



APPENDIX

TO THE

REPORT

OF THE

COMMITTEE ON LOCAL GOVERNMENT ACCOUNTS

**ON THE REPORT OF THE AUDITOR GENERAL ON THE REVIEW OF
OPERATIONS OF LOCAL AUTHORITIES FOR FINANCIAL YEARS ENDED 31ST
DECEMBER, 2014, 2015 AND 2016**

FOR THE

**SECOND SESSION OF THE TWELFTH NATIONAL ASSEMBLY
APPOINTED ON 21ST SEPTEMBER, 2017**

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PART I

Auditor-General's Preamble

Local authorities are public as well as Government institutions established by an Act of Parliament under *Section 3 of the Local Government Act, Chapter 281 of the Laws of Zambia*. The main objective of establishing councils is to provide services on behalf of the Central Government to residents within their areas of jurisdictions. Currently, there are 105 councils in the country.

In this regard, Local Authorities were a key factor in socio-economic development because their operations were directly linked to community activities. An effective monitoring of their operations was, therefore, inevitable in ensuring sustainable economic and environmental development in the country.

Submission by the Secretary to the Treasury - Ministry of Finance

The Secretary to the Treasury informed your previous Committee that the comments in the Report of the Auditor-General on the Review of Operations of Local Authorities for the Financial Years Ended December 2013, 2014 and 2015, were appreciated. The process of interacting and communicating with the Council Secretary and the Presiding Officers of local authorities, whose accounts were audited, was acknowledged as it provided an opportunity for them to clarify and take corrective action on the audit findings so that matters were resolved during the process of the audit. Set out below are the submissions on the said accounts:

i. Liquidity Problems

Your previous Committee urged the Secretary to the Treasury to ensure that the matter relating to local authorities' liquidity should be treated with the urgency it deserved. Your previous Committee lamented that most local authorities were currently failing to meet even their statutory obligations and other staff-related costs which could result in serious loss of public funds through litigation. Your previous Committee also urged the Secretary to the Treasury to devise a plan to assist the local authorities to make them financially viable unlike the status quo. Your Previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded that a team of officers from the Ministry of Finance (Budget Office and Accountant-General) and the Ministry of Local Government had been constituted to undertake a position analysis focused on the following:

- a) composition of revenue/income sources to respective local authorities and the contribution of each income source to the total income;
- b) existing opportunities for enhanced revenue collection;
- c) challenges facing each local authority in their mobilisation and collection of own local revenue efforts;

- d) recommendations by each local authority on what Central Government could do to help them enhance their revenue collections; and
- e) the stock of debt including an explanation on the major drivers of this debt and measures, if any, that the local authority had or ought to put in place to curb further accumulation debt.

It was expected that the outcome of these consultations would lead to specific measures aimed at improving the financial position of local authorities. This would also feed into further development of an Intergovernmental Fiscal Architecture (IFA). It was the initial development of this IFA system which led to the establishment of the Local Government Equalisation Fund (LGEF) in 2014. Measures to be instituted by the Treasury would therefore, be implemented through the auspices of the IFA and were expected to focus on the following areas:

1. specific measures to help enhance local authorities' own revenue collections;
2. further work on streamlining transfers between Central Government and local authorities; and
3. putting in place measures to address the unsustainable cost structures in local authorities.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to expedite the process of ensuring that all local authorities' financial position improves. Your Committee recommends the matter for closure subject to audit verification.

ii. Lack of Strategic Plan

Your previous Committee urged the Secretary to the Treasury to follow through on his promise on the matter. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken-Report that it was correctly observed that among the sampled and cited local authorities, some did not have Strategic Plans while others had unapproved ones, hence no capacity.

However, the Government was working with co-operating partners in piloting the development of Strategic Plans using a standard template. The rationale was to bring down the costs associated with formulation of a Strategic Plan and to easily roll it out throughout the country.

Meanwhile, local authorities with the capacity to formulate the Strategic Plans had been instructed to re-align their planning to the Seventh National Development Plan, which was

recently launched. The work of formulating the strategic plans in line with the Seventh National Development Plan had since commenced.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and urges them to ensure that the process of formulating a template to be rolled across all councils is expedited and that all the councils which are able to formulate without any assistance do so without any further delay. Your Committee awaits a progress report on the matter.

iii. Inappropriate Reporting Framework

Your previous Committee urged the Secretary to the Treasury to follow through on his promise on inappropriate reporting framework. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive through the Action-Taken-Report responded that the Secretary to Treasury directed the Controlling Officer in-charge of local Government to standardise the reporting framework of local authorities.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and expresses concern at the inordinate delays the matter has taken to be resolved. Your Committee strongly urges the Secretary to the Treasury to ensure that the matter is treated with the urgency it deserves and hence resolves to await a progress report on the matter.

iv. Lack of Risk Management Policy

In noting the submission, your previous Committee urged the Secretary to the Treasury to ensure that a Risk Management Policy was implemented. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken-Report that the Government of the Republic of Zambia (GRZ) introduced the Risk Management Framework in the public sector as required by *Public Finance Act No. 15 of 2004*. The introduction of risk management was expected to increase accountability and effectiveness of Government operations in fulfilling its mandate of providing quality, efficient, effective and excellent services to the citizens.

The Risk Management Framework for the Public Sector was approved on 20th January, 2017 by the steering committee chaired by the Secretary to the Cabinet. Currently the organisation structure for risk management in the public service was being prepared and yet to be submitted to key stakeholders for their comments before approval by the steering committee.

Once the organisation structure was approved, risk management would be implemented and rolled over to all MPSAs including local authorities by the end of 2018.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the Risk Management Policy was implemented and that the matter is treated with the urgency it deserves. Your Committee resolves to await a progress report on the matter.

v. High Vacancy Rate

In noting the submission, your previous Committee urged the Secretary to the Treasury to implement the matter and ensure that the process was expedited. Your previous Committee awaited a progress report on the reduction of the high vacancy rate in local authorities.

Executive Response

The Government submitted that the Secretary to the Treasury had written to the Permanent Secretary in the Ministry of Local Government and copied to the Commissioner, Local Government Service Commission to address the issue of high vacancy rates in Local Authorities.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the matter relating to high vacancy rate is addressed by impressing upon the Office of the Chairperson, Local Government Service Commission. Your Committee resolves to await a progress report on the matter.

vi. Lack of Title Deeds

In noting the submission, your previous Committee urged the Secretary to the Treasury to implement the issuance of certificates of title and ensure that the process was expedited. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken-Report that the observation was a true reflection of the situation. Most of the properties currently owned by Councils belonged to Government. The properties were handed over to Councils without Title Deeds.

In this regard, the ministries of Local Government and Lands, Natural Resources and Environmental Protection were in consultation to facilitate the issuance of the Title Deeds for all local authorities' properties. In addition, some local authorities such as Chipata City Council, had made efforts, on its own, to obtain Title Deeds for their Civic Centre. Therefore, the process of getting Title Deeds was on-going.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the consultation between ministries of Local Government and Lands, Natural Resources and Environmental Protection are quickly concluded without further delay. Your Committee resolves to await a progress report on the matter.

vii. Low Qualification of Accounting Staff

Your previous Committee observed that accounting officers in local authorities had low qualifications and this was a great source of worry considering that fiscal decentralisation was imminent. The Secretary to the Treasury was urged to ensure that all accounting staff in the local government system was closely monitored.

Further, for ease of monitoring and to enhance adherence to standards, the Government should seriously consider appointing the officers under the Office of the Accountant-General, just as accounting staff in the Central Government. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken-Report that the Secretary to Treasury was going to engage the Permanent Secretary, in-charge of Local Government, to ensure that each council drew up a comprehensive Staff Development Programme to improve qualifications of accounting staff in councils and to develop minimum qualifications standards for each accounting position in the councils by way of job descriptions, which would require the approval of the Local Government Service Commission and the Cabinet Office. Therefore, the Local Government Service Commission and the Cabinet Office were going to be engaged to undertake a Job evaluation of Councils.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to expedite drawing up a comprehensive Staff Development Programme to improve qualifications of accounting staff in councils and to develop minimum qualifications standards for each accounting position. Your previous Committee awaits a progress report on the matter.

viii. Lack of ICT Policy

In noting the submission, your previous Committee urged the Secretary to the Treasury to expedite the drawing up of the Information Communication Technology (ICT) policies to provide guidance on the procurement of ICT equipment and software before the end of the 2017 financial year. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken-Report that the Secretary to Treasury was going to engage the Permanent Secretary in-charge of Local Government and SMART Zambia to draw up the Information Communication Technology (ICT) policies to provide guidance on the procurement of ICT equipment and software.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the draw up of the Information Communication Technology (ICT) policies to provide guidance on the procurement of ICT equipment and software is treated with the urgency it deserves. Your Committee resolves to await a progress report on the matter.

ix. Executive Summary

In noting the submission, your previous Committee urged the Secretary to the Treasury to ensure that the current Local Government Act, which provided guidance in the maintenance of sound financial systems in the local authorities, was reviewed so that the Treasury role could be clearly defined without further delay. The Committee also urged that the process of developing a Constituency Development Fund Bill be expedited. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken-Report that the Secretary to Treasury was going to engage the Minister and Controlling Officer in-charge of Local Government and that the engagement between the Treasury and the Ministry of Local Government had commenced to address the matter.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the local Government Act is reviewed so that the Treasury role is clearly defined without further delay. The Committee also urges that the process of developing a Constituency Development Fund Bill is expedited. Your Committee awaits a progress report on the matter.

x. Introduction

In noting the submission, your previous Committee urged the Secretary to the Treasury to resolve the outstanding issues and ensure that the process was expedited. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken-Report that the Treasury through the Public Accounts Committee Sub-Committee on Outstanding Issues was following up on all unresolved matters from previous reports and that progress had been recorded

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that outstanding issues were put in a table with progress recorded against each matter. Your Committee resolves to await a progress report on the matter.

xi. Scope

In noting the submission, your previous Committee urged the Secretary to the Treasury to adhere to the scope of the audit. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken-Report that the Treasury made progress in this regard.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the scope of the audit was adhered to. Your Committee, however, resolves to close the matter subject to audit verification.

xii. Internal Control

In noting the submission, your previous Committee urged the Secretary to the Treasury to follow through on his undertaking on the matter and that the process be expedited. Your previous Committee also urged the Secretary to the Treasury to ensure that internal controls were enhanced by possibly mainstreaming all internal auditors into the Ministry of Finance and appointing them under the Controller of Internal Audit. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken-Report that the Treasury had established a section under the office of the Controller of Internal Audit to oversee the operation of Internal Auditors in the Local Authorities to ensure compliance to the Local Government Act, Public Finance Act, Internal Auditing Standards and other government regulations to ensure accountability of public resources in Local Authorities.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to expedite the process of ensuring that internal controls were enhanced by possibly mainstreaming all internal auditors into the Ministry of Finance and appoint them under the Controller of Internal Audit. Your Committee recommends the matter for closure subject to audit verification.

xiii. Institutions that have not Submitted Audited Financial Statements

With regards to the failure by a number of local authorities to prepare audited financial statements, as provided for under *the Local Government Act*, the Secretary to the Treasury submitted that he would ensure that all local authorities prepared Financial Statements within the stipulated time, as provided for under *the Local Government Act*, in order for the Minister responsible for Local Government to appoint auditors to audit the financial statements.

In noting the submission, your previous Committee urged the Secretary to the Treasury to ensure that penalties were stiffened for non-adherence to *Public Financial and Local Government Regulations*. Your previous Committee resolved to seek a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken-Report that local authorities had been sensitised on the need to prepare Financial Statements through the Permanent Secretary in-charge of Local Government. To this effect, most local authorities had complied with this regulation as Financial Statements were available for verifications.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that penalties are stiffened for non-adherence to *Public Financial and Local Government Regulations* and that local authorities are sensitised on the need to prepare Financial Statements. Your Committee recommends the matter for closure subject to audit verification.

PART II

CHIBOMBO DISTRICT COUNCIL

AUDIT QUERY PARAGRAPH 8

Review of Operations

a) Lack of Audited Financial Statements

Your previous Committee observed with concern that the council was operating without an accounting framework and directed the Council Secretary to ensure that the recommended International Public Sector Accounting Standards (IPSAS) Framework was procured without any further delay. Your previous Committee also urged the Council Secretary to ensure that all financial statements for the period under review were audited. A progress report was awaited by your previous Committee.

Executive Response

The Executive responded through the Action-Taken-Report that a letter to the Office of the Auditor-General to carry out audit verification of the Financial Statements for the three years which were reviewed had been written. In this regard, the Council awaited the response of the State Auditors to issue a Status Report.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to procure, without further delay, the recommended International Public Sector Accounting Standards (IPSAS) Framework and ensure that all financial statements for the period under review are audited. Your Committee resolves to await a progress report on the matter.

b) Lack of Strategic Plan

Your previous Committee expressed concern as to the inordinately long period of time it had taken for the Council Secretary to initiate the development of a strategic plan which led to the council to operate without a well-defined direction during the period under review. Your previous Committee was of the view that this could have been done with the help of staff from other departments within the District, especially that the country was moving towards decentralisation. Your previous Committee sternly cautioned the Council Secretary that it would not tolerate excuses over this matter and directed her to ensure that a strategic

plan was put in place without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken-Report that the Strategic Plan had passed the planning Committee of the Council and that the documents had been recommended for adoption by the Full Council scheduled to sit on 25th September 2017.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the strategic plan is put in place without any further delay. Your Committee resolves to await a progress report on the matter.

c) Lack of Risk Management Policy

Your previous Committee expressed concern as regards the delay in instituting control measures while awaiting the finalisation of the policy, since risks may be actualised even before the finalisation of the policy. Your previous Committee further directed the Controlling Officer, Ministry of Local Government, to ensure that the Risk Management Policy was finalised, expeditiously, in order to mitigate against risks that might be detrimental to the operations of the Council. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Risk Policy, once finalised, would be adopted by the Office of the Accountant-General as it was expected that Councils would adopt the Central Government Risk Policy.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the Risk Management Policy is finalised, expeditiously, in order to mitigate against risks that might be detrimental to the operations of the Council. Your Committee resolves to await a progress report on the matter.

d) Misappropriation of Funds - K43,195

Your previous Committee strongly cautioned the Council Secretary against inordinate delays in resolving the matter concerning the Council and urged that the balance of the funds be deducted from the officers who had not paid back at the time. Your previous Committee also directed the Council Secretary to ensure that the Council's internal controls were enhanced as the weaknesses observed on the matter were unacceptable. Your previous Committee awaited full recovery of this amount.

Executive Response

The Executive submitted through the Action-Taken Report that K9,763.54 had been recovered from Mr. S Kangongo, who was the in-charge of the administration and Human Resources Department. The documents of recovery were available for verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the balance of the funds be deducted from the officers who had not paid at the time and also ensure that the Council's internal controls are enhanced as the weaknesses observed on the matter are unacceptable. Your Committee resolves to await a progress report on the matter.

e) Lack of Title Deeds

Your previous Committee observed with concern that properties were not secured with Title Deeds and urged Management to follow-up the matter with the Ministry of Lands and Natural Resources to expedite the issuance of the certificates. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that strides were made as four (4) Letters of Offer from Ministry of Lands and Natural Resources had been received. In addition, a surveyor, to work on survey diagrams, to facilitate acquisition of Title Deeds had also been engaged by the Council. Copies of Letters of Offer and the letter to the surveyor were available for verification by State Auditors.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to follow-up the matter with the Ministry of Lands and Natural Resources to expedite the issuance of title deeds. Your Committee recommends the matter for closure subject to audit verification.

f) Lack of Maintenance Policy

Your previous Committee observed with concern that the Council risked loss of funds as a result of failure to utilise its assets. Management was strongly urged to ensure that all Council assets were properly maintained and put to good use in order to increase its revenue base. Your previous Committee also directed her to ensure that a Maintenance Policy was put in place without any further delay. Your previous Committee resolved to await a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that the maintenance policy had been prepared and the document was due for adoption by the Full Council in September 2017. The draft maintenance policy document was available for verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that Council assets are properly maintained and put to good use in order to increase its revenue base and ensure that a Maintenance Policy is put in place without any further delay. Your Committee resolves to await a progress report on the matter.

g) Overdue Receivables - K396,911

Your previous Committee found it unacceptable that institutions like the Zambia Police Service, who were law enforcers, could participate in weakening the revenue base of the

local authority with such a colossal amount. Your previous Committee directed the Council Secretary to invoke the provisions of the law by recovering all the outstanding amounts from these institutions without any further delay. Your previous Committee was unhappy with the leniency exhibited by the Council Secretary towards the debtors as evidenced by the period it had taken her to issue demand notices. They sternly cautioned her for the failure. Urgent action should be taken on this matter.

Executive Response

The Executive responded through the Action-Taken Report a total of K148,736.50 had been collected. Further, a letter was written to the Inspector-General of Police over the outstanding rentals. The revenue accounting records and the letter to the Inspector-General of Police was available for verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to recover all the outstanding amounts from those institutions without any further. Your Committee resolves to await a progress report on the matter.

h) Missing Receipt Books

Your previous Committee found it unacceptable that such important documents would miss from the storage facility without a trace. The Council Secretary was directed to ensure that officers responsible for the safekeeping of these documents were disciplined for this serious lapse and that the remaining receipts were located without any further delay. It also directed her to ensure that internal controls were enhanced and the important documents were secured to avoid recurrence. Your previous Committee awaited a progress report on the remaining receipt books.

Executive Response

The Executive submitted through the Action-Taken Report that State Auditors had been invited to verify. In this regard, the auditors' response was being awaited.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that officers responsible for the safekeeping of these documents are disciplined for this serious lapse and that the remaining receipts are located without any further delay. Further, the Secretary to the Treasury is urged to ensure that internal controls are enhanced and the important documents are secured to avoid recurrence. Your Committee resolves to await a progress report on the matter.

i) Missing Copies of Cancelled Receipts

Your previous Committee found it unacceptable that such important source documents would miss from the storage facility without trace. The Council Secretary was directed to ensure that officers responsible for the safekeeping of these documents were disciplined for this serious lapse and that the remaining receipts were located without any further delay. Your previous Committee also directed the Council Secretary to ensure that internal controls

were enhanced and that important documents were secured expeditiously to avoid recurrence. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that four (4) of the missing cancelled receipts had been traced. Letters to commence disciplinary action had since been written. The letters of disciplinary action and the four cancelled receipts traced were available for verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that officers responsible for the safekeeping of these documents are disciplined for this serious lapse and that the remaining receipts are located without any further delay. Your previous Committee also directs the Council Secretary to ensure that internal controls are enhanced and that important documents are secured expeditiously to avoid recurrence. Your previous Committee awaits a progress report on the matter.

j) Unaccounted for Revenue - K180,170

Your previous Committee found it unacceptable that such important source documents were not availed at the time of the audit only to surface after the audit. This raised doubt on the authenticity of the documents. In this vein, your previous Committee directed the Council Secretary to ensure that officers responsible for the safekeeping of these documents were disciplined for this serious lapse and that important documents be expeditiously secured to avoid recurrence. Your previous Committee, however, resolves to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that officers responsible for the safekeeping of these documents are disciplined for this serious lapse and that important documents be expeditiously secured to avoid recurrence. Your previous Committee awaits a progress report on the matter.

k) Questionable Refunds - K63,216

Your previous Committee found it unacceptable that amounts were authorised by the Principal Officer retrospectively. Your previous Committee sternly cautioned the Council Secretary to desist from issuing such authority as it could be used as conduit for fraudulent activities. Your previous Committee, however, resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the Council desists from issuing such authority as it could be used as conduit for fraudulent activities. Your Committee, however, resolves to close the matter subject to audit verification.

l) Unretired Imprest- K67,092

Your previous Committee found it unacceptable that documents were only found after audit and it was not clear why they were not availed during the audit period. Your previous Committee directed the Council Secretary to eradicate such laissez-faire approach by disciplining all erring officers. Your previous Committee, however, resolved to close the matter subject to audit verification and disciplinary action being taken against officers.

Executive Response

The Executive submitted through the Action-Taken Report that a letter of invitation to the Auditor-General to verify the progress had been written and a response was being awaited. Further, letters of reprimand had been written to all the erring officers.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure the Council eradicates such laissez-faire approach by disciplining all erring officers. Your Committee, however, resolves to close the matter subject to audit verification.

m) Talk Time Allowance - K43,218

Your previous Committee noted the submission and resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that a letter inviting the Auditor-General to verify the progress had been written and a response was being awaited.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

n) Irregular Payment of Subsistence Allowances - K58,733

Your previous Committee found it unacceptable that the officers were paid subsistence allowance despite working within the district contrary to the conditions of service. Your previous Committee directed the Council Secretary to recover the whole amount of K58,733. She was also sternly cautioned for misleading your previous Committee. The Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the funds from the concerned officers had been recovered. The records of recovery were available for verification by the Auditor-General.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to recover the whole amount of K58,733 and resolves to close the matter subject to audit verification.

o) Failure to Prepare Activity Reports

In noting the submission, your previous Committee urged the Council Secretary to caution the officers for the failure to prepare activity reports and recommended the matter for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited. Further the letter of caution to Council staff was done and it was also available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that activity reports are prepared without fail and that officers are cautioned for any delays in preparing the reports. Your Committee recommends the matter for closure subject to audit verification.

p) Unaccounted for Funds K59,180

In noting the submission, the Council Secretary was urged to caution the officers for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited. A letter of caution to the Council staff was done and was available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that acquittal sheets are attached to the payment vouchers and that officers are cautioned for not filing the acquittal sheets together with the rest of the other related documents such as payment vouchers and imprest retirements. Your Committee recommends the matter for closure subject to audit verification.

q) Questionable Allowances K16,727

Your previous Committee found it unacceptable that the Council Secretary wilfully flouted clear guidelines as contained in a Cabinet Office Circular No. 11 of 2013. It was evident to your previous Committee that officers in these local authorities were adept at abrogating clear guidelines to their advantage. Your previous Committee strongly cautioned the Council Secretary and further directed that the entire amount be recovered from the sitting Council Secretary at the time for failure to protect public funds. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the allowances from the incumbent Council Secretary who was sitting Principal Officer at that time had been recovered. The records of recovery were available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that Council Secretary adheres to guidelines as contained in a Cabinet Office Circular No. 11 of 2013 in paying allowances to officers sitting on the procurement committee. Your Committee recommends the matter for closure subject to audit verification.

r) Unsupported Payments K708,198

In noting the submission, the Council Secretary was urged to caution the officers for the failure to submit necessary documents to all payments and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited. A letter of caution to the responsible officer was done and was available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that all necessary documents are attached to all payments vouchers. Your Committee recommends the matter for closure subject to audit verification.

s) Missing Payment Vouchers- K284,639

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure to secure accounting documents. Your previous Committee urged the Council Secretary to expedite the construction of the storage facility to avoid missing documents and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited. A letter of caution to the responsible officer was done and was available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that all accounting documents are kept in secure place to avoid misplacements. Your Committee urges the Council Secretary to expedite the construction of the storage facility for keeping accounting documents. Your Committee resolves to await a progress report on the matter.

t) Unaccounted for General Stores - K683,324 (General Stores – K514,420 and Fuel – K168,904)

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure to secure accounting documents. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that a letter of invitation for the Auditor General to verify the progress had been written and a response was being awaited. A letter of caution to the responsible officer was done and was available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that all accounting documents are kept in secure place to avoid misplacements. Your Committee urges the Council Secretary to expedite the construction of the storage facility for keeping accounting documents. Your Committee resolves to await a progress report on the matter.

u) Irregular Drawings of Fuel K119,763

In noting the submission, the Secretary to the Treasury was urged to sternly caution the officers for the failure to avail Council Secretary's authority to use private vehicles by way of approving the respective fuel requisitions. However, since the Council had since devised a system where expressly written authority was obtained further to the approved fuel requisition matter was recommended for closure subject to audit.

Executive Response

The Executive responded through the Action-Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

v) Failure to Avail Contract - Land Dispute Case

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure to ensure that audits were taken seriously. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that a letter of invitation for the Auditor-General to verify the progress had been written and a response was being awaited. A letter of caution to the responsible officer was done and was available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

w) Supply of Grader

Your previous Committee found it unacceptable that during audit, relevant documents were not availed to the auditors to resolve the matter. The Council Secretary was directed to caution the officers for the failure and that all the documents should be availed to the Office of the Auditor-General without any further delay. Meanwhile, the matter relating to Eye Witness Solutions was recommended to the law enforcement agencies for further probe, while the matter relating to L M Chambers was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the matter regarding Eye Witness Solution had been reported to the Anti-Corruption Commission. Further, the Auditor-General had been written to, to verify the matter and issue a status report.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

x) Failure to Fill Key Positions

Your previous Committee observed with concern that service delivery may be affected negatively in the Council if recruitment to fill-up the vacant positions was delayed. Your previous Committee urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled up with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that of the vacant positions, three (3) positions, that of Deputy Director of Works, Planner and District Accountant had been filled. The Council awaited additional deployment of staff by the Local Government Service Commission.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

y) Officers Occupying Positions without Authority

Your previous Committee found the reason given for failing to avail the new generic establishment structure to the auditors unacceptable and called for disciplinary action against all erring officers for this failure. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that a copy of the new generic structure had been accessed and the verification by the Auditor-General was awaited.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

z) Failure to Remit Statutory and Union Contributions K3,767,313

Your previous Committee observed with concern that failure to remit statutory obligations could result in serious penalties and eventual loss of colossal sums which could otherwise be applied on provision of critical public services. Therefore, your previous Committee urged Management to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Council had paid a sum of K175, 946.62 toward liquidation of the indebtedness. In this regard, the records were available for verification.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your Committee resolves to await a progress report on the matter.

a) Outstanding Staff Obligations K4,521,804

Your previous Committee expressed concern at the failure by Management at the Council to settle the amounts owed to both existing staff and retirees as there was a risk to possible legal action to be taken against it by these creditors. This could result in loss of Council funds on legal fees and interest to be paid to these creditors. Your previous Committee urged the Council Secretary to ensure that severance packages were budgeted for annually and that an equitable payment plan was put in place to avoid litigation. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that a sum of K1,451,428.78 had been paid toward liquidation of the indebtedness. The Council Secretary indicated that the records of payments were available for verification by Auditor-General.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that all staff obligations are settled without any further delay and that more revenue generation options are explored to improve the Council's revenue base. Your Committee resolves to await a progress report on the matter.

CHILANGA TOWN COUNCIL

AUDIT QUERY PARAGRAPH 9

Review of Operations

An examination of accounting and other records for the period from 1st January 2013, to 31st December, 2015, maintained at the Council and physical inspections of selected projects carried out in October, 2016, revealed the following:

a) Lack of Strategic Plan

Your previous Committee expressed concern that the Council Secretary allowed such an inordinate delay before developing a strategic plan, which resulted in the Council operating without a well-defined strategic direction during the period under review.

Your previous Committee was of the view that this could have been done with the help of staff from other departments within the district, especially that the country was moving towards decentralisation. Your previous Committee sternly cautioned the Council Secretary to desist from hiding her incompetence in such excuses and directed her to ensure that a strategic plan is availed for audit verification. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Strategic Plan had been formulated. The document was available for verification by the Auditor-General.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the strategic plan is put in place without any further delay. Your Committee resolves to await a progress report on the matter.

b) Lack of Council by - Laws and Valuation Roll

Your previous Committee observed with concern that the failure to have by- laws and Valuation Roll could result in an inability to collect revenue from property within the Council boundaries or jurisdiction. Your previous Committee therefore, strongly urged the Council Management to ensure that the by-laws and the Valuation Roll were put in place in order to enhance the collection of property rates to improve service delivery. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Council had been given K100,000 to support the process of formulating a Valuation Roll. In this regard, the Council had also requested that a Valuation Surveyor be appointed to prepare the Valuation Roll. The letter and full Council Minutes are ready for verification by the Auditor-General.

Committee’s Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the by-laws and Valuation Roll are put in place without any further delay. Your Committee resolves to await a progress report on the matter.

c) Failure to Prepare Financial Statements

Your previous Committee noted the submission and urged Management to ensure that the accounts were audited without any further delay. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that a letter to the Auditor-General to verify the Financial Statements had been written. The response from the Auditor-General was being awaited.

Committee’s Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to that the financial states were audited. Your Committee resolves to await a progress report on the matter.

d) Failure to Fill Positions in the Establishment

Your previous Committee observed with concern that service delivery would be affected negatively in the Council if recruitment was delayed and urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Local Government Service Commission had not filled all the vacant positions. However the Council was still pursuing the matter with the Commission to ensure that the positions are filled.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

xiv. Failure to Provide Receipt Books

In noting the submission, the Council Secretary was urged to caution the officers for the failure to avail receipt books to the auditors and also urged the Council Secretary to expedite the process of putting up lockable apartment to keep all accounting documents. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned. In addition, the receipt books had been traced by the Council. The caution letters and receipt books were available for verification.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Failure to Prepare Bank Reconciliation Statements

In noting the submission, your previous Committee urged the Council Secretary to firmly caution the officers for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned and, in retrospect, prepared the Bank reconciliations. The caution letters and bank reconciliation statements were available for verification.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Missing Payment Vouchers- K197,722

In noting the submission, the Council Secretary was urged to caution the officers for the failure to avail the payment vouchers to the auditors. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned. In addition, the payments which were not availed for audit had been traced and were available for verification.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and urges the Council to store all accounting documents in centralised secure places. Your Committee resolves to close the matter subject to audit verification.

h) Inadequately Supported Payments

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure to avail supporting documents for payments. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned. Further, the supporting documents, which had been misplaced and misfiled, had been traced and attached to the payment vouchers. The payment documents were available for verification

Committee's Observations and Recommendations

Your Committee notes the response by the Government and urges the Council to store all accounting documents in centralised secure places. Your Committee resolves to close the matter subject to audit verification.

i) Failure to Insure Movable Assets

Your previous Committee noted the issue of insuring Movable Assets and the matter was recommended for closure subject to audit verification.

Executive Response

The Government responded through the Action-Taken Report that a motor vehicle and grader had been insured and that the insurance cover certificates were available for verification

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Unremitted Statutory Deductions

Your previous Committee observed with concern that failure to remit statutory obligations would result in serious penalties and eventual loss of colossal sums which could otherwise be applied on provision of critical public service. Your previous Committee, therefore, urged Management to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that payments to liquidate the statutory deductions had commenced. The payments remitted against the debt were available for verification by the Auditor-General.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that all statutory contributions are remitted to the respective institutions without any further delay and that more revenue generation options are explored to improve the Council's revenue base. Your Committee resolves to await a progress report on the matter.

k) Failure to Provide Supporting Invoices for Payables - K257,194

In noting the submission, the Council Secretary was urged to ensure that officers were sternly cautioned for the failure to provide supporting invoices for payables at the time of audit due to the fact that files containing supporting invoices were kept separately and had been misplaced. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that all the erring officers had been cautioned. In addition, the Council had traced the supporting invoices for payables and they were available for verification by the Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

l) Construction of ten (10) Medium Cost Houses

The Council Secretary submitted that the works on the project had stalled due to the fact that the Ministry had not been receiving adequate funding from the Ministry of Finance for various projects under the Council. The Council also reported that the contractor had since been paid for some of the certified works and was on site. The Council would ensure that follow ups were made at all times with the Ministry of Finance regarding financing of projects.

Your previous Committee found it unacceptable that the Council overcommitted the Government without securing a thorough plan on how to pay for the works contracted and certified. Your previous Committee was aware that the Treasury in Zambia runs a system called a Single Treasury Account whereby all certified works were paid for on demand. Your previous Committee also observed with concern that the uncompleted structures may deteriorate due to delayed in completion. The Secretary to the Treasury was particularly strongly urged to ensure that funds for the works were released without any further delay to avoid loss of public funds which could arise as a result of litigation. Management at the Council was also directed to follow-up the matter with the Treasury to ensure that the project was constantly funded up to completion without undue delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the Council had made follow-ups and a feedback was being awaited from Ministry of Works and Supply.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that the funds for the construction of ten (10) medium cost houses is made available to avoid litigation. It also urges the Council to make follow ups on the ministry. Your Committee resolves to await a progress report on the matter.

m) Wasteful Expenditure - Street Lighting Project

Your previous Committee noted the response on the issue of non-functional streetlights and recommends that the matter be closed subject to verification of the functioning of street lights.

Executive Response

The Government responded through the Action-Taken Report the lights were functional and could be inspected by the Auditors from Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

CHINSALI MUNICIPAL COUNCIL

AUDIT QUERY

PARAGRAPH 10

a) Failure To Prepare Financial Statements

Your previous Committee observed with concern that the officers in the accounts department failed to prepare financial statements for the period under review. It found it unacceptable that such an important activity which must be routinely done in order to show the financial health of an institution was neglected by the officers. Your previous Committee urged the Council Secretary to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework was procured by the Council without any further delay and also that officers were sternly cautioned for the failure.

Your previous Committee also urged the Council Secretary to ensure that the prepared financial statements for the period under review were audited and approved without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report normalisation of the irregularities of figures in the Books of Accounts with regard to Net Book Values of assets had started. Further, the Government Valuation Department had since been called upon to value the various Council assets. Extract of Council Minutes were available for verification.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to procure, without further delay, the recommended International Public Sector Accounting Standards (IPSAS) framework and ensure that all financial statements for the period under review are prepared and audited. Your Committee resolves to await a progress report on the matter.

b) Lack of Strategic Plan

Your previous Committee expressed concern that the Council Secretary had to wait for this long to put up a strategic plan and risked the Council to operate during the period under review without a well-defined direction. Your previous Committee was of the view that staff from other departments within the District could have helped especially that the country was moving towards decentralisation. Your previous Committee sternly cautioned the Council Secretary to desist from hiding his incompetence in such excuses and directed

him to ensure that a strategic plan was put in place without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that formulation of the Strategic Plan had started. Extract of the Council Minutes and correspondences to consultants were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and urges them to ensure that the process of formulating a template to be rolled across all councils is expedited and that all the councils which are able to formulate without any assistance do so without any further delay. Your Committee awaits a progress report on the matter.

(c) Employment of Staff Without Requisite Qualifications

Your previous Committee was taken aback by the employment of unqualified staff by the Local Government Commission and directed that this should be corrected without delay as service delivery was at stake in the Council. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the matter of employing staff without requisite qualification had been referred to the Local Government Service Commission under whose jurisdiction recruitments were done for consideration.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

d) Missing Payment Vouchers - K119,613

Your previous Committee was concerned about the poor recordkeeping in the Council. Payment vouchers were very important documents and should be well kept and easily retrieved. The Council Secretary was urged to ensure that the officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Government responded through the Action-Taken Report that the payment vouchers were not missing as they were only misfiled. The payment vouchers had been put back in the appropriate box files and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Inadequately Supported Payments - K202,637

Your previous Committee was concerned about the poor recordkeeping by the Council and urged the Council Secretary to ensure that officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Government responded through the Action-Taken Report that the supporting documents had been traced and reattached to the payment vouchers. The payment vouchers, with the traced supporting documents, were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Unaccounted for Stores K850,375 (General stores- K659,172 and Fuels - K191,203

Your previous Committee was concerned about the poor recordkeeping by the Council. The Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Government submitted through the Action-Taken Report that the respective disposal records were retrieved and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Failure to avail Oral Contracts for Casual Workers

Your previous Committee was concerned about the poor recordkeeping by the Council. Your previous Committee urged the Council Secretary to ensure that officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Government submitted through the Action-Taken Report that the Oral Contracts, which had been misfiled, had been retrieved and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Sponsorship of Officers for Training without Authority from the Commission

Your previous Committee was very concerned about the developments at the Council and urged Management to institute deductions on the officers involved. Your previous

Committee further directed the Council Secretary to ensure that the laid down rules were adhered to. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that reminders to the Local Government Service Commission for authority regarding officers sponsored by the Council for training had been written. The letters of reminder were available for verification.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken Report, your Committee urges Management to institute deductions on the officers involved and ensure that the laid down rules are adhered to. Your Committee awaits a progress report on the matter.

i) Unretired Imprest- Land Development Fund

Your previous Committee was very concerned about the developments at this council and directed management to institute deductions from the officers involved. Your previous Committee directed the Council Secretary to ensure that the laid down rules are adhered to. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the retirement document had been retrieved. The records were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Irregular Use of Imprest

Your previous Committee was concerned that the Council ignored the financial regulations relating to procurement of goods and services for the institution. Your previous Committee urged the Council Secretary to ensure that his officers strictly abided by the procurement regulations when procuring goods and services for the Council. Your previous Committee resolved to close the query subject to audit verifications.

Executive Response

The Government responded through the Action-Taken Report that the supplier was being pursued to present a formal communication to obtain justification as to why it was their company policy not to accept cheques.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

k) Failure to Avail Tender Documents

Your previous Committee was very concerned about the developments at this Council and directed management to institute deductions from the officers involved. Your previous Committee directed the Council Secretary to ensure that laid down rules were adhered to. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the tender documents were attached to the initial payments. Copies of the tender documents had been made and attached to subsequent payments, which were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

l) Irregular Payments of Social Holiday Allowances

Your previous Committee was very concerned about the officers' failure to adhere to laid down procedures and urged the Council Secretary to ensure that all the funds were paid back by effecting deductions on their salaries. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that the irregular payment of social holiday had not been recovered as it still contended that the allowance was not abolished.

Committee Observations and Recommendations

Your Committee notes the response by the Government and urges them to ensure that all the funds are paid back by effecting deductions on their salaries. Your Committee awaits a progress report on the matter.

m) Irregular Payment of Transport Allowances

In noting the submission, your previous Committee urged the Council Secretary to ensure that officers who authorised these payments were subjected to a disciplinary process for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Government responded through the Action-Taken Report that payment of transport allowance was discontinued. Further, the overpaid amounts had since been fully recovered from the officer for the period January to December 2013. While the period January to June 2014 had been netted off from the amount the officer was owed by the Council. Documentation in this respect was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

n) Unremitted Statutory Contributions

Your previous Committee observed with concern the failure to remit statutory obligations which could result in serious penalties and eventual loss of colossal sums which could otherwise be applied on provision of critical public service. Your previous Committee, therefore, urged management to ensure that all statutory contributions were remitted to respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that as at 30th November 2016, all debts owed to Statutory Institutions except for Zambia Revenue Authority (ZRA) had been cleared. Further the Council had entered into a payment plan of K20,000 per month. Similarly, an application for a waiver for the outstanding debts had been made to ZRA. Documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

o) Failure to Deduct Tax

Your previous Committee was very concerned about the developments and directed the Council Secretary to ensure that deductions were effected expeditiously. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that recoveries would be effected from the concerned officers and the matter had been communicated in that respect.

Committee Observations and Recommendations

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

p) Street Lighting Project

Your previous Committee expressed concern at the failure by Management at the Council to ensure that assets were correctly used and safeguarded accordingly. Your previous Committee cautioned the Council Secretary for the failure to maintain street lights and urged him to ensure that security was enhanced to avoid recurrence. Your previous Committee would keep this matter in view in future audits.

Executive Response

The Government submitted through the Action-Taken Report that a contractor to service the solar system had been engaged. The documents of re-engagement were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and cautions the Council Secretary for the failure to maintain street lights and urges him to ensure that security is enhanced to avoid recurrence. Your Committee resolves to close the matter subject to audit verification.

q) Failure to Insure Council Properties

Your previous Committee observed with concern the failure by the Council to insure its properties and warned that without indemnity, the Council risked losses in case of an eventuality. Management was directed to ensure that it adhered to provisions of the Local Authorities Regulations No. 154 to avoid possible losses and to ensure that all its assets were insured without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Government submitted through the Action-Taken Report that due budgetary constraints, the buildings were yet to be insured.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the Council adheres to provisions of the Local Authorities Regulations No. 154 to avoid possible losses and to ensure that all its assets are insured without any further delay and the matter is recommended for closure subject to audit verification.

r) Failure to Avail Bank Statements

In noting the submission, the Council Secretary was urged to ensure that officers were sternly cautioned for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Government submitted through the Action-Taken Report that bank Statements, which had been misfiled, had been retrieved. The statements were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

s) Failure to Collect Property Rates

Your previous Committee expressed concern at the failure by the Council to collect property rates despite struggling with liquidity problems. Your previous Committee directed the Council Secretary to evoke the *Rating Act* and collect all outstanding rateable amounts without any further delay. Going forward, the Council should stay alive to its new enhanced strategies on revenue and rates collection. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Government submitted through the Action-Taken Report that the outstanding rates had not been collected but had instead started sensitising the community on the importance of paying rates.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the Council evokes the *Rating Act* and collect all outstanding rateable amounts without any further delay. Your Committee resolves to close the matter subject to audit verification.

CHIPATA MUNICIPAL COUNCIL

AUDIT QUERY

PARAGRAPH 11

Review of Operations

a) Non-Preparation of Financial Statements

Your previous Committee found the reasons given for failure to prepare financial statements unacceptable as this could have been done with nominal figures on the properties. Your previous Committee observed that such an important activity, which should have been a route activity to show the financial health of an institution, was neglected by the officers.

It further observed with concern that such a highly graded Council had been operating without an accounting framework since inception. Your previous Committee urged the Town Clerk to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework was procured without any further delay and that officers were sternly cautioned for the failure. Your previous Committee also urged the Council Secretary to ensure that all financial statements for the period under review were prepared without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that Financial Statements, as guided by the previous Committee, had been prepared. In this regard, the Council awaited certification and verification of the Financial Statements by the State Auditors.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

b) Lack of Strategic Plan

Your previous Committee was disappointed that the Council waited such a long time to put up a strategic plan and, hence operated without strategic direction during the period under review. Your previous Committee was of the view that the strategic plan could have been prepared with the help of staff from other departments within the district especially that the country was moving towards decentralisation. Your previous Committee sternly cautioned

the Council Secretary against such laxity and directed him to ensure that a strategic plan was put in place without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the strategic plan had been prepared. The Council awaited the approval of the Plan by the Full Council to adopt and commence implementation.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

c) Failure to Collect Property Rates - K5,133,334

Your previous Committee did not accept the reason given as it was of the view that sensitisation was not part of the procedure needed to collect outstanding property rates. Your previous Committee, therefore, directed the Town Clerk to ensure that demand notices were issued without any further delay and that the process of issuance of Warrants of Distress was subsequently initiated in accordance with the *Rating Act Chapter 192 of the Laws of Zambia*. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that demand notices were issued. However, due poor compliance, warrants of distress had also been issued to all those that owed the Council Property Rates. The demand notices and warrants of distress were available for verification by the State Auditors.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that demand notices were issued without any further delay and that the process of issuance of Warrants of Distress was subsequently initiated in accordance with the *Rating Act Chapter 192 of the Laws of Zambia*. Your previous Committee awaited a progress report on the matter.

d) Unauthorised Loans and Overdraft Agreements with Banks

Your previous Committee found the failure to adhere to the Local Government Regulations by Management unacceptable. It observed with concern that there was a great risk in what Management decided. There was now an increase to Council indebtedness which reduced its capacity to use generated funds on developmental programmes. The Town Clerk was sternly cautioned and also directed to ensure that the Local Government Regulations were adhered to at all times. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Government responded through the Action-Taken Report that the Council had committed itself to ensure that it adhered to the Local Government Regulations, as observed and recommended by the previous Committee.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Misapplication of Funds – Retirees Benefits K827,156 (K177,156 retirees benefits and K650,000 revaluation of the Council Assets)

Your previous Committee did not accept the reasons given and directed the Town Clerk to provide proof to auditors regarding the payment of retirees and also provide relevant records such as payment vouchers and bank statements on the revaluation report. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that payment vouchers and bank statements on retirees and valuation reports had been traced and were available for verification by the State Auditors.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Lack of Title Deeds

Your previous Committee observed with concern that properties were not secured with Title Deeds and urged Management to follow-up with the Ministry of Lands and Natural Resources in order for them to finalise the issuance of certificates of title. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the list of all Council properties had been submitted in order to secure the Title Deeds and, feedback from the Ministry of Lands and Natural Resources was awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Failure to Remit Statutory Contributions

Your previous Committee observed with concern that failure to remit statutory obligations may result in serious penalties and eventual loss of colossal sums which could otherwise be applied on provision of critical public services. Your previous Committee therefore urged Management to ensure that all statutory contributions were remitted to respective institutions without any further delay and that more revenue generation options be explored to improve the Council's revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the Council was facing financial challenges. However, efforts were being made to liquidate the debts. Payment Vouchers and ledgers regarding payments were ready for verification by State Auditors.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Failure to Pay Benefits

Your previous Committee expressed concern at the failure by Management to settle amounts owed to both existing staff and retirees as there was a great risk of possible legal action to be taken against them by the creditors. This may result in loss of Council funds on legal fees and interest to be paid to them. Your previous Committee urged the Council Secretary to ensure that severance packages were budgeted for annually and that an equitable payment plan was put in place to avoid litigation. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that the council was still unable to pay the benefits because of financial Challenges. However, the Council was making efforts to liquidate the debts and, payment Vouchers and ledgers regarding payments were ready for verification by State Auditors

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

i) Staff Establishment

Your previous Committee noted with concern that service delivery could be affected negatively in the Council if recruitment was delayed to fill up the vacant positions. Your previous Committee urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled up with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that the matter had been taken up by the Local Government Service Commission (LGSC) and critical positions had been filled up with competent and qualified staff.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Employment of Unqualified officers to Key Positions

Your previous Committee found it unacceptable that the matter had been left unattended to for a long time. Your previous Committee expressed concern that recruitment by the Local Government Service Commission left much to be desired as circumstances were not clear as to how a person with Grade 9 qualifications could be employed to fill up a position which requires Grade 12 as a minimum qualification. Your previous Committee urged the Council Secretary to ensure that the matter was rectified through the LGSC without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that the matter was taken up by the Local Government Service Commission (LGSC) and critical positions had been filled up with competent and qualified staff.

Committee Observations and Recommendations

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

CHIRUNDU DISTRICT COUNCIL

AUDIT QUERY PARAGRAPH 12

Review of Operations

a) Failure to Fill Establishment

Your previous Committee observed with concern that service delivery may be affected negatively in the Council if recruitment to fill up the vacant positions was delayed. Your previous Committee urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled up with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that new staff deployed by the Local Government Service Commission was received. The vacant positions recently filled include Social Economic Planner, Administrative Officer, Town Planner, Buildings Inspector and Deputy Director of Works. The Commission had also assured the Council that more staff would be deployed but with caution since such an exercise should go side by side with matching resources to meet the personal emoluments.

Committee Observations and Recommendations

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

b) Delayed Banking and Failure to Receipt Revenue Collections

Your previous Committee observed with concern the failure by the officers to adhere to *Local Authorities Financial Regulation No. 19 (1)*. It further expressed concern at the failure

by the accounting officers to acknowledge receipt of funds by way of raising receipts for direct deposits. Your previous Committee urged the Council Secretary to ensure that *the Local Authorities Financial Regulation No 19 (1)* was adhered to by ensuring that banking was done timely to avoid recurrence. Your previous Committee also urged the Council Secretary to ensure that all officers responsible for the failure were sternly cautioned.

Executive Response

The Government submitted through the Action-Taken Report that the officer responsible for failing to adhere to the Local Authorities Financial Regulations No. 19 (1) had been charged with among other charges, incompetence and negligence as guided in the laid down disciplinary code of conduct.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

c) Lack of Strategic Plan

Your previous Committee was disappointed that the Council waited this long to put up a strategic plan and hence operated without strategic direction during the period under review. Your previous Committee was of the view that the strategic plan could have been prepared with the help of staff from other departments within the district especially that the country was moving towards decentralisation. Your previous Committee sternly cautioned the Council Secretary against such laxity and directed him to ensure that a strategic plan was put in place without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that the Draft Strategic plan was in its final stage of preparation whereby it awaited a third and final stakeholders' workshop to be held in August 2017 to discuss any gaps found following the circulation of the document for comments.

Committee Observations and Recommendations

Your Committee notes the response by the Government and urges them to ensure that a strategic plan is put in place without any further delay. Your Committee awaits a progress report on the matter.

d) Lack of a Debtor's Management Policy

Your previous Committee expressed concern at the failure by the Council Secretary to put up a debtors management policy as without it, there was an unavoidable adversity on cash flows which in turn could result in failure to implement planned activities. Since the matter was resolved, your previous Committee recommended closing the matter subject to audit verification.

Executive Response

The Government submitted through the Action-Taken Report that a debt management policy had been approved and that contraction and management of the debt was in line with the provisions of the same Policy.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Failure to Remit Statutory Contributions

While your previous Committee appreciated that a payment plan was agreed upon with the named institutions, the reason given was unacceptable as it was evident that the agreed payment plan was not adhered to by the Council. Your previous Committee sternly cautioned the Council Secretary and urged him to adhere to the conditions of the agreement in order to avoid penalties which may arise in default. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Government submitted through the Action-Taken Report that payment plans had been entered into. However, the debt had not yet been liquidated. Further, the Council had indicated in its submission that it had maintained a clean balance sheet in respect of its current obligations with the two institutions.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Lack of Title deeds

Your previous Committee observed with concern that properties were not secured with Title Deeds and urged Management to ensure that the matter was followed up with the Ministry of Lands and Natural Resources to issue Title Deeds accordingly. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that a report from the Department of Physical Planning (DPP) regarding the surveyed 700 plots, which also included properties cited, was being awaited. In this regard, the Survey diagrams would be forwarded to the Ministry of Lands and Natural Resources for processing of Title Deeds once the report from DPP was availed.

Committee Observations and Recommendations

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

g) Failure to Register Assets with Road Transport and Safety Authority (RTSA)

Your previous Committee observed with concern the failure by the Council to register its properties with RTSA as per the *Roads and Road Traffic Act*. It further observed the Council's failure to insure its properties and warned that without indemnity, the Council risked losses in case of an eventuality. Management was directed by your previous Committee to ensure that it adhered to provisions of the Local Authorities Regulations No. 154 to avoid possible losses and to ensure that all its assets were insured without any further delay and also that the process of registering all its vehicles with RTSA was expedited. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Government submitted through the Action-Taken Report that efforts were being made by the Council to register the two pieces of equipment. However, it was facing challenges with retrieval of the original documents from the supplier. In addition, the Council stated that it had written the supplier to retrieve the documents for the TLB which were alleged to be in Livingstone City Council's possession. The matter had not been resolved.

Committee Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that the Council adheres to provisions of the Local Authorities Regulations No. 154 to avoid possible losses and to ensure that all its assets were insured without any further delay and also that the process of registering all its vehicles with RTSA is expedited. Your Committee awaits a progress report on the matter.

h) Inappropriate Office Space – Fire Brigade Unit

Your previous Committee observed with concern that the Fire Brigade Unit officers were kept in such an unhealthy environment. Your previous Committee directed the Council Secretary to expeditiously resolve the matter relating to office space. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Government submitted through the Action-Taken Report that in the initial memorandum the council submitted that the old ablution block, which currently houses the Fire Brigade had been refurbished. In addition, the water reticulation system at the same premises had been rehabilitated and the Fire brigade was able to access water easily.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

i) Failure to Comply with ZEMA ACT and Regulations

Your previous Committee urged the Office of the Auditor-General to verify the matter after which it should be closed.

Executive Response

The Government submitted through the Action-Taken Report that the matter was resolved with the Office of the Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Lack of a Policy on Sustainable Environmental Management

Your previous Committee observed with concern that the Council Management had to wait to be reminded by auditors to put up a solid waste Management policy. Your previous Committee felt that this was a laissez-faire approach to issues of national importance and the Council Secretary was sternly cautioned against the failure. Your previous Committee also directed the Council Secretary to ensure that the Solid Waste Management policy was expeditiously put up by way of following-up the matter with ZEMA. Your previous Committee awaited a progress report on the matter.

Executive Response

The Government responded through the Action-Taken Report that the draft Environmental Management Policy had been prepared. However, the policy had a lot of gaps owing to the shifting of the Council dumpsite to a new location as directed by Zambia Environmental Management Agency (ZEMA). In this regard, there was need for a new Environmental Project Brief (EPB) for the new site.

Committee Observations and Recommendations

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

KABWE MUNICIPAL COUNCIL

AUDIT QUERY

PARAGRAPH 13

a) Lack of Strategic Plan

Your previous Committee was disappointed that the Council waited so long to put up a strategic plan, hence operating without strategic direction during the period under review. Your previous Committee was of the view that the strategic plan could have been prepared with the help of staff from other departments within the district especially that the country was moving towards decentralisation. Your previous Committee sternly cautioned the Council Secretary against such laxity and directed him to ensure that a strategic plan was put in place without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that a draft strategic plan had been prepared. The document awaited approval and adoption by the Council. The draft document was available for verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the strategic plan is prepared with the help of staff from other departments within the district especially that the country was moving towards decentralisation. Your Committee resolves to await a progress report on the matter.

b) Non Preparation of the financial statements

Your previous Committee found it unacceptable that the Council, with impunity, had failed to prepare financial statements for such a long period of time. The previous Committee took great exception on this level of negligence, resulting in the Council operating without an accounting framework. Your previous Committee urged the Controlling Officer to institute disciplinary action against the officers responsible for this failure and to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework was procured without any further delay. Your previous Committee further urged the Controlling Officer to ensure that all financial statements for the period under review were prepared without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the draft Financial Statements, which would soon be submitted to the Full Council before certification by the auditors, had been prepared. The draft Financial Statements were available for verification by the Auditors from the Office of the Auditor-General.

Committee's Observations and Recommendations

In noting the submission of the Executive through the Action-Taken Report, your Committee urges the Secretary to the Treasury to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework is procured without any further delay. Your Committee resolves to await a progress report on the matter.

c) Lack of Debtors Management Policy

Your previous Committee expressed concern at the failure by the Town Clerk to put up a Debtors Management Policy as without it, there was an unavoidable adversity on cash flows, which in turn resulted in failure to implement planned activities. Your previous Committee directed the Town Clerk to ensure that a Debtor's Management Policy was put in place without any further delay in order to enhance debt collection. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that a debt management policy, which awaited approval by the Council, had been formulated. The draft policy document was available for verification by the Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

d) Failure to Recover Money from the Anti-Fraud Unit of Zambia Police K13, 500

Your previous Committee found the reasons given by the Town Clerk unacceptable and did not appreciate the fact that the Zambia Police Service was written to because this was merely as result of the audit exercise which awoke Management who seemed to have forgotten about the matter. Your previous Committee sternly cautioned the Town Clerk to be proactive and ensure that the funds were collected without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Anti-Fraud Unit at Police Headquarters, Central Province, had been written to for the recovery of the monies. A response was being awaited. The letter written was available for verification by the Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

e) Failure to Remit Statutory Obligations

While it was appreciated that a payment plan was agreed upon with the named institutions, your previous Committee was concerned that failure to remit statutory obligations may lead to loss of public funds through penalties, which may arise as a result of this default. Your previous Committee also urged the Town Clerk to explore innovative avenues of raising revenue in order to improve service delivery. Your previous Committee directed that all relevant documentation be submitted for verification and sought a progress report on the liquidation of the outstanding statutory contributions.

Executive Response

The Executive submitted through the Action-Taken Report that the Anti-Fraud Unit at Police Headquarters, Central Province, had been written to for the recovery of the monies. A response was being awaited. The letter written was available for verification by the Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

f) Outstanding Terminal Benefits - K15,262,622 (and K9,723,689 Long Service Bonus)

Your previous Committee did not accept the reason given by the Town Clerk as it felt that it was a result of poor Management that such a better placed Council with many options of revenue generation would be struggling with liquidity problems. Your previous Committee

also observed that the Council's failure risked the Council to possible litigation which may arise from non-payment of retirees' terminal benefits. The Town Clerk was urged to ensure that he impressed upon Management to explore more revenue collection options to improve the status quo and that all outstanding dues for retirees were paid without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken-Report that K4,997,916.33, in respect of forty two retirees, had been paid towards the outstanding terminal benefit. Efforts were being intensified to ensure that a further sum of money was mobilised to liquidate the debt. The records were available for verification for the K4, 997,916.33 paid to forty two retirees.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that efforts to mobilise a further sum of money are intensified by impressing upon Management to explore more revenue collection options to improve the status quo so that all outstanding dues for retirees are paid without any further delay. Your Committee resolves to await a progress report on the matter.

g) Lack of Title Deeds and Failure to Insure Properties

Your previous Committee observed with concern the failure by the Council to insure its property and warned that without indemnity, the Council risked losses in case of an eventuality. Your previous Committee also observed that the Council risked loss of its own expected funds resulting from failure to capture all its rateable properties in the district. Management was directed to ensure that the main roll was updated without any further delay in line with the *Rating Act Chapter 192 of the Laws of Zambia*. Management was further directed to ensure that all its assets were insured without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken-Report that the process of acquiring Title Deeds for the Coronation Park and the National Fire Training School had commenced. Documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

h) Deplorable State of Mulungushi Motel

Kabwe Municipal Council Management acknowledged the auditor's observation and that this was because of the financial constraint to maintain it. The Council Management came up with a plan to redesign the Motel so that it came to the acceptable standards in the hospitality industry. Kabwe Municipal Council Management would, in future, ensure that it carried out routine maintenance on the motel once it was redesigned.

i) Inadequate Fire Fighting Equipment

Your previous Committee observed with concern that the Council was failing to fulfil its mandate in the district due to non-availability of these vital services. Your previous Committee strongly urged the Ministry of Local Government to seriously and promptly intervene in the matter by ensuring that all the relevant stakeholders including the Local Government Service Commission were engaged to ameliorate this alarming state of affairs in the district. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that two officers had been trained as trainer of trainers on the operation of the new fire fighting equipment which was procured by the Government.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Wasteful Expenditure - Construction of a Maternity Wing at Waya Ward K102, 586

Your previous Committee observed with concern the failure by Management to consult before engaging in any contractual works, an omission which would result in possible loss of public funds. Management was sternly cautioned to ensure that projects were closely monitored and contractual obligations met at all times to avoid such possible losses and recurrence of this anomaly. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Chairperson of Kabwe Central Constituency Development had been requested to step down for failure to authorise payments due to the contractor on time. Further, the Council was committed to ensure external interference was guarded against to avoid litigations and that the causers of wastage and similar acts would be made to account for the costs in their personal capacity.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

k) Offer of Unnumbered Plots

Your previous Committee expressed concern at the failure by Management to ensure that they complied with Circular No.1 of 2015. Your previous Committee observed that this omission risked the Council to possible loss of funds through fraudulent activities. The Town Clerk was directed to ensure that all plots were numbered and that procedure was followed to avoid double allocations. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that with the recruitment of qualified staff and repealing of the *Town and Country Planning Act*, giving rise to the enactment of the *Urban and Regional Planning Act* No.3 of 2015, the anomalies were being regularised by ensuring that plots were numbered and surveyed before allocation. In this regard, the Council opened up all the areas in Mukuyu, Ngungu, Kafulamase and Kamakuti. These have been surveyed and numbered.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

l) Allocation of Plots in Grave Yards

Your previous Committee did not accept the reasons given by the Town Clerk that it was incumbent upon the Council to demolish any illegal built structures in an area. Your previous Committee, therefore, wondered why the Town Clerk seemed hesitant to invoke his powers to rectify the problem.

Your previous Committee directed the Town Clerk to ensure that he promptly intervened into the matter by way of demolishing the said structures. The Controlling Officer was also directed to ensure that the exhumation of remains of people buried in the cemetery without permission of the relatives of the deceased should cease forthwith. Your previous Committee sought an urgent update on this matter.

Executive Response

The Executive submitted through the Action-Taken Report that the demolition of the structures in the graveyard was in the process of being halted following political intervention and revocation of land agency for the Council by the Ministry of Lands and Natural Resources.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

THE KAFUE DISTRICT COUNCIL

AUDIT QUERY

PARAGRAPH 14

Review of Operations

a) Failure to Prepare Financial Statements

Your previous Committee found it unacceptable that the Council, with impunity, had failed to prepare financial statements for such a long period of time. Your previous Committee took great exception on this level of negligence, and urged the Controlling Officer to institute disciplinary action against the officers responsible for the lapse. Your previous Committee further directed the Council Secretary to ensure that the recommended

International Public Sector Accounting Standards (IPSAS) framework was procured without any further delay. Your previous Committee further urged the Council Secretary to ensure that all financial statements for the period under review were prepared without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the officer who was responsible for preparing financial statements at that time had been transferred. Further, the council was making arrangements to procure IPSAS. Currently, the draft Financial Statements for the period stated had been prepared and were available for verification.

Committee's Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework was procured without any further delay. Your Committee resolves to await a progress report on the matter.

b) Failure to Collect Property Rates - K185,018

Your previous Committee expressed concern at the failure by the Council to collect revenue. Your previous Committee noted the measures that had been put in place, but was concerned with the Council's failure to proactively act on the matters since these measures were only taken after the audit. Your previous Committee strongly urged the Council Secretary to invoke the provisions of the *Rating Act Chapter 192 of the Laws of Zambia* and ensure that all the outstanding revenue was collected without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the demand notices had been issued and the Council had commenced the process of issuing Warrants of Distress in accordance with the *Rating Act No. 12 Chapter 192 of the Laws of Zambia (Section 25 Subsection 1 & 2)*.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

c) Uncollected Rent Charges K25,000

Your previous Committee expressed concern at the failure by the Council to collect rentals for the period under review. Your previous Committee noted the measures that had been put in place, but were concerned with the Council's failure to proactively act on the matter since these measures were put up only after the audit. The Council Secretary was strongly urged to ensure that all the outstanding rental charges were collected without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that demand notices had been issued by the Council and as a follow up Warrants of Distress would be issued to affected defaulters when the period for the demand notices expires.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

d) Failure to Collect Revenue - Bill Boards and Outdoor Advertising K135,000

Your previous Committee did not accept the reason given as it was of the view that sensitisation was not part of the procedure needed to collect outstanding revenues. The Council Secretary was directed to ensure that demand notices were issued without any further delay and that the due process of issuance of Warrants of Distress was subsequently followed in accordance with the *Rating Act No. 12 Chapter 192 of the Laws of Zambia*. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that demand notices had been issued and, as a follow up, would issue Warrants of Distress in accordance with the Rating Act.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

e) Missing Payment Vouchers K20,346

In noting the submission, your previous Committee urged the Council Secretary to ensure that officers were sternly cautioned for the failure and recommended that the matter be closed subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned and the letters of caution were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Inadequately Supported Payments K3,183,289

In noting the submission, the Council Secretary was urged to ensure that officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers were cautioned and documentation was ready for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

g) Unaccounted for Stores - K290,610 (General Stores – K77,363 and Fuel K213,247)

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers had been cautioned and documentation was ready for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Failure to Avail Activity Reports - K308,777

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that erring officers had been cautioned and documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

i) Unacquitted Allowances

In noting the submission, your previous Committee urged the Council Secretary to ensure that officers were sternly cautioned for this failure and recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that officers had been sternly cautioned and documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

j) Irregular Payment of Sitting Allowances - K7,200

Your previous Committee found the reason given by the Council Secretary unacceptable and directed her to ensure that recoveries were made to this effect for all sitting allowances

in respect of the procurement committees that were paid during the period under review. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries had been effected by the Council. The Progress Report was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

k) Non-Refund of Funds - K4,000

Your previous Committee observed with concern that the officer with no legal powers to impound did so. While noting that the officer refunded the amount in question, the previous Committee urged the Council Secretary to institute disciplinary action against the officer to serve as a deterrent to others. Your previous Committee awaited progress on the report.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries had been effected from the concerned member of staff and the progress report was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

l) Failure to Insure Office Equipment and other Assets(Valued atK169,155)

Your previous Committee observed with concern the failure by the Council to insure its property and warned that without indemnity, the Council risked losses in case of an unforeseen event. In this vein, your previous Committee directed management to ensure that all its assets were insured without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that office equipment and other Assets had been insured by the Council. The insurance cover certificates were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

l) Failure to Update the Main Roll

Your previous Committee observed with concern that the Council risked loss of its own expected funds resulting from failure to capture all its rateable properties in the district. Management was directed to ensure that the main roll was updated without any further delay in line with the *Rating Act No. 12 Chapter 192 of the Laws of Zambia*. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the process of updating the valuation roll had commenced. The progress report was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

m) Failure to Remit Statutory Contributions - K3,664,404

While it was appreciated that a payment plan was agreed upon with the named institutions, your previous Committee was concerned that failure to remit statutory obligations may lead to loss of public funds through penalties which may arise as a result of the Council's default. Your previous Committee also urged the Council Secretary to explore innovative avenues of raising revenue in order to improve service delivery. Your previous Committee directed that all relevant documentation be submitted for verification and sought a progress report on the liquidation of the outstanding statutory contributions.

Executive Response

The Executive responded through the Action-Taken Report that innovative avenues where, on a monthly basis, part of the revenues was paid to Statutory Bodies on a prioritised arrangement had been formulated. Documentation in respect of the progress made to remit Statutory contributions was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

n) Failure to Settle Amounts Owed to Separated Employees - K11,514,906

Your previous Committee expressed concern at the failure by Management to settle amounts owed to retirees as there was a great possibility for legal action to be taken against them by the separated staff. This could result in loss of Council funds on legal fees and interest. Your previous Committee urged the Council Secretary to ensure that severance packages were budgeted for annually and that an equitable payment plan should be put in place to avoid litigation. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the full severance package would be provided in the annual budget for 2018 and the payment plan had already been prepared. Currently, the Council, on a monthly basis, set aside at least K150,000 for liquidation of the debt. The documents on progress made were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

o) Failure to fill vacant positions

Your previous Committee noted with concern that service delivery could be affected negatively in the Council if recruitment to fill up the vacant positions was delayed. Your previous Committee urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled up with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that all vacancies had now been filled by the Local Government Service Commission. The progress report was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

p) Unrecovered Salary Advances - K264,256

Your previous Committee cautioned Management for the failure and urged the Council Secretary to sternly caution the officers who failed to effect the recoveries. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers responsible for payroll had been sternly cautioned and recoveries had been done. The record on the recoveries effected was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

q) Lack of Title Deeds

Your previous Committee observed with concern that Council properties were not secured with Title Deeds and urged Management to ensure that the matter was followed up with the Ministry of Lands and Natural Resources to issue the Title Deeds accordingly. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that recommendations to the Commissioner of Lands for consideration of issuance of Title Deeds had been submitted. The documentation on the progress made was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

r) Wasteful Expenditure – Swimming Pool - K36,529

In noting the submission, your previous Committee cautioned the Council Secretary for undertaking works without serious consideration on the budgetary provision, hence wasting

resources on projects which could not be completed with limited resources. Your previous Committee urged the Council Secretary to desist from wasting funds in such undertakings and that she cautions the officer responsible for failure to advise Management correctly. Your previous Committee, however, resolves to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the officer had been cautioned accordingly. The letters of caution were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

s) Failure to Insure Buildings- K4,807,055

Your previous Committee observed with concern the failure by the Council to insure its properties and warned that without indemnity, the Council risked losses in case of an eventuality. Your previous Committee directed the Council to ensure that it adhered to provisions of *the Local Authorities Regulations No. 154* to avoid possible losses and that all its assets were insured without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that the buildings had been insured and documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

t) Lack of Documentation on Sale of Land - Cavendish University

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure and the matter was recommended for closure, subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the responsible officer had been cautioned and documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

u) Failure to Develop Land - Metropolitan College and School Limited

Your previous Committee did not accept the reasons given and cautioned the Council Secretary for undertaking works without serious consideration on the budgetary provision, hence wasting resources on projects which could not be completed with limited resources. Your previous Committee urged the Council Secretary to ensure that corrective action in accordance with provisions of *the Local Government Act* were taken without any further

delay as the project had taken too long to complete. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the council did not spend any resources on the above stated item and that the structure still remained as it was reported.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

v) Failure to Maintain Beit Hall

Your previous Committee observed with concern that the Council risked loss of funds as a result of failure to utilise assets. Management was cautioned to ensure that all Council properties were properly maintained and put to good use in order to increase its revenue base. Your previous Committee awaited a progress report on the completion of the maintenance works.

Executive Response

The Executive responded through the Action-Taken Report that Beit Hall had been renovated and was currently in use and open to the public. The building was available for inspection.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

KASAMA MUNICIPAL COUNCIL

AUDIT QUERY PARAGRAPH 15

Review of Operations

a) Lack of Strategic Plan and Annual Plans

Your previous Committee was dismayed at the Council's delay to launch its Strategic Plan which had already been drafted. The absence of the Strategic Plan would result in the Council's failure to meet its goals and achieve its vision. Therefore, your previous Committee recommended that Management ensured that the Strategic Plan was put in place to guide the operations of the Council. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the draft Strategic Plan and the annual work plan had been prepared. Both documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

b) Non Preparation of Financial Statements

Your previous Committee found it unacceptable that such an important activity which should show the financial status of the institution was not prepared. Your previous Committee cautioned the Controlling Officer to ensure that the institution abided by the Local Government Financial Regulations. Your previous Committee recommended that the Council Secretary should ensure that all Financial Statements for the period under review were prepared. Your previous Committee resolved to wait for a progress report.

Executive Response

The Executive responded through the Action-Taken Report that Financial Statements up to 2016 had been prepared and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

c) Irregularities in Revenue Collection

i Failure to collect revenue

In noting the submission, your previous Committee resolved to await a progress report on the outstanding amounts that were yet recovered.

Executive Response

The Executive responded through the Action-Taken Report that Bailiffs had been engaged to recover the revenues owed. The engagement letter was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

ii Outstanding Bill Boards – K195,381

In noting the submission, your previous Committee resolved to wait for a progress report on the matter because some clients had not yet settled their debts to with the Council.

Executive Response

The Executive responded through the Action-Taken Report that billboards were uprooted by the Council for failure to pay outstanding debt. In this respect, the Council had revealed that it would pursue the debt through civil action.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

d) Staff Related Costs

i Appointment and promotion of Staff without Authority

In noting the submission, your previous Committee sternly cautioned the Council Secretary to ensure that he abided by Section 93 of *the Local Government (Amendment) Act No. 6 of 2010*, which provides that the Local Government Service Commission (LGSC) should appoint principal officers and officers of a Council as the Commission considers necessary. In view of the foregoing, your previous Committee also recommended that money paid to the people who were illegally appointed be recovered. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the affected had been written since their employment was terminated and, currently, pursuing the matter with urgency based on their last known addresses.

Committee Observations and Recommendations

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

ii. Employees without requisite qualification

In noting the submission, your previous Committee resolved to close the matter pending audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the stated officers had basic qualifications which were available for verification. The Council would ensure that qualifications for employees were put on personal files.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

iii. Unremitted Statutory Obligations

In noting the submission, your previous Committee observed that the Council had not stated how it intended to liquidate the Zambia Revenue Authority (ZRA) debt. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that a debt management plan, which, on a monthly basis paid obligations, was devised. The receipts were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

iv. Non Remittance of Pension Contributions - K547,985

In noting the submission, your previous Committee resolved to await a progress report on the matter because the Council had not yet started implementing its payment plan.

Executive Response

The Executive submitted through the Action-Taken Report that monthly contributions were being paid and the data was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

v. Non Payment of Terminal Benefits - K3,308,078

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

Executive Response

The Executive responded through the Action-Taken Report that monthly payments arising from the debt plan were being made. Files were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

e) Failure to comply with Procurement Regulations

In noting the submission, your previous Committee resolved to close the query subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that in accordance, procurements were within the stipulated threshold. The Minutes of the Tender Committee had been traced and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

f) Irregularities in the Allocation and Sale of Plots

In noting the submission, your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that under Minute No. KMC/SPIMC/FVCUC/91/07/17 the council had allocated plots in Nkolemfumu area. The said applicants would be reallocated once the offer letters were verified and scrutinised.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

g) Lack of Title Deeds

Your previous Committee observed with concern that some of the Council property was not on Title and wondered what could happen to the property in case of a dispute. The value of these buildings could not be ascertained because there were no asset registers or valuation reports. The wealth of a Council was dependent on how much assets it owned from which it also raised some revenue. Your previous Committee urged the Council Secretary to obtain Title Deeds for the said properties as soon as possible. Your previous Committee resolved to wait for a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that Title Deeds were in the process of being acquired by way of submitting site plans and survey diagrams to the Commissioner of Lands. The records on the foregoing progress were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

h) Construction of the New Civic Centre

i. Engagement of Contractor without following Tender Procedures

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the Council had ensured that subsequent procurement procedures and processes regarding the construction of the Civic Centre were adhered to. Documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

ii. Failure to provide documents

In noting the submission, your previous Committee resolved to close the matter subject to audit approval.

Executive Response

The Executive responded through the Action-Taken Report that an officer had been assigned to file payment vouchers after the payment was done and documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

iii. Lack of Drawings at Commencement of Contract

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the drawings and documents had been traced and were available.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

iv. Lack of Performance Security

In noting the submission, your previous Committee cautioned the Council Secretary to ensure that the Council abided by *the Public Procurement Act of 2011*, which provides that the procurement entity shall request for a performance security for all contracts for goods, works and consulting services with a value greater than K500, 000 to secure the supplier's obligation to fulfill the contract. Your previous Committee observed that the Council was, however, within the threshold and resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council was within the threshold and all tender documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

KATETE TOWN COUNCIL

AUDIT QUERY

PARAGRAPH 16

a) Lack of a Strategic Plan

Your previous Committee observed that lack of a Strategic Plan would result in the Council's failure to efficiently implement planned activities. Your previous Committee recommended that the Council Management put in place a Strategic Plan in order to effectively implement Council projects. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the strategic plan had not been finalised.

Committee Observations and Recommendations

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

b) Lack of a Procurement Plan

In noting the submission, your previous Committee observed that the procurement officer had just been sent to the Council and was in the process of working on the procurement plan. In order to ensure that the Council had started implementing the procurement plan, your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the procurement plan, which normally was approved together with Council Estimates by the Minister responsible for Local Government, had been prepared. The Plan was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

c) Employment of an unqualified officer to a Key Position

Your previous Committee observed that the Council Secretary did not meet the minimum qualifications for him to hold that position and recommended that the Local Government Service Commission employ, as soon as possible, a person with the minimum qualifications to be Council Secretary at Katete District. Your previous Committee resolved to wait for the progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Local Government Service Commission had already commenced the process of identifying a suitable officer to take up the position.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

d) Failure to Prepare Financial Statements

Your previous Committee found it unacceptable that such an important activity which should show the financial status of the institution was not prepared. Your previous Committee cautioned the Controlling Officer and urged him to ensure that the institution abided by the financial regulations. Your previous Committee recommended that the Council Secretary should ensure that all Financial Statements for the period under review were prepared as soon as possible. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that preparations of Financial Statements had not been finalised.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

e) Lack of Ownership Documents for properties

In noting the Submission, your previous Committee raised concerns that some properties were not on Title and wondered what would happen to the properties in case of a dispute. Your previous Committee, therefore, recommended that the Council Secretary should ensure that all council properties were put on Title as soon as possible. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the properties had been surveyed and the requisite documents submitted to the Ministry of Lands. The Council awaited a feedback from the Ministry.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that council properties were put on Title as soon as possible. Your Committee resolves to wait for a progress report.

f) Failure to insure Council Property

Your previous Committee observed with concern that some of the Council properties had not been insured and recommended that the Council should as a matter of urgency insure the properties as soon as possible. Your previous Committee resolved to wait for a progress report.

Executive Response

The Executive submitted through the Action-Taken Report properties were yet to be insured.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that properties are urgently insured. Your Committee awaits a progress report on the matter.

g) Failure to Dispose Unserviceable Vehicles

Your previous Committee noted that most of the vehicles were non-runners and recommended that they should be disposed of as quickly as possible. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that unserviceable vehicles were yet to be disposed of.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

h) Failure to Maintain Client Databases

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that an updated database of its revenue sources had been put in place. In addition, the Council had acquired software (Dove Billing) for the purpose of maintaining updated client databases. The data base was available for verification. Similarly, the Software was ready for testing.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

i) Missing Receipt Books

Your previous Committee observed with concern that the receipts were now available for verification when they were not at the time of audit. Your previous Committee sternly cautioned the Council Secretary to ensure that the receipts in question were genuine. Your previous Committee resolved to close the matter pending audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council awaited verification of the documents by the Auditors.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

j) Lack of General Revenue Cash Book - Market Fund Account

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Cashbook had been prepared retrospectively and at the same time the Local Government Service Commission had deployed new staff. The cashbook and updated staff register were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

k) Outstanding Lodging Fees and other Receivables

In noting the submission, your previous Committee recommended that the Council should endeavour to recover all its money as soon as possible to smoothen the operations of the Council. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Council was yet to recover the fees and receivables.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all its money is recovered as soon as possible to smoothen the operations of the Council. Your Committee awaits a progress report on the matter.

l) Unacquainted Allowances

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken-Report that audit verification of the acquittal records was being awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

m) Unsupported Payments

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken-Report that audit verification of the records traced was being awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

n) Failure to Remit Statutory Contributions

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that verification of the records pertaining to payments in respect of liquidation of the Statutory Contributions was being awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

o) Misapplication of equalisation fund

In noting the submission, your previous Committee cautioned the Council Secretary against misapplication of Equalisation Funds and resolved to close the query subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Local Equalisation Government Fund was no longer used on personal emoluments. The records were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

p) Unauthorised Retention of Interest Earned

In noting the submission, your previous Committee sternly cautioned the Council Secretary against abrogating the *Public Finance Act No. 15 of 2004*, which provides that interest, accrued on bank accounts, constitutes general revenue and should be paid to the Treasury. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council had committed to refund the interest which was earned on the CDF Accounts by August 2017. The records of commitment were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

q) Failure to Correct Errors on the Bank Statements

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council had reconciled its records. The Bank reconciliation Statement was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

LIVINGSTONE CITY COUNCIL

AUDIT QUERY PARAGRAPH 17

Review of Operations

a) Failure to Prepare Strategic Plan

Your previous Committee was dismayed at the Council’s delay to launch its Strategic Plan even when it had been adopted by the full Council. The absence of the Strategic Plan would result in the Council’s failure to meet its goals and achieve its vision. Therefore, your previous Committee recommended that Management should ensure that the Strategic Plan was put in place to guide the operations of the Council. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the draft strategic plan had been completed and adopted by the full council. It was yet to be launched.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

b) Failure to Produce Audited Accounts and Annual Reports

Your previous Committee found it unacceptable that such an important activity which was supposed to be done routinely in order to appreciate the financial health of the institution had been neglected. Your previous Committee urged the Town Clerk to ensure that all financial statements for the period under review were prepared without any delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Council had since started preparing the financial statements for the period under review and these were ready for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

Lack of Title Deed

Your previous Committee observed with concern that the Council did not have Title Deeds for sixty-six properties and feared that in an event that a dispute arose, the possibility of losing the property was very high for the Council. Your previous Committee, therefore, strongly urged the Council to ensure that it obtained Title Deeds for the Council properties to show ownership. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that Title Deeds for ten (10) of the forty-four (44) properties were acquired. The Council was in the process of obtaining title deeds for the remaining sixty-six (66) properties. The Title Deeds were available for verification.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that Title Deeds for the Council properties are obtained to show ownership and avert the possibility of losing property in an event of a dispute arising. Your Committee awaits a progress report on the matter

c) Failure to Provide Tenant/Lease Agreements

Your previous Committee observed with concern that twenty-eight Lease Agreements were missing at the time of audit. This is a serious anomaly that could result in the Council losing revenue because Lease Agreements were adjusted upwards upon expiry. However, because they were not available, it was difficult to determine how much money was being collected from such properties. Your previous Committee, therefore, recommended that the Town Clerk should ensure that Lease Agreements were properly kept at all times. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the lease agreements had been traced and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

d) Unaccounted for Receipt Books

Your previous Committee was concerned that seven revenue collectors had not returned the receipt books. This had contributed to the loss of public funds as the Council did not know how much funds were collected. Your previous Committee also wondered why the seven revenue collectors had not been reported to the police in order to deter would-be offenders. Your previous Committee, therefore, recommended that the Council should immediately report the seven revenue collectors who had not returned the receipt books to the police. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that all the cashiers had been discharged. The letters of discharge were available for available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

e) Delayed Banking - K36,395

Your previous Committee observed that this was a serious oversight by the Council and requested the Town Clerk to put in place corrective measures to ensure that collected revenues were taken to the office and banked on time every day. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the banking system had been centralised to avoid delays in banking at business centres and to enhance monitoring and control.

In addition, all cashiers handed in the money collected by 16 hours every day to the chief cashier at the civic centre, who, in turn, banked the amounts received the following morning. The records of the said changes were available for verification. The revenues office could also be inspected.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

f) Unaccounted for Revenue

Your previous Committee cautioned the Town Clerk to ensure that documents were made available at the time of audit. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officer in-charge of the unit had been deployed and recoveries from his salaries commenced in May, 2017. The

banking system had been centralised at the main office and the deposits were now done by the main office for control and monitoring purposes.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

g) Use of Revenue before Banking

Your previous Committee expressed concern at the Council's decision to draw money from the till at the East Management Centre to finance football and boxing activities when they knew the programmes for their teams in order to collect money on time from the banks. Your previous Committee strongly cautioned the Council against drawing funds from the till and resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the all the Cashiers at East Management Centre had been replaced and had put in place control measures to prevent the recurrence of the anomaly.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

h) Commutation of Leave Days above Limit

Your previous Committee sternly cautioned the Town Clerk against abrogating Council Resolution Number FHRGP/339/12 by allowing officers to redeem loans using leave days more than provided for by the Council Resolution. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that authority to commute leave days had been obtained. In addition, car loans for the three officers were cleared from council records. The authority from the Ministry and council records were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

i) Payment of Overtime outside Payroll

Your previous Committee observed that officers avoided paying tax from their overtime allowances. This was a serious offence and recommended that the Council should ensure that it paid all allowances through the payroll in future. The Council should also find ways and means of deducting tax from the affected officers. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Council had committed to recover tax on the overtime paid outside the payroll from the May, 2017 Payroll. The May, 2017 Payroll was available for verification.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all allowances are paid through the payroll and that the council finds ways and means of deducting tax from affected officers. Your Committee resolves to wait for a progress report on the matter.

j) Non Recovery of Salary Advances

Your previous Committee sternly cautioned the Town Clerk against abrogating Council Conditions of Service which required that salary advance deductions were effected in the month following the one in which the payment was done. In this regard, your previous Committee resolved to close the matter pending audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries on the salary advances in question had since been instituted.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

k) Missing Payment Vouchers

Your previous Committee noted the submission and urged the Town Clerk to sternly caution the officers and to ensure that payment vouchers were properly filed. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the payment vouchers had been traced. The traced records were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

l) Inadequately Supported Payments

In noting the submission, your previous Committee urged the Town Clerk to sternly caution the officer for failing to keep important documents properly and recommended the matter for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the supporting documents had been traced. The documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

m) Payment of Meal Allowances within the Station K116, 703.37

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the recoveries from affected officers had been instituted. The records on the recoveries were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

n) Over payment of Meals K22,850

Your previous Committee expressed concern at the Council's negligence when it made the payment. The Council had an Audit Department which needed to scrutinise the bill before effecting the payment. In this regard, your previous Committee recommended that the Council recovers the money and awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the observation made by the auditors on the high prices had been noted. However, recoveries had not been made.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that audit department at the council needs to scrutinise bills before effecting payment. Your Committee awaits a progress report on the matter.

o) Irregular Payment of Subsistence Allowance K149,662

In noting the submission, your previous Committee strongly cautioned the Town Clerk to ensure that allowances were paid to deserving officers according to the rules and regulations of the Ministry of Local Government. Your previous Committee recommended that recoveries should be instituted as quickly as possible. Your previous Committee awaited a progress report on the matter.

Executive response

The Executive submitted through the Action-Taken Report that the observation made by the auditors on the high prices had been noted. However, recoveries had not been made.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that audit department at the council needs to scrutinise bills before effecting payment. Your Committee awaits a progress report on the matter.

Misapplication of Funds K624,470

Your previous Committee observed with concern that the Council ignored the financial regulations and decided to misapply project resources to salaries. In this regard, your previous Committee cautioned the Town Clerk on the effects of misapplication of funds and resolved to close the matter subject to verification by the auditors.

Executive Response

The Executive submitted through the Action-Taken Report that a repayment plan to pay back K624,470 into the project Account, in monthly installments of K50,000, starting May, 2017, had been devised. The repayment schedule, up to July 2017, was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

p) Unretired Accountable Imprest K265, 327.45

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries of the unretired imprest from the salaries of the affected officers had commenced. The recovery records were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

Unaccounted for Stores K448,440

In noting the submission, your previous Committee resolved to close the matter subject to audit verification. Further, the Council Secretary was cautioned against poor storage of documents.

Executive Response

The Executive submitted through the Action-Taken Report that the accountable documents had been traced and were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

q) Fuel Drawn by Unknown Vehicles

In noting the submission, your previous Committee raised concern on why it had taken long for the vehicles to be registered. The Town Clerk was sternly cautioned to ensure that the vehicles were registered because it was possible that the fuel that was drawn may have not

been used for Council activities. Your previous Committee resolved to wait for a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that documentation to have the vehicles registered was currently being processed.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

r) Fuel Drawings not recorded in the Log books

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that log books, which are kept by drivers, had been introduced. The Log books were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

s) Failure to Produce Documentation on Disposal of Motor Vehicles

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council had written to The Ministry of Works And Supply for details of the sale. The feedback from Ministry of Works and supply was being awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

t) Failure to Collect Revenue

Your previous Committee observed that the Council had misapplied funds because of inadequate resources for salaries, but wondered why it had failed to collect revenue from the companies that owed the Council. Your previous Committee urged the Council to ensure that it collected the money as soon as possible and resolved to wait for a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that final demand notices to the same companies to pay had been issued. The Council was also embarking on sensitisation campaigns to the general public on the importance of paying fees and charges to Council.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that revenue from the companies that owed the Council was collected. Your Committee awaits a progress report on the matter.

u) Failure to Remit Statutory Obligation

In noting the submission, your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Local Authorities Superannuation Fund had started reducing outstanding balances on a monthly basis of K81,000.00 and was in the process of engaging National Pension Scheme Authority on Debt swap. Zambia United Local Authority Worker Union was on a monthly commitment of K12,000.00.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

v) Failure to maintain Properties

Stand No. LIVS/0270/RE-Sichango Road

In noting the submission, your previous Committee recommended that the Council should rehabilitate the house as soon as possible and resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the council was in the process of sourcing for funds to maintain the structure. Further, the cost of rehabilitating the building had also been factored in the 2017 Budget. The documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

w) Offices of the Dambwa Housing Unit

In noting the submission, your previous Committee urged the Council to quickly rehabilitate the house in order to increase its revenue base. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the council was in the process of sourcing for funds to maintain the structure. Further, the cost of rehabilitating the building had also been factored in the 2017 Budget.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report.

x) Tukongote Bar

In noting the submission, your previous Committee urged the Council to quickly rehabilitate the bar in order to increase its revenue base. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Council was in the process of sourcing for funds to maintain the structure. Further, the cost of rehabilitating the building has been factored into the 2017 Budget.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report.

y) Offices and Stores in Maramba

In noting the submission, your previous Committee urged the Council to quickly rehabilitate the offices and storerooms in order to increase its revenue base because this infrastructure could be hired out to interested people for business. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executives responded through the Action-Taken Report that the Council was in the process of sourcing for funds to maintain the structure. Further, the cost of rehabilitating the building has been factored into the 2017 Budget.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report.

z) Street Lighting Along Mandela Road

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that Street light fittings and cables were received and work was completed. The project was ready for inspection by the auditor.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

aa) Delayed Construction of Highlands Shelter Market

In noting the submission, your previous Committee resolves to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the Council was in the process of sourcing for funds to procure more materials for the project and also engage a contractor to complete the works.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

bb) Delayed completion of Project-Street Lighting

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

Executive Response

The Executive submitted through the Action-Taken Report that following the delays by the Contractor to complete the works, recommendation for termination of contract had been made. The Council had written to the provincial office, through the Permanent Secretary, to terminate the contract and award a new contract to another contractor. A feedback had not yet been received by the Council from the provincial office.

You may also wish to note that the Council had been maintaining the street lights since the three roads were handed over three years ago.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

LUSAKA CITY COUNCIL

AUDIT QUERY PARAGRAPH 18

Review of the Operations

a) Failure to Produce Audited Financial Statements

Your previous Committee observed with concern that the officers in the Accounts Department failed to prepare financial statements for such a long period. It found it unacceptable that such an important activity, which must be routinely done, was neglected by the officers.

Your previous Committee further observed with concern that such a highly graded City Council would be operating without an accounting framework. Your previous Committee urged the Town Clerk to ensure that the recommended International Public Sector

Accounting Standards (IPSAS) framework was procured without any further delay and also that the officers were sternly cautioned for the failure.

Your previous Committee also urged the Town Clerk to ensure that all financial statements for the period under review were prepared and audited without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that Financial Statements were submitted to the Office of the Auditor-General for Audit and that the statements were still being audited. The Council awaited the same to be finalised.

Committee Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to procure, without further delay, the recommended International Public Sector Accounting Standards (IPSAS) framework and ensure that all financial statements for the period under review are audited. Your Committee resolves to await a progress report on the matter.

b) Failure to Collect Property Rates - K828,026

Your previous Committee observed with concern that the Council decided not to conduct itself professionally and chose to succumb to political pressure which was highly irregular and unacceptable. It also expressed concern at the failure by the Council to collect property rates despite struggling with liquidity problems.

Your previous Committee strongly urged the Permanent Secretary to recommend to the Local Government Service Commission to seriously look into the Management at the City Council as such failures would retard the development of the Capital City. Your previous Committee also recommended that going forward, the Council must evoke the provisions contained in the *Rating Act, No. 12 of 1997* and *Cap 192 of the laws of Zambia* and also to stay alive to its new enhanced strategies on revenue and rates collection. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that amounts owed through the invocation of the provisions of the Rating Act CAP192 Section 25(2), which had seen the council recover rates arrears of over K1, 000,000, had continued to be recovered. Further the Local Government Services Commission had transferred officers to and from Lusaka City Council and this had seen most positions in the Finance Department being filled in a bid to improve the performance of the Council.

Committee Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to seriously look at the management at the City Council to avoid retarding the development of the Capital City. Your Committee resolves to await a progress report on the matter.

c) Uncollected Rental Revenue - K772,340

Your previous Committee expressed concern at the failure by the Council to collect the much needed revenue despite struggling with liquidity problems. While noting the fact that there was a court proceeding taking place during the period under review, your previous Committee did not accept the excuse as it was of the view that the court proceedings would not prevent management from pursuing its receivables.

Your previous Committee strongly recommended that the Town Clerk sternly caution Management for failure and that going forward it stayed alive to its new enhanced strategies on revenue and rates collection. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken Report that K587,450.00 in accrued rentals, to-date, had been collected, while an amount totalling K553,350, owed by three tenants, was being pursued in the courts of Law. Documents were available for verification.

Committee Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that management stays alive to its new enhanced strategies on revenue and rates collection. Your Committee resolves to await a progress report on the matter.

d) Irregular Sale of Assets

i. Sale of Libala Tennis Court -Stand B/PN 20435 - K12,150,000

Your previous Committee expressed concern at the failure by the Town Clerk to avail all the relevant documentation to auditors during the audit period. He was sternly cautioned to desist from dragging matters, which could have been resolved with auditors, while evidence was available. Your previous Committee strongly urged the Town Clerk to ensure that officers responsible were disciplined for the failure and that he follows laid down rules and procedures in disposal of land. Your previous Committee resolved to close the two matters subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that minutes on the disposal of the two properties were available for verification as instructed by your previous Committee.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

i. Disposal of Plots along Mwatusanga Road – Woodlands, Lusaka- K12,923,888

Your previous Committee expressed concern at the failure by the Town Clerk to avail all the relevant documentation to auditors during the audit period. He was sternly cautioned to desist from dragging matters, which could have been resolved with auditors, while evidence was available. Your previous Committee strongly urged the Town Clerk to ensure that

officers responsible were disciplined for the failure and that he follows laid down rules and procedures in disposal of land. Your previous Committee resolved to close the two matters subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that minutes on the disposal of the two properties were available for verification as instructed by your previous Committee.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

e) Failure to Pay Retirement and Terminal Benefits - K32,441,819

Your previous Committee found the reason given by the Town Clerk unacceptable as the same Council, which restrained itself from collecting outstanding revenues and rates, did so without considering its financial difficulties that it was facing during the period under review. Your previous Committee felt that it was as a result of poor Management that such a better placed Council with many options of revenue generation would be struggling with liquidity problems.

Your previous Committee also observed that the Council's failure may risk the Council to possible litigation which may arise from non-payment of retirees' terminal benefits. The Town Clerk was urged to ensure that he impressed upon Management to explore more revenue collection options to improve the status quo and that all outstanding dues for retirees were paid without any further delay. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that from the time of the audit, a total of K12,403,624 had been paid, leaving a balance of K20,038,195.00. Further, the Council had put up a mechanism of paying on a weekly basis Terminal benefits of at least K250,000, which will see all terminal benefits paid in full by March 2019.

Committee Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that Management explores more revenue collection options to improve the status quo of the Council and to ensure that all outstanding dues for retirees are paid without any further delay. Your previous Committee resolves to await a progress report on the matter.

f) Failure to Remit Statutory Contributions - K276,735,045

Your previous Committee observed with concern that the failure may risk the Council to possible litigation which may arise from the non-payment of statutory obligations. The Town Clerk was particularly urged to ensure that he impressed upon the Council to dismantle all its outstanding statutory obligations and explore more revenue collection

options to improve the status quo. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that currently indebtedness with statutory bodies such as NAPSA and ZRA was being reconciled. Additionally, the Council had proposed a payment plan with all the statutory bodies and these were available for verification.

Committee Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury dismantles all outstanding statutory obligations and explore more revenue collection options to improve the status quo. Your previous Committee resolves to await a progress report on the matter.

xv. Purchase of Office Furniture - Overpayment of K514,307 (No contract and direct bidding problems)

Your previous Committee found the reasons given by the Town Clerk unacceptable as he failed to give a convincing reason why he single-sourced by way of direct bidding and that despite his admission, officers who caused the irregularity were not disciplined for the willful flouting of procurement regulations.

Your previous Committee was also greatly concerned at Management's inordinate delay to claim the security deposit refund. Your previous Committee strongly urged the Town Clerk to ensure that officers who were responsible for procurement at the time were disciplined for the failure and that documentary evidence relating to the security deposit refunds were availed to the Office of the Auditor-General for audit verification. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the difference, in respect of the overpayment, had not been claimed as a result of a foreign currency transaction which should have been reported as a loss on the part of the council. The equivalent of the amount in dollars did not show that the council actually overpaid the supplier. This only came to light when translated into Kwacha terms.

Committee Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that officers who were responsible for procurement at the time are disciplined for the failure and that documentary evidence relating to the security deposit refunds are availed to the Office of the Auditor-General for audit verification. Your previous Committee awaits a progress report on the matter.

h) Failure to Supply Elevators at the Civic Centre

Your previous Committee expressed concern at the failure by the Town Clerk to recover the advance payment after assessing the failure by the contractor to perform. The Town Clerk

was directed to ensure that the matter was resolved without further delay by reporting the contractor to both the law enforcement agencies and the National Council for Construction. Further, your previous Committee directed the Town Clerk to ensure that a refund was made to the Council by the contractor without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the contractor through his lawyers had indicated that he procured the elevators and presented to the Council evidence of having ordered the equipment. With this revelation, the Council had decided to allow the contractor to deliver and install the elevators in order to avoid further delay.

Committee Observations and Recommendations

In noting the submission of the executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that a refund is made to the Council by the contractor without any further delay as he has failed to perform. Your previous Committee awaits a progress report on the matter.

i) Overpayment to Contractor - Construction of the Ticketing Office Block at Intercity Bus Terminus

Your previous Committee found the reason given by the Town Clerk unacceptable as it was evident that there was a serious *laissez-faire* approach by Management at the Council, considering the time it had taken to pursue the matter.

Your previous Committee felt that there was connivance between some officers and the contractor which made the Council reluctant to pursue the matter in which Government risked losing about 1 million if nothing was done, promptly. Your previous Committee directed the Town Clerk to have the matter reported to law enforcement agencies for further probe. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that after scrutinising the contract and the correspondences with the contractor, it was discovered that the overpayment was as a result of variations made on the initial contract. The variations had been approved by the procurement committee. In this regard, the overpayment of ZMW 131,617.01 was within the variation. With the foregoing, the Council had not reported the matter to the Law Enforcement Agencies.

Committee Observations and Recommendations

In noting the submission of the Executive through the Action-Taken-Report, your Committee urges the Secretary to the Treasury to ensure that the contractor refunds the overpaid amount promptly and report the matter to law enforcement agencies for further probe. Your previous Committee awaits a progress report on the matter.

MONGU MUNICIPAL COUNCIL

AUDIT QUERY

PARAGRAPH 19

a) Lack of Strategic Plan

Your previous Committee expressed concern that the Council Secretary had to wait for this long to put up a strategic plan, entailing that the Council was operating, during the period under review, without a well-defined direction. Your previous Committee was of the view that staff from other departments within the district could have helped especially that the country was moving towards decentralisation.

Your previous Committee sternly cautioned the Town Clerk to desist from hiding his incompetence in such excuses and directed him to ensure that a strategic plan was approved and availed for audit verification. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the process of preparation for the strategic plan was underway. Information had been gathered for consolidation. However, in the spirit of attaching more objectivity and professionalism to the process, the Council, through the PIDEESC/39/06/2017, resolved that a consultant be engaged to drive the rest of the process of formulating the strategic plan. The council had commenced the process of engaging a consultant.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the strategic plan is approved and availed for audit verification. Your previous Committee awaits a progress report on the matter.

b) Failure to Prepare Financial Statements

Your previous Committee did not accept the reasons given. Financial statements could have been prepared manually by the officers even without the software package. Your previous Committee urged the Town Clerk to ensure that all financial statements for the period under review were prepared without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the preparation of the financial statements for the period under review had been completed. The Statements were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

c) Unretired Imprest

In noting the submission, the Town Clerk was urged to ensure that the officers were sternly cautioned for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for the auditors' verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

d) Unretired amount of K 13,780

Your previous Committee found the reasons given by the Town Clerk unacceptable as the documents which were retrospectively signed by the casual workers only resurfaced after the audit. This was highly questionable. The Town Clerk was urged to ensure that officers were sternly cautioned for the failure. The matter was, however, recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. In addition, the imprests had been retired. The letters of caution and imprest retirement documents were available for the auditors' verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter, subject to audit verification.

e) Failure to obtain Title deeds

Your previous Committee observed with concern that properties were not secured with title deeds and urged Management to ensure that the matter was followed-up with the Ministry of Lands and Natural Resources to issue the titles accordingly. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the process of acquiring Title Deeds for the council properties had commenced. The layout plans and plot numbers had been submitted to Ministry of Lands and the demand notices from the ministry concerning the processing of the title deeds had been generated. The documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

f) Samuel Kaywala vs. Mongu Municipal Council - K9,970

Your previous Committee observed with concern the inordinate delay on following-up and resolving the matter and cautioned Management to ensure that the matter was treated with the urgency it deserved to avoid loss of public funds in litigation. Your previous Committee also urged the Town Clerk to ensure that the court judgment was obtained and that a resolution of the matter was arrived at without any further delay. A progress report was being awaited by your previous Committee.

Executive Response

The Executive submitted through the Action-Taken Report that the legal department had followed up on the judgment. The challenge was that the senior legal officer who was following up the matter had been transferred to Kasama. However, the legal department was committed to obtain the judgment in August 2017.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

g) Outstanding Retirement Benefits K 2,568,485.31

Your previous Committee found the reason given by the Town Clerk unacceptable as it felt that it was a result of poor Management that such a better placed Council, with many options of revenue generation, would be struggling with liquidity problems.

Your previous Committee also observed that the Council's failure to pay retirees' terminal benefits risked it to possible litigation. The Town Clerk was urged to ensure that he impressed upon Management to explore more revenue collection options to improve the status quo and that all outstanding dues for retirees were paid without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken Report that retirees were being paid in installments on a monthly basis. However, the Council was unable to put a timeframe on when it would fully liquidate the debt. The documents in respect of the payments made up to July 2017 were available for verification.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that Management explores more revenue collection options to improve the status quo and to pay that all outstanding dues for retirees without any further delay. Your Committee resolves to await a progress report on the matter.

h) Non-Payment of Statutory Obligations- K5,772,290 (K,1043,075 and NAPSA K4,729,215)

Your previous Committee observed with concern that the non-payment of statutory obligations risked the Council to possible litigation. The Town Clerk was particularly urged to ensure that he impressed upon the Council to dismantle all its outstanding statutory

obligations and further explore more revenue collection options to improve the status quo. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken Report that the debt had not been liquidated. In this regard, the council had instead continued to pay monthly obligations. The Statutory Institutions had been engaged with a view of doing a debt swap with land on old debts and the process had reached an advanced stage. The progress reports were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

MUNGWI DISTRICT COUNCIL

AUDIT QUERY

PARAGRAPH 20

Review of Operations

a) Failure to Prepare Financial Statements

Your previous Committee observed with concern that the officers in the accounts department failed to prepare financial statements for such a long period of time and that the excuse of unvalued assets was not valid. It found it unacceptable that such an important activity, which must be routinely done, was neglected by the officers. It further observed with concern that the Council, since its inception, had been operating without an accounting framework.

Your previous Committee urged the Council Secretary to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework was procured without any further delay and that the officers were sternly cautioned for the failure. Your previous Committee also urged the Council Secretary to ensure that all financial statements for the period under review were prepared without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

b) Failure to Follow Laid Down Guidelines on Utilisation of Equalisation Fund K427,881

Your previous Committee was concerned with the failure to follow laid down procedures. Your previous Committee directed the Council Secretary to ensure that the funds were

reimbursed within four months. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

c) Council Properties without Title Deeds

Your previous Committee observed with concern that properties were not secured with Title Deeds and that this matter had not been pursued until auditors highlighted it. It was evident that Management only took the step to correct the situation after the audit. Your previous Committee strongly cautioned Management for the failure and urged them to ensure that the matter was followed up with the Ministry of Lands and Natural Resources to issue the title deeds accordingly. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

d) Failure to Collect Outstanding Rentals

Your previous Committee expressed concern at the failure by the Council to collect the much needed revenue despite struggling with liquidity problems. Your previous Committee strongly recommended that Management at the Council was sternly cautioned for the failure and that going forward it came up with new enhanced strategies on revenue and rates collection. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

e) Missing Payment Vouchers - K92,733

In noting the submission, the Council Secretary was urged to ensure that officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

f) Unsupported Payments- K69,852

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

a. Unaccounted for Stores K33, 852 (General stores – K22, 845 and fuel – K11,007)

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

g) Failure to Prepare Activity Reports

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

h) Un-acquitted Funds - K14, 977

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

i) Overdue Receivables - K416,357

Your previous Committee found the reasons given unacceptable as receivables must be received as long as the levy was applicable. Your previous Committee directed the Council Secretary to ensure that all the receivables were followed-up with the relevant authorities without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the auditor had verified the matter and recommended it for closure.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

SAMFYA DISTRICT COUNCIL

AUDIT QUERY PARAGRAPH 21

Review of Operations

a) Non-Preparation of Financial Statements

Your previous Committee observed with concern that the officers in the accounts department failed to prepare financial statements for such a long period, and that the excuse of unvalued assets was not valid. It found it unacceptable that such an important activity was neglected by the officers. It further observed, with concern that the Council, since its inception, had been operating without an accounting framework.

Your previous Committee urged the Council Secretary to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework was procured without any further delay and that the officers were sternly cautioned for the failure. Your previous Committee also urged the Council Secretary to ensure that all financial statements for the period under review were prepared without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that a valuation surveyor had been appointed to conduct a valuation of all council properties. In this regard, the preparation of Financial Statement will follow thereafter.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the recommended International Public Sector Accounting Standards (IPSAS) framework is procured without any further delay and that the officers are sternly cautioned for the failure. Your Committee further recommends all financial statements for the period under review are prepared without any further delay. Your previous Committee awaits a progress report on the matter.

b) Failure to Acquire Title Deeds

Your previous Committee observed with concern that properties were not secured with Title Deeds and that this matter had been not been pursued until auditors highlighted it. It was evident that Management only took the step to correct the situation after the audit. Your previous Committee strongly cautioned Management for the failure and urged them to ensure that the matter was followed-up with the Ministry of Lands and Natural Resources to issue the title deeds. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Title Deeds for the Civic Centre had been traced. On the other hand, efforts had continued to ensure that the other properties were also surveyed in order to obtain Title Deeds.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

c) Failure to Provide and Maintain Fire Fighting Services

Your previous Committee observed with concern that the Council was failing to fulfil its mandate in the district due to non-availability of the vital services. Your previous Committee strongly urged the Ministry of Local Government to seriously and promptly intervene in the matter by ensuring that they procured a fire tender and that all the relevant stakeholders, including the Local Government Service Commission, were engaged to send staff in order to improve this alarming situation in the district. Your previous Committee recommended urgent attention on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Local Government Service Commission had been written to recruit and deploy fire-fighters to the Council. In addition, the Council had requested the Ministry to consider it on the fleet of fire tenders that the Ministry had secured. In both respects, the Council awaited responses.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

d) Unaccounted for Revenue K4,116

Your previous Committee found it unacceptable that funds were used at source by the officers at the Council with impunity. The Council Secretary was urged to ensure that all the erring officers were sternly cautioned for the failure and that he stayed alive to his own pledge to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned and stiff internal controls stiffened. The letters of caution and Treasurers' receipts and banking deposit slips were available for verification. In addition, the internal controls in place may also be reviewed by the auditors from the Office of the Auditor-General to assess their suitability to counter weaknesses and flaws in accounting for revenues in all revenue centres.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Delays in Banking Revenue K88,011

Your previous Committee found it unacceptable that funds were used at source by the officers at the Council with impunity. The Council Secretary was urged to ensure that all erring officers were sternly cautioned for the failure and that he stayed alive to his own pledge before your previous Committee to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive response

The Executive submitted through the Action-Taken Report that all the erring officers were cautioned and the letters of caution were available for verification. Further, internal controls may be reviewed by auditors from the Office of the Auditor-General to assess their suitability in countering weaknesses and flaws in timely banking of revenues.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Unsupported Payments - K24,240

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that payments were supported by the Council and at the same time measures were put in place to ensure that documents were secured from loss or misplacement. The supported payments were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Failure to Pay Retirement Benefits K468, 775

Your previous Committee expressed concern at the failure by Management at the Council to settle amounts owed to both existing staff and retirees as there was a great risk to possible legal action to be taken against them by the creditors. This could result in loss of Council funds on legal fees and interest. Your previous Committee urged the Council Secretary to ensure that severance packages were budgeted for annually and that an equitable payment plan be put in place to avoid litigation. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that failure to pay terminal benefits was due to budgetary constraints. In order to resolve the matter, the Council had committed to set aside a minimum of K5,000 for each retiree on a monthly basis using part of local revenues and the grant. The ledgers and commitment documents were available for verification by the Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Failure to Remit Pay As You Earn (PAYE) K13,462

Your previous Committee observed with concern that the failure to remit statutory obligations could result in serious penalties and eventual loss of colossal sums of the much needed financial resources. Management was, therefore, urged to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the failure to pay PAYE was due to the fact that it was only managing to pay the net amount of salaries. However, the Council had made a commitment to retain K3,000 from local revenues for remittance to Zambia Revenue Authority, on a monthly basis, until it fully liquidated the debt by October 2017. The current payments remitted in respect of liquidating the debt were available for verification by the Auditor General.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all statutory contributions are remitted to respective institutions without any further delay and that more revenue generation options are explored to improve the Council's revenue base. Your previous Committee resolves to await a progress report on the matter.

AUDIT QUERY

PARAGRAPH 22

SENANGA DISTRICT COUNCIL

a) Lack of Strategic Plan

Your previous Committee expressed concern that the Council Secretary had to wait for this long to put up a strategic plan, risking the Council operating without a well-defined direction during the period under review. Your previous Committee was of the view that this could have been done with the help of staff from other departments within the District. Your previous Committee directed the Council Secretary to ensure that the strategic plan was approved and availed for audit verification. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that a strategic plan, which was expected to be approved by the Council by the third quarter of 2017, had been formulated. The draft Strategic Plan was available for audit verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that the strategic plan is put in place without any further delay. Your Committee resolves to await a progress report on the matter.

b) Lack of Bill Board Policy

Your previous Committee found the reason given unacceptable. It was of the view that such a laxity exhibited by the officers cannot be left unpunished. Your previous Committee strongly urged the Controlling Officer to caution the erring officers as this was a clear matter of laxity on their part. The Council Secretary was directed to ensure that a Bill Board Policy for the Council was put in place without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that a policy on bill boards, which had been presented to the Standing Committee and was to be approved by the Council during the third quarter full Council meeting, had been formulated. The document was available for audit verification by Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

c) Failure to Prepare Financial Statements

Your previous Committee found the reasons given unacceptable and observed that the failed officers did this with impunity. Your previous Committee urged the Council Secretary to ensure that all financial statements for the period under review were prepared without any further delay and that officers were sternly cautioned for the failure. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that Preliminary Financial records for production of Financial Statements for the queried Financial Years had been prepared. The records were available for audit verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

d) Failure to Fill Key Positions

Your previous Committee observed with concern that service delivery may be affected negatively in the Council if recruitment to fill up the vacant positions was delayed. Your previous Committee urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that a progress report confirming that key positions of District Planning Officer, Procurement Officer, Town Planner and Water and Sanitation Co-ordinator had been filled was provided. However, the position of Director of works was yet to be filled by Local Government service Commission.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Lack of Procurement Committee

In noting the submission, the Council Secretary was urged to ensure that the procurement committee worked efficiently to improve on the current irregularities on procurements. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the District Procurement Committee was constituted and its membership approved by ZPPA, as required by the law. The unit had been further boosted by the recruitment of another Procurement Officer by the Local Government Service Commission. The verification of the current status by Auditor-General was being awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Use of Outdated Valuation Roll

Your previous Committee observed with concern that the failure could result in an inability to collect revenue from the property within the Council boundaries or jurisdiction. Management was strongly urged to ensure that the by-laws and the valuation roll were put in place in order to enhance the collection of property rates to improve service delivery. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that progress towards commencement of Valuation Roll update had been made. A total amount of One hundred and Twenty Six Kwacha (K126,000) had so far been reserved to commence the exercise. The Council awaited the appointment of the Valuation Surveyor.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Failure to Adopt ICT Frameworks

Your previous Committee noted the submission and urged the Council Secretary to ensure that an ICT framework was adopted in order to manage the operations and administration of the Information and Communication Technology (ICT) environment. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken Report that an Information Technology Framework for the purpose of managing its operations and administration of the Information and communication Technology (ICT) environment had been formulated. The framework was available for audit verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Production of Unreliable Bills – Land and Property Rates

Your previous Committee observed with concern at the Council's failure to evoke the provision of the *Rating Act, No. 12 of 1997*. Your previous Committee also urged him to ensure that he acted in accordance with the law and resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that property rates bills had been generated and dispatched to property owners. Further, *Act No. 12 of 1997* was being

enforced in order to collect all amounts due from property owners. The bills were available for verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

i) Failure to Collect Property Rates - K571,430

Your previous Committee expressed concern at the failure by the Council to collect property rates despite struggling with liquidity problems. It was evident that the Council Secretary was lenient to property owners, an act which was in direct defiance of the *Rating Act, No. 12 of 1997*. Your previous Committee recommended that the Council enforced *the Rating Act* and ensure that all outstanding property rates were collected without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that bills for property rates had been dispatched. Further, the provisions of the Rating Act No. 12 of 1997 were being enforced in order to collect all amounts due from property owners. The demand notice bills were available for verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Failure to Prepare Bank Reconciliation Statements

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure to prepare bank reconciliation statements. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that all the bank reconciliation statements had been prepared and all the cash books were being updated and reconciled regularly. The records were available for audit verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

k) Missing Receipt Books

Your previous Committee found the reasons given by the Council Secretary unacceptable and urged him to ensure that officers in whose custody the books were, were properly investigated. Your previous Committee found it highly irregular that such a huge number of books would go missing and officers left unpunished. Your previous Committee directed the Council Secretary to ensure that the matter was reported to law enforcement agencies for further probe. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that efforts to trace some of the misplaced receipt books had been made. The books were available for audit verification. Further, the Council Secretary had sternly cautioned the erring officers for failing to keep records properly. The records traced were available for verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

l) Unaccounted For Revenue K675,617

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that reported progress indicated that cash collected from various sources of revenue was deposited in the bank account and no cash was used at source. The records were available for verification by the Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

m) Irregular Use of Revenue before Banking- K261,985 (2013- K213,636,2014- K35,454 and 2015 –K12,895)

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that officers had been sternly cautioned for the failure to follow Financial Regulations on handling of cash.

In this respect, the Council had indicated that all revenue collected was deposited into the bank account and no cash was used at source. The records were available for verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

n) Missing Payment Vouchers K105,742

Your previous Committee was displeased with the Council Secretary. Your previous Committee directed the Council Secretary to ensure that all payment vouchers relating to

this query were found and availed for audit verification without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the officers who were in custody of these payment vouchers had been instructed to locate them. Further, the Council would present these payment vouchers when they were traced.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

o) Unsupported Payments - K968,135

Your previous Committee was displeased with the manner in which the Council Secretary was responding to the queries. The Council Secretary was cautioned to desist from misleading your previous Committee. Further, your previous Committee directed the Council Secretary to ensure that all the payment vouchers relating to this query were found and availed for audit verification without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that supporting documents to the queried payment vouchers had been attached. Further, the law enforcement agency was written to seize the other payment vouchers during the investigations.

The support documents for documents available were ready for audit verification while those still under the custody of the law enforcement agency would be availed when they were returned. In view of the foregoing, the verification of the documents in the possession of the Council would be done so that a status report was issued on the progress made.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all payment vouchers relating to unsupported payments are found and availed for audit verification without any further delay. Your previous Committee awaits a progress report on the matter.

p) Unretired Imprest - K222,995

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that erring officers were sternly cautioned for the failure to enforce *Local Authorities (financial) Regulation 119*. In this respect, all outstanding imprest had been recovered through the payroll and imprest advanced to the officers was being retired as and when it fell due. The records were available for audit verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

q) Questionable Payment of Allowances - K202,702

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers were sternly cautioned for the failure to comply with the Local Authorities Financial Regulation. Additionally, recoveries had been instituted from the affected officers. The documentation was available for verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

r) Misapplication of Project Funds - K657,485

In noting the submission, the Council Secretary was urged to caution the Presiding Officer at the Council for the failure and to desist from abrogating *the Appropriation Act*. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers had been cautioned to desist from abrogating the Appropriation Act. In view of the regrettable omission, the Council retained the 20 per cent on a monthly basis from the Local Government Equalisation Fund (LGEF) which funds were applied on capital project expenditure as outlined by the law. The records regarding progress made were available for audit verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

s) Unrecovered Salary Advances– K199,529

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the salary advances had been recovered. Further, the Council was also adhering to the terms and conditions of service and in that regard advances were recovered within the stipulated timeframe. The records were available for audit verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

t) Payment of Salary Advances above the Gross Pay- K49,238

In noting the submission, the Council Secretary was urged to ensure that the officers were sternly cautioned for the failure and the matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that approving and authorising officers were cautioned and implored to adhere to the financial regulations when approving salary advances.

In addition, the Council committed to endeavour to adhere to Local Government terms and conditions of salary advances. To this effect, no salary advances would be made above the gross pay of an employee. The records were available for audit verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

u) Irregular Signing of Memorandum of Understanding (MoU)

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the Council resolved retrospectively and approved to open bank accounts with Indo Zambia Bank Ltd, with amendments to the MoU. The MoU and the Council resolution were available for audit verification by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

v) Unaccounted For Stores - K116, 024 (General Stores- K19,821 and Fuel – K96,203)

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the stores items procured during the period under review had been accounted for. The details pertaining to receipts, issues and disposals of stores items were being maintained as required by the Local Authorities (Financial) Regulations No.145 of 1992. The records were available for audit verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

w) Management of Properties and other Moveable Assets (valued at K2,940,994)

An examination of the records and physical inspection carried out in September 2016, revealed the following:

Failure to Insure Assets

Your previous Committee observed with concern the failure by the Council to insure its property and warned that without indemnity, the Council risked losses in case of an eventuality. The Council was directed by your previous Committee to ensure that all its assets were insured without any further delay. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that all its moveable and immovable assets had been insured as required by the Local Authorities (Financial) Regulation No. 154 of 1992. The record of insurance was available for audit verification by the Auditor General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

x) Failure to Produce Title Deeds (valued at K1,957,158)

Your previous Committee observed with concern that Council properties were not secured with title deeds and urged the Council to ensure that the matter was followed-up with the Ministry of Lands and Natural Resources in order to obtain the title deeds. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the properties had been surveyed and site plans and survey diagrams were being awaited from the Provincial Surveyor from the Mongu office. The records on progress made were available for audit verification with the Provincial Surveyor's Office.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

y) Failure to Maintain Properties

Your previous Committee observed with concern that the Council risked loss of funds as a result of failure to maintain its assets. The Council was strongly urged to ensure that all Council assets were properly maintained and put to good use in order to increase its revenue base. Your previous Committee also directed the Council Secretary to ensure that a

Maintenance Policy was put in place without any further delay. Your previous Committee resolved to await a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that vigorous maintenance of its infrastructure had been embarked on. As of 31st July, 2017, the Council spent the capital fund of the Local Government Equalisation Fund and its own local resources on rehabilitation of its market ablution block and part of the civic centre. The programme was on-going and more infrastructures would be rehabilitated before the end of 2017.

The record of progress made and physical works done were available for audit verification and inspection by Auditor-General.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

z) Failure to Deduct Tax from Terminal Benefits- K511,390

Your previous Committee observed with concern the failure by the Council to deduct taxes which may result in serious penalties and eventual loss of colossal sums of the much needed financial resources. The Council was therefore urged to ensure that all statutory contributions were deducted and remitted to the respective institutions without any further delay. Your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that all terminal benefits and recovered taxes omitted in the initial computations were recomputed, following your previous Committee's instruction. The Council was adhering to the rules and regulations as required by tax laws. The recomputed terminal benefits were available for audit verification by the Auditor General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

aa) Irregular Payment of Social Holiday Allowance- K6,000

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that all the approving and authorising officers were sternly cautioned and implored to ensure that they adhere to terms and conditions of the social holiday allowance. Where the information was not clear, the officers had been implored to make consultations with relevant institutions for guidance.

The Local Government Service Commission had since transferred the erring officers. Further, the Council recovered the K6,000, which was wrongly paid to the officer. Records were available for audit verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

bb) Payment of Salary on Wrong Scale

Your previous Committee observed with concern the lack of good corporate governance which existed at the time and urged the Council Secretary to ensure that all the excess funds were recovered without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that part of the excess payment of salaries made to the officer from his accumulated leave days had been recovered. Further, the Council had written to Ikeleng'i District Council for the purpose of recovering the balance paid to the officer in excess. Documentation was available for audit verification by the Auditor.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

cc) Failure to Remit Statutory Contributions- K3,435,023

Your previous Committee observed with concern that the failure to remit statutory obligations may result in serious penalties and eventual loss of colossal sums of the much needed financial resources. The Council was, therefore, urged to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that statutory obligations were remitted as and when they fell due. Furthermore, the Council had entered into a payment plan in order to liquidate the outstanding arrears. The records were available for audit verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all statutory contributions are remitted to the respective institutions without any further delay and that more revenue generation options are explored to improve the Council's revenue base. Your previous Committee awaits a progress report on the matter.

dd) Irregular Payment of an Advance Using CDF

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that a meeting was convened where officers were sternly cautioned on the need to adhere to financial regulations as well as CDF guidelines as they approved payments.

Further, the officers who were involved had been transferred and the incoming officers were inducted at the meeting to prepare them on the need to follow observe financial regulations, CDF guidelines and all other Council procedures.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

ee) Excess Expenditure on Administration - K99,567

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers were sternly cautioned and implored them to ever adhere to the CDF and other project guidelines. The records of the proceeding of the meeting were available for verification by the Auditor General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

ff) Questionable Payment - K27,000

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. Since the matter was in court, your previous Committee awaited a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that the officers were cautioned. Additionally, the Council had also put in place strong internal controls.

As regards the matter before the courts of law, the Council indicated that it was at trial stage and the outcome of the court process was being awaited.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

gg) Funding of Unapproved Project K1,320,000

Your previous Committee observed with concern that the failure was a possible recipe for fraud in that misappropriation and misapplication was possible due to these weaknesses. Your previous Committee directed the Controlling Officer to ensure that all payments made through the Council were properly approved before being processed. Your previous Committee also directed the Council Secretary to ensure that the affected officer was sternly cautioned to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that a meeting, arising from the instruction of your previous Committee, was convened and the officer cautioned on the importance of observing financial regulation as well as CDF guidelines as they undertook their duties, among others, approving of payments.

For the record, the Council also indicated that the officers who were involved had been transferred and incoming officers had been inducted to prepare them on their duties, among others, the importance of adhering to financial regulations and CDF guidelines. The records on the progress made were available for audit verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

hh) Funding of a Business Entity Using CDF K9,000

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that private business entities, which were wrongly funded using CDF, had since surrendered the two (2) desktop computers and printers following the instruction by your previous Committee to the Council to implement its decision. The items were available for audit verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

ii) Management of Commercial Venture – Mwanambinyi Motel

An examination of the records carried out in September 2016, reviewed the following:

i. Failure to Prepare Receipt and Payments

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the officers were sternly cautioned regarding their failure to observe financial regulations and other Council procedures. To this effect, the receipts and payments had been prepared. The records were available for audit verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

ii. Failure to Maintain a Register of Receipt Forms

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the register of receipt forms was maintained centrally at the civic centre and not at the motel. The register was checked regularly to ensure that there was compliance to the Local Authorities (Financial) Regulations of 1992. The record on the progress was available for audit verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

iii. Failure to Collect Revenue from Council Officers - K76,510

The Council Secretary was urged by your previous Committee to sternly caution the officers for the failure and to deduct the money from the officers without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the affected officers were written to and recoveries had commenced. A total amount of K20,000 had been recovered from the affected officers. The Council was pursuing the remaining balance with their respective Councils. The records were available for audit verification by Auditor-General.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

iv. Unapproved Payments - K19,508

Your previous Committee observed with concern that the failure was a possible recipe for fraud in that misappropriation and misapplication was possible due to these weaknesses. Your previous Committee directed the Council Secretary to ensure that all payments made through the Councils were properly approved before being processed and that the Councils'

operations were not disrupted at any one time. Your previous Committee also directed him to ensure that all the affected officers were sternly cautioned to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that all the payment vouchers were approved by the relevant officers, retrospectively. In this regard, the Council Secretary had cautioned the affected officers to avoid the recurrence of such anomalies. In addition, no payments were made without approval by the responsible officer. The record was available for audit verification Auditor-General.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

v. Non-Maintenance of Stores Records - K297,220 (General Stores- K269,520 and Fuel – K27,700)

In noting the submission, your previous Committee urged the Council Secretary to sternly caution the officers for the failure and resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that officers were cautioned for the failure to observe Council procedures. In addition, the various stores items procured during the period under review had been accounted for. The details pertaining to receipts, issues and disposals of stores items were being maintained as required by the Local Authorities (Financial) Regulations No.145 of 1992.

The record of the proceeding of the meeting was available and the records on the progress made to address the anomalies available for verification.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

SIOMA DISTRICT COUNCIL

AUDIT QUERY PARAGRAPH 23

Review of Operations

a) Lack of Audited Financial Statements

Your previous Committee observed with concern that the officers in the accounts department failed to prepare financial statements for the period under review. It found it unacceptable that such an important activity was neglected by the officers. Your previous Committee urged the Council Secretary to ensure that the recommended International Public

Sector Accounting Standards (IPSAS) framework was procured by the Council without any further delay and also that the officers were sternly cautioned for the failure. Your previous Committee also urged the Council Secretary to ensure that financial statements for the period under review were audited and approved without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Financial Statements had been prepared. Further, the council had also acquired and implemented the International Public Sector Accounting Standards (IPSAS) framework. These were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

b) Vacant Key Positions

Your previous Committee noted with concern that service delivery may be affected negatively in the Council if recruitment to fill up the vacant positions was delayed. Your previous Committee urged the Local Government Service Commission (LGSC) to ensure that all vacant positions were filled with competent and qualified staff without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that due to the recent recruitment done by the Local Government Service Commission, key vacant positions had been filled by officers deployed to the Council. The latest Council monthly staff returns were available for verification. Similarly, the Council was ready for inspection.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

c) Failure to Adopt ICT Frameworks

Your previous Committee noted the submission and urged the Council Secretary to ensure that they adopted an IT framework in order to manage the operations and administration of the Information and Communication Technology (ICT) environment. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that the ICT framework, which would benefit the Council, was being developed with the support of co-operating partners and SMART Zambia. The framework was expected to be rolled out in 2018.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

d) Spending of Revenue at Source before Banking K170,553

Your previous Committee noted the submission and urged the Council Secretary to ensure that the Local Authorities Financial Regulation No 19 (1) was adhered to and that banking was done timely to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that currently banking was done timely. The record on banking was available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Unsupported Payments 94,448

In noting the submission, the Committee urged the Council Secretary to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers were cautioned. In addition, the supporting documents, which were misfiled, had been attached and filed. In this respect, the letters of caution and payment vouchers were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Misapplication of Funds K4,000

Your previous Committee found the hurriedness by the Council Management in undertaking to secure ECZ equipment without clear instructions unacceptable. Your previous Committee urged the Council Secretary, Ministry of Local Government to sternly caution Management at the Council and further institute investigations to ascertain how much ECZ paid the Council in total towards the facilitation of the Voter Registration Exercise. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that council management had been cautioned by the Local Government Service Commission. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that investigations are instituted to ascertain how much ECZ paid the Council, in total, towards the facilitation of the Voter Registration Exercise. Your previous Committee resolves to await a progress report on the matter.

g) Over Payment of Settling in Allowances K55,475

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Unretired Imprest K84,570

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

i) Questionable Retirement of Imprest - K51,400

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Irregular Payment of Social Holiday K22,600

In noting the submission, your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the funds had been recovered. The records on recovery were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

k) Unaccounted for Stores - K59, 375 (General Stores – K35, 591 and Fuel – K23, 784)

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

l) Failure to Recovered Salary Advances - K41, 500

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

m) Overpayment of Emoluments

Your previous Committee cautioned the Council Secretary for misleading it. Your previous Committee directed him to ensure that recoveries were made on all amounts paid over and above one's entitlements. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries on amounts paid over and above ones entitlement of officers had been instituted. The record of recovery was available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

n) Irregular Payment of Leave DaysK74,000

In noting the submission, the Council Secretary was urged to sternly caution the officers for the failure. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report thither erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

o) Failure to Remit Statutory Contributions and Tax

Your previous Committee observed with concern that the failure to remit statutory obligations could result in serious penalties and eventual loss of colossal sums of the much needed financial resources. The Council was therefore urged to ensure that all outstanding statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Council's revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that necessary steps had been taken and statutory obligation payments were now up to date. The payment schedules were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

SOLWEZI MUNICIPAL COUNCIL

AUDIT QUERY

PARAGRAPH 24

a) Unaccounted for Revenue

In noting the submission, your previous Committee awaited a progress report on the matter because the Council was still searching for the missing receipts.

Executive Response

The Executive submitted through the Action-Taken Report that the internal audit had continued to verify receipts, some of which were not within the serial numbers of the Council. Details of the receipts were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

b) Failure to Bill Rates

In noting the submission, your previous Committee raised concern at the Council's negligence and wondered how it had been collecting revenue and also accounting for it when some properties in question were not being billed. Your previous Committee cautioned the Town Clerk to supervise his subordinates in order to avoid such lapses. Your previous Committee resolved to close the matter pending audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that some properties had been identified, and the task of ensuring that all of them were captured had continued.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

c) Missing Payment Vouchers - K15,097,411

Your previous Committee was dismayed that the payment vouchers had now been traced when they could not make them available at the time of audit. The Town Clerk was cautioned and reminded that if the payment vouchers were not genuine, the law would take its course. Your previous Committee resolved to close the query subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the payment voucher had been traced. The Payment vouchers were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

d) Unsupported Payments

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that strong rooms had been secured in the civic centre building. The supporting documents had been traced and attached to the vouchers. The vouchers were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

e) Unretired Imprest K12,720,215

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries of imprests had commenced. Documents were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Unauthorised Overdrafts – Finance Pool Account -K2,016,958

In noting the submission, your previous Committee sternly cautioned the Town Clerk against abrogating the Local Authorities Financial Regulation No. 41 which prohibited overdrawing Council bank accounts. Your previous Committee resolved to close the matter subject to audit verifications.

Executive Response

The Executive submitted through the Action-Taken Report that the council had committed itself to ensuring that bank overdrafts were approved accordingly. Details of plans that the Council was implementing were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Irregular use of Accountable Imprest- K400,826

In noting the submission, your previous Committee was concerned that the Council ignored the financial regulations relating to procurement of goods and services for the Council. Your previous Committee urged the Town Clerk to ensure that his officers strictly abided by the procurement regulations when procuring goods and services for the Council. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that procedures were now adhered to. The records were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

h) Failure to Produce Activity Reports

In noting the submission, your previous Committee urged the Town Clerk to caution his subordinates against such lapses to avoid such queries. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that activity reports for any trips undertaken by officers were prepared and these were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

i) Overpayment of Subsistence Allowances

In noting the submission, your previous Committee recommended that deductions be effected as soon as possible. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries had been effected and the documents were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Irregular Payment of Allowances

In noting the submission, your previous Committee recommended that deductions should be effected as soon as possible. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the recovery of expenditure on purchase of phones was in progress. Details were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

k) Irregular Purchase of Phones for Senior Officers

In noting the submission, your previous Committee recommended that recoveries be effected as soon as possible. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the recoveries of the expenditure on phones from the beneficiaries had been effected. Documents are available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

l) Overpayment of Settling-in-Allowance

In noting the submission, your previous Committee recommended that the deductions be effected as soon as possible. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the recoveries of the expenditure on phones from the beneficiaries had been effected. Documents are available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

m) Failure to Reimburse borrowed Funds

In noting the submission, your previous Committee recommended that the Council should ensure that the borrowed funds were reimbursed as soon as possible. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the refund from the office of the Provincial Local Government Officer was still being awaited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

n) Irregular house Rentals

In noting the submission, your previous Committee recommended the deductions be effected as soon as possible. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries were in progress and the records were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

o) Failure to Bond Officers

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that bonding forms had been secured and filled in by the concerned officer. The completed bonding forms were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

p) Failure to recover Salary Advances

In noting the submission, your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that recoveries had been effected and the documents were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

q) Unaccounted for Stores

Your previous Committee cautioned the Town Clerk for failure to avail these documents and urged him to ensure that erring officers were disciplined. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the stores receipts and disposal documents were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

r) Failure to Follow Procurement Procedures

Your previous Committee did not accept the reason given by the Town Clerk and directed him to ensure that officers were sternly cautioned for the failure. The Town Clerk was also directed to ensure that officers adhered to *the Zambia Public Procurement Act* and its regulations. Your previous Committee resolved to close the matter subject to audit verifications.

Executive Response

The Executive submitted through the Action-Taken Report that the tender documents were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

s) Unaccounted for Funds

In noting the submission, your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the councillors had been written to. However, the returns were yet to be submitted.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

t) Unapproved Compensation Payments

Your previous Committee observed with concern that the Council had not been keeping important documents and availing them for audit on time. This was unacceptable and the Town Clerk was urged to supervise his subordinates diligently in order to avoid such lapses in future. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the documents had been traced and were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

u) Failure to Remit Tax

Your previous Committee noted with concern that the Council had been deducting tax every month, but failed to remit it to ZRA. As a result, the debt had increased making it difficult for the Council to settle the debt. The Town Clerk was urged to ensure that the Council strictly implemented its payment plan in order to liquidate the debt. Your previous Committee resolved to wait for a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that there were difficulties in settling the debts due to budgetary constraints. The Council had however taken advantage of the amnesty declared by ZRA and awaited the waiver of penalties as there was a plan to ensure that the debt was reasonably reduced by December 2017. The document on the progress was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and urges them to ensure that the Council strictly implements its payment plan in order to liquidate the debt. Your previous Committee resolves to wait for a progress report on the matter.

v) Travels abroad without Authority

In noting the submission, your previous Committee urged the Town Clerk to ensure that before trips abroad were undertaken, authority should be granted in writing, copied to him and also filed in personal files of officers scheduled to undertake such trips.

Executive Response

The Executive responded through the Action-Taken Report that authority had been secured and the documents were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

MINISTRY OF LOCAL GOVERNMENT

AUDIT QUERY	:	PARAGRAPH 1
PROGRAMME	:	GRANTS to LOCAL AUTHORITES
ACTIVITY	:	VARIOUS

Accounting and Other Irregularities

a) Unspent funds K802, 894

Chinsali Municipal Council – K802, 894

Your previous Committee observed with concern the failure by the Council to spend the funds within the stipulated time frame. Your previous Committee was of the view that keeping such funds was not a good practice as it was a recipe for misappropriation and that it also delayed implementation of planned activities.

Your previous Committee sternly cautioned the Controlling Officer to ensure that the Council expedited their procurement and other applicable processes as soon as funds were received in order to avoid recurrence of this matter. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive responded through the Action-Taken Report that the funds were spent. The expenditure returns were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

b) Misapplication of Funds - K10,073,948

Your previous Committee observed with concern that the Councils willfully misapplied funds with impunity and that there was no assurance from the Controlling Officer that there was reimbursement of these funds. Your previous Committee directed the Controlling Officer to ensure that all misapplied funds were reimbursed without any further delay and

also that all the affected Council Managements were sternly cautioned to desist from this habit. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers were cautioned. In addition, the Council was committed to ensuring that the Financial Regulations were observed. Meanwhile due to budgetary constraints the funds had not been fully reimbursed. The letters of caution were available for verification and progress on reimbursement of funds was available for verification.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all misapplied funds are reimbursed without any further delay. Your Committee resolves to close the matter subject to audit verification.

c) Failure to Deduct Tax

Namwala District Council – K 82,070 & Chililabombwe Municipal Council – K16, 551

Your previous Committee observed that the affected Councils may cause a loss on Government revenue for failure to deduct taxes and also that this might cause unnecessary inconvenience due to recoveries on the affected officers as there was a possibility of being overpaid.

Your previous Committee urged the Controlling Officer to ensure that Management in these Councils were sternly cautioned at the failure and, that going forward, they must strictly adhere to the *Income Tax Act Chapter 323 of the Laws of Zambia*. Your previous Committee also directed the Council Secretary to ensure that the balance on the statutory obligations relating to Namwala District Council was deducted and remitted in accordance with the law. Your previous Committee resolved to await a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the tax payable had been recovered and remitted to the Zambia Revenue Authority on cheque No. 008094 and was acknowledged through receipt No. 0065169896431.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

d) Unsupported Payments - K501,239

Your previous Committee sternly cautioned Management and directed the Controlling Officer to ensure that no payments were approved and paid without the necessary supporting documents to avoid recurrence. Your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the supporting documents had been availed and verified. The matter was recommended for closure.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

e) Failure to Approve Payments – Zambezi District Council- K1, 233,190

Your previous Committee observed with concern that the failure was a possible recipe for fraud in that misappropriation and misapplication was possible due to these weaknesses. Your previous Committee directed the Controlling Officer to ensure that all payments made through the Councils were properly approved before being processed and also that the Council's operations were not disrupted at any one time. Your previous Committee also directed him to ensure that all the affected Council Managements were sternly cautioned to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive responded through the Action-Taken Report that the erring officers had been cautioned. In addition, the payments had been approved by the responsible officers retrospectively. The letters of caution and payment vouchers were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Poor Record Keeping (Recurrent Grant) – Zambezi District Council K111, 949

Your previous Committee found the reason given by the Controlling Officer as a mere excuse as it did not require qualified personnel to file documents. Your previous Committee directed the Controlling Officer to ensure that the officers were disciplined for the failure and that storage of important documents and internal controls were enhanced to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers were cautioned. In addition, a strong room was created within an available office. Further, internal controls implemented include period internal checks undertaken by respective departments. Documents movement registers managed by the registry had been opened to control movements of records among the department in the Council. Access to the strong room was restricted. The letters of caution were available for verification and, the strong room was ready for inspection.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

g) Questionable Payments – Zambezi Council- K862, 276

Your previous Committee found the reason given by the Council Secretary of not having qualified personnel to file documents as a mere excuse. Your previous Committee directed the Controlling Officer to ensure that the officers were disciplined for failure to properly

keep important documents and follow the internal controls to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council had cautioned the erring officers. Further a strong room was created within available office space and that internal audit conducts posts audit on the operations of the Council regularly. The letters of caution were available for verification and similarly strong room ready for inspection.

Committee's Observation and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

h) Irregular Use of Imprest to Procure Goods and Services- K69, 070

Your previous Committee observed with concern the seriousness of this omission. The omission was a recipe for fraud which may result in funds not being received by the intended beneficiaries. Further, it was observed that there was a possibility of single sourcing and paying out exaggerated amounts, coupled with payments for undelivered goods.

It was surprising that such a serious omission was done with impunity. Your previous Committee sternly cautioned Management and directed the Controlling Officer to ensure that all payments were made directly to suppliers of goods and services. Your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the records were available for verification.

Committee's Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all payments are made directly to suppliers of goods and services. Your previous Committee recommends the matter for closure subject to audit verification.

i) Stores Items without Receipt and Disposal - Details K140,037 (General Stores – K130,588 and Fuel – K9,449)

Mpika District Council – K9, 449

Your previous Committee found the reason given by the Controlling Officer as a mere excuse as it did not require qualified personnel to file documents. Your previous Committee directed the Controlling Officer to ensure that officers were disciplined for the failure and that storage of important documents and internal controls were enhanced to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that erring officers had been cautioned. In addition, a strong room, created within available office space, was now managed by a senior officer. The letters of caution and strong room were available for verification and inspection, respectively.

Nakonde District Council - K130, 588

Your previous Committee directed the Controlling Officer to ensure that the officers were disciplined for the failure to avail receipts and disposal details, adding that storage of important documents and internal controls should be enhanced to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers were cautioned. In addition, to beef up the internal control environment, the internal audit had new staff. Further, a strong room, managed by a senior officer had been created within the office space. The letters of caution and the strong room were available for verification and inspection, respectively.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Unretired Accountable Imprest - K499,106**Zambezi District Council – K74,319**

Your previous Committee directed the Controlling Officer to ensure that the officers were disciplined for failure to adhere to Financial Regulation No. 96. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers were cautioned. The letters of caution are available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

Masaiti District Council - K387,787

Your previous Committee directed the Controlling Officer to ensure that the officers were disciplined for the failure and that storage of important documents and internal controls were enhanced to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Council was yet to secure an appointment with auditors to verify the matter as they were conducting audits away from Ndola.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

Failure to Remit Statutory and Union Contributions - K85,623,868

Your previous Committee observed with concern that failure to remit statutory obligations may result in serious penalties and eventual loss of colossal sums of the much needed financial resources. The Controlling Officer was therefore urged to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options were explored to improve the Councils revenue base. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the matter had not been resolved as the Council had not yet paid the outstanding amount. However, the council was exploring many other options to ensure the revenue base was improved.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all statutory contributions were remitted to the respective institutions without any further delay and that more revenue generation options are explored to improve the Councils revenue base. Your previous Committee awaits a progress report on the matter.

k) Failure to Report Motor Vehicle Accident to the Standing Accidents Committee - Nchelenge District

Your previous Committee expressed concern at the failure by the Controlling Officer to ensure that adequate orientation was given to officers in the districts. He was urged to ensure that orientation was given to all the officers including new staff joining the ministry to avoid such omissions. Your previous Committee directed the Controlling officer to ensure that Financial Regulations No. 171 and 182 and also Stores Regulation No. 122 were understood by all staff in the local authorities to avoid recurrence as this was a great risk which may result in loss of property. Your previous Committee resolved to await a progress report.

Executive Response

The Executive submitted through the Action-Taken Report that the matter was still outstanding as the Council had not reported the matter to the Police.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that all officers, including new staff, are oriented to avoid such omissions. Your Committee further urges the

Secretary to the Treasury to ensure that Financial Regulations No. 171 and 182 and also Stores Regulation No. 122 are understood by all staff in the local authorities to avoid recurrence as this was a great risk which may result in loss of property. Your previous Committee resolves to await a progress report.

l) Funds not Received– K900,000

The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the funds were merely reflected as proposed disbursement, subject to availability of funds. The funds were not disbursed because they were not available for release.

Committee’s Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

m) Irregular Payment of Rural Hardship Allowance - Lundazi District Council - K408,044

Your previous Committee observed with concern that this serious omission came as a result of Management’s failure to consult. The Controlling Officer was urged to ensure that disciplinary action was taken against the Principal Officer who made this decision. The Controlling Officer was also directed to ensure that full recovery was made without any further delay and that only then would the matter be closed. Your previous Committee awaits a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the matter had not been resolved because funds which were irregularly paid as Rural Hardship allowance had not yet been recovered.

Committee Observations and Recommendations

Your Committee strongly urges the Secretary to the Treasury to ensure that full recovery is made without any further delay. Your previous Committee awaits a progress report on the matter.

n) Irregular Payment of Housing Allowance - K31,701

Mazabuka Municipal Council – K16,079 & Namwala District Council – K15,622

Your previous Committee observed with concern that this serious omission came as a result of Management’s failure to consult. The Controlling Officer was urged to ensure that disciplinary action was taken against the Principal Officer who made this decision. The Controlling Officer was also directed to ensure that full recovery was made without any further delay and that only then would the matter be closed. Your previous Committee awaits a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the officer involved was cautioned and recoveries had since been made. Documentation was available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

AUDIT QUERY		PARAGRAPH - 2
HEAD:	29	Ministry of Local Government and Housing
UNITS:	04	Local Government Finance and Audit
PROGRAMMES:		Constituency Development Funds
ACTIVITIES:		Various

Accounting and Other Irregularities

a) Unspent Funds - K38, 688,659

Your previous Committee observed with concern the failure by the Councils to spend the funds within the stipulated time frame. Your previous Committee was of the view that keeping such funds was not a good practice as it was a recipe for misappropriation and also that it delayed implementation of planned activities.

Your previous Committee sternly cautioned the Controlling Officer to ensure that Councils expedited their procurement and other applicable processes as soon as funds were received in order to avoid recurrence of this matter. He was also urged to ensure that this expedites the process of enacting *the Constituency Development Fund Bill* which among others will help to address the gaps in the implementation of CDF projects. Your previous Committee resolved to keep the matter in view in future audits.

Executive Response

The Executive submitted through the Action-Taken Report that the draft CDF Bill was still with Ministry of Justice for legal review. The Bill would be tabled before the Cabinet prior to conveyance to Parliament.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

b) Payments Made without Obtaining Competitive Quotations - K193, 292

Your previous Committee observed with concern that this omission was serious and that it was a recipe for fraud which may result in funds not being received by the intended beneficiaries. Further, it was observed that there was a possibility of single sourcing and payments made at exaggerated prices coupled with payments for undelivered goods.

It was surprising that such a serious omission was done with impunity by the officers. Your previous Committee sternly cautioned the Controlling Officer and urged him to ensure that the officers were cautioned for the failure. He was also urged to ensure that all the payments were made directly to suppliers of goods and services and that failure to do so must be meted with stiffer punishment. Your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers had been cautioned by the Council. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

c) Unapproved Payments - K691, 780

Zambezi District Council – K691, 780

Your previous Committee observed with concern that the failure was a possible recipe for fraud in that misappropriation and misapplication was possible due to these weaknesses. Your previous Committee directed the Controlling Officer to ensure that all payments made through the Councils were properly approved before being processed and also that the Councils' operations were not disrupted at any one time. Your previous Committee also directed him to ensure that all the affected Council Managements were sternly cautioned to avoid recurrence. Your previous Committee resolved to close the matter subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

b) Unsupported Payments - K709, 323

Kabompo District Council – K72, 123

Your previous Committee observed with concern the omission made by the Kabompo District Council of not avail some of the receipts as serious and that it was a recipe for fraud which would result in funds not being received by the intended beneficiaries. Further, it observed that there was a possibility of single sourcing and payments made at exaggerated prices coupled with payments made for undelivered goods. Your previous Committee sternly cautions Management and directed the Controlling Officer to ensure that the Council was sternly cautioned and that no payments were approved and paid without the necessary supporting documents to avoid recurrence. Your previous Committee recommended the matter for closure subject to audit verification.

Zambezi District Council – K591, 550

Your previous Committee observed with concern the omission made by the Zambezi District Council of not supporting payments with stage completion certificates because the Council did not have a director works to prepare the relevant documents as serious and that it was a recipe for fraud which would result in works stalling. Your previous Committee sternly cautioned Management and directed the Controlling Officer to ensure that the Council Director of Works and District Planning Officer were employed by the Local Government Service Commission. Your previous Committee recommended the matter for closure subject to audit verification.

Chinsali Municipal Council – K45,650

Your previous Committee observed with concern the omission made by the Chinsali Municipal Council of not supporting payments because of misplacement and misfiling of documents during the period Chinsali Municipal Council was carrying out renovation works at the offices. Your previous Committee sternly cautioned Management and directed the Controlling Officer to ensure that documents were properly filled and kept in place. Your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the Local Government Service Commission which was responsible for staff matter had cautioned the officers from the three Councils. The matter may be verified with the Local Government Service Commission.

Committee's Observation and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

d) Unauthorised Retention of Interest Earned

Solwezi Municipal Council – K32, 510

Your previous Committee noted the efforts made to recover the interest, but urges the Controlling Officer to ensure that sensitisation was done to all the Councils in the country and that the erring Councils were sternly cautioned to desist from the habit of using interest at source. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the interest earned, which was mopped together with the unspent CDF allocation, had not yet been refunded by the Treasury.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Mbala Municipal Council – K17,741

Your previous Committee noted the efforts made to recover the interest, but urged the Controlling Officer to ensure that sensitisation was done to all the Councils in the country and that the erring Councils were sternly cautioned to desist from the habit of using interest at source. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that authority to open a CDF non-interest earning account had been requested. Further, officers had been sensitised to the Financial Regulations.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Mpulungu District Council – K90,051

Your previous Committee noted the intention to pay back the interest which was used without any authorisation. Your previous Committee urged the Controlling Officer to ensure that sensitisation was done to all the Councils in the country and that the erring Councils were sternly cautioned to desist from this habit of using interest at source. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Council had started reimbursing the interest earned on the CDF account which was borrowed. The record was available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

e) Failure to Prepare Bank Reconciliations**Mongu Municipal Council– K1,400,000**

Your previous Committee did not accept the reasons given council for not preparing bank Reconciliation and urged the Controlling Officer to ensure that officers responsible were sternly warned. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Masaiti District Council – K1,400,000

Your previous Committee did not accept the reasons given council for not preparing bank Reconciliation and urged the Controlling Officer to ensure that officers responsible were sternly warned. Your previous Committee, however, recommended the matter for closure subject to audit verification

Executive Response

The Executive submitted through the Action-Taken Report that the Councils had prepared the Bank reconciliations. The records were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

f) Irregular Payment of Value Added Tax (VAT) – Kitwe City Council

Your previous Committee observed that the failure by the officers to examine the bid documents in the evaluation process was unacceptable and urged the Controlling Officer to ensure that stern disciplinary action was taken against them. Your previous Committee also directed the Controlling Officer to ensure that the named contractors were blacklisted as they were not untrustworthy in business. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the Council no longer had dealings with the named supplier. Further, as advised, the Council thoroughly scrutinised all suppliers to ensure that they complied with the laws of the land. Progress reports on the matter were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

g) Unaccounted for Stores - K445,040 (General stores – K352,088 and fuel – K92,952) Namwala – K276,918

Your previous Committee did not accept the reasons given and urged the Controlling Officer to ensure that the erring officers were disciplined for the failure. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that receipts and disposal records had been traced and attached. In the same vein, the officers responsible for the omission had been cautioned. The receipts, disposal records and the letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Masaiti District Council – K16,788

Your previous Committee did not accept the reasons given and urged the Controlling Officer to ensure that the erring officers were disciplined for the failure. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Kabompo District Council – K146,606

Your previous Committee did not accept the reasons given and urged the Controlling Officer to ensure that the erring officers were disciplined for the failure. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Chinsali Municipal Council – K4,728

Your previous Committee did not accept the reasons given and urged the Controlling Officer to ensure that the erring officers were disciplined for the failure. Your previous Committee, however, recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the erring officers had been cautioned. The letters of caution were available for verification.

Committee's Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Undelivered Stores Items K299,632

Your previous Committee observed with concern how long it had taken the Council to pursue the matter. It was evident that attempts to correct the matter were only made after the audit. Your previous Committee directed the Controlling Officer to ensure that Management at the Council was sternly cautioned and that the matter was resolved without any further delay. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that all erring officers had been cautioned. The letters of caution were available for verification. Meanwhile, the matter involving the other supplier had not yet been resolved.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

h) Questionable Retirement of accountable Imprest –Namwala Council - K45,246

Your previous Committee observed with concern that this omission was serious and that it was a recipe for fraud, which may result in funds not being received by the intended beneficiaries. Further, it was observed that there was a possibility of single sourcing and payments being made at exaggerated prices, coupled with pay outs for undelivered goods.

It was surprising that such a serious omission was done with impunity. Your previous Committee sternly cautioned Management and directed the Controlling Officer to ensure that all payments were made directly to suppliers of goods and services. For avoidance of doubt, no imprest was to be used on goods that could be obtained on the market. Your previous Committee recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the officers who perpetuated the act were cautioned so that it served as a warning to others. The Council had taken full responsibility for the omission and also indicated that there was no collusion. The letters of caution were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

i) Funding of Unapproved Projects K152,125

Your previous Committee noted the submission and recommended the matter for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the projects had been completed and were ready for inspections.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter subject to audit verification.

j) Non-Operational Projects – Chilanga District Council K91,589

Your previous Committee did not accept the reason given and cautioned the Controlling Officer for her failure to advise the full Council about these price changes. Your previous Committee observed that keeping the funds for this long was not the best option as it was tempting to Management to misapply or misappropriate the funds. The Controlling Officer was urged to ensure that he provided leadership and guidance in these councils to avoid recurrence of such omissions and to ensure that these projects were undertaken and successfully implemented. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive submitted through the Action-Taken Report that the funds anticipated from the 2017 CDF allocation to complete the projects had been profiled. The progress reports were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

k) Over Expenditure on Approved Projects- K161,011

Masaiti District Council – K127,090

In noting the submissions, the Controlling Officer was urged to ensure that all Councils adhered to budget sealing to avoid recurrence. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that the over-expenditure arose due to variations that were not anticipated. The report on the variations was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and urges the Secretary to the Treasury to ensure all Councils adhere to budget ceilings to avoid recurrence. Your Committee resolves to await a progress report on the matter.

Chililabombwe Municipal Council – K33,921

In noting the submissions, the Controlling Officer was urged to ensure that all the Councils adhered to budget ceiling to avoid recurrence. The matter was recommended for closure subject to audit verification.

Executive Response

The Executive submitted through the Action-Taken Report that there was commitment to report the matter regarding the ratification of the variation to the Tender Committee. The documentation was available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

1) Questionable Hiring Out of CDF Equipment K1,236,850 (Luwingu - K1,045,276 and Mbala - K191,574)

In noting the submissions, the Controlling Officer was urged to ensure that all the erring officers were sternly disciplined for the failure. Your previous Committee awaited a progress report on the matter.

Executive Response

The Executive responded through the Action-Taken Report that the affected Councils had since instituted disciplinary action. The documents were available for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to await a progress report on the matter.

D) Project Management

A review of accounting, project and other documents and physical inspections carried out on selected projects in different provinces and districts carried out in June 2016, revealed weaknesses in the Management of projects in that, there was poor workmanship, failure to complete projects on time, failure to avail contracts and failure to take action against defaulting contractors, among others.

- i. Your previous Committee advised the Government to consider increasing CDF in order to allow for more projects to be completed within the parliamentary calendar to avoid stalling works due to new priorities by other political leaders who take over offices.

Executive Response

The Executive submitted through the Action-Taken Report that the allocation of funds in the national budget was based on expected revenues for successive budget years. The matter to revise the allocations to priority areas was the preserve of Parliament. In this regard, your previous Committee may use the political will to lobby for the revision of CDF as the budget was submitted for consideration.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- i. Your previous Committee directed the Council Secretary to take action against all erring contractors and without any further delay.

Executive Response

The Executive submitted through the Action-Taken Report that the Councils would be directed to ensure that they took action against erring contractors.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- i. In noting the submission, the previous Committee emphasised that all outstanding works on contracts and defects on finished works must be completed and rectified, respectively.

Executive Response

The Executive submitted through the Action-Taken Report that Councils would be instructed to ensure that they completed all outstanding works and rectified the defects, failure to which sanctions, as provided in the Local Government Act, would be invoked.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

Overall Recommendations:

The following are the overall recommendations:

- i. Your previous Committee recommended that Councils should adopt and fully implement the International Public Sector Accounting Standard (IPSAS) within two (2) years.

Executive Response

The Executive responded through the Action-Taken Report that the IPSAS would be integrated in the Budget Guidelines for 2018, which would address the need for Councils to prepare financial statements.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- i. Your previous Committee recommended that all local authorities should prepare financial statements which should be audited within two (2) years.

Executive Response

The Executive responded through the Action-Taken Report that a number of Councils had made progress in the preparation of Financial Statements and that progress reports were available at various councils for verification.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- ii. Your previous Committee recommended that all Councils should develop strategic plans to clearly provide a strategic framework on how the Councils intended to achieve their goals and vision.

Executive Response

The Executive responded through the Action-Taken Report that a number of councils had developed Strategic plans following the guidance by your previous Committee while others awaited council meetings to adopt and operationalise the plans.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- iv. Your previous Committee recommended that all the Councils should develop Risk Management Policies to manage the various risks that could affect their operations as well as internal controls that were responsive to the risks.

Executive Response

The Executive responded through the Action-Taken Report that it was working with co-operating partners to develop several policies for rolling out to the Councils. Among such was the Risk Management Policy.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- i. Your previous Committee recommended that the staff establishment needed to be filled with qualified staff to enable the Councils to provide quality and sustainable social services and development in their communities.

Executive Response

The Executive responded through the Action-Taken Report that the Local Government Service, which was responsible for staff matters in Councils, had a robust recruitment drive to ensure that personnel with requisite qualifications were recruited in the Local Government Service. This was evident in a number of councils where qualified staff had been recruited.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- ii. Your previous Committee recommended that the local authorities needed to develop strategies that would enable them generate sufficient resources to sustain their operations and remove their dependence on government funding.

Executive Response

The Executive responded through the Action-Taken Report that as a first step, the Rating Act of 1997 was being revised as rates were a major source of revenue for Councils. Councils with buoyant revenue bases were encouraged to borrow and invest the funds in profitable ventures such as bus stations and other ventures.

In addition, the Government was also exploring ways and means in which revenue from the toll gates could be shared with the Councils. Urban Councils were using the private sector to collect revenues such as parking fees.

In the same vein, other Councils were encouraged to venture as agents for private entities such as ZANACO (ZANACO Express) and Zoono. Other Councils were renting unused office space. Lusaka City Council used its hall as a business venture. In this respect, Councils had developed strategies to generate revenues outside the traditional revenue sources.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- iii. Your previous Committee recommended that the Councils should develop Information Communication Technology (ICT) policies to provide guidance on the acquisition of ICT equipment and software.

Executive Response

The Executive responded through the Action-Taken Report that it had engaged SMART Zambia and co-operating partners on the development of the ICT policy which was expected to be concluded by the end of the year 2017 and rolled out to Councils in 2018. The Secretary to the Treasury submitted that the recommendations made were noted and further added that the Treasury, through the Council Secretary in-charge of Local Government, would ensure that all Councils undertook the following:

- adopted and fully implemented the International Public Sector Accounting Standard (IPSAS) be adopted and fully implemented within two (2) years;
- all Councils adhered to the *Local Government Act* by preparing annual financial statements within the stipulated timeframe for the Minister in-charge of Local Government to appoint auditors to audit the accounts;
- all Councils developed Strategic Plans to clearly provide a strategic framework on how the Councils intended to achieve their goals and vision;
- all Councils developed Risk Management Policies to manage the various risks that may affect their operations and internal controls that were responsive to identified risks;
- local authorities developed strategies that would enable them generate sufficient resources to sustain their operations and remove their dependence on Government funding; and
- all Councils developed Information and Communication Technology (ICT) policies to provide guidance on the acquisition of ICT equipment and software in line with the central Government e-governance policy.

With respect to the need to fill staff vacancies in the Councils with qualified staff, the Secretary to the Treasury informed the Committee that his office would engage the Local Government Service Commission to speed up the processes of recruitments and replacements. He submitted that the Treasury would follow-up on all the highlighted weaknesses so that they were resolved in order for the Local Authorities to meet their objectives to efficiently and effectively deliver to the expectations of the Zambians citizens. Your previous Committee noted the submission, but did not accept the fact that arrears on CDF should accrue to running projects. Your previous Committee directed the Secretary to the Treasury to devise a way of prioritising the release of CDF in an attempt to reduce or avoid huge sums of money being mopped at the end of the financial year end.

Your previous Committee was of the view that CDF funds should be released in the first quarter of every year to allow for procurement processes to take place within the period intended. Your previous Committee also demanded that the Secretary to the Treasury devised ways and means of preparing Financial Quarterly reports.

Executive Response

The Executive responded through the Action-Taken Report that CDF guidelines, which stipulated how funds should be disbursed, had been finalised. The Treasury would endeavour to ensure that the guidelines were followed.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

PART III

FOREIGN TOUR REPORT OF YOUR PREVIOUS COMMITTEE ON LOCAL GOVERNANCE HOUSING AND CHIEFS AFFAIRS TO UGANDA FROM 12TH TO 18TH FEBRUARY, 2017

INTRODUCTION

Your previous Committee met various stakeholders to understand the Public Financial Management systems in the Local Government of Uganda and also its accountability mechanisms in the Local authorities. Some of the stakeholders met by your previous Committee included; your previous Committee on Local Governance and Public Service, the Local Government Accounts Committee, the Accountant General's Office, the Auditor-General's Office, the Ministry of Local Government and the Ministry of Public Service. To fully appreciate the Local Government Financial Systems in place in Uganda, your previous Committee was enlightened about the decentralisation which took place in Uganda in the early 1990s.

1) FINANCIAL MANAGEMENT IN LOCAL GOVERNMENT AND LOCAL AUTHORITIES

After interacting with the key stakeholders during its tour, your previous Committee observed and made recommendations as set out below.

- i) Your previous Committee was of the view that the appointment of all accountants in local authorities through the Office of the Accountant-General was good for enforcing accounting standards.

Your previous Committee submitted that the Executive should consider reviewing its Public Finance Act to ensure that the appointment of all Accountants and Internal Auditors in Local Authorities in Zambia were done through the Office of the Accountant-General so as to enforce strict adherence to accounting standards and Financial Regulations;

Executive Response

The Executive responded through the Action-Taken that your previous Committee's Observation had been noted and that it would ensure that it complied so as to enforce strict adherence with accounting standards and Financial Regulations.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- j) Your previous Committee strongly recommended that the Government must consider increasing funding to local authorities to enable them fulfil all their obligations and emerging demands;

Executive Response

The Executive responded through the Action-Taken that the Central Government had been progressively increasing the Local Government Equalisation Fund as indicated below;

No	YEAR	AMOUNT ALLOCTED
i	2015	586,759,459
ii	2016	717,013,167
iii	2017	887,848,785

Further, with the decentralisation of functions, the Central Government was committed to providing matching resources. Councils could now also borrow to put up investment.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- k) Your previous Committee urged the Executive to consider changing existing laws so that Treasury Minutes were audited by the Office of the Auditor-General before being tabled in Parliament. The Executive was further urged to consider changing existing laws so that the yearly Reports of the Auditor-General on Accounts of Local Authorities were tabled by 31st December annually for the year immediately preceding (Currently, this report in Zambia has no specific time frame).

Executive Response

The Executive submitted through the Action-Taken Report that the matter was noted for compliance.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- l) Your previous Committed submitted that with growing demand for service provision and workload, the executive was strongly urged to consider increasing capacity in local authorities, especially in preparing them for fiscal decentralisation. The Zambian Government must consider offering incentives to officers in local authorities working in

rural parts of the country in order to encourage their retention and also attract skilled manpower in these areas.

Executive Response

The Executive submitted in the Action-Taken Report that the capacity of Councils was being enhanced through the recruitment of qualified staff. The Government was also addressing the issues of the Conditions of service by revising them. The Job Evaluation re-grading process had also been undertaken.

Committee Observations and Recommendations

Your Committee notes the response by the Government and resolves to close the matter.

- m) Your previous Committee submitted that the Zambian Government should consider expediting the processes of decentralisation of all key functions including; political, legislative, fiscal, planning and budgeting, judicial and administrative in order to expedite development in rural areas of the country.

Executive Response

The Executive submitted through the Action-Taken Report that the Government finalised working on the Inter-governmental Fiscal Architecture framework (IFA) in 2016. Currently, progress on effecting the amendments to the Public Finance Act had advanced. Therefore, the Public Finance Management Bill, 2017 would soon be tabled on the Floor of the House to operationalise the Fiscal Decentralisation as encapsulated in the IFA framework.

The IFA Framework was anchored around the establishment of the Local Government Equalisation Fund (LGEF). The IFA would be strengthened and provide authority, capacity and incentives to the Local Authorities to focus on enhancing their local own resource mobilisation, reducing their liabilities and improving local services. Further, the IFA framework would make Local Authorities to be more proactive and responsive in their planning, budgeting and general operations.

Committee Observations and Recommendations

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

CONCLUSION

It was the hope of the Government that the responses provided in this report was to the satisfaction of the Honourable Members of your previous Committee.

PART IV

ACTION-TAKEN REPORT ON THE REPORT OF THE COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS FOR THE FIRST SESSION OF THE TWELFTH NATIONAL ASSEMBLY APPOINTED ON WEDNESDAY, 5TH OCTOBER, 2016 AND ADOPTED ON 7TH JULY, 2017.

STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2010

1. KITWE CITY COUNCIL

Outstanding Statutory Creditors – K37,594,197

i) Previous Committee's Recommendations

The Previous Committee had requested a progress report on the full liquidation of the outstanding debts owed to the three statutory bodies (ZRA, NAPSA and LASF).

Executive Response

It was reported by Government in the Action-Taken that the Council had not yet liquidated its indebtedness to statutory bodies. This was due to declined revenues in the coffers arising from economic challenges affecting the mining firms which contributed to the budget of the Council through payment of property rates and other levies. To this end, the Council was negotiating for an extension of the grace period. The matter had yet not been resolved.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of council's indebtedness to statutory bodies.

ii) Previous Committee's Recommendations

The Previous Committee had expressed concern over the poor financial performance of the Council as can be observed from its failure to meet statutory obligations. The Committee strongly urges the Government to ensure that the Council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation

Executive Response

It was reported by Government in the Action-Taken Report that the matter had not been addressed. However, the Council would soon dispose some of the redundant or non-performing assets and use the proceeds to liquidate part of the outstanding indebtedness. Further, the Council has submitted for Tax Amnesty to ZRA which had offered the same to

all tax payers. In this regard, negotiations are underway. The records are available for verification.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the disposal of some of the redundant or non-performing assets.

2. KALULUSHI MUNICIPAL COUNCIL

Outstanding Statutory Creditors – K6,806, 537.41

i) Previous Committee's Recommendations

The previous Committee had requested a progress report on the full liquidation of the outstanding debts owed to ZRA.

Executive Response

It was reported by Government in the Action-Taken Report that Kalulushi Municipal Council had not yet liquidated its indebtedness to the statutory bodies. This was due to declined revenues arising from economic challenges affecting the mining sector. The Council was negotiating for an extension of the grace period for payment of the outstanding statutory payments.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of council's indebtedness to the statutory bodies.

ii) Previous Committee's Recommendations

The Previous Committee had strongly urges the Government to ensure that the Council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation.

Executive Response

It was reported by the Ministry of Local Government in the Action-Taken Report that Kalulushi Municipal Council was instructed to take advantage of the amnesty offered by Zambia Revenue Authority in settling the Debt owed to ZRA. The Council has since made liquidation plans to pay the debts.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation plans to pay the debts.

3. CHILILABOMBWE MUNICIPAL COUNCIL

Assets (Buildings) without Documents of Ownership

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the Acquisition of title deeds.

Executive Response

It was reported by Government in the Action-Taken Report that it would, through the Ministry of Lands, Natural Resources and Environmental Protection, ensure that it expedited the processing and issuance of Certificates of Title as and when local authorities submitted all the relevant documentation such as the meetings Minutes of Council Meetings.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of Certificates of title.

ii) Previous Committee's Recommendations

The Previous Committee had expressed concern over the failure by the supervising Ministry to ensure that all documentation relating to acquisition of title deeds are availed to the relevant ministry for issuance of title deeds. The Ministry of Local Government is strongly urged to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection and that title deeds are issued without any further delay.

Executive Response

It was reported by the Government in the Action-Taken Report that following the observation that Council buildings were not on title, an instruction was issued to direct all the Local Authorities to commence the process of acquiring title from the Ministry of Lands. The Council had since commenced the process and was awaiting feedback from the Ministry of Lands and Natural resources.

Committee's Observations and Recommendations

The Committee may wish to await a progress report of the action taken on an instruction to direct all the local authorities to commence the process of acquiring title from the Ministry of Lands.

4. LIVINGSTONE CITY COUNCIL

Outstanding Creditors/Accrual: K 24, 551.33

i) Previous Committee's Recommendations

The previous Committee had requested an update on the liquidation of the debt.

Executive Response

It was reported by Government in the Action-Taken Report that the Council had not liquidated the debt of K3,316,730 due to low revenue inflows in the coffers.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the debt.

ii) Previous Committee's Recommendations

The previous Committee had expressed concern over the poor financial performance of the Council as can be observed from its failure to meet statutory obligations. The Committee strongly urged the Government to ensure that the council urgently liquidated the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation.

Executive Response

It was reported by the Government in the Action-Taken Report that the Livingstone City Council had its Valuation Roll updated and therefore the revenue position had considerably improved. The Council has initiated the liquidation of both statutory obligations and other creditors.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of both statutory obligations and other creditors.

5. CHIPATA MUNICIPAL COUNCIL

Non-Acquisition of Certificates of Title for Council Properties

i) Previous Committee's Recommendations

The previous Committee had requested an update on the acquisition of the title deeds.

Executive Response

It was reported by Government in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

However, it was important to understand that the process of issuing Certificates of Title for any piece of land, including Council properties, began with the planning authorities. Councils submitted requests to planning authorities to prepare layout or sketch plans of an area which the Council wished to open up and/or survey. The approved layout or sketch plans would then be submitted to the Ministry of Lands, Natural Resources and Environmental Protection for numbering. The numbered layout plans are then submitted to the Council and the Planning Authority. The Council, using the numbered layout plan, could then engage the services of surveyors either private or Government.

It was important to note that the processing of Certificates of Title was client driven. The Council in this case had to ensure that the surveys for an area for which it wished to obtain

Certificates of Title were undertaken and subsequently, the survey diagrams submitted to the Ministry of Lands, Natural Resources and Environmental Protection for issuance of the Certificate of Title. In this vein, it was reported that the Government was very keen to ensure that all pieces of land were held on title to guarantee security of tenure to Council land.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the acquisition of the title deeds, for the council.

ii) Previous Committee's Recommendations

The Previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of the title deeds. The Committee in this vein, urged the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of the title deeds without any further delay.

Executive Response

It was reported by Government in the Action-Taken Report that the process to acquire title for Chipata Civic Centre and other properties had advanced considerably. The Town Clerk reported that the offer letters from the Ministry of Lands and Natural Resources for two properties had been received and now awaiting title.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the acquisition of title for Chipata Civic Centre and other properties.

6. ISOKA DISTRICT COUNCIL

Council Properties not Insured

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the insurance of the Council's properties.

Executive Response

It was reported by Government in the Action-Taken Report that that the Council had not yet insured the property as it was still negotiating with the Zambia State Insurance Corporation for flexible payment terms. However, due to the new law regarding insurance of motor vehicles, the Council had since insured all its motor vehicles. The matter had not been resolved in respect of insurance for buildings.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on progress made with the insurance for Buildings.

ii) Previous Committee's Recommendations

The Previous Committee had observed with concern that Government could lose property in case of an accident or other unforeseen events while noting the efforts made by the Council on the insurance of motor vehicles.

Executive Response

It was reported by Government in the Action-Taken Report that guidance on the need to insure both movable and non-movable assets was important for all public assets was issued. However the Council has not reported any progress on the insurance of buildings and other non-movable assets. Whereas the Council has informed the Ministry that it has insured its fleet of motor vehicles.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the insurance of the buildings.

iii) Previous Committee's Recommendations

The previous Committee had requested for an update on the issuance of title deeds for Council Properties.

Executive Response

It was reported by Government in the Action-Taken Report through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of title for all Council properties as and when the Councils submitted all the relevant documentation.

The Government was very keen to ensure that all pieces of land were held on title to guarantee security of tenure to Council land.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of Certificates of title for all council properties.

iv) Previous Committee's Recommendations

The previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. The Committee in this vein urged Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay.

Executive Response

It was reported in the Action-Taken Report that all affected Councils had been advised to submit the required documents. Further, in view of the decentralisation it is the responsibility of the Councils to budget for all planned activities earmarked for implementation during the Medium Term Expenditure Framework phase.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the action taken on the advice rendered to all councils concerning the availing of all relevant documentation relating to the acquisition of title deeds from the Ministry of Lands and Natural.

STATUTORY AUDIT ON COUNCIL ACCOUNTS FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2011

1. MBALA MUNICIPAL COUNCIL

Outstanding Statutory Creditors – K1, 255,126.78

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the liquidation of the debt.

Executive Response

It was reported in the Action-Taken Report that the Council had not liquidated the debt. However, the Council had committed to use part of the Local Government Equalisation Fund and the grant in lieu of rates to commence liquidation of the debt at the end of June 2016.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the debt.

ii) Previous Committee's Recommendations

The Previous Committee had expressed concern over the poor financial performance of the Council as can be observed from its failure to meet statutory obligations. The Committee strongly urged the Government to ensure that the council urgently liquidates the outstanding statutory obligations using all available options, including debt swaps, to improve the prevailing situation

Executive Response

It was reported in the Action-Taken Report that the Ministry of Local Government issued out guidance to all Local Authorities with Statutory debts to engage ZRA and NAPSA. Mbala Municipal Council reported to the Ministry that, the largest proportion of the statutory obligation debt was made up of penalties and interest charged. Therefore, the Ministry wishes to report that the council has since entered into debt swap arrangement with NAPSA and an agreement with ZRA taking advantage of the amnesty. Debt swap involves the Council offsetting their debt by offering land to NAPSA.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the outstanding statutory obligations.

2. LUWINGU DISTRICT COUNCIL

No Certificates of Title for Properties

i) Previous Committee's Recommendations

The previous Committee had expressed concern that the issuance of title deeds had taken inordinately long. Against this background, the previous Committee implored the Ministry of Lands, Natural Resources and Environmental Protection to expeditiously finalise the issuance of the title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the issuance of the title deeds.

ii) Previous Committee's Recommendations

The Previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. Against this background, the previous committee urged the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay

Executive Response

It was reported in the Action-Taken Report that the Ministry of Local Government instructed all local Authorities to acquire title for their Civic Centres. However, the Ministry wishes to report that the Council commenced the process with the Ministry of Lands and Natural Resources and is awaiting a status update on the same.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the acquisition of the title deed for the Civic centre.

STATUTORY AUDIT ON CONSTITUENCY DEVELOPMENT FUND, FIXED ASSETS AND COUNCIL INDEBTEDNESS FOR THE PERIOD 1ST JANUARY 2007 TO 31ST DECEMBER 2011

1. CHAMA DISTRICT COUNCIL

**Constituency Development Fund (CDF)
Maintenance of a Fixed Assets Register**

i) Previous Committee's Recommendations

The previous Committee had requested an update on the valuation of the Council's assets.

Executive Response

It was reported in the Action-Taken Report that the Council had not yet commissioned the valuation of assets. This was because the Government Valuation Department had not indicated to the Council when it would commence the valuation exercise. The matter had not been resolved.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the commencement of the valuation exercise by the Government Valuation Department.

ii) Previous Committee's Recommendations

The Previous Committee had resolved to await a progress report on the valuation of the council's assets.

Executive Response

It was reported in the Action-Taken Report that Chama Town Council was updating its asset register; however, the buildings and other non-movable assets are yet to be insured.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the valuation of the council's assets.

Uninsured Assets

iii) Previous Committee's Recommendations

The previous Committee had requested an update on the valuation of the council's assets.

Executive Response

It was reported in the Action-Taken Report that the Council had not insured the properties because it would still be negotiating for favourable terms with various insurance firms. In the same vein, the Council had managed to insure its motor vehicles in line with the new laws.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the valuation of the council's assets.

Uninsured Assets

iv) Previous Committee's Recommendations

The previous Committee had urged the Controlling Officer to ensure that the process of updating assets register and the insurance of the same is expedited and that the matter is resolved without delay.

Executive Response

It was reported in the Action-Taken Report that Chama Town Council was updating its assets register; however, the buildings and other non-movable assets are yet to be insured.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the updating of assets register and the insurance of the assets.

Previous Committee's Recommendations

The previous Committee had wondered why the title deeds had still not been issued despite the submission of all relevant documentation by the Council. The Committee had requested the Ministry of Lands, Natural Resources and Environmental Protection to finalise and issue the title deeds.

Executive Response

It was reported in the Action-Taken Report that Government would ensure that it expedited the processing and issuance of certificates of title for all Council properties as and when the Councils submitted all the relevant documentation.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the issuance of certificates of title for all council properties, affected.

v) Previous Committee's Recommendations

The Previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. The Committee in this vein urges the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay.

Executive Response

It was reported in the action taken report that the Council had not yet acquired title Deeds due to budgetary constraints. You may wish to note that the Council relies on Government grants for funds which are also inadequate as much of the same goes towards meeting personal emoluments and other expenditures of the Council. However in noting the recommendation of the Committee the Council has committed to provide funds for the exercise in the 2018 Estimates of revenue and expenditure.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the issuance of title deeds.

2. KAPUTA DISTRICT COUNCIL

Lack of an Updated Valuation Roll

i) Previous Committee's Recommendations

The previous Committee had expressed serious concern over the failure by the Council to update the valuation roll and had requested a progress report on the matter.

Executive Response

It was reported in the Action-Taken Report that the Council had not engaged the Government Valuation Department (GVD) for consideration on the priority list in view of the budgetary allocation provided to the Department to conduct valuation assignments to selected Councils. In addition, the Council was provided with the grant in lieu of rates to enable it commission the valuation of its properties on its own but with authority of GVD.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the engagement of the Government Valuation Department, to undertake a valuation exercise.

Review of Asset Management (No Certificates of Title for some properties)

ii) Previous Committee's Recommendations

The previous Committee had urged the Controlling Officer to ensure that the process of updating assets register and the insurance of the same is expedited and that the matter is resolved without delay.

Executive Response

It was reported in the Action-Taken Report that the Council had not updated the Valuation Roll. In addition the Council had indicated that many of the properties in the District are under traditional land. In this regard, the Council has commenced the process of negotiating with the Traditional Royal Establishment for the extension of the township boundary.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the negotiations with the Traditional Royal Establishment, for the extension of the township boundary and on the update of the valuation roll.

iii) Previous Committee's Recommendations

The previous Committee had urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the title deeds and requested an update on the conclusion of the process of issuance of title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, it would ensure that it expedited the processing and issuance of Certificates of title for all Council properties as and when the Councils submitted all the relevant documentation.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of Certificates of title for all Council properties.

Review of Asset Management (No Certificates of Title for some properties)

iv) Previous Committee's Recommendations

The Previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. The Committee, in this vein, the committee urged, the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay

Executive Response

It was reported in the Action-Taken Report that Councils were corporate bodies hence the responsibility to acquire title Deeds rested with individual Councils. However the Ministry has compelled all the councils to submit the necessary documentations to Ministry of Lands. A number of councils have since submitted the required documents while others have since received offer letters.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of Certificates of title.

STATUTORY AUDIT OF DISTRICT FUND ACCOUNT AND CONSTITUENCY DEVELOPMENT FUND ACCOUNT FOR THE PERIOD 1STJANUARY TO 31STDECEMBER 2011

1. LUKULU DISTRICT COUNCIL

Valuation of Council Assets

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the valuation of the Council assets.

Executive Response

It was reported in the Action-Taken Report that the Council had engaged Zambia State Insurance Corporation to assist with the valuation. The process was expected to commence in the course of the month of June 2016.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the valuation of the assets by Zambia State Insurance Corporation.

ii) Previous Committee's Recommendations

The previous Committee had urged the Controlling Officer to ensure that the process of valuation of assets is expedited and that the matter is resolved without undue delay. The Committee resolved to await a progress report on the matter.

Executive Response

It was reported in the Action-Taken Report that Councils were corporate bodies hence the responsibility to engage Government Valuation Department to value assets was the responsibility of the individual Council. However, the Ministry would facilitate the process in a case by case when requests are made by the affected Councils.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of Certificates of title.

Non Acquisition of Certificate of Title for Council Assets

iii) Previous Committee's Recommendations

The previous Committee had requested for an update on the acquisition of certificates of title for the council assets.

Executive Response

It was reported in the Action-Taken Report that the Council had since reserved funds to surveyors as this was the initial process before it approached the Ministry of Lands, Natural Resources and Environmental Protection for consideration of issuance of the certificates of Title for its properties. This survey process was expected to be commissioned by the Council within the third quarter of 2016.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the acquisition of certificates of title for the council assets.

Non Acquisition of Certificate of Title for Council Assets

iv) Previous Committee's Recommendations

The Previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed

to the relevant ministry for issuance of title deeds. The Committee in this vein urged the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance title deeds without any further delay.

Executive Response

It was reported in the Action-Taken Report that Councils were corporate bodies hence the responsibility to acquire title Deeds rested with individual Councils. However, the Ministry remains ready to facilitate the process when requests are made by the affected Councils. Further in view of the decentralisation it is the responsibility of the Council to budget for planned activity earmarked for implementation during the Medium Term Expenditure Funds phase.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the action taken on the advice rendered to all councils concerning the availing of all relevant documentation relating to the acquisition of title deeds from the Ministry of Lands and Natural.

Ineffective Collection of Revenue - K 1,691

v) Previous Committee's Recommendations

The previous Committee had requested for an update on the collection of revenue by the Barotse Royal Establishment (BRE).

Executive Response

It was reported in the Action-Taken Report that Government had directed the Provincial Local Government Office, Western Province, to convene a meeting between the Council and the Barotse Royal Establishment the (BRE) to resolve the impasse. In addition, the Council had indicated that BRE had continued to collect the revenue. To this end, the issue of the market was in court awaiting determination as to which entity was entitled to collect revenues between the Council and BRE.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the determination of the entity that was entitled to collect revenues between the council and BRE.

Ineffective Collection of Revenue - K 1,691

vi) Previous Committee's Recommendations

The previous Committee had urged the Controlling Officer to follow up this matter of revenue collection by BRE to its logical conclusion and submit regular progress reports to the Committee.

Executive Response

It was reported in the Action-Taken Report that the matter had not been resolved. The BRE has continued to collect revenues from the markets. However, the Ministry had started to constitute market boards and the BRE would also be p

Committee's Observations and Recommendations

The Committee may wish to await a progress report on resolves to request for an update as to how the integration of BRE into market boards will ultimately address where the revenue collected from markets will seat, whether at council or BRE.

2. GWEMBE DISTRICT COUNCIL

Non-Acquisition of Certificates of Title for Council Properties

i) Previous Committee's Recommendations

The previous Committee had urged the Ministry of Lands Natural Resources and Environmental Protection to expedite the issuance of the title deeds and requested an update on the conclusion of the process.

Executive Response

It was reported in the Action-Taken Report that the Ministry of Lands, Natural Resources and Environmental Protection would ensure that it expedited the processing and issuance of Certificates of title for all Council properties as and when the Council submitted all the relevant documentation. The delay in processing Certificates of title for Council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

ii) Previous Committee's Recommendations

The previous Committee had expressed concern at the failure by the Ministry of Local Government to ensure that all documentation relating to acquisition of title deeds is availed to the relevant ministry for issuance of title deeds. The Committee in this vein urged the Ministry of Local Government to ensure that documents are availed to the Ministry of Lands, Natural Resources and Environmental Protection to facilitate issuance of title deeds without any further delay.

Executive Response

It was reported in the Action-Taken Report that all affected Councils had submitted the required documents. The Ministry hence remained ready to facilitate the process when a request is made by the affected Council. Further, in view of the decentralisation Council has been advised to budget for all planned activities earmarked for implementation during the Medium Term Expenditure Framework phase.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

iii) Previous Committee's Recommendations

The previous Committee had expressed concern over the inordinate delays in the issuance of certificates of title. It, therefore, urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the certificates of title and requested a progress report on the matter.

Executive Response

It was reported in the Action-Taken Report that Government, through the Ministry of Lands, Natural Resources and Environmental Protection would ensure that it expedited the processing and issuance of Certificates of title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

STATUTORY AUDIT FOR THE PERIOD 1ST JANUARY TO 31ST December 2011

1. CHONGWE DISTRICT COUNCIL

Outstanding Debtors: K1,401,885

i) Previous Committee's Recommendations

The previous Committee had requested a progress report on the liquidation of the outstanding debt.

Executive Response

It was reported in the Action-Taken Report that Government reported to the Committee that the Council was still pursuing its debtors. To encourage settlement of debts, the Council had devised a rebate system in which all debtors would benefit from a discount and other incentives for settlement of their debts. However, there had not been any response from the affected residents. Similarly, the Council had not initiated warrants of distress because the affected property owners were mostly retirees.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the outstanding debt.

Outstanding Creditors: K5, 982,782

ii) Previous Committee's Recommendations

The previous Committee had requested a progress report on the full liquidation of the debt.

Executive Response

It was reported in the Action-Taken Report that the Council had cleared the indebtedness and was current in payment of all the obligations. The Committee was also informed that Chongwe District Council was one of the few Councils with a sound financial base which had even managed to reduce indebtedness in respect of payment of terminal benefits.

Committee's Observations and Recommendations

The Committee may wish to close the matter since the Council had cleared its outstanding debt.

STATUTORY AUDIT AND AUDIT INSPECTION REPORT ON THE UTILISATION OF CONSTITUENCY DEVELOPMENT FUNDS (CDF) FOR THE PERIOD 1ST JANUARY 2007 TO 31ST DECEMBER 2011

1. CHILUBI DISTRICT COUNCIL

Irregular Procurement of Building Materials Using Imprest: K102, 800

i) Previous Committee's Recommendations

The previous Committee had requested a progress report on the court case.

Executive Response

It was reported in the Action-Taken Report that the case had not yet been disposed in the courts of law.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the court case.

Unaccounted for Funds – K52,435

ii) Previous Committee's Recommendations

The previous Committee had requested a progress report on the court case.

Executive Response

It was reported in the Action-Taken Report that the case had not yet been disposed of by the courts of law.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the court case.

Review of Assets Management – No Title Deeds

iii) Previous Committee's Recommendations

The previous Committee had expressed concern over the delay by the Commissioner of Lands in addressing the issue of issuance of title deeds. The Committee implored him to respond without undue delay, and requested for a progress report on the issuance of title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of title for Council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON CDF FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2010

1. LUNDAZI DISTRICT COUNCIL

Non-Acquisition of Title Deeds for Council Properties

i) Previous Committee's Recommendations

The previous Committee had expressed concern over the delay by the Commissioner of Lands in addressing the issue of issuance of title deeds. The Committee implored the Commissioner of Lands to respond without undue delay, and requested a progress report on the issuance of title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for Council properties had been mostly as a result of the council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

**AUDIT REPORT ON THE CONSTITUENCY DEVELOPMENT FUNDS (CDF),
ASSETS MANAGEMENT AND COUNCIL'S INDEBTEDNESS FOR THE PERIOD
1ST JANUARY 2007 TO 31ST DECEMBER 2011**

1. MPULUNGU DISTRICT COUNCIL

Irregular Payment of Imprest: Funds for the procurement of Walamo Radio Station materials provided to Council Chairperson K 28,195

i) Previous Committee's Recommendations

The previous Committee had requested for a progress report on the court case.

Executive Response

It was reported in the Action-Taken Report that the matter of Irregular Payment of Imprest was still in the courts awaiting a decision.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the court case.

Review of Assets Management – No Title Deeds for Properties Owned

ii) Previous Committee's Recommendations

The previous Committee had expressed concern over the delay by the Commissioner of Lands in responding to this matter. Your previous Committee had implored the Commissioner of Lands to respond without undue delay, and requested a progress report on the issuance of title deeds.

Executive Response

It was reported in the Action-Taken Report through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of Certificates of Title for all Council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

Motor vehicles disposed and sold off by Provincial Board of Survey (BOS) without Ministerial Approval

iii) Previous Committee's Recommendations

The previous Committee had requested for a progress report on the disposal and selling off of motor vehicles by Provincial Board of Survey BOS without Ministerial Approval.

Executive Response

It was reported in the Action-Taken Report that the matter of disposal and selling off of motor vehicles had not yet been resolved. The Council had since indicated that it would refer the matter to the Full Council for its decisions in view of the fruitless trips to and from Kasama.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the disposal and selling off of motor vehicles by Provincial Board of Survey BOS without Ministerial Approval.

STATUTORY AUDIT REPORT FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 2011

1. SERENJE DISTRICT COUNCIL

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

i) Previous Committee's Recommendations

The Previous Committee had expressed serious concern with regard the inordinate delays in taking action against the erring officers. The Previous Committee had, therefore, called for appropriate disciplinary action to be taken by the Local Government Service Commission without delay. It had also requested for an update on the disciplinary measures instituted against the erring officers.

Executive Response

It was reported in the Action-Taken Report that the Local Government Service Commission charged and reprimanded the officers concerned. However, the officers had not yet refunded the sums of money they claimed over and above their entitlements.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the appropriate disciplinary action taken by the Local Government Service Commission, against the erring officers.

AUDIT INSPECTION REPORT ON THE ACCOUNTS FOR CHISAMBA, KATUBA AND KEEMBE CONSTITUENCIES FOR PERIODS COVERING 1ST JANUARY 2008 TO 31 OCTOBER 2011

1. CHIBOMBO DISTRICT COUNCIL

Unaccounted for Funds: K80, 000 paid to Musamba Women's Club

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the court case.

Executive Response

It was reported in the Action-Taken Report the matter was still in the courts of law awaiting a decision.

Committee's Observations and Recommendations

The committee may wish to await a progress report on the court case.

Irregular and Fraudulent Utilisation of Constituency Development Fund: Fraudulent purchase of Chisamba CDF vehicle No. ABV 1000: K 75,000**ii) Previous Committee's Recommendations**

The previous Committee had requested for an update on the court case.

Executive Response

It was reported in the Action-Taken Report that the matter was still in the courts of law awaiting judgment.

Committee's Observations and Recommendations

The committee may wish to await a progress report on the court case.

STATUTORY AUDIT AND AUDIT INSPECTION ON CONSTITUENCY DEVELOPMENT FUND FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2010**1. KALULUSHI MUNICIPAL COUNCIL****Title Deeds not obtained****i) Previous Committee's Recommendations**

The previous Committee had requested for an update on acquisition of the title deeds.

Executive Response

It was reported in the Action-Taken Report that the survey had been done and that the Commissioner of Lands had also been written to and requested to consider issuing the Council with title deeds.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the issuance of title deeds to council.

2. ITEZHI-TEZHI DISTRICT COUNCIL**Property without Certificates of Title****i) Previous Committee's Recommendations**

The previous Committee had implored the Commissioner of Lands to respond without undue delay, and had requested a progress report on the acquisition of title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the Councils submitted all the relevant documentation. The delay in processing Certificates of Title for Council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

STATUTORY AUDIT AND AUDIT INSPECTION ON THE CONSTITUENCY DEVELOPMENT FUND FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2010

1. LUNDAZI DISTRICT COUNCIL

Non-Acquisition of Title Deeds for Council Properties

i) Previous Committee's Recommendations

The Previous Committee had expressed serious concern over the inordinate delay by the Commissioner of Lands in responding to the application for the title deeds by the Council. It requested that the process be finalised without undue delay, and that a progress report be submitted to it on the matter.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on **the** processing and issuance of certificates of title for council properties.

2. NYIMBA DISTRICT COUNCIL

Non-Acquisition of Certificates of Title for Council Property

i) Previous Committee's Recommendations

The Committee had requested for an update on the acquisition of title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

3. SINAZONGWE DISTRICT COUNCIL

Construction of Infrastructure Facilities

i) Previous Committee's Recommendations

The Previous Committee had requested for an update on the construction of infrastructure facilities.

Executive Response

It was reported in the Action-Taken Report that the Council had committed part of the Local Government Equalisation Fund and local revenues towards construction of all pending infrastructure. The release towards the infrastructure would commence during the course of 2016 when the Council hoped to raise adequate resources.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the construction of infrastructure facilities in Sinazongwe.

4. LIVINGSTONE CITY COUNCIL

Construction of Modern Market

i) Previous Committee's Recommendations

The previous Committee had requested an update on the construction of a modern market in Livingstone.

Executive Response

It was reported in the Action-Taken Report that due to variation of works on the construction of a modern Market in Livingstone, the revised completion was at 55% paid for. The project required additional funding amounting to K27,762,956.32 to complete the remaining works on the market. In addition, the consultant had requested for K10,727,963.58 in respect of outstanding payments for addition works done.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the releasing of funds by the treasury, for completion works.

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

1. MONZE DISTRICT COUNCIL

Non-acquisition of Title Deeds for Council Properties

i) Previous Committee's Recommendations

The previous Committee had been dismayed over the inordinate delay in obtaining title deeds. In this regard, The Committee had implored the Commissioner of Lands to expedite the matter, and requested for an update on the acquisition of the Title Deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the processing and issuance of certificates of title for council properties.

2. SOLWEZI MUNICIPAL COUNCIL

Non-acquisition of Title Deeds for Council Buildings

i) Previous Committee's Recommendations

The previous Committee had urged the Ministry of Lands, Natural Resources and Environmental Protection to expedite the issuance of the title Deeds and requests an update on the matter.

Executive Response

It was reported in the Action-Taken Report that arising from the survey, the Ministry of Lands had since issued offer letters to the Council. Currently, the Council awaited issuance of the title deeds.

Committee's Observations and Recommendations

The Committee may wish to await a progress report of the issuance of the title deeds.

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

1. MILENGE DISTRICT COUNCIL

Unprofitable Lease of Council Tractor to Masesa Mine-K5, 800

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the court case.

Executive Response

It was reported in the Action-Taken Report that the Council was still awaiting the outcome of the court case.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the court case.

2. CHAVUMA DISTRICT COUNCIL

Valuation of Assets not maintained

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the valuation of the council's assets.

Executive Response

It was reported in the Action-Taken Report that in response, the Committee was informed that the Council had not yet undertaken the valuation of its assets as it had not yet approached the Government Valuation Department to be considered on the valuation priority list.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the undertaking of the valuation of council assets.

Non-disposal of Obsolete Assets

ii) Previous Committee's Recommendations

The previous Committee had requested for an update on the disposal of obsolete assets.

Executive Response

It was reported in the Action-Taken Report that the Council had not yet disposed off redundant and obsolete properties as it had not yet submitted the requested documents for authority to dispose of the properties to the Ministry. Meanwhile, the Ministry had advised the Council to submit the request for consideration.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the disposal of redundant and obsolete properties.

3. KAWAMBWA DISTRICT COUNCIL

Fire Tenders

i) Previous Committee's Recommendations

The previous Committee requested for an update on the procurement of fire tenders.

Executive Response

It was reported in the Action-Taken Report that the procurement of fire tenders had commenced and as at now awaited delivery by the supplier who was selected in the competitive tender process.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the procurement of fire tenders.

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

1. MPONGWE DISTRICT COUNCIL

i) Previous Committee's Recommendations

The previous Committee requested for an update on the insurance of fixed assets and vehicles.

Executive Response

It was reported in the Action-Taken Report that following the new law that required that motor vehicles be insured, the Council had complied with the new regulation which was being enforced by Road Transport and Safety Agency (RTSA). However, the Government Valuation Department had not yet valued the assets.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the insurance of fixed assets and vehicles.

STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE
CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST JANUARY
TO 31ST DECEMBER, 2007

1. MKUSHI DISTRICT COUNCIL

Certificates of Title not available

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the acquisition of title deeds.

Executive Response

It was reported in the Action-Taken Report that through the Ministry of Lands, Natural Resources and Environmental Protection, Government would ensure that it expedited the processing and issuance of certificates of title for all council properties as and when the councils submitted all the relevant documentation. The delay in processing certificates of title for council properties had been mostly as a result of the Council submitting incomplete documents.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the acquisition of the title deeds.

STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE
CONSTITUENCY DEVELOPMENT FUNDS (CDF) FOR THE PERIOD 1ST
JANUARY TO 31ST DECEMBER 2007

1. KAPUTA DISTRICT COUNCIL

Progress on the Stalled Market Project at Nsumbu

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the court case.

Executive Response

It was reported in the Action Taken Report that Nsumbu Market was under Nsama District Council. The new Council had not yet submitted its annual infrastructure action plan for consideration; neither had it requested the Ministry for support to complete the project. However, in view of the Local Government Equalisation Fund, which was a capital component, the Ministry had advised the Council to consider using part of the grant to complete the stalled market at Nsumbu.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the matter of court case.

**STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE
CONSTITUENCY DEVELOPMENT FUNDS (CDF) FOR THE PERIOD 1ST
JANUARY TO 31ST DECEMBER 2008**

1. MUMBWA DISTRICT COUNCIL

Non-availability of Certificate of Title

i) Previous Committee's Recommendations

The previous Committee had urged the Commissioner of Lands to expedite the issuance of the title deeds, and requested for an update on the matter.

Executive Response

It was reported in the Action Taken Report that the Council had not yet obtained a replacement for the lost title deeds. However, the Council had made a commitment to make a follow up by writing to the Commissioner of Lands regarding the lost title deed within the year 2016.

Committee's Observations and Recommendation

The Committee may wish to await a progress report on the issuance of the title deeds.

**STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE
CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST
JANUARY TO 31ST DECEMBER, 2007**

1. SHANG'OMBO DISTRICT COUNCIL

i) Previous Committee's Recommendations

The previous Committee had urged the Commissioner of Lands to expedite the issuance of the title deeds, and had requested for an update on the matter.

Executive Response

It was reported in the Action-Taken Report that the Council had not yet obtained title deeds. The Council had commenced the process. However following staff changes, the new officers were yet to follow up the matter.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the issuance of the title deeds.

**STATUTORY AUDIT REPORT AND AUDIT INSPECTION REPORT ON THE
CONSTITUENCY DEVELOPMENT FUND (CDF) FOR THE PERIOD 1ST
JANUARY 2008 TO 31ST DECEMBER, 2009**

**1. CHILUBI DISTRICT COUNCIL
Council Properties without Title**

i) Previous Committee's Recommendations

The previous Committee had urged the Commissioner of Lands to expedite the issuance of the title deeds, and requested for an update on the matter.

Executive Response

It was reported in the Action-Taken Report that the Council had not yet obtained the title deeds. However, the Council had made a commitment to start the process with the Ministry of Lands, Natural Resources and Environmental Protection.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the acquisition of title deeds.

**CHIBOMBO DISTRICT COUNCIL
Huge Statutory Debt - K201,938.97**

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the liquidation of the huge statutory debt.

Executive Response

It was reported in the Action-Taken Report that as at 30th May 2016, the debt outstanding was K25,905 following monthly repayments. Meanwhile, the Council had entered into an agreement with the Local Authorities Superannuation Fund to continue servicing the remaining debt on a monthly basis.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the huge statutory debt.

**2. KABWE MUNICIPAL COUNCIL
Huge Statutory Debt - K3,333,834.28**

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the liquidation of the huge statutory debt.

Executive Response

It was reported in the Action-Taken Report that the Council had been unable to dismantle the indebtedness due to low revenue inflows arising from poor compliance from the clients. Meanwhile, the Council was in the process of acquiring a loan from commercial banks which it intended to allocate on, among other issues, investment and recapitalisation of commercial ventures and part of it to servicing the outstanding debts. The loan would be serviced in part through the Local Government Equalisation Fund and revenues from the commercial ventures once they were revitalised. The Council had made a commitment to prioritise debt servicing so that its balance sheet was free of debts other than the loan.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the huge statutory debt.

Poor and inadequate market facilities

ii) Previous Committee's Recommendations

The previous Committee requested for an update on the construction of new market facilities.

Executive Response

It was reported in the Action-Taken Report that the Council would use part of the loan to modernise to the market which currently was in a deplorable state. The Council was in the process of concluding securing the loan.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the construction of new market facilities.

3. NDOLA CITY COUNCIL

Huge Statutory Debt – K15,099,328.98

i) Previous Committee's Recommendations

The Previous Committee requested for an update on the balance K5,509,785 of the outstanding statutory debt.

Executive's Response

It was reported in the Action-Taken Report that the Council had not dismantled the indebtedness due to low revenue inflows. In the same vein the economic challenges arising from low copper prices had affected the business environment on the Copperbelt Province depended on mining activities for revenues. However, the Council had made a commitment to begin the clear indebtedness when the business environment improved.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the outstanding statutory debt.

4. KITWE CITY COUNCIL

Huge Statutory Debt - K45,712,940

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the liquidation of the outstanding statutory debt.

Executive Response

It was reported in the Action-Taken Report that the Council had not dismantled the indebtedness. This was due to the economic challenges arising from low copper prices which had affected the business environment on the Copperbelt Province which depended on the mining activities for revenues. However, the Council had made a commitment to ensure that when the business environment improved they would begin to clear the indebtedness.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the liquidation of the outstanding statutory debt.

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

1. KAWAMBWA DISTRICT COUNCIL

Fraudulent Disposal of Injector Pump - K19,912.38

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the matter of fraud involving council officers and the progress made on the court case.

Executive Response

It was reported in the Action-Taken Report that the officers who were involved in the fraud had since been dismissed. Meanwhile the Court case concerning the dismissed officers was still in court pending appeal. The Committee would be informed on the decision of the court once the matter was disposed of.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the court case.

ii) Previous Committee's Recommendations

The Previous Committee resolved to await a progress report on the matter of court case.

Executive Response

It was reported in the Action-Taken Report that the matter was still in Court and that the Committee would be informed when the matter would be concluded.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the court case.

2. KAOMA DISTRICT COUNCIL

Irregular Tender Procedures and Non-Completion of Grader Repairs – K67,701.90

i) Previous Committee's Recommendations

The previous Committee had requested for an update on the matter. Further, the previous Committee had wished to be informed as to what disciplinary measures had been meted out against the erring officers.

Executive Response

It was reported in the Action-Taken Report that the erring officers were no longer employed in the Local Government Service. Arising from this, the Council had resolved to report the matter to the full Council for its final decision.

Committee's Observations and Recommendations

The Committee may wish to await a progress report on the matter of irregular Tender Procedures and Non-Completion of Grader Repairs.

ii) Previous Committee's Recommendations

The Previous Committee urged the Controlling Officer to follow up the matter of fraud and ensure that it is resolved without any further delay. The Committee awaits a progress report on the matter.

Executive Response

It was reported in the Action-Taken Report that the Council resolved to close the matter. The records on the decision of the Full Council are available for verification with the affected Council.

Committee's Observations and Recommendations

The committee may wish to await a progress report on the follow up of the matter of fraud, by the controlling officer.