraised and substantial Bill of Quantities meant to complete all remedial works on all on-going projects including the total cost of new projects has been compiled.

Your Committee notes the submission and awaits a progress report on the completion of the projects.

MPONGWE DISTRICT COUNCIL

Statutory Audit for the Period 1st January to 31st December, 2011

Non-Return of Receipt Books after use by Revenue Collectors

136. In response, the Council Secretary stated that revenue collection agents were engaged without induction in basic financial regulations and revenue collection procedures. The absence of an internal auditor to invoke and review internal controls and conduct spot checks had also contributed to weakness in the accounting control system. The Council has written to the thirteen (13) holders of the receipt books to return them and let them account for the money if any. So far, three (3) receipt books serial numbers 28201–28400, 29601-29800 and 30001-30200 have been returned to the Council and receipt book serial number 29201–29600 was still in use.

The rest of the unreturned receipt books have been reported to Zambia Police Force and revenue collectors affected would be summoned.

The Council Secretary submitted that the Council has begun ensuring that receipt books were issued to revenue collectors who had returned the books and signed for the return of the books in the accountable documents register. The Council requested for an Internal Auditor from the Local Government Service Commission and was waiting for the appointment to be made. The Internal Auditor would provide internal audits and checks in order to strengthen the accounting system.

Your Committee awaits a progress report showing that all the receipt books have been accounted for.

CHONGWE DISTRICT COUNCIL

Statutory Audit for the Period 1st January to 31st December, 2011

Outstanding Debtors: K 1,401, 885,000 (KR1, 401,885)

137. The Council Secretary responded by stating that the Auditor's findings that the amount of KR1, 401,885 was still outstanding as debt as of 31st December, 2011 was correct. She informed your Committee that the reported amount of KR1, 401,885 comprised various debt that was owed to the Council by Government Departments for office rent and lease of Council properties, outstanding property rates, outstanding bill board charges and other debtors. The above stated amount comprised the following:

Date	Clients Name	Amount KR	Comment
1	Zambia Police (Chongwe)	12,000	Paid in full
2	Cooperatives and Marketing	7,200	Still pursuing
3	Zambia Police (Chinyunyu)	7,200	Paid in full
4	Zambia Police (Rufunsa)	2,880	Paid in full
5	Network for people living with HIV/AIDS	2,100	Paid in full
6	Department of Fisheries	8,200	Still pursuing, under District Commissioners'

			office
7	Department of Fisheries	6,700	Still pursuing, under District Commissioners' office
8	District Commissioner's Office	66,472	Still pursuing, under District Commissioners' Office
9	Forestry	8,807	Still pursuing, under District Commissioners' Office
10	ZANIS	16,248	Still pursuing, under District Commissioners' Office
11	Veterinary	5,500	Still pursuing, under District Commissioners' Office
	Totals	143,308	Still pursuing, under District Commissioners' Office

Bill Boards

No	Clients Name	Amount Kr	Comment
1	G. Rutherford Advertising	164,000	The Council instituted litigation to recover the said amount.
2	Alliance Media	29,893.93	RDA had since taken over the collection of bill board charges and had written to all clients to that effect.
	Total	193,893.93	

Rates	1,064,682.73	The Council has written to the Rating Tribunal to clear the matter involving National Airports Corporation which owes the Council an amount of K633, 000 but the corporation is paying an amount of K220, 430. This matter awaits the tribunal clearance on the ownership of the property
Grand Total	1,401,884.67	

The Council Secretary stated that the Council has recovered some debts as indicated above. It has also taken legal action to recover the money owed by G Rutherford. The Council was still pursuing the District Commissioners Office and Government departments which owed the Council a substantive amount of KR 911,928.01 as office rent. The Council further has written to the Permanent Secretary, Lusaka Province, to assist the Council recover the funds at source. The Council also has written to the Ministry of Local Government and Housing for intervention over collection of bill board charges by the Road Development Agency as this was one of the major revenue sources for the Council. The Council has also engaged Meanwood Properties Limited for the data base for all properties in Ibex, Ndeke, Kwamwena and Vorna Valley where there were major rate payers.

Furthermore, all bad debtors would be black listed and would not be considered for future business with the Council.

Your Committee awaits a progress report on the debt recovery process.

Outstanding Creditors: KR5, 982,782

138. The Council Secretary reported that an amount of KR5, 982,782 was owed to various creditors and this amount was mainly in form of leave benefits, long service bonuses for serving employees and officers, statutory contribution to Zambia Revenue Authority, LASF and NAPSA. The breakdown of the said amounts and action taken were as outlined below:

No	Details	Amount KR	Amount paid KR	Balance KR	Comment
1	Zambia State Insurance Corporation	55,077.27	16,077.27	39,000	Entered into a payment plan
2	Vehicle Centre	1,095.04	1,095.04	0	Full payment
3	NAPSA	215,470.24	215,470.24	0	Full payment
4	LASF	133,854.41	133,854.41	0	Full payment
5	ZRA	680,664.84	0	680,664.84	Still owing
	Sub total	1,086,161.80	350,419.69	735,742.11	
	STAFF CREDITORS				
1	Long service bonus	2,427,042.92	214,628.22	2,212,414.70	Entered into a payment plan.
2	Leave days accrued	2,469,577.34	360,872.34	2,066,705	Workers being encouraged to go on leave.
	Sub Total	4,896,620.26	575,500.56	4,279,119.70	
	Grand Total	5,982,782.06	925,920.25	5,056,861.81	

The Council Secretary further stated that the Council had since committed itself to reduce its indebtedness. As at 31st March, 2013, the Council had paid KR925, 920.25 and the balance stood at KR5, 056,861.81. Effective year 2012, the Council was paying all statutory contributions on a monthly basis and a payment plan had been made to liquidate long service bonuses. The Council had also started encouraging workers to go on leave to reduce the accumulation of leave days.

Your Committee notes the submission and awaits a progress report on the matter.

Office Inventory Register not maintained

139. The Council Secretary responded that the office inventory register has been compiled and was ready for verification. Your Committee was informed that all future asset acquisitions would be entered in

the inventory register.

Your Committee notes that the maintenance of the Register of Inventories did not require an Asset Valuation. Your Committee directs the Council to ensure that it abides by the requirement of the Financial Regulations in the keeping of inventory registers in the offices.

MASAITI DISTRICT COUNCIL

Statutory Audit for the Period 1st January, 2011 to 31st December, 2011

140. *Management of non-current assets*

In response, the Council Secretary stated that with regard to management of non-current assets, the following had been done:

- i) assets register has been prepared;
- ii) the Council presented the white books for motor vehicles for verification;
- iii) the Council has written to the Ministry of Lands, Natural Resources and Natural Protection for title deeds; and
- iv) the Council has written to the Ministry of Local Government and Housing for authority to dispose non-runner vehicles. The vehicles have since been disposed of.

In noting the submission, your Committee awaits the progress report on the matter.

141. *Irregular Payment of Social Holiday Allowance to Senior Council Officers- K32, 000,000 (KR32, 000)*

The Council Secretary submitted Council Minute number LGA/04/09/06, dated 13th September 2006, for verification, to justify the payment of social holiday allowances.

Your Committee is concerned that payment of the allowance was also approved for officers who did not qualify. Your Committee awaits for a progress report on who authorised the payment and how the Council is going to recover the money paid to officers who did not qualify.

CHILUBI DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Funds (CDF) for the Period 1st January, 2007 to 31st December, 2011

Irregular Procurement of Building Materials Using Imprest: K102, 800,000 (KR102, 800)

142. The Council Secretary informed your Committee that the Council acknowledged having operated outside the professional ethics and violated procurement procedures. It was stated that this was as a result of the fact that all key departments were vacant and that the same person who was acting as Council Treasurer was at the same time acting as Council Secretary, a situation which resulted in compromising of the professional ethics. However, the documents which were misfiled and misplaced at the time of audit were traced and have since been verified.

The officers who were involved in the unlawful transaction were appearing before the courts of law while the other was still serving suspension. The Council has also assigned an officer with the responsibility of undertaking periodic audits of documents so as to ensure movements and storage of the same is secured.

Your Committee notes the response and awaits the disposal of the case before the courts of law.

Unaccounted for Funds – K52, 435,000 (KR 52,435)

143. The Council Secretary informed your Committee that the Council accepted that it erred for not accounting for funds for the labour-based projects at the time of audit. This was because the Council was using a technical supervisor to implement and pay off the workers in the far flag wards. This was because the KR20, 000 allocated for administrative costs was not adequate to meet all technical aspects considering the geographic vastness of the District coupled with movement challenges which led to the late submission of acquittal sheets. However, accounting retirement documents have since been verified save for the document for one officer which was dubiously utilised.

It was reported that the Council has since suspended the officer for failing to account for the imprest in time so that it serves as an example to other Council workers. It was discovered that an amount of K 7,220,000 (KR7, 220) withdrawn on cheque number 002014 was used for personal gain by the then Acting Council Secretary and Acting Council Treasurer as the imprest holder was just used. Upon discovery, the Council decided to report the matter to investigating wings and suspended the duo. The duo was appearing in court.

The Council has stopped using the Technical Supervisor to handle payments in all labour-based projects, and the same was being handled by the Accounts Officer in order to improve efficiency in accounting of funds.

Your Committee notes the submission and awaits the disposal of the cases before the courts of law.

Review of Assets Management – No Title Deeds

144. The Council Secretary reported that at the time of audit, the Council had no certificates of titles for its property. This was because the plots in the District were not numbered and surveyed. It was further reported that the Council has since surveyed and numbered 1,000 plots on the Island and three (3) Council properties out of five (5) which were constructed on the Island had been numbered. The office block was on stand number 1032, the Council Chalet was on stand number 1115 and the Council bar, which had been turned into a bakery, was on stand number 1056. The Council has also invited the Provincial Physical Planning Unit to undertake a layout plan for 10 hectares that had been sourced at Chaba where the Council Rest House was and 10 hectares at Matipa were the office block in order for the properties to be numbered. This was done so that the process of acquiring titles could begin.

The Council Secretary further reported that the Council was rehabilitating the Chaba Rest House, which was renamed as Leonard Chambanenge Rest House, to acceptable standards in order for it to compete with other commercial ventures. In addition, the Council was also rehabilitating the Council Chalet to modern standards.

Your Committee notes the submission and awaits a progress report on the assets management.

LUNDAZI DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on CDF for the Period 1st January to 31st December, 2010

Non Acquisition of Title Deeds for Council Properties

145. The Council Secretary reported that the Council had already resolved to secure certificates of title for the properties and even obtained numbers for some that did not have plot numbers and that Chifumu Banda and Associates were engaged for this purpose. Management, with the help of the Provincial Planning Unit, has prepared a Master Plan for Lundazi District and was numbered by the Commissioner of Lands. This would form a basis for the acquisition of title to Council properties.

Your Committee notes the submission and awaits an update on the acquisition of certificates of title from the Ministry of Lands, Natural Resources and Environmental Protection.

Over Expenditure of KR 786,711

146. The Council Secretary reported that scrutiny of the receipts and payments accounts revealed that over-expenditure occurred on three votes namely:

- i) councillor expenses;
- ii) valuation fees; and
- iii) inter-fund transfers.

The Council Secretary further stated that during the period under review, councillors' allowances were increased and were supposed to be catered for through a supplementary budget of estimates and expenditure and submitted to the Council. Further, inter-account transfers were not expenditure in themselves as they were merely a movement of cash from one account to another. The over-expenditure was approved by the Council in retrospect as per the auditors recommendation.

Your Committee awaits a progress report on the submission of the supplementary budget to the Ministry for approval.

MPULUNGU DISTRICT COUNCIL

Audit Report on the Constituency Development Funds (CDF), Assets Management and Council's Indebtedness for the Period 1st January, 2007 to 31st December, 2011

Irregular Payment of Imprest: to procure Walamo Radio Station Materials to a Chairman KR 28,195

147. The Council Secretary submitted that this was done because the Chairman of the CDF Committee had technical knowledge in media equipment and the running of the affairs of the radio station. The Council Secretary regretted the issuance of imprest to a non-employee of the Council. He, however, assured your Committee that all the materials were bought and properly installed and the Walumo Radio Station was fully operational. As a remedial measure, the matter had since been reported to investigative wings of the Government and handed over to the Anti-Corruption Commission for further action. A report was still being awaited on the findings of the ACC.

Your Committee awaits a progress report on the outcome of investigations by the Anti-Corruption Commission.

Updated Valuation Roll

148. The Council Secretary submitted that at the time of audit, the Valuation Roll was done and approved in 2010 although it became stale in December, 2012. Further, the Council has written to the Ministry of Local Government and Housing to help in the process of preparing a new Valuation Roll, which has been included in the 2013 budget. In addition, Mpulungu District Council has introduced new sources of revenue such as the harbour fees and rent from new buildings/shops and the dry port in order to boost the revenue base.

Your Committee notes the submission and awaits a progress report on the preparation of the new Valuation Roll.

Review of Assets Management

149. In response, the Council Secretary explained that the Council had since commenced the process of obtaining title deeds for all its properties and all the paperwork had been done up to offer stage. The Council was in the process of raising funds to make a payment to the Ministry of Lands, Environment and Natural Resources, and this activity has been included in the Council's 2013 budget. Further, the Council has made a policy decision to acquire certificates of title for all its property before proceeding with development of any new structures.

Your Committee notes the response and awaits a progress report on the acquisition of title deeds for all Council property.

Fixed Assets Register not Adequately Maintained

150. The Council Secretary submitted that the assets were recorded on a different page from the office equipment and implements because the Council had no capacity to come up with depreciation figures because of lack of a clear depreciation policy. As for the columns that were not shown, the challenge was to ascertain the actual purchase value as these were either bought and donated to the Council by the Ministry of Local Government and Housing or other donors. He further stated that the depreciation, cumulative depreciation and net book value columns were not included because these assets were not valued by qualified property valuers since the Council was unable to raise the requisite funds to meet the cost. He added that the Council has since developed a policy on depreciation and requested for help from the Ministry of Local Government and Housing to meet the cost of hiring property valuers.

Your Committee urges the Ministry of Local Government and Housing to help the Council to update its Valuation Roll and directs the Council Secretary to submit a progress report on the conclusion of the valuation process and proper maintenance of the Assets Register.

Motor Vehicles Sold/Disposed of by Provincial Board of Survey (BOS) Without Ministerial Approval

151. The Council Secretary submitted that the Council tried to stop the sale of four vehicles but to no avail, and had since reported the matter to the Police for further necessary action. There had since been no report from the Police. Additionally, the Council had written to the Provincial Permanent Secretary, indicating that the Council's assets should only be disposed of in accordance with the *Local Government Act* Cap 281 of the Laws of Zambia. The Council was still waiting for ministerial guidelines as regards safeguarding Council assets as the response about the vehicles sold by the Board of Survey had not yet been received.

Your Committee expresses grave concern over the fact that the Provincial Permanent Secretary appears to have usurped the authority of the Ministry of Local Government and Housing in authorising the disposal of the vehicles, contrary to the provisions of the *Local Government Act* Cap 281 of the Laws of Zambia. Your Committee further wonders what could have prompted the disposal of vehicles which were not obsolete in such an irregular manner. In light of these concerns, your Committee calls upon the Ministry of Local Government and Housing to report the matter to the Anti-Corruption Commission for further investigations and follow up the matter to its logical conclusion. Your Committee awaits a progress report on the matter.

Review of Assets Management

152. The Council Secretary submitted that at the time of audit, he, as the custodian of important documents such as title deeds, was out of office on other official duties. The Council Treasurer was also out of the office at the time. As a result, the auditor did not have access to the title deeds. He, however, reported that the title deeds had since been retrieved and were available for verification.

Your Committee directs the council Secretary to avail the title deeds for verification and further directs that a progress report be submitted regarding the issue of construction of a new civic centre.

SERENJE DISTRICT COUNCIL

Statutory Audit Report for the Period 1st January to 31st December 2011

No Legality or Substantiating Documents to Back Council's Claim of an Investment of K85, 000,000 (KR 85,000) in Lukanga Water and Sewerage Company Reflected in the Financial Statement

153. The Council Secretary admitted that the investment of K85, 000,000(KR 85,000) was not supported by adequate claims and the disclosure of the investment was regrettable and an adjustment had since been effected. The Journal and Balance Sheet extract were ready for audit verification. He added that in future, the Council would only disclose items in the Balance Sheet that were adequately supported.

Your Committee notes that this problem is quite prevalent in a number of local authorities. Your Committee, therefore, calls upon the Ministry of Local Government and Housing to urgently follow up on this investment and provide a progress report on the matter.

Street Lighting Project Materials Procured through Imprest and not the Tendering Process

154. The Council Secretary reported that the use of imprest to procure goods and services had since been discontinued. In this light, the Council would ensure that procurement of goods and services out of town was effected by managers' cheques.

Your Committee notes the matter and calls for disciplinary action against the Council Treasurer for flouting the *Zambia Police Procurement Act (ZPPA) No 12 of 2008*.

Irregular Payment of Gratuity to the Councillors and Sitting Allowance to Officers Attending a Council Meeting: KR7, 800

155. The Council Secretary reported that the authorising officers in these transactions had since been asked to exculpate themselves before further action could be taken. He assured your Committee that in future, the Council would adhere to the regulations regarding payment of allowances for Council meetings at all times.

Your Committee expresses concern over this development and directs that the funds be recovered in full from the officers involved, with immediate effect, pending the disciplinary procedure.

Payment of Subsistence Allowance and Missing Lunch Simultaneously – K2, 165, 000

156. In response, the Council Secretary reported that the authorising officers involved in these payments had been asked to exculpate themselves before further action could be taken. He assured your Committee that in future, the Council would abide by the regulations governing subsistence and lunch allowances.

Your Committee expresses great concern over this development and directs that the funds be recovered from all the concerned officers with immediate effect, pending the disciplinary procedure.

Payment of Telephone Allowance and Air Time

157. In response, the Council Secretary reported that the telephone allowance on the payroll was meant for the home telephone while the airtime was meant for office use in the absence of an office land phone. He added that the telephone allowance had since been removed with the advent of harmonised salaries. However, the weekly airtime was still being effected in the absence of land phone and the Council would continue monitoring to ensure prudent use of airtime.

Your Committee requests that the Ministry of Local Government and Housing should indicate if relevant approval was given for these expenditures in the Council's budget. Your Committee awaits a progress report on the matter.

Payment on Single Sourcing and Without Proof of Tendering: K 253, 420,000 (KR253, 420)

158. In response, the Council Secretary regretted the non-adherence to the *ZPPA Act of 2008*, and added that the Council would strive to comply with the law and regulations.

Your Committee urges the Ministry of Local Government and Housing to take disciplinary action against the former Council Secretary and District Treasurer who were responsible for this blatant disregard of the law. It awaits a progress report on the matter.

Use of Non-qualified Buyer/Procurement Officers to Procure Goods and Services through Imprest: KR142, 900

159. In response, the Council Secretary submitted that a qualified procurement officer has since been deployed to the district by the Local Government Service Commission. He assured your Committee that the Council would adhere to procurement procedures in all future procurements.

Your Committee urges the Ministry of Local Government and Housing to take disciplinary action against the former Treasurer for using imprest in procuring goods and services. It awaits a progress report on the matter.

PART III

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS FOR THE FIRST SESSION OF THE ELEVENTH NATIONAL ASSEMBLY

MONGU MUNICIPAL COUNCIL

Statutory Audit and Audit Inspection Report on Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2010

Failure to Account for Motor Vehicle Proceeds: K45, 000,000 (KR45, 000)

160. Your previous Committee in noting the submission had observed that this was a clear fraud and the sum of KR45, 000 should be recovered from the two officers without any further delay. Further, the transfer of the Director of Finance was tantamount to transferring problems to another Council. Your Committee thus directed the Ministry of Local Government and Housing to revisit this matter.

The Ministry informed your Committee that the Council was yet to recover the sum of KR45,000 from the two (2) concerned as former Town Clerk was serving suspension and the former Director of Finance was being reminded through Kabwe Municipal Council where he was currently serving. The two (2) officials had been severely reprimanded.

Your Committee awaits an update on this matter.

Payments without Critical Support Documents K192, 767,000 (KR192, 767)

161. Your previous Committee had directed the Council to build a strongroom in order to safely keep all the accounting documents. The Council Secretary, in response stated that the anomaly above was attributed to the poor filing system. A system had been put in place in order to improve the filing system. However, the missing payment vouchers had been traced and were ready to be verified by the Auditor. A Strongroom would soon be secured where all accounting documents would be stored after filing. This would eventually reduce the occurrence of missing accounting documents in future. The Council Secretary stated that the Strongroom would be ready by end of June, 2012.

The Ministry informed your Committee that the Council had not yet constructed a Strongroom.

Your Committee awaits a progress report on the matter.

LIVINGSTONE CITY COUNCIL

Assets Re-valuations and Supporting Documentations for Purchases

162. Your previous Committee had directed the Council to ensure that the revaluation exercise was carried out without any further delay.

The Ministry informed your Committee that the Council was yet to consider a re-valuation of assets through the Government Valuation Department.

Your Committee awaits a progress report on the issue.

CHIBOMBO DISTRICT COUNCIL

Audit Inspection Report on the Accounts for Chisamba, Katuba and Keembe Constituencies for Periods Covering 1st January 2008 to 31 October, 2011

Unaccounted for Funds K80, 000,000 (KR 80,000) paid to Musamba Women's Club

163. Your previous Committee was dismayed that the hammer mills were not procured as paid for. It was unfortunate that the area Member of Parliament for Chisamba misused his authority.

The Ministry informed your Committee that the matter of unaccounted for funds in respect of hammer mills was before the law enforcement agencies.

Your Committee requests for a progress report on the issue.

Statutory Audit and Audit Inspection on Constituency Development Fund (CDF) Report for the Period 1st January to 31st December 2010

Assets Re-valuation and Supporting Documentations for Purchases

164. Your previous Committee had requested for a progress report on the re-valuation of the Council's assets.

The Ministry informed your Committee that the Council was yet to conduct a re-valuation exercise of its assets.

Your Committee requests for a progress report on the issue.

Statutory Pension and Union Deductions

165. Your previous Committee had observed with concern the non-remittance of statutory obligations. It directed the Ministry of Local Government and Housing to start deducting the money from the Council's grants at source and remit the money to the statutory bodies.

The Ministry informed your Committee that it had since commenced the deduction at source from grants to Councils having so far recovered a sum of K50 million deducted from the grants in respect of statutory pensions to LASF.

Your Committee requests for an update on the payment of the remaining balance of K126, 000,000 (KR126, 000)

Non-Verification of Cash: K 59,222,000 (KR59, 222)

166. Your previous Committee had urged the Council Treasurer to closely monitor revenue collectors. It requested for a progress report on the decision of the Local Government Service Commission on the two suspended officers.

Your Committee was informed that the Local Government Service Commission was yet to make a decision on the matter.

Your Committee awaits the outcome of the court process.

Irregular/Fraudulent Constituency Development Fund: Fraudulent purchase of Chisamba CDF vehicle No. ABV 1000: K 75,000,000

167. Your previous Committee was dismayed at the incident and wondered how a Member of Parliament could get a Council vehicle and register it in his name. Your Committee directed the Council to report progress on the outcome of the investigations.

The Ministry informed your Committee that the matter was before the courts of law.

Your Committee awaits a progress report on the issue.

SINAZONGWE DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on Constituency Development Fund (CDF) for the Period 1st January to 31st December 2010

Weaknesses in Management of Accounting Systems and Internal Control

168. Your previous Committee had directed the Council to quickly value its assets.

The Ministry informed your Committee that the Council has not yet re-valued its assets.

Your Committee requests for a progress report on the issue.

Doubtful Value of Assets in Financial Statements

169. Your previous Committee directed the Council to carry out a valuation of its assets. In response, your Committee was informed that the Council had included the valuation of the assets in the Council's 2012 Budget which had since been approved by the Minister of Local Government and Housing. The Council had commenced enquiries with registered valuation firms, including the Government Valuation Department on the cost of having Council assets valued. In this regard, letters had been written and were ready for verification. The Council intended to undertake this activity in the second quarter of 2012.

The Ministry informed your Committee that the Council has not yet re-valued its assets.

Your Committee awaits a progress report on the issue.

Weaknesses in the Stores Management

170. Your previous Committee had directed the Council to build a new storage facility to ensure safe storage of its assets.

The Ministry informed your Committee that the Council had not yet built the storage block. It has made a provision in the 2013 Annual Budget.

Your Committee requests for a progress report on the issue.

KALULUSHI MUNICIPAL COUNCIL

Statutory Audit and Audit Inspection on CDF for the Period 1st January to 31st December 2010

Financial Statements not Prepared

171. Your previous Committee had expressed displeasure at the failure by the Council to prepare Financial Statements which was a requirement under Section 43(3) of the *Local Government Act Cap 281* of the Laws of Zambia. Your Committee directed the Council to prepare the Financial Statements by June 2012.

The Ministry informed your Committee that the Council has not yet prepared the Annual Financial Statements.

Your Committee requests for a progress report on the issue.

Database on Land Administration not Maintained

172. Your previous Committee had directed the Council to speed up the computerisation of its Land Administration database.

The Ministry informed your Committee that the Council has not yet computerised the database on Land Administration.

Your Committee awaits a progress report on the issue.

Lack of Share Certificate

173. Your previous Committee had directed the Council to request the Ministry of Local Government and Housing to assist in the acquisition of the Title Deeds. The Ministry informed your Committee that the Council had not yet acquired the share certificates.

Your Committee awaits a progress report on the issue.

Title Deeds not obtained

174. Your previous Committee had directed the Council to speed up the survey works so that its property could be put on title.

The Ministry informed your Committee that the Council had not yet acquired the certificates of title for its properties.

Your Committee awaits a progress report on the issue.

Ineffective Internal Audit

175. Your previous Committee had directed the Council to upgrade the position of Internal Audit Assistant to Internal Auditor

The Ministry informed your Committee that the Council had since upgraded the post of Internal Audit Assistant to Internal Auditor. However, the Local Government Service Commission was yet to recruit the

key Internal Audit personnel.

Your Committee awaits a progress report on the issue.

ITEZHI-TEZHI DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2010

Property without Certificates of Title

176. Your previous Committee had directed the Council to acquire the title deeds for its assets.

The Ministry informed your Committee that the Council had not yet acquired title deeds for its assets.

Your Committee requests for a progress report on the issue.

KASAMA MUNICIPAL COUNCIL

Statutory Audit and Audit Inspection Report on Constituency Development Fund for the Period 1st January to 31st December 2010

Financial Statements not finalised

177. Your previous Committee had directed the Council to value its assets for the purpose of preparing proper final accounts.

The Ministry informed your Committee that the Council is yet to value its assets.

Your Committee awaits a progress report on the issue.

GWEMBE DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December 2010

Weaknesses in the Management of Accounting Systems and Internal Controls

178. Your previous Committee had directed the Council to recruit additional staff through the Local Government Service Commission (LGSC).

The Ministry informed your Committee that the Council through, the LGSC, has since recruited a qualified District Treasurer and that it would recruit additional staff in due course.

Your Committee awaits a progress report on the issue.

Over-expenditure not Supported by Supplementary Estimates

179. Your previous Committee had directed the Council to prepare the Supplementary Estimates and to have these ratified by the full Council.

The Ministry informed your Committee that the Council has since prepared the Supplementary Estimates and these were yet to be ratified by the full Council before submission to the Hon. Minister for approval.

Your Committee awaits a progress report on the issue.

Low Revenue Collection Efficiency

180. Your previous Committee had directed the Council to conduct a re-valuation exercise of its assets.

The Ministry informed your Committee that the Council was yet to conduct a re-valuation exercise of its assets.

Your Committee awaits a progress report on the issue.

Non- Availability of Records of Some Assets in Asset Register

181. Your previous Committee had directed the Council to conduct a re-valuation of its assets and to ensure that the Assets Register was updated.

The Ministry informed your Committee that the Council was yet to conduct a re-valuation of its assets.

Your Committee awaits a progress report on the issue.

LUANSHYA MUNICIPAL COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Funds (CDF) for the Period 1st January to 31st December, 2009

Lack of Share Certificate

182. Your previous Committee had directed the Council to acquire the Share Certificate from Kafubu Water and Sewerage Company.

The Ministry informed your Committee that the Council has not yet acquired the Share Certificate from Kafubu Water and Sewerage Company.

Your Committee awaits a progress report on the issue.

MBALA MUNICIPAL COUNCIL

Statutory Audit Report and Audit Inspection on Constituency Development Fund for the Period 1st January to 31st December, 2009

Failure to Prepare Financial Statements

183. Your previous Committee had directed the Council to prepare its Annual Financial Statements.

The Ministry informed your Committee that the Council was yet to prepare its Annual Financial Statements.

Your Committee awaits a progress report on the issue.

MPOROKOSO DISTRICT COUNCIL

Statutory Audit and Audit Inspection on the Constituency Development Fund for the Period 1st January to 31st December, 2010

Non-Preparation of Financial Statements

184. Your previous Committee had directed the Council to prepare its Annual Financial Statements.

The Ministry informed your Committee that the Council has not yet prepared the Financial Statements.

Your Committee awaits a progress report on the issue.

Investment Register not in Place

185. Your previous Committee had directed the Council to acquire the Share Certificate for the shares held in Chambeshi Water and Sewerage Company.

The Ministry informed your Committee that the Council has not yet acquired the Share Certificate for the shares held in Chambeshi Water and Sewerage Company.

Your Committee awaits a progress report on the issue.

No Share Certificate for Shares held in Chambeshi Water and Sewerage Company Limited

186. Your previous Committee had directed the Council to acquire the Share Certificate for the shares held in Chambeshi Water and Sewerage Company.

The Ministry informed your Committee that the Council was yet to acquire the Share Certificate for shares held in Chambeshi Water and Sewerage Company.

Your Committee awaits a progress report on the issue.

Construction of Modern Market

187. Your previous Committee had directed the Council to complete the construction of a new market. The Ministry informed your Committee that the Council has not yet acquired funds to enable it complete the Market.

Your Committee requests for a progress report on the issue.

KAPUTA DISTRICT COUNCIL

Statutory Audit and Audit Inspection on Constituency Development Fund for the Period 1st January to 31st December 2010

Non-Preparation of Financial Statements

188. Your previous Committee had directed the Council to prepare its Financial Statements.

The Ministry informed your Committee that the Council has not yet prepared its Financial Statements.

Your Committee awaits a progress report on the issue.

Payment of Contract by Cash Instead of Cheque: K90, 000,000 (KR90, 000)

189. Your previous Committee had directed the Council to provide all the necessary documentation regarding the purchase of hammer mills from a foreign country.

The Ministry informed your Committee that the Council was yet to provide all the necessary documentation regarding the purchase of hammer mills from a foreign country.

Your Committee awaits a progress report on the issue.

MUNGWI DISTRICT COUNCIL

Statutory Audit and Audit Inspection on Constituency Development Fund for the Period 1st January to 31st December 2009

Subscription to Local Government Association of Zambia: K 2, 000,000 (KR2, 000)

190. Your previous Committee had directed the Council to recover the sum of K2, 000,000 (kr 2,000) from the officer concerned.

The Ministry informed your Committee that the Council has not yet made recoveries for the sum of K 2, 000,000 from the concerned officer.

Your Committee awaits a progress report on the issue.

SAMFYA DISTRICT COUNCIL

Statutory Audit and Audit Inspection on Constituency Development Fund for the Period 1st January to 31st December, 2010

Unauthorised Borrowings from Chiefs Account: K18, 000,000 (KR 18,000)

191. Your previous Committee had observed that the amount paid and the balance did not tally. Your Committee directed the Council Secretary to reconcile the figures and to recover the balance without any further delay.

The Ministry informed the Committee that the Council has established the fact that a figure of K 5, 785,000.00 has not yet been refunded to the Chiefs Account.

Your Committee awaits a progress report on this issue.

KATETE DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report of Constituency Development Funds for the Period 1st January to 31st December, 2010

District Fund Account

Incurring Over-expenditure without Supplementary Budget Estimates: K497, 444,237 (KR497, 444.23)

192. Your previous Committee had directed the Council to prepare and submit the supplementary estimates totalling K497, 444,237 for approval.

The Ministry informed your Committee that the Council was yet to submit the supplementary estimates.

Your Committee awaits a progress report on the issue.

LUNDAZI DISTRICT COUNCIL

Statutory Audit and Audit Inspection on Constituency Development Fund of the Council for Period 1st January to 31st December 2010

Non-Acquisition of Title Deeds for Council Properties

193. Your previous Committee had directed the Council to acquire title deeds for its properties.

The Ministry informed your Committee that the Council has not yet acquired the title deeds for its properties.

Your Committee awaits a progress report on the issue.

Non-Preparation of Quarterly Reports

194. Your previous Committee had directed the Council to recruit, through the LGSC, appropriately qualified employees who would ensure the efficient preparation of quarterly reports.

The Ministry informed your Committee that the LGSC was yet to recruit appropriately qualified employees.

Your Committee awaits a progress report on the issue.

NYIMBA DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2010

Non-Acquisition of Certificates of Title for Council Property

195. Your previous Committee had directed the Council to acquire certificates of title for its properties.

The Ministry informed your Committee that the Council was yet to acquire certificates of title for its properties.

Your Committee awaits a progress report on the issue.

Unserviceable Motor Vehicles

196. Your previous Committee had directed the Council to dispose-off the obsolete vehicles.

The Ministry informed your Committee that the Council has not yet disposed-off the obsolete vehicles.

Your Committee awaits a progress report on the issue.

Budgetary Control

Under-collection of Revenue on Budget Lines – K1, 209,195,886 (KR1, 209,195.88)

197. Your previous Committee had directed the Council to provide an update on the improvement of revenue collection. The Ministry informed your Committee that the Council anticipated allocating more plots with the relocation of the Prisons Farm which should have left a lot of land for allocation to applicants. In addition, the under-collection was due to change of policy on Crop Levy by Presidential directive to stop charging Crop Levy. The Council had asked the Provincial Administration and the Minister of Local Government and Housing to intervene in the matter of the prisons farm.

The Ministry informed your Committee that the matter of the prison farm was still being considered by the relevant authorities.

Your Committee awaits a progress report on the issue.

GWEMBE DISTRICT COUNCIL

198. Your previous Committee had directed the Council to build an Administrative Centre in Gwembe. The Ministry informed your previous Committee that the establishment of an Administrative Centre at that time took into consideration factors such as population density, location of the Administrative Centre and other existing infrastructure. In view of this, the Ministry commenced the preparation of Integrated Development Plans (IDPs) to take into account the changing Towns/Cities urban development planning of infrastructure.

Your Committee strongly recommends that an Administrative Centre be established in Gwembe and awaits a progress report on the matter.

Lack of Maintenance of Council Buildings

199. Your previous Committee had noted that there was lack of general maintenance of the Council buildings.

The Ministry informed your Committee that the Council had put a provision in the Annual Budget for 2012 on the rehabilitation of the buildings.

Your Committee awaits a progress report on the issue.

Statutory Obligations

200. Your previous Committee had recommended that the Ministry of Local Government and Housing should assist the Council to meet its statutory obligations.

The Ministry informed your Committee that there was a settlement plan in place by Government on the liquidation of statutory obligations. In this regard, the Government had so far paid a sum of K20 Million towards the settlement of the debts to LASF.

Your Committee awaits a progress report on the issue.

MONZE DISTRICT COUNCIL

Maintenance and Repair of Council Infrastructure

201. Your previous Committee had recommended that the Council should as soon as possible, embark on the maintenance and repair of its infrastructure and that the Ministry of Local Government and Housing should assist the Council meet its statutory obligations.

In response, the Ministry informed your Committee that it had directed all Councils to provide for earthmoving equipment under the Constituency Development Funds (CDF), as part of the financing mechanism for capital projects.

Further, your Committee heard that there was a Settlement Plan in place by the Government on the liquidation of statutory obligations. In this regard, the Government had paid a sum of K20 Million towards the settlement of the debts to LASF.

In noting the response, your Committee awaits a progress report on the acquisition of earth moving equipments as directed and the liquidation of Statutory Obligations.

SINAZONGWE DISTRICT COUNCIL

202. Your previous Committee had observed that the market was too small for the district and the road to Sinazongwe was in a very poor state.

In response, the Ministry informed your Committee that the construction of a modern market was dependant on the availability of funds. In view of this, the Ministry's budgetary provision of K 21 Billion for construction of modern markets had been presented for 2013 for selected districts.

Further, your Committee was informed that all Councils had been directed to provide for earthmoving equipment under the Constituency Development Fund (CDF) as part of the financing mechanism for capital projects.

Your Committee notes the response and awaits a progress report.

NAMWALA DISTRICT COUNCIL

203. Your previous Committee had observed that the Council did not have an adequate market and Council office block and Guest House were in a deplorable state.

The Ministry informed your Committee that the Council had been directed to include in the annual budget for the 2013 a provision on the construction of markets. In addition, the Ministry had made a provision of K21 Billion which had been provided for in 2013 Budget.

In addition, the Ministry informed your Committee that the Council made a provision in the annual budget for 2013 for the renovation of the buildings.

In noting the response, your Committee awaits a progress report on the matter.

LIVINGSTONE CITY COUNCIL

204. Your previous Committee had observed that the Council owed retrenchees a sum of K15 billion. In addition, the Council had no modern market and the area earmarked for a new bus station had no basic facilities.

The Ministry informed your Committee that the settlement of outstanding debts which stood at K672 Billion as at 31st December, 2011 had been forwarded to the Treasury for consideration.

Your Committee also heard that the Council had made a provision for the construction of a modern market in the 2013 Annual Budget. In addition, the Ministry had also made a provision of K21 Billion for the construction of modern markets in selected Councils.

In addition, the Council had made a provision for the construction of new infrastructure in the 2013 Annual Budget.

Your Committee notes the response and awaits a progress report on the matter.

LUSAKA CITY COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2008

Lusaka Clothing Factory

205. Your previous Committee had directed the Council to procure a modern machine for the factory.

The Ministry informed your Committee that the Council was yet to procure the modern machine for the factory.

Your Committee awaits a progress report on the issue.

MONZE DISTRICT COUNCIL

Statutory Audit Report for the Period 1st January to 31st December, 2009

Non-acquisition of Title Deeds for Council Properties

206. Your previous Committee had directed the Council to acquire Certificate of Title for its properties.

The Ministry informed your Committee that the Council was yet to acquire Certificate of Title for its properties.

Your Committee awaits a progress report on the issue.

General Staff Reviews in Finance Department

207. Your previous Committee had directed the Council to recruit qualified staff for the Finance Department.

The Ministry informed your Committee that the Local Government Service Commission was yet to recruit staff.

Your Committee awaits a progress report on the issue.

SOLWEZI MUNICIPAL COUNCIL

Statutory Audit Report for the Period 1st January to 31st December, 2009

Non-disposal of Obsolete Assets

208. Your previous Committee had directed the Council to dispose-off the obsolete assets.

The Ministry informed your Committee that the Council was yet to dispose-off the obsolete assets.

Your Committee awaits a progress report on the issue.

Non-acquisition of Title Deeds on Council Buildings

209. Your previous Committee had directed the Council to acquire certificate of title for its properties.

The Ministry informed your Committee that the Council was yet to acquire certificate of titles.
Your Committee awaits a progress report on the issue.

SERENJE DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) For the Period 1st January to 31st December, 2009

Outstanding Debtors owing the Council Rest House: K126, 461,700 (KR126, 461.70)

210. Your previous Committee had directed the Council to recover the sum of K126, 461,700.

The Ministry informed your Committee that the Council has not yet recovered the sum of K126, 461,700.

Your Committee urges the Ministry to help the Council in recovering the debt and awaits a progress report on the issue.

LUKULU DISTRICT COUNCIL

STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2008

Non-existence of Internal Audit Section

211. Your previous Committee had directed the Council to recruit, through the LGSC, an Internal Auditor.

The Ministry informed your Committee that the LGSC was yet to recruit the Internal Auditor.

Your Committee awaits a progress report on the issue.

Failure to Produce Financial Statements

212. Your previous Committee had directed the Council to prepare the Financial Statements for the period of 2010. Your committee would, therefore, be notified of the progress in due course.

The Ministry informed your Committee that the Council has not yet prepared the Financial Statements for the period of 2010.

Your Committee awaits a progress in due course.

Wrongful payment of Imprest to Council employees using funds meant for the Rural Water Supply and Sanitation Program: K122, 048,000 (KR122, 048)

213. Your previous Committee had directed the Council to pay back an amount of K 122,048,000 (Kr 122,048) meant for the Rural Water Supply and Sanitation (RWSS) Program, but paid out as imprest to Council employees. This was contrary to the Financial Regulations.

The Ministry informed your Committee that the Council was yet to pay the sum of Kr 122, 048.00 which was meant for the RWSS Program.

Your Committee awaits a progress report on the issue.

Payment Voucher No 5, Cheque No. 0014009: K30, 000,000 (KR30, 000)

214. Your previous Committee had directed the Council to refund an amount of K30, 000,000 (KR30, 000) to the CDF Account.

The Ministry informed your Committee that the Council paid a sum of K10 million through the recovery process from the Grants to Councils. The documents were presented and verified by the Ministry. A balance of K20 million was yet to be paid.

Your Committee awaits a progress report on the issue.

Payment Voucher No 11, Cheque No. 014020: K12, 700,000(KR12, 700)

215. Your previous Committee had directed the Council to refund a sum of K12, 700,000 which was

irregularly paid to Lukulu District Cooperative Union from the CDF.

The Ministry informed your Committee that the Council has not yet paid back the money.

Your Committee awaits a progress report on the issue.

KAOMA DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December 2009

Unaccounted for Cash Withdrawals: K8, 969,000 (KR8, 969)

216. Your previous Committee had directed that the Council had not yet accounted for a sum of K8, 969,000 (Kr 8,969.00). Further, the Council was been directed that the sum be refunded from its own revenues, failure to which the amount would be deducted from its grant at source.

The Ministry informed your Committee that the Council has not paid back the sum of K8, 969,000 (Kr 8,969.00).

Your Committee awaits a progress report on the issue.

SENANGA DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2009

Internal Control System

217. Your previous Committee had informed your Committee that the Local Government Service Commission was yet to send officers to the Internal Audit Unit. This would happen after the completion of staff audits in all local authorities by 31st December, 2011.

The Ministry informed your Committee that the LGSC was yet to recruit the Internal Auditor.

Your Committee awaits a progress report on the issue.

CHAMA DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December 2009

Continued Failure to Prepare Financial Statements

218. Your previous Committee had noted that the Council had not yet updated the Valuation Roll directed it to utilise the institutional component of the recurrent grant to update the valuation not later than 31st December, 2011.

The Ministry informed your Committee that the Council has not yet updated the Valuation Roll.

Your Committee awaits a progress report on the issue.

CONSIDERATION OF THE ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE FOR 2010

ISOKA DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2008

Non-production of Financial Statements

219. Your previous Committee had directed the Council to update its Valuation Roll and to produce the Financial Statements.

The Ministry informed your Committee that the Council had not yet updated its Valuation Roll. Your Committee would be notified of the progress in due course.

Your Committee awaits a progress report on the issue.

SAMFYA DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) For the Period 1st January to 31st December, 2009

Non-receipt of Lease Charges from Samfya Sun and Sand Resort Limited: K12, 000,000 (KR12, 000)

220. Your previous Committee had requested for a progress report on the non-receipt of Lease Charges from Samfya Sun and Sand Resort Limited amounting to K12, 000,000 (KR12, 000).

The Ministry informed your Committee that the matter was still before the courts of Law.

Your Committee awaits a progress report on the issue.

Non-preparation of Annual Financial Statements

221. Your previous Committee had directed the Council to conduct the Valuation Roll for the purposes of rateable properties.

The Ministry informed your Committee that the Council was yet to conduct the Valuation Roll.

Your Committee awaits a progress report on the issue.

MILENGE DISTRICT COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2009

Unprofitable Lease of Council Tractor to Masesa Mine: K5, 800,000 (KR5, 800)

222. Your previous Committee had directed the Council to provide an update on the case of the unprofitable lease of a Council tractor to Masesa Mine.

The Ministry informed your Committee that the case was in the courts of law and that the Council was

still waiting for the final outcome of the court case.

Your Committee awaits a progress report on the issue.

Missing Payment Vouchers: K51, 307,211 (KR51, 307.21)

223. Your previous Committee had directed the Council to provide an update on the case of the missing vouchers amounting to K51, 30,211 (Kr51, 307.21).

The Ministry informed your Committee that the matter was still in the courts of law.

Your Committee awaits a progress report on the issue.

Fraudulent Payments: K11, 582,000 (KR11, 582)

224. Your previous Committee directed the Council to provide an update on the case of fraudulent payments amounting to k11, 582,000 (kr11, 582).

The Ministry informed your Committee that the matter was still before the courts of law.

Your Committee awaits a progress report on the issue.

Accounting Inadequacies for Locally Generated Cash at Source: K34, 188,961 (KR34, 188.96)

225. Your previous Committee had directed the Council to provide an update on the case of accounting inadequacies for locally generated cash at source, amounting to K34, 188,961 (Kr34, 188.96)

The Ministry informed your Committee that the matter was still before the courts of Law as it involved the same officials indicated in the query above.

Your Committee would be notified of the progress in due course.

Your Committee awaits a progress report on the matter.

Non-preparation of Expenditure Returns on the use of Grants: K786, 279,448 (K786, 279.44)

226. Your previous Committee had directed the Council to provide an update on the case of the non-preparation of Expenditure Returns on the use of grants amounting to K786, 279,448 (K786, 279.44)

The Ministry informed your Committee that the matter was still before the courts of Law.

Your Committee awaits a progress report on the issue.

MPIKA DISTRICT COUNCIL

AUDIT INSPECTION REPORT FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2009

Lack of effective Internal Audit Function

227. Your previous Committee had directed the Council to employ, through the LGSC, an Internal Auditor.

The Ministry informed your Committee that the LGSC was yet to employ an Internal Auditor.

Your Committee awaits a progress report on the issue.

CHAVUMA DISTRICT COUNCIL

STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2009

Under-collections on Approval Revenue Provisions due to undervalued properties.

228. Your previous Committee had directed the Council to re – value its properties to avoid under-collections on Approval Revenue Provisions due to undervalued properties.

The Ministry informed your Committee that the Council had not yet re-valued its properties.

Your Committee awaits a progress report on the issue.

Valuation of Assets not Maintained

229. Your previous Committee had directed the Council to update its Valuation Roll.

The Ministry informed your Committee that the Council was yet to update its Valuation Roll.

Your Committee awaits a progress report on the issue.

Non-disposal of Obsolete Assets

230. Your previous Committee had directed the Council to dispose-off its obsolete assets.

The Ministry informed your Committee that the Council was yet to dispose-off the obsolete assets once all the necessary formalities were concluded.

Your Committee awaits a progress report on the issue.

Internal Audit Function

231. The Ministry informed your Committee that the Local Government Service Commission (LGSC) was yet to recruit the Internal Auditors.

Your Committee requests for a progress report on the issue.

KAWAMBWA DISTRICT COUNCIL

STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2009

Poor Cash Books Maintenance

232. Your previous Committee noted that the poor maintenance of the Cash Books was due to the lack of key staff in the Accounts Department. It directed the Council to employ the required qualified staff.

The Ministry informed your Committee that the Council was still awaiting the recruitment of key accounting staff by the LGSC.

Your Committee awaits a progress report on the issue.

Poor Maintenance of Imprest Ledgers

233. Your previous Committee had directed the Council to recruit through the LGSC qualified senior staff to efficiently maintain issues such as the Imprest Ledgers.

The Ministry informed your Committee that the recruitment of senior staff was still awaiting the finalization by the LGSC.

Your Committee awaits a progress report on the issue.

Operational Losses for the Rest House: K19, 994,578 (K19, 994.57)

234. Your previous Committee directed the Council to renovate the Rest House.

The Ministry informed your Committee that the Council had not yet renovated the Rest House due to lack of funds.

Your Committee awaits a progress report on the issue.

KASAMA MUNICIPAL COUNCIL

Statutory Audit and Audit Inspection Report on the Utilisation of Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2009

Unclaimed Monies not Receipted

235. Your previous Committee directed the Council to provide an update on the unclaimed monies that were not receipted.

The Ministry informed your Committee that the matter was still before the courts of law.

Your Committee awaits a progress report on the issue.

THE 2010 REPORT OF THE HONOURABLE MINISTER OF LOCAL GOVERNMENT AND HOUSING ON THE SUMMARISED AUDITED ACCOUNTS OF LOCAL AUTHORITIES

Local Tour of Luapula Province

236. Your previous Committee was privileged to tour six district councils in Luapula Province, namely; Milenge, Samfya, Mwense, Kawambwa, Nchelenge and Chiengi. The purpose of the tour was for your Committee to familiarize itself with the operations of Councils such as source and revenue base, workforce and wage bills, statutory debts, management of markets and bus stations and valuation of properties.

Infrastructure

237. Your previous Committee had directed the Council to construct public facilities and a civic centre in Milenge and Chiengi District Councils.

The Ministry informed your Committee that the construction of public facilities and civic centre in Milenge and Chiengi District Councils were yet to be undertaken as the two Councils had included the proposed expenditure in the 2012 Annual Budget.

Your Committee awaits a progress report on the issue.

Fire Tenders

238. Your previous Committee had directed the Council to acquire fire tenders.

The Ministry informed your Committee that the acquisition of fire tenders was yet to be undertaken as soon as the funds were sourced for this purpose.

Your Committee awaits a progress report on the issue.

The Housing Situation in Zambia

Construction Sector Issues

239. Your previous Committee had requested for a progress report on the research development to determine suitably cheaper and locally available materials in the construction industry. Your Committee also requested for a progress report on the waiver of Value Added Tax and Customs Duty on construction materials such as cement and roofing sheets.

The Ministry informed your Committee that the matter had since been referred to another agency of Government for consideration.

Your Committee awaits a progress report on the issue.

MPONGWE DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December 2008

Fixed Assets and Motor Vehicles not Insured

240. Your previous Committee had directed the Council to insure its motor vehicles and buildings.

The Ministry informed your Committee that the Council had since insured its motor vehicles with the exception of buildings.

Your Committee awaits a progress report on the insurance of fixed assets.

LUFWANYAMA DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2008

Fixed Assets and Motor Vehicles not Insured

241. Your previous Committee had directed the Council to insure its fixed assets and motor vehicles.

The Ministry informed your Committee that the Council had not yet insured all its properties.

Your Committee awaits a progress report on the issue.

MKUSHI DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December 2007

Certificates of Title

242. Your Committee had directed the Council to acquire title deeds for its properties.

The Ministry informed your Committee that the Council has not yet acquired the title deeds for its properties.

Your Committee awaits a progress report on the issue.

LUWINGU DISTRICT COUNCIL

AUDIT INSPECTION REPORT (CDF) OF LUBANSENSHI AND LUPOSOSHI CONSTITUENCIES FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2009

Purchase of a Motor Vehicle from Lubansenshi Constituency Development Fund (CDF): K70, 000,000 (KR70, 000)

243. Your previous Committee had directed the Council to provide an update on the purchase of a motor vehicle from the Lubansenshi CDF.

The Ministry informed your Committee that the matter was still being investigated.

Your Committee awaits a progress report on the issue.

Illegal Payment on Costs for Transport and Training on Workshop Repairs: K5, 950,000 (KR 5,950) - Lubanseshi Constituency

244. Your previous Committee had directed the Council to provide an update on the illegal payment of costs for transport and training on workshop repairs.

The Ministry informed your Committee that the matter was still before the courts of law.

Your Committee awaits a progress report on the issue.

KAPUTA DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Funds (CDF) for the Period 1st January to 31st December, 2007

245. Your previous Committee had directed the Council to provide an update on the expenditure on the stalled market project at Nsumbu.

The Ministry informed your Committee that the matter was yet to be concluded before the courts of law.

Your Committee awaits a progress report on the issue.

KAWAMBWA DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2008

Non-Existence of Stores and Procurement Departments

246. Your previous Committee had directed the Council to establish a Stores and Procurement Department.

The Ministry informed your Committee that the matter was still before the Local Government Service Commission for consideration.

Your Committee awaits a progress report on the issue.

CHIENGE DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2008

Lack of Supporting Documentation for Fixed Assets

247. Your previous Committee had directed the Council to recruit through the LGSC a procurement and stores officer.

The Ministry informed your Committee that the LGSC was yet to recruit the procurement and stores officer.

Your Committee awaits a progress report on the issue.

MUMBWA DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Funds (CDF) for the Period 1st January to 31st December, 2008

Certificate of Title

248. Your previous Committee had directed the Council to acquire certificates of title from the Ministry of Lands, Natural Resources and Environmental Protection.

The Ministry informed your Committee that the Council was yet to acquire the certificate of titles for its properties.

Your Committee a waits a progress report on the issue.

CHAVUMA DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2008

Non-existence of Internal Audit

249. Your previous Committee had directed the Council to recruit staff for the Internal Audit.

The Ministry informed your Committee that the LGSC was yet to recruit staff for the Internal Audit.

Your Committee awaits a progress report on the issue.

MILENGE DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2007

Understaffing in the Accounts Unit

250. Your previous Committee had directed the Council to recruit qualified staff the Accounts Unit.

The Ministry informed your Committee that the LGSC was yet to recruit qualified staff.

Your Committee awaits a progress report on the issue.

SHANG'OMBO DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January to 31st December, 2007

Non-acquisition of Title Deeds for the Civic Centre and Rest House

251. Your previous Committee had directed the Council to acquire the title deeds for its properties.

The Ministry informed your Committee that the Council was yet to acquire the title deeds for its properties.

Your Committee awaits a progress report on the issues.

CHILUBI DISTRICT COUNCIL

Statutory Audit Report and Audit Inspection Report on the Constituency Development Fund (CDF) for the Period 1st January 2008 to 31st December 2009

Council Properties without Title

252. Your previous Committee had directed the Council to acquire the certificate of title for its properties.

The Ministry informed your Committee that the Council was yet to acquire the certificates of title for its properties.

Your Committee awaits a progress report on the issue.

CHIBOMBO DISTRICT COUNCIL

Huge Statutory Debt-K201, 938,974 (KR201, 938.97)

253. Your previous Committee had directed the Council to provide an update on the repayment of the huge statutory debt.

The Ministry informed your Committee that the Council had since paid a sum of K20, 000,000 from the remaining balance to LASF of K40, 200,905.80.

Your Committee awaits a progress report clearance of the debt.

Guest House

254. Your previous Committee had directed the Council to modernise the 2 (two) guest houses in Chibombo and Chisamba.

The Ministry informed your Committee that the Council had not yet modernised the 2 (two) guest houses due to financial challenges.

Your Committee awaits a progress report on the issue.

KABWE MUNICIPAL COUNCIL

Huge Statutory Debt - K3, 333,834,282.74 (KR3, 333,834.28)

255. Your previous Committee had directed the Council to provide an update on the liquidation of the statutory debt.

The Ministry informed your Committee that the Council has not yet liquidated the sum of K3, 333,834,282.74 (Kr 3,333,834.28).

Your Committee awaits a progress report on the issue.

Poor and inadequate market facilities

256. Your previous Committee had directed the Council to build a modern market.

The Ministry informed your Committee that the Council was yet to construct a modern market.

Your Committee awaits a progress report on the issue.

MASAITI DISTRICT COUNCIL

Huge Statutory Debt

257. Your previous Committee had directed the Council to liquidate the statutory debt.

The Ministry informed your Committee that the Council was yet to liquidate the sum of K700, 028,435 (KR700, 028.43). The amount would be settled as soon as the cash flow improved.

Your Committee awaits a progress report on the issue.

NDOLA CITY COUNCIL

Huge Statutory Debt – K 15,099,328, 983 (KR15, 099,328. 98)

258. Your previous Committee had directed the Council to liquidate the statutory debt.

The Ministry informed your Committee that the Council was yet to liquidate the balance of K4, 503,799,582 (KR4, 503,799.58). The amount would be settled as soon as the cash flow improved.

Your Committee awaits a progress report on the issue.

KITWE CITY COUNCIL

Huge Statutory Debt: K45, 712,943,000(KR45, 712,943)

259. Your previous Committee had directed the Council to liquidate the statutory debt.

The Ministry informed your Committee that the Council was yet to liquidate its statutory debt of K45, 712,943,000 (Kr 45,712.943).

Your Committee awaits a progress report on the issue.

Appointment of Market Boards

260. Your previous Committee had directed the Council to appoint market boards.

The Ministry informed your Committee that the appointment of Market Boards was still undergoing consideration and appointments would be made as soon as all the necessary legal instruments to operationalise the market boards were completed.

Your Committee awaits a progress report on the issue.

KALULUSHI MUNICIPAL COUNCIL

Huge Statutory Debt: K5, 917, 541,537(Kr 5, 917,541.53)

261. Your previous Committee had directed the Council to liquidate the statutory debt.

The Ministry informed your Committee that the Council would liquidate the remaining balance of K5, 699,541,537(Kr 5,917,541.53) as soon as the funds were available.

Your Committee awaits a progress report on the issue.

THE ACTION-TAKEN REPORT ON YOUR COMMITTEE'S REPORT FOR 2009

KAWAMBWA DISTRICT COUNCIL

Statutory Audit Report of the Council's Financial Accounts And Audit Inspection Report of the Constituency Development Fund for the Period 1st January to 31st December, 2006

Fraudulent Disposal of Injector Pump: K19, 912,385.35 (KR19, 912.38)

262. Your previous Committee had directed the Council to provide an update on the fraudulent disposal of the injector pump.

The Ministry informed your Committee that the matter was still before the courts of law.

Your Committee awaits a progress report on the issue.

Establishment and Management of Cemeteries

263. Your previous Committee had directed the Council to provide an update on the establishment and management of cemeteries.

The Ministry informed your Committee that the meeting on the acquisition of land for the establishment of new cemeteries was held with their Royal Highnesses from the surrounding districts of Chibombo, Chongwe and Kafue. However, the matter was still being considered.

Your Committee awaits a progress report on the issue.

ACTION-TAKEN REPORT ON THE COMMITTEE'S REPORT FOR 2008

KAOMA DISTRICT COUNCIL

STATUTORY AUDIT REPORT OF THE COUNCIL'S FINANCIAL ACCOUNTS AND AUDIT INSPECTION REPORT OF THE CONSTITUENCY DEVELOPMENT FUND FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2006

Irregular Tender Procedures and Non-Completion of Grader Repairs: K67, 701,900(KR67, 701.90)

264. Your previous Committee had directed the Council to provide an update on the irregular tender procedures and non-completion of grader repairs.

The Ministry informed your Committee that the matter was still before the courts of law.

Your Committee awaits a progress report on the issue.

MILENGE DISTRICT COUNCIL

Missing Council Benz Tipper Truck Registration No. AAG 90

265. Your previous Committee had requested for an update on the missing Council Benz Tipper Truck.

The Ministry informed your Committee that the matter was still under investigation.

Your Committee awaits a progress report on the issue.

PART IV

CONCLUSION

266. Your Committee is alarmed at the number of audit queries that are being captured by the Auditors. Your Committee notes that this year, fifty one (51) Councils have been captured in the Minister's Report for various financial irregularities. This is despite the existence of elaborate Financial Regulations. The Ministry of Local Government and Housing needs to do more to arrest the situation.

Your Committee is however, indebted to all the Town Clerks, Council Secretaries and the Ministry of Local Government and Housing for the support rendered during the consideration of the Status of Fire Fighting Services in Zambia and the Report of the Minister of Local Government and Housing on the Accounts of Local Authorities.

Your Committee further thanks the offices of the Auditor-General and the Clerk of the National Assembly for the advice rendered during the year.

Finally, your Committee wishes to record their indebtedness to you, Mr Speaker, for the guidance given during the Session.

E Sing'ombe, MP
CHAIRPERSON

July, 2013
LUSAKA

APPENDIX I

LIST OF OFFICIALS

National Assembly

Mr S M Kateule, Principal Clerk of committees

Mr S C Kawimbe, Deputy Principal Clerk of Committees

Mr F Nabulyato, Committee Clerk (FC)

Mrs C K Mumba, Assistant Committee Clerk

Mrs A S Lloyd, Stenographer

Mr R Mumba, Committee Assistant

Mr C Bulaya, Committee Assistant