



**REPORT**

**OF THE**

**COMMITTEE ON LOCAL GOVERNMENT ACCOUNTS**

**ON OUTSTANDING ISSUES ARISING FROM THE REPORT OF THE PUBLIC  
ACCOUNTS COMMITTEE ON THE REPORTS OF THE AUDITOR GENERAL ON  
THE MANAGEMENT OF CONSTITUENCY DEVELOPMENT FUNDS AND GRANTS  
TO LOCAL AUTHORITIES FOR THE FINANCIAL YEARS ENDED 31<sup>ST</sup> DECEMBER,  
2011 AND 2012**

**FOR THE THIRD SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

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**ON OUTSTANDING ISSUES ARISING FROM THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORTS OF THE AUDITOR GENERAL ON THE MANAGEMENT OF CONSTITUENCY DEVELOPMENT FUNDS AND GRANTS TO LOCAL AUTHORITIES FOR THE FINANCIAL YEARS ENDED 31<sup>ST</sup> DECEMBER, 2011 AND 2012**

**1.0 Membership of the Committee**

The Committee consisted of Mr E J Muchima, MP (Chairperson); Mrs P G M Jere, MP (Vice Chairperson); Mr D Chisopa, MP; Mr G G Zimba, MP; Mr K M Sampa, MP; Mr A C Mumba, MP; Mr D Mulunda, MP; Mr E Mulenga, MP; Ms P C Kucheka, MP; and Mr L K Fungulwe, MP.

The Honourable Mr Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Sir

The Committee has the honour to present its Report for the Third Session of the Twelfth National Assembly.

**2.0 Functions of the Committee**

In accordance with National Assembly Standing Order No 157(2), the functions of the Committee are to:

- i. study, report and make appropriate recommendations to the Government through the House on the mandate, management and operations of the Government ministries, departments and/or agencies under its portfolio;
- ii. carry out detailed scrutiny of certain activities being undertaken by the Government ministries, departments and/or agencies under its portfolio and make appropriate recommendations to the House for ultimate consideration by the Government;
- iii. make, if considered necessary, recommendations to the Government on the need to review certain policies and certain existing legislation;
- iv. examine annual reports of Government ministries and departments under its portfolio in the context of the autonomy and efficiency of Government ministries and departments and determine whether the affairs of the said bodies are being managed according to relevant Acts of Parliament, established regulations, rules and general orders;
- v. consider any Bills that may be referred to it by the House;

- vi. consider international agreements and treaties in accordance with Article 63 of the Constitution;
- vii. consider special audit reports referred to it by the Speaker or an Order of the House;
- viii. where appropriate, hold public hearings on a matter under its consideration; and
- ix. consider any matter referred to it by the Speaker or an Order of the House.

### **3.0 Meetings of the Committee**

The Committee held seven meetings to execute its Programme of Work during the year under review.

### **4.0 Programme of Work**

For the Third Session of the Twelfth National Assembly, the Committee adopted the Programme of Work set out below.

- i. Consideration of outstanding issues and the Treasury Minutes on the previous Committee's Reports.
  - (i) Utilisation of the Constituency Development Fund and Local Government Equalisation Fund in Zambia.
  - (ii) Tours.
  - (iii) Consideration and adoption of the Committee's Report for the Third Session of the Twelfth National Assembly.

### **5.0 Procedure Adopted by the Committee**

The Committee considered each Treasury Minute in two sub- Committees and adopted the report as a full Committee. The Committee further requested the Secretary to Treasury to submit the current status of all outstanding issues in both Treasury Minutes. The status report is still being awaited.

### **6.0 Arrangement of the Report**

The Committee's Report is in two parts. Part I deals with outstanding issues arising from the Report of the Auditor General on the Management of Constituency Development Funds And Grants to Local Authorities For The Financial Years Ended 2001. Part II deals with outstanding issues arising from the Report of the Auditor General for the Year Ending 2012.

## **PART I**

### **7.0 CONSIDERATION OF THE TREASURY MINUTE ON THE REPORT ON THE PUBLIC ACCOUNTS COMMITTEE FOR THE THIRD SESSION OF THE ELEVENTH NATIONAL ASSEMBLY APPOINTED BY THE RESOLUTION OF THE HOUSE ON 27<sup>TH</sup> SEPTEMBER, 2013 ON THE REPORT OF THE AUDITOR-GENERAL ON THE MANAGEMENT OF CONSTITUENCY DEVELOPMENT FUNDS AND GRANTS TO LOCAL AUTHORITIES FOR THE FINANCIAL YEARS UP TO 2011**

#### **7.1 Introduction**

This Part contains the comments of the Ministry of Finance on the Report of the Public Accounts Committee for the Third Session of the Eleventh National Assembly on the Report of the Auditor General on the Management of Constituency Development Funds and Grants to Local Authorities for the financial years up to 2011 and adopted by Parliament on 14<sup>th</sup> December, 2013. All the figures reflecting in this report are un-rebased.

#### **7.2 Constituency Development Funds (CDF)**

##### **Background, Project Implementation Guidelines, Budget and Funding and Weaknesses in the Implementation of Constituency Development Funds (CDF) Projects and Other Irregularities**

###### **Paragraph 7**

###### **Paragraph 4**

##### **7.2.1 Weaknesses in the Implementation of Constituency Development Funds (CDF) Projects and Other Irregularities**

An examination of accounting and other records relating to the implementation of the 2010 and 2011 Constituency Development Funds (CDF) activities and physical inspections of projects carried out in September, 2012 in the one hundred and three (103) Constituencies of the fifty one (51) Local Authorities in the nine (9) Provinces revealed weaknesses in the management of projects a set out below.

#### **7.3 Luapula Province**

##### **a) Weaknesses in Internal Controls**

##### **i. Unaccounted for Building Materials – K1,402,665,810**

The Committee found the reason for failure to account for building materials unacceptable and urges the Controlling Officer to take disciplinary action against erring officers. The matter was, however, recommended for closure subject to verification by the Office of the Auditor General.

### **Treasury Response (Action Taken)**

The Controlling Officer has since made recommendations to the Local Government Service Commission to take disciplinary action on the erring Officers. The matter remains outstanding until the Controlling Office avails the Verification report from the Office of the Auditor General on the action taken against the erring officers and the accounted for Building Materials.

### **Committee's Observation and Recommendation**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officer.

### **ii. Irregular Payment of Allowances - K27,202,500**

The Committee expressed concern over the failure by the Controlling Officer to recover the remaining funds which were misapplied to activities unrelated to the Constituency Development Funds (CDF) functions. The Committee urged the Controlling Officer to adhere to Financial Regulations and CDF guidelines. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The remaining sum of K1, 807,500 had since been refunded by Mwense District Council, and details were yet to be verified by the Office of the Auditor General. The Controlling Officer had not provided progress on the reimbursement of the K13, 470,000 in allowances irregularly paid to the Constituency Development Committee (CDC) Members. A progress report to be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observation and Recommendation**

The Committee takes note of the reimbursement of K11, 925,000 and K1, 807,500 so far totaling to 13,732,500 by the Controlling Officer. The Committee, however, awaits a progress report on the reimbursement of K13, 470. misapplied funds.

### **iii. Misapplication of Funds – Kawambwa District Council– K249,280,000**

The Committee expressed concern at the failure by the Controlling Officer to orient Officers before being entrusted with responsibility of administering Constituency Development Funds (CDF). The Committee urged the Controlling Officer to ensure that recoveries were made without further delay and funds used for the intended purpose. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The recoveries have since been instituted, leaving only a balance of K42, 052,140 as outstanding payment. Progress on the recovery of the balance will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observation and Recommendation**

The Committee awaits a progress report on the full settlement of the remaining payment of K42,052,140.

#### **iv. Wasteful Expenditure (K89, 626,000)**

The Committee finds the reasons given by the Controlling Officer unacceptable. The Committee observed that feasibility studies were not conducted before engaging in the works which resulted in this wasteful expenditure of resources. The Committee, therefore urges the Controlling Officer to take disciplinary action against erring officers for this omission. The Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers, the drilling of the Fresh Borehole by the Water Affairs Department, construction of two (2) Pit Latrines at the Market and the status of the use of the Dip Tank by the Community. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observation and Recommendation**

The Committee awaits a progress report on the drilling of a fresh borehole by the Water Affairs Department, construction of two (2) Pit Latrines at the Market and the status of the use of the Dip Tank by the Community. The Committee further awaits an update on the disciplinary action taken against the erring officers.

#### **v. Projects Running for more than 12 Months (K1,734,686,186)**

The Committee found the reason for the non-completion of projects unacceptable and urged the Controlling Officer to take disciplinary action against the erring Officers. The Committee awaited a progress report on the status of the projects.

#### **Treasury Response (Action Taken)**

The matter had been noted for compliance and the Ministry had since directed the Councils to approve a reasonable number of projects to ensure that they were completed within the stipulated time as per Constituency Development Funds (CDF) guidelines. The Ministry was unable to undertake disciplinary action against Council Officials as the responsibility of approving projects is under the Constituency Development Committee (CDC) which was not part of the Council Officials but a Community based Committee for the Constituency. A progress report on the status of the projects would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observation and Recommendation**

The Committee finds the response by the Controlling Officer on why the Ministry was unable to institute disciplinary action unacceptable because the Council was responsible for implementing projects in 2011. The Committee awaits a progress report on the full completion of the project.

### **7.3.1 Mansa Municipal Council**

#### **Paragraph 7**

#### **Paragraph 4.4.1**

##### **a) Mansa Central Constituency**

##### **i. Delays in the Implementation of Projects (K156,000,000)**

The Committee found the reasons given by the Controlling Officer unacceptable as they border on laxity by the Officers responsible. The Controlling Officer was therefore, urged to take disciplinary action on the erring officers and the matter was recommended for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

The Controlling officer had since written to Local Government Service Commission to charge the Officers for failing to supervise works under their charge. The matter remains outstanding until the Controlling Officer avails Verification report from the Office of the Auditor General on the outcome of the disciplinary action against the erring officers and the completion of the projects. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observation and Recommendation**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officer. The Committee also awaits a progress report on completion of the project.

##### **b) Bahati Constituency – (K145,810,000)**

##### **i. Undelivered Building Materials**

The Committee expressed concern over the Council's failure to account for Building Materials and finds the reason given by the Controlling Officer unacceptable. The Controlling Officer was, therefore, urged to take disciplinary action against the Officers concerned in order to deter others. The matter was however, recommended for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

All the undelivered materials have since been delivered and documents are now available for audit verification. The Controlling Officer has not reported progress on the action taken against the erring Officers. The matter remains outstanding until the Controlling Officer avails a

Verification report from the Office of the Auditor General on the outcome of the disciplinary action against the erring officers and the delivery of materials. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observation and Recommendation**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officer. The Committee also awaits an update on the delivery of materials.

#### **ii. Poor Record Keeping – Bahati Constituency, Mansa (K125,000,000)**

The Committee observed that it was a weakness on the part of the Controlling Officer to fail to institute strong Internal Controls to avoid this anomaly. The Committee strongly urged the Controlling Officer to ensure that stores records were availed for audit verification. Further, the Committee urged the Controlling Officer to ensure that Strong Controls were put in place in accordance with Stores and Financial Regulations.

#### **Treasury Response (Action Taken)**

The Ministry had recruited a trained Procurement Officer to maintain the Stores Records and the Officer had been directed to ensure that Stores and Financial Regulations are adhered to in order to strengthen Internal Controls and systems had been put in place. The matter remained outstanding until the controlling officer avails verification report from the Office of the Auditor General on the measures put in place to strengthen Internal Controls and the up-dated Stores Records. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observation and Recommendation**

The Committee awaits a progress report on strengthening internal controls and an onupdate stores records.

### **7.3.2 Kawambwa District Council**

#### **Paragraph 7**

#### **Paragraph 4.4.2**

##### **a) Questionable Purchase of an Ambulance – Mwansabombwe Constituency**

The Committee expressed concern with the manner the Procurement Procedures and Payment Systems were abrogated at this Council. As the matter was before the Law Enforcement Agencies, the Committee will await a progress report.

#### **Treasury Response (Action Taken)**

The Ministry was still awaiting a progress report from the Anti-Corruption Commission (ACC) on the matter. A progress report will be availed to the Sub-Committee on Outstanding Issues once the investigations are concluded.

### **Committee's Observation and Recommendation**

The Committee awaits a progress report on the finalisation of investigations relating to the purchase of an ambulance in Mwansabombwe Constituency.

#### **b) Irregularities in the Procurement of an Ambulance – (Pambashe Constituency)**

The Committee expressed concern with the manner the procurement procedures and payment systems were abrogated by all players in this transaction. The Committee, therefore, urged the Controlling Officer to immediately report the matter to the Investigative Wings for further investigation and possible prosecution. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Ministry is still awaiting a progress report from the Anti-Corruption Commission (ACC) on the matter. A progress report will be availed to the Sub-Committee on Outstanding Issues once the investigations are concluded.

### **Committee's Observation and Recommendation**

The Committee awaits a progress report on the finalisation of the case relating to purchase of a second hand ambulance in Pambashe Constituency.

#### **c) Irregular award of Contracts – Mwense District Council**

The Committee expressed concern on this serious breach of procedure and urges the Controlling Officer to probe further through the Law Enforcement Agencies. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the probe of the irregular awarding of contracts to Contractors who did not bid for the works by the Law Enforcement Agencies. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observation and Recommendation**

The Committee awaits a progress report on the probe of the irregular awarding of contracts to Contractors who did not bid for the works by the Law Enforcement Agencies.

## 7.4 Western Province

### Paragraph 7

### Paragraph 4.5

#### a) Weakness in Internal Controls

**Unsupported Payments - K1,253,779,000,  
Missing Payment Vouchers - K 843,803,373, and  
Unretired Imprest - K22,140,217  
Mongu (Nalikwanda, Mongu Central and Lwena Constituencies),  
Kaoma (Kaoma Central, Mangango and Lwampa Constituencies),  
Shangombo (Sinjembela Constituency), and  
Sesheke District Councils (Sesheke Central and Mwandu Constituencies).**

The previous Committee observed that it was a weakness on the part of the Controlling Officer to fail to devise strong Internal Controls to avoid these anomalies. The Committee strongly urged the Controlling Officer to ensure that disciplinary action is taken against erring officers and also that supporting documents were availed for audit verification. Further, the Committee urged the Controlling Officer to ensure that Strong Internal Controls were instituted in accordance with Stores and Financial Regulations. The matter was recommended for closure subject to audit verification.

#### Treasury Response (Action Taken)

The documentation for the inadequately supported payments, missing vouchers and imprests retirements were now available for audit verification. The matter remained outstanding until the Controlling Officer availed Verification report from the Office of the Auditor General on the supported payments, traced missing payment vouchers, updated Imprest Registers and the enhanced Internal Controls. A progress report would be availed to the Sub-Committee on Outstanding Issues.

#### Committee's Observations and Recommendations

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the supported payments, traced missing payment vouchers, updated Imprest Registers and the enhanced Internal Controls.

#### b) Misapplication of Funds - K191, 020,908

The Committee expressed concern on the negative attitude exhibited by the Controlling Officer in the management of Public Funds. The Committee is of the view that drastic steps need to be taken at Mongu Council in order for the Officers to take accountability of Public Resources seriously. The Controlling Officer is urged to caution the Council for applying funds before seeking authority. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter had been noted for compliance and the Controlling Officer shall ensure that Mongu Council is charged for any future misapplications. The matter remained outstanding until the Controlling Officer availed a verification report from the Office of the Auditor General on the retrospective authority granted by the Ministry. A progress report to be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officer. The Committee also awaits a progress report on completion of the project.

#### **d) Unapproved Projects**

The Committee expressed concern at the failure by the Controlling Officer to take disciplinary action against the erring officers even when it was clearly stated in his submission. The Committee, therefore, cautioned the Controlling Officer and urged him to ensure that disciplinary action was taken against the erring officers. The Committee resolves to close the matter subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring Officers. The matter remains outstanding until the Controlling Officer avails a Verification report on the action taken against the erring Office and the retrospective authority to vary the project. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

#### **e) Funding of Individual Business Entities**

The Committee found the reason given for funding individual Business Entities unacceptable and misleading. The Committee is of the view that there was dishonesty on the part of the officers involved in the administration of Constituency Development Fund (CDF) at this Council. The Committee, therefore, urges the Controlling Officer to take disciplinary action against these Officers and also caution all Councils against the vice. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers and the cautioning of Councils against approving un-appraised projects. The matter

remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers and the new systems developed to appraise Constituency Development Fund (CDF) Projects by the Councils. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officers. The Committee also awaits an update on the new system developed to appraise CDF projects by the councils.

#### **f) Projects Running for More Than 12 Months.**

The Committee found the reason for the non-completion of projects unacceptable and urged the Controlling Officer to take disciplinary action against the erring officers. The Committee awaits a progress report on the status of the projects.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers and the status of the projects. A progress report on the status of the project would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The matter is recommended for closure subject to audit verification. The Committee awaits a progress report on the status of the projects.

## **7.4.1 Mongu Municipal Council**

### **Paragraph 7**

### **Paragraph 4.5.1**

#### **a. Nalikwanda Constituency**

##### **i. Misapplication of Funds - K9,400,000**

The Committee expressed concern at the negative attitude exhibited by the Controlling Officer in the management of Public Funds. The Committee is of the view that drastic steps need to be taken at this Council in order for the Officers to take accountability of Public Resources seriously. The Controlling Officer is urged to caution the Council for misapplying funds to unrelated activities. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress regarding the cautioning of the Officers for misapplying funds to unrelated activities. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on action taken against the erring Officer who misapplied Project Funds. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

#### **ii. Failure to Certify Works - K188,600,000**

The Committee was disappointed with the poor work culture exhibited by some senior officers and noted that the remedial measure of assigning the Director of works to certify works was actually misleading. The Committee urged the Controlling Officer to take disciplinary action against these Senior Officers and circulate the action to be taken against would-be offenders to all Councils in the Country in order to deter others. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against Senior Officers who failed to certify works. The matter remains outstanding until the Controlling Officer avails a Verification report on the action taken against the Senior Officers who failed to certify works and status of the projects. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the senior officers who failed to certify works. The Committee also awaits an update on the status of the projects.

#### **iii. Failure to Follow Tender Procedures - K113,835,000**

The Committee urged the Controlling Officer to take disciplinary action against the erring officers and also ensure that a "No objection" from the ZPPA and authority from the District Procurement Committee were separately sought retrospectively. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on disciplinary action taken against the erring officers who caused the irregular procurement of the Tractor contrary to the Constituency

Development Fund (CDF) guidelines and the Zambia Public Procurement Authority (ZPPA) and the granting of retrospective authority of the Procurement Committee. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until separate retrospective authority has been sought from the ZPPA and the District Procurement Committee. The Committee further awaits a report on whether disciplinary action has been taken against the erring officers.

#### **b. Mongu Central Constituency**

##### **i. Irregular Payments - K184,000,000**

The Committee was disappointed with the lack of seriousness by the Controlling Officer in addressing the queries and therefore sternly cautions against misleading the Committee. The Committee urged the Controlling Officer to take disciplinary action against the Officers who failed to adhere to laid down procedures and the matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who failed to adhere to laid down procedures. A progress report will be availed to the Sub-Committee on Outstanding Issues as the matter awaits audit verifications before it is closed.

### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendation and awaits a progress report on the matter.

#### **ii. Failure to Execute Works – Sinking of Boreholes**

The Committee expressed concern on the manner the Council Officers delayed to report the matter. The Controlling Officer was urged to take stern disciplinary action against the Council Officers for their laxity on the matter. The Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers for their laxity on following up the Contractor and reporting the matter to the Investigative Wings. A progress report on the outcome of the investigations will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee will await a progress report on the outcome of the investigations.

#### **iii. Unaccounted for Fuel - Grading of Township Roads - 40,000,000**

The Committee expressed concern of the response from the Controlling Officer and urges him to report the matter to the Law Enforcement Agency for further probe on the matter. The Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not avail any progress on the matter of reporting to the Law Enforcement Agency for further probe. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee will await a progress report on the outcome of the investigations.

#### **iv. Rehabilitation of Chisonga Road**

The Committee observed with concern that the Officers responsible at the Council mislead the full Council by understating the project funding. The Committee also observed that Officers who failed to maintain disposal details were left unpunished even when it is clear that they may have concealed this information intentionally. The Committee urged the Controlling Officer to take disciplinary action against all erring officers connected to this laxity and the matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action against the erring officers for their laxity on failure to maintain disposal details. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers and the receipts and disposal details for the unaccounted for Stores. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officer. The Committee further awaits a progress report on the receipts and disposal details for the unaccounted for stores.

#### **v. Construction of Fee Paying Toilets – K24,600,000**

The Committee urged the Controlling Officer to ensure that Officers are disciplined for failure to produce disposal details and the Bill of Quantities (BOQs) during the time of audit and at the time the Council was approving the project respectively. The matter was however, recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers for failure to produce disposal details and the Bill of Quantities (BoQs) during the time of audit. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers and the receipts and disposal details for the stores items on the Bill of Quantities (BoQs). A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report on the action taken against the erring officers for failure to produce disposal details and the BoQs. The Committee also awaits an update on the disposal details for the stores items on the BoQs.

#### **vi. Unaccounted for Building Materials - 20,000,000**

The Committee expressed concern at the failure by the Controlling Officer to probe the fact that the purported funded School did not exist in the area. The Committee urged the Controlling Officer to refer the matter to the Law Enforcement Agencies for further investigations and the Committee awaits a progress report.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on referring the matter to the Law Enforcement Agencies for further investigations. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee will await a progress report on the outcome of the investigations.

**c. Misappropriation of Funds - Luena Constituency - K84, 150,000**

**(Luena Hardware K55,600,000; NtontoKoya General Dealers K18,550,000 and Arrow Point General Dealers K10,000,000)**

The Committee urged the Controlling Officer to report the matter to Law Enforcement Agencies without further delay for further investigations as the case appeared to be an inside job involving some Officers within the Council. The Committee awaits a progress report on the matter.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on referring the matter to the Law Enforcement Agencies for further investigations. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee will await a progress report on the outcome of the investigations.

**7.4.2 Kaoma District Council**

**Paragraph 7**

**Paragraph 4.5.2**

**a. Undelivered Hammer Mill –Mangango Constituency - K20,000,000**

The Committee noted the response and resolved to await the outcome of investigation of the matter.

**Treasury Response (Action Taken)**

The matter had since been closed by the Anti-Corruption Commission (ACC) as the Suppliers delivered and installed the Hammer Mill at Kapili Women's Club. The matter will await audit verification by the Office of the Auditor General before it can be closed by the Committee.

**Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the matter is verified by the Office of the Auditor General.

**b. Procurement of Hammer Mills –Luampa Constituency - 60,015,000**

The Committee notes the response and urges the Controlling Officer to ensure that all the Hammer Mills were fully operational to benefit the Beneficiaries. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the distributed Hammer Mills. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report from the Office of the Auditor General on the distributed Hammer Mills.

### **7.4.3 Shangombo Council - Sinjembela Constituency**

#### **Paragraph 7**

#### **Paragraph 4.5.3**

##### **i. Procurement of Motor Vehicles**

The Committee urged the Controlling Officer to take stern disciplinary action against the officers responsible to avoid such wastage of resources. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not provide any progress on the action taken against the responsible officers for flouting the procurement procedures in the purchase of the Motor Vehicles and causing wastage of Public Resources. The matter remains Outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the repair and insurance of the Vehicles.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report from the Office of the Auditor General on the repair and insurance of the vehicles. The Committee further awaits a progress report on the disciplinary action against the erring officers.

##### **ii. Construction of Mother's Shelter**

###### **Failure to Produce Contract**

The Committee urged the Controlling Officer to ensure that training for officers handling Constituency Development Fund (CDF) and those in stores was regularly held to reduce on non-adherence to CDF guidelines and also loss of important documents. The Committee further urged the Controlling Officer to take disciplinary action against the Officers responsible for the misplacement of the project document. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who misplaced Project document. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers who misplaced Project.

### **Over Payment on Supply of Building Materials - K29,097,000**

The Committee observed that there was lack of seriousness in the response given by the Controlling Officer in that it lacked punitive measures to deter others. The Committee further notes with concern that recovery was not done despite being discovered on the overpayment and this stretched close to two (2) years. The Controlling Officer is urged to take disciplinary action against the erring officers and also ensure that recoveries were made expeditiously. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers and recoveries of the over-payment made in two (2) years. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on recoveries of the over-payment made in the two (2) years. The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers

### **Undelivered Materials - K 9,040,000**

The Committee urged the Controlling Officer to ensure that Management at the Council was sternly cautioned on this lapse. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the delivered Project Materials. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the delivered Project Materials.

#### **iii. Stalled Project – Construction of 1x3 Class Room Block**

The Committee expressed concern at the response from the Controlling Officer and directed him to ensure that the stalled project was completed. The Committee therefore, resolves to await a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on when the stalled project of the construction of the 1 x 3 Class Room Block will be completed. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report and strongly urges the Controlling Officer to ensure that the stalled project is completed.

#### **iv. Failure to Commence the Construction of 1x3 Classroom Block**

##### **Unauthorised Issuance of Building Materials**

The Committee expressed concern at the casual manner in which the Council administered Constituency Development Fund (CDF) Projects where much control was left to Conveyors in the project to decide on how to use the project materials. The Controlling Officer is urged to ensure that Officers responsible are disciplined and the remaining Cement should be, expeditiously recovered from the Church. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the responsible Officers and recoveries of the remaining Cement from the Church. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report and strongly urges the Controlling Officer to ensure that the caked cement is replaced by the church. The Further awaits a report on the disciplinary action of the erring officers.

##### **Undelivered Building Materials - K3,244,000**

The Committee recommends the matter for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the remaining materials. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report and strongly urges the Controlling Officer to ensure that the remaining materials are delivered.

## **7.4.4 Sesheke District Council**

### **Paragraph 7**

### **Paragraph 4.5.4**

#### **i. Failure to Appraise Projects**

The Committee urged the Controlling Officer to take disciplinary action against the Officers responsible for failure to appraise the projects. He is further urged to ensure that administrators of CDF starting from the Ministry up to the grassroots level understand the concept of CDF before being involved in its administration. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter was noted for compliance and remained outstanding until the Controlling Officer availed a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to appraise the projects. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers who failed to appraise the projects.

#### **ii. Failure to Certify Construction Works**

In noting the submission, the Committee urged the Controlling Officer to take disciplinary action against the erring officers for their laxity and also ensure that all works are certified accordingly as per Constituency Development Fund (CDF) guidelines before being paid for. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers for their laxity on following procedure as per Constituency Development Fund

(CDF) guidelines. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails the verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers for failure to follow CDF Guidelines.

### **iii. Stalled Works – Construction of a 1x3 Class Room Block at Katima Basic School**

The Controlling Officer was urged by the Committee to ensure that recoveries were made for the remaining bags of cement from the supplier and also that disciplinary action is taken against the erring Officers. The Committee further urged the Controlling Officer to ensure that selection of suppliers by the Councils were done based on past record among other considerations to avoid recycling problems with the same unreliable Suppliers. A progress report on the matter was being awaited.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the recoveries of the remaining bags of Cement from the Supplier and disciplinary action taken against the erring Officers. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the recoveries of the remaining bags of cement from the supplier. The Committee further awaits a progress report on the on the disciplinary action taken against the erring officers.

## **7.4.5 Mwanzi District/Constituency**

### **Paragraph 7**

### **Paragraph 4.5.5**

#### **a) Mwanzi Constituency**

#### **i. Questionable Payment - K10,000,000**

The Committee urged the Controlling Officer to refer the matter to the Police for further scrutiny and the Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on referring the matter to the Police for further investigations. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee urges the Controlling Officer to report and follow up the matter with the Police. The Committee awaits a progress report on the matter.

### **ii. Unaccounted for Funds – Bush Clearing at Mwandu Cemetery - K30,000,000**

The Committee urged the Controlling Officer to ensure that erring officers were disciplined for failure to execute their duties accordingly and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not submit any progress on the verification of the acquittal sheets to account for the funds. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to avail the acquittal sheets to account for the K30,000,000. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

## **7.5 Southern Province**

### **(2010 and 2011 CDF Projects in the nineteen (19) Constituencies)**

#### **Paragraph 7**

##### **a) Unspent Funds - K7,864,888,089**

The Committee expressed concern over the failure by the Council to use Constituency Development Fund (CDF) within the timeframe it was intended. The Controlling Officer was urged to take disciplinary action against the Councils and ensure that, in future, CDF for a particular year was spent within the stated period. The matter was, however, recommended for closure subject to audit verification.

#### **Paragraph 4.6**

### **Treasury Response (Action Taken)**

All the unspent funds had been utilised on approved projects and the Ministry was waiting for the Auditors to undertake the 2012 audit to verify the usage of these funds. The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to advise the Council on the Constituency Development Fund (CDF) guidelines and the completed projects on which the funds were utilised. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the usage of the funds is verified. The Committee further awaits a progress report on the disciplinary action taken against the erring officers.

#### **b) Missing Payment Vouchers (K23,760,000)**

The Committee expressed concern at the negative attitude exhibited by the Controlling Officer in the management of public funds. The Committee was of the view that drastic steps need to be taken in the Local Authorities in order for the officers to take accountability of public resources seriously. The Controlling Officer was further urged to ensure that disciplinary action was taken against the Officers responsible for misfiling the payment vouchers. The matter was, however, recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer has since charged the Principal Officers for failing to secure Accountable Documents. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to secure the documents and the traced accountable documents. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers.

#### **c) Misapplication of Funds (K14,000,000)**

In noting the submission, the Controlling Officer was urged to ensure that the erring officers were strongly cautioned for their failure to adhere to CDF Guidelines thus causing the irregularity. They await a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers for failure to adhere to CDF guidelines and the reimbursement of the funds by Kalomo District Council. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the disciplinary action taken against the erring officers. The Committee also awaits a progress report the reimbursement of the funds by Kalomo District.

**d) Unsupported Payments -K54,988,228**

The Committee expressed concern at the negative attitude exhibited by the Controlling Officer in the management of public funds. The Committee is of the view that drastic steps need to be taken in the Local Authorities in order for the Officers to take accountability of Public Resources seriously. The Controlling Officer is further urged to ensure that letters of disciplinary action taken are availed to Auditors for verification. The matter was, however, recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer has since charged the Councils for failing to maintain proper accounting records in line with financial regulations. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to secure supporting documents and the attached documents to support the payments. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers.

**e) Unapproved Payments – Namwala District Council**

The Controlling Officer was urged to ensure that disciplinary action was taken against erring officers for this laxity and the matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer has since charged the Councils for failing to approve payments in line with the financial regulations. The matter remained outstanding until the Controlling Officer availed a verification report from the Office of the Auditor General on the action taken against the erring officers who processed payments without approval contrary to Financial Regulations. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers who processed funds without approval.

**f) Unretired Imprest – Livingstone City Council K30,175,564**

The Controlling Officer was urged to ensure that disciplinary action was taken against erring officers for this laxity and the matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer had since charged the Councils for failing to maintain proper accounting records in line with Financial Regulations. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to update the Imprest Retirement Register. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee’s Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers.

**g) Unaccounted For Stores (K39,793,500)**

The Committee expressed concern at the negative attitude exhibited by the Controlling Officer in the management of Public Funds and directs that disciplinary action should be taken against the erring Officers. The Controlling Officer is further urged to ensure that documents are availed to Auditors for verification. The matter was however, recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer has since charged the Councils for failing to maintain proper Accounting Records in line with Financial Regulations. The matter remains outstanding until the Controlling Officer avails a verification report that Stores Management System had been updated. A progress report would be availed to the Sub-Committee on Outstanding Issues.

**Committee’s Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers.

## **7.5.1 Livingstone City Council**

### **a) Livingstone Constituency**

#### **Paragraph 7**

#### **Paragraph 4.6.1**

##### **i. Failure to Implement Approved Projects**

The Committee urged the Controlling Officer to ensure that project implementation is supervised by the responsible Officers. The Committee further urged him to take disciplinary action against the Council Management for the laxity. The Committee awaited a progress report on the matter.

##### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to supervise implementation of projects.

##### **Committee's Observations and Recommendations**

The Committee awaits verification of the matter.

##### **ii. Poor Project Management**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision. The Committee further urges the Controlling Officer to take disciplinary action against the Council Officers responsible and also ensure that all projects were expeditiously completed. The Committee awaits a progress report on the matter.

##### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to supervise implementation of projects. A progress report will be availed to the Sub-Committee on Outstanding Issues on the status of the project.

##### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the status of the project.

## **7.5.2 Namwala District Council (Namwala Constituency)**

#### **Paragraph 7**

#### **Paragraph 4.6.2**

##### **i. Unaccounted for Hammer Mills (K42, 000,000) - Namwala District Council**

The Committee dismissed claims by the Controlling Officer that failure to keep and file documents systematically resulted in the unaccounted for Hammer Mills and were of the view

that the response was totally unrelated to the query at hand. It was noted that even without documents in place, the Council would have taken the Auditors to the delivery sites of the two Hammer Mills. The Committee cautioned the Controlling Officer against giving misplaced responses and was urged to take disciplinary action against the erring officers for lack of seriousness in addressing queries raised by Auditors. The Committee awaits a verification report on the matter.

#### **Treasury Response (Action Taken)**

The Hammer Mills had since been located. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who lacks seriousness in addressing audit queries. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers.

### **7.5.3 Gwembe District Council**

#### **(Gwembe District Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.6.3**

##### **i. Poor Project Management - Gwembe District Council**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision. The Committee further urged the Controlling Officer to take disciplinary action against the Council Officers responsible and also ensure that all projects were expeditiously completed. The Committee awaited a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to supervise implementation of projects. A progress report will be availed to the Sub-Committee on Outstanding Issues on the status of the project.

#### **Committee's Observations and Recommendations**

The Committee a progress report on verification of the matter.

#### **7.5.4 Monze District Council**

**(Monze District Constituency Development Funds)**

**Paragraph 7**

**Paragraph 4.6.4**

##### **i. Poor Project Management**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision. The Committee further urged the Controlling Officer to take disciplinary action against the Council Officers responsible and also ensure that all projects were expeditiously completed. The Committee awaited a progress report on the matter.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the responsible Officers and status on when the projects will be completed. A progress report will be availed to the Sub-Committee on Outstanding Issues.

##### **Committee's Observations and Recommendations**

The Committee strongly urges the Controlling Officer to ensure that disciplinary action is taken against erring officers at the Council and also ensure that all projects are expeditiously completed. The Committee awaits a progress report on the matter.

#### **7.5.5 Sinazongwe District Council**

**(Sinazongwe District Constituency Development Funds)**

**Paragraph 7**

**Paragraph 4.6.5**

##### **i. Poor Project Management**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision. The Committee further urged the Controlling Officer to take disciplinary action against erring officers and also ensure that all projects were expeditiously completed. The Committee awaited a progress report on the matter.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the officers who were responsible for poor supervision and failed to state when the projects will be completed. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee strongly urges the Controlling Officer to ensure that disciplinary action is taken against erring officer at the Council and also ensure that all projects were expeditiously completed without any further delay. The Committee awaits a progress report on the matter.

### **7.5.6 Siavonga District Council**

#### **(Siavonga Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.6.6**

###### **a) Siavonga Constituency**

###### **i. Unaccounted for Fuel - K39, 155,230**

The Committee found it unacceptable for the Controlling Officer to protect officers who kept losing documents and, therefore, urges him to take disciplinary action against them. The matter was recommended for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failure to discipline Officers who repeatedly lost Accountable Documents. The fuel registers and fuel coupons were available for audit scrutiny as the matter was recommended for closure by the Committee after verification.

## **Committee's Observations and Recommendations**

The Committee notes that disciplinary action was taken against erring officers. The Committee, however, resolves to leave the matter outstanding until it is verified by the office of the Auditor General.

###### **ii. Weaknesses in Project Implementation**

The Committee urged the Controlling Officer to ensure that standards are not compromised on projects as a result of poor supervision. He is further urged to ensure that disciplinary action is instituted against the erring officers for failure to regularly review the implementation of projects. The Committee awaits a progress report on the status of the projects.

##### **Treasury Response (Action Taken)**

The Controlling Officer has since charged the Principal Officer for failing to supervise the implementation of projects. A progress report will be availed to the Sub-Committee on Outstanding Issues on the status of the project.

## **Committee's Observations and Recommendations**

The Committee notes that disciplinary action was taken against erring officers. The Committee, however, resolves to leave the matter outstanding until it is verified by the office of the Auditor General.

### **7.5.7 Choma Municipal Council**

#### **(Choma Municipality Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.6.7**

###### **a) Mbabala Constituency**

###### **i. Projects Running for More than 12 Months - K165, 000,000 (Five projects)**

The Committee finds the reason unacceptable for the non-completion of projects and urges the Controlling Officer to ensure that standards are not compromised on projects as a result of poor supervision. The Committee, further urges the Controlling Officer to take disciplinary action against the Officers responsible for the laxity and also ensure that all projects are expeditiously completed. The Committee awaits a progress report on the matter.

##### **Treasury Response (Action Taken)**

The construction of Macha Royal Centre was allocated K75, 000,000 from 2013 Constituency Development Fund (CDF) to complete the project. The process was at Procurement stage. MCH Block at Mbabala RHC had since been completed. The construction of the shed at Simalumba was waiting for additional funding to complete the works from 2014 CDF allocation. Construction of Classroom Block at Silukwiya and Lupata Basic School had since been completed.

## **Committee's Observations and Recommendations**

The Committee strongly urges the Controlling Officer to ensure that all outstanding works on the projects are expeditiously completed without any further delay. The Committee awaits a progress report on the matter.

## **7.5.8 Kalomo District Council**

### **(Kalomo District Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.6.8**

##### **a. Dundumwezi Constituency**

###### **i. Non Implementation of Projects - K23,000,000**

The Committee urged the Controlling Officer to ensure that the set plan was adhered to so as to prevent recurrence of the irregularity. The Committee further urged the Controlling Officer to take disciplinary action against the concerned Officers and also ensure that all projects were expeditiously implemented without further delay. The Committee awaits a progress report on the status of the projects.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the concerned Officers, a plan to prevent the re-occurrence of the irregularities and on when the projects will be implemented. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee strongly urges the Controlling Officer to ensure that all outstanding works on the projects are expeditiously completed without any further delay. The Committee awaits a progress report on the matter.

###### **ii. Grading of Kalomo Chikanta Road - K68,086,800**

The Committee finds the excuse from the Controlling Officer on the Dundumwenzi Constituency Office staff with regards to keeping of records as Constituency Development Fund (CDF) was purely supposed to be administered by the Council in all aspects. The Controlling Officer is urged to take disciplinary action against the erring officers of the Council and ensure that all records are kept by them and not third parties to avoid recurrence. Further, he is urged to ensure that the Contractors are recalled to finish the project satisfactorily. The Committee awaits a progress report on the status of the project.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers and when the Contractors will be recalled to finish the project satisfactorily. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the matter.

#### **iii. Weaknesses in the Management of Projects**

The Committee urged the Controlling Officer to ensure that the new developed work plan would be implemented in accordance with its stipulated timeframe for each project to avoid recurrence. He is further urged to ensure that all uncompleted projects were completed without further delay. The Committee awaited a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on how the new developed work plan would be implemented and when all un-completed projects would be completed. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until disciplinary action is taken against erring officers and verified by the Office of the Auditor General. The Committee further awaits a progress report on completion of the projects.

#### **b. Kalomo Central Constituency – Construction of a Bridge**

The Committee found the Council's failure to adhere to existing standards unacceptable and therefore urged the Controlling Officer to take disciplinary action against the erring officers and also ensure that the Contractor finishes the project satisfactorily. The Committee awaited a progress report on the status of the project.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers and when the contractors would finish the project satisfactorily. A progress report on the status of the project would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Controlling Officer is strongly urged to take disciplinary action against the erring officers and also ensure that the Contractor finishes the project satisfactorily. The Committee awaits a progress report on the status of the project.

## **7.6 Lusaka Province**

### **(Constituency Development Funds Projects in the twelve (12) Constituencies)**

#### **Paragraph 7**

#### **Paragraph 4.7**

#### **Lusaka Province**

##### **a) Unspent Funds - K21,641,571,128**

The Committee expressed concern at the failure by the Council to use Constituency Development Fund (CDF) within the timeframe it was intended. The Controlling Officer was urged to take disciplinary action against the Council and ensure that, in future, CDF for a particular year was spent within the stated period. The matter was, however, recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer has not submitted any progress on action taken against the erring officers and the status of the Projects on which the funds were utilised. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to use the Constituency Development Fund (CDF) within the intended time frame and the status of the Projects. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee resolves to close the matter subject to audit verification.

##### **b) Poor Management of Projects – Lusaka City Council**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision. The Committee further urged the Controlling Officer to take disciplinary action against the officers responsible and also ensure that all projects were, expeditiously, implemented. The Committee awaited a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to supervise implementation of projects. A progress report would be availed to the Sub-Committee on Outstanding Issues on the status of the project.

## **Committee's Observations and Recommendations**

The Controlling Officer is strongly urged to take disciplinary action against the erring officers and also ensure that the works on the project are completed without further delay. The Committee awaits a progress report on the status of the projects.

### **7.6.1 Chongwe District Council**

#### **(Chongwe District Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.7.1**

###### **i. Misapplication of Funds - K66,445,798**

The Committee expressed concern at the negative attitude exhibited by the Controlling Officer in the management of public funds. The Committee was of the view that drastic steps needed to be taken at this Council in order for the Officers to take accountability of public resources seriously. The Controlling Officer was urged to caution the Council against paying beneficiaries and not suppliers and also ensure that the funds were reimbursed without any further delay. The Committee awaited a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Council had since written to the Community Radio Station to reimburse the misapplied funds. The Radio Station had made a commitment to pay back the funds in four (4) equal instalments of K11, 000,000 starting from April, August, September and the final instalment to be paid in November, 2014. The matter remained outstanding until the Controlling Officer availed a verification report from the Office of the Auditor General on the action taken against the erring officers and the final settlement of the funds. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Controlling Officer is strongly urged to take disciplinary action against the erring officers and also ensure that the outstanding funds are reimbursed. The Committee awaits a progress report on the status of the projects.

### **a) Chongwe Constituency**

#### **i. Electrification of Schools – Questionable Payment - K100,000,000**

The Committee noted the response and urged the Controlling Officer to take disciplinary action against the erring officers. The Committee awaited a verification report. The matter remained open.

### **Treasury Response (Action Taken)**

The Council had been directed to provide the documentations from ZESCO on the matter in order for the Auditors to verify the legality of this payment. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to provide supporting documents on the payment made on the electrification of Schools which were not identified at the time of the audit. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Controlling Officer is directed to ensure that the documentation from ZESCO on the matter is provided in order for the Auditors to verify the legality of this payment. The Committee awaits a progress report on whether disciplinary action was taken against the erring officer.

#### **ii. Poor Project Management**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision. The Committee further urged the Controlling Officer to ensure that all projects were, expeditiously, implemented. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to supervise implementation of projects. A progress report would be availed to the Sub-Committee on Outstanding Issues on the status of the project.

### **Committee's Observations and Recommendations**

The Committee awaits a report on the status of the project.

#### **b) Rufunsa Constituency**

##### **i. Unaccounted for Funds K9,260,000**

The Committee noted the responses and urged the Controlling Officer to take disciplinary action against the erring Officers. The Committee awaited a Verification report. The matter remains open.

### **Treasury Response (Action Taken)**

The Area Development Committee (ADC) had since refunded the sum of K7,000,000 out of K9,260,000 after the matter was reported to the Police. The balance of K2,260,000 was yet to be recovered from Mr. Mwachilele. The matter remained outstanding until materials procured

worth K7,000,000 were verified by the Auditors and the balance of K2,260,000 was paid through the Police.

### **Committee's Observations and Recommendations**

The Committee awaits a report on the verification of the procured materials worth K7,000,000. The Committee further directs the Controlling Officer to ensure that funds amounting to K2,260,000 are reimbursed without any further delay.

#### **ii. Poor Project Management**

The Committee urged the Controlling Officer to ensure that standards were not compromised on projects as a result of poor supervision and selection of projects by the officers. The Committee further urged the Controlling Officer to take disciplinary action against the erring officers and also ensure that all projects were expeditiously implemented. Further, the Committee urged the Controlling Officer to ensure that all recoveries were completed. The Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to supervise implementation of projects. A progress report on the recoveries and status of the project implementation will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the recoveries and the status of the projects.

#### **7.6.2 Kafue District Council**

##### **(Kafue District Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.7.2**

##### **a) Kafue Constituency**

##### **i. Unaccounted for Stores - K131,517,000**

The Committee found the reason given by the Controlling Officer unacceptable and urged him to take disciplinary action against the erring officers for failure to file the receipts and disposable documents. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officer for failing to maintain proper Stores Records. A progress report will be availed to the Sub-Committee on Outstanding Issues on the audit verification before the matter was closed.

### **Committee's Observations and Recommendations**

The Committee awaits progress report on the matter. matter is recommended for closure subject to audit verification.

#### **ii. Undelivered Grader – Arcade Auto Servicing - K441, 981,072**

The matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the purchase and supply of a Grader.

### **Committee's Observations and Recommendations**

The Committee recommends that the matter remains open until a verification of the purchase and supply of the grader has been done.

#### **iii. Poor Project Management - Kafue Constituency**

The Controlling Officer was urged to ensure that the newly developed work plan on implementation worked in accordance with its stipulated timeframe for each project to avoid recurrence. The Controlling Officer is further urged to ensure that all uncompleted projects were completed expeditiously. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer had not reported any progress on the status of the uncompleted projects. A progress report on the status of the project would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Controlling Officer is strongly urged to ensure that the newly developed work plan on implementation works in accordance with its stipulated timeframe for each project to avoid recurrence. He is further urged to ensure that all uncompleted projects are completed without any further delay. The Committee awaits a progress report on the status of the projects.

#### **iv. Poor Project Management - Chilanga Constituency**

The Controlling Officer was urged to ensure that the new developed work plan on implementation worked in accordance with its stipulated timeframe for each project to avoid recurrence. He is further urged to ensure that all uncompleted projects were completed expeditiously. The Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer had not reported progress on the status of the uncompleted projects. A progress report on the status of the project would be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Controlling Officer is strongly urged to ensure that all uncompleted projects are immediately completed without any further delay. The Committee awaits a progress report on the status of the projects.

#### **7.6.3 Luangwa District Council**

#### **(Luangwa District Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.7.3**

##### **a) Feira Constituency**

##### **i. Failure to Reimburse Borrowed funds - K10,618,000**

The Committee is concerned with the manner in which the Officers at the Council casually abrogated Constituency Development Fund (CDF) guidelines. The Controlling Officer is, therefore, urged to take disciplinary action against the erring officers and the matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who abrogated Constituency Development Fund (CDF) guidelines. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who abrogated the CDF guidelines on the status of the projects. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee recommends that the matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who abrogated the CDF guidelines.

### **ii. Unretired Imprest - K15,081,720**

The Committee expressed concern at the negative attitude exhibited by the Controlling Officer in the management of Public Funds. The Committee was of the view that drastic steps need to be taken in the Local Authorities in order for the officers to take accountability of public resources seriously. The Controlling Officer was further urged to take disciplinary action against the erring officers and also ensure that documents were availed to auditors for verification. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officers for failing to maintain accountable documents and availing the documents to Auditors for audit scrutiny. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to secure accountable documents and retirement details. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee recommends that the matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers who abrogated the CDF guidelines.

### **iii. Poor Project Management**

The Committee noted the response and awaited a progress report on the status of the projects.

### **Treasury Response (Action Taken)**

The Controlling Officer has not reported any progress on the implementation of the new developed work plan and the status of the Projects. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee reiterates its earlier position and awaits a progress report on the status of the projects.

## **7.7 Copperbelt Province**

### **(Constituency Development Funds Projects in the (22) Constituencies)**

#### **Paragraph 7**

##### **a) Unspent Funds - K18,005,000,000**

The Committee expressed concern at the failure by the Council to use Constituency Development Fund (CDF) within the timeframe it was intended. The Controlling Officer was urged to take disciplinary action against the erring officers and that in future CDF for a particular year was spent within the stated period. The matter was however recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer has not reported any progress on the disciplinary action taken against the erring officers who failed to utilise the funds as per Constituency Development Funds (CDF) guidelines and the status of the Projects. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to utilise the funds and the status of the Projects.

#### **Committee's Observations and Recommendations**

The Committee requests a progress report on the disciplinary action taken against the erring officers who abrogated the CDF guidelines. The Committee also awaits a progress report on the status of the project.

##### **b) Weaknesses in Internal Controls**

###### **i. Missing Payment Vouchers - K90,721,109**

The Committee expressed concern at the failure on the part of these Councils to maintain accounting documents which would not necessarily require a qualified accountant as purported. The Committee urged the Controlling Officer to take disciplinary action against the erring officers and the matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officers for failing to maintain Accountable Documents. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to maintain accountable documents and the traced payment vouchers. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee recommends that the matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers.

### **ii. Unsupported Payments - K352,842,233**

The Committee expressed concern at the failure on the part of the Accounting Officers to maintain Accounting Documents which would not necessarily require a qualified Accountant as purported. The Committee urged the Controlling Officer to take disciplinary action against all erring officers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officers for failing to maintain Accountable Documents. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to maintain Accountable Documents. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the disciplinary action taken against the erring officers who abrogated the CDF guidelines.

### **iii. Lufwanyama District Council – Unauthorised Payments - K228,138,702)**

The Committee observed that there were weak internal controls at the Council and the Controlling Officer was urged to take disciplinary action against the erring officers. The matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officers for failing to follow Financial Regulations. The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who processed the payments without authorisation. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

**ii. Unaccounted for Stores Items - K1,205,080,543**

The Committee found the assignment of an Internal Auditor to regularly review Accounting Records as unacceptable as this responsibility was within the Officer's normal duty and does not require special assignment. The Committee further observed that there were weak Internal Controls at the Council and the Controlling Officer was urged to strengthen them and also take disciplinary action against all the erring officers including the Internal Auditor. The matter was, however, recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer had since charged the Principal Officers for failing to account for Stores Items. The matter remains outstanding until it is verified by the Office of the Auditor General.

**Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

**c) Misapplication of Funds - K69,139,000**

The Committee finds it grossly unacceptable to deliberately disregard the Constituency Development Fund (CDF) guidelines and, therefore, agrees with the disciplinary action instituted by the Controlling Officer against the erring Officers. He is however, cautioned against reacting to problems after audit as contrasted to pro-activeness. The matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The matter was yet to be verified by the Auditor General before it is considered closed. A progress report will be availed to the Sub-Committee on Outstanding Issues on the results of the audit verifications.

**Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

**d) Unapproved Projects - K1,580,458,465**

The Committee observed that the Council Officers deliberately chose to abrogate the laid down guidelines which is a serious omission on their part. The Controlling Officer was, therefore, urged to ensure that the erring officers were disciplined and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who abrogated laid down Constituency Development Fund (CDF) guidelines. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who abrogated laid down CDF guidelines.

### **Committee's Observations and Recommendations**

The Committee urges the Controlling Officer that disciplinary action is immediately taken against erring officers for abrogating the CDF Guidelines without any further delay.

#### **e) Wasteful Expenditure –Procurementof Grader Mashburn Equipment (Ndola City Council )- K430, 495,000**

The Committee expressed concern at the tendency by the Council Officers to deliberately abrogate the Tender Procedures and 2006 Constituency Development Fund (CDF) guidelines. The Committee urged the Controlling Officer to report the matter to the Law Enforcement Agencies and to probe further as to why the Officers chose to single source without obtaining a “No Objection” from the Zambia Public Procurement Authority (ZPPA) and also why the Constituency Development Committee (CDC) was delegated to obtain quotations. A progress report is awaited on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on referring the matter on the irregular procurement of the Second Hand Grader to the Law Enforcement Agencies for further investigations and the action taken against the Council Officials who allowed the Constituency Development Committee (CDC) to participate in the procurement. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee reiterates its position and urges the Controlling Officer to report the matter to the Law Enforcement Agencies and awaits a progress report is awaited on the matter.

#### **f. Poor Management of Projects**

The Committee found the reason for poor management of projects unacceptable and urged the Controlling Officer to take disciplinary action against the erring Officers. The Committee awaits a progress report on the status of the projects.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against Officers who failed to oversee implementation of projects. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the status of the projects.

## **7.8 North-Western Province**

### **(Constituency Development Funds Projects in Nine (9) Constituencies)**

#### **Paragraph 7**

#### **Paragraph 4.9**

#### **North-Western Province**

##### **a. Unspent Funds - K2,289,475,697**

The Committee expressed concern at the failure by the Council to use Constituency Development Fund (CDF) within the timeframe it was intended. The Controlling Officer is urged to take disciplinary action against the erring officers and that, in future, CDF for a particular year should be spent within the stated period. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter has been noted for compliance on the need to undertake the projects within the specified timeframe provided for in the Constituency Development Fund (CDF) guidelines. It however, remains outstanding until audit verification of the completion of the projects.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

##### **b. Weaknesses in Internal Controls**

### **Committee's Observations and Recommendations**

The Committee noted the submission but urged the Controlling Officer to take disciplinary action against erring officers for losing the payment vouchers and other supporting documents and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers for loosing payment vouchers and other supporting documents. A progress report will be availed to the Sub-Committee on Outstanding Issues as the matter awaits audit verification before it is closed.

### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation by the previous Committee and awaits a progress report on the matter.

#### **i. Unretired Imprest- K104,075,000**

- **Mwinilunga West,**
- **Kabompo West, and**
- **Solwezi**

The Committee found it grossly unacceptable to allow misplacement of retirement forms and urged the Controlling Officer to take disciplinary action against erring officers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who misplaced retirement forms. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who misplaced the retirement forms and clearance of the traced documents. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

#### **ii. Unaccounted for Stores - K813,750,944**

- **Kabompo West,**
- **Kabompo West,**
- **Solwezi West, and**
- **Solwezi Central Constituencies.**

The Committee expressed concern on the reasons given and urges the Controlling Officer to take disciplinary action against erring officers for misplacing Stores Documents and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who misplaced Stores Documents. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who misplaced the Stores Documents and the clearance of the receipt and disposal details of the Stores Items. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who misplaced the Stores Documents.

#### **iii. Unapproved Payments – K630,450,900**

- **Kabompo East,**
- **Kabompo West,**
- **Solwezi West, and**
- **Solwezi Central Constituencies.**

The Committee urged the Controlling Officer to take disciplinary action against erring officers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who made un-approved payments amounting to K630,450,900. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who processed payments without approval and the approved payment vouchers. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The matter is recommended for closure subject to audit verification.

#### **c. Misappropriation of Funds K24,581,000**

The Controlling Officer was urged by the Committee to take disciplinary action against the erring officers for failure to carry out regular reconciliations during the period under review. The Committee further urged the Controlling Officer to report the matter to the Law Enforcement Agencies for further investigations and await a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to carryout regular reconciliations and misappropriated funds during the period under review and referring the matter to the Law Enforcement Agencies. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The committee finds it unacceptable that the Controlling Officer is irresponsible to its recommendation. The Committee sternly cautions to desist from such casual approach to matters relating to Parliamentary work. He is therefore directed to ensure that he treats this matter with urgency it deserves and the Committee will await a progress report.

#### **d. Undelivered Building Materials - K125, 409,500**

The Committee regarded the reasons given by the Controlling Officer as misleading and was urged to take disciplinary action against erring officers. The matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who were responsible for the building materials that were not physically found on site. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to account the for the Building Materials during audit and the receipt and disposal details. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

#### **e. Misapplication of Funds - K47,280,000**

The Controlling Officer was urged by the Committee to ensure that all Administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further urged the Controlling Officer to ensure that reimbursement of the borrowed funds was done expeditiously. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on acquainting Administrators on the administration of Constituency Development Fund (CDF) and reimbursement of borrowed funds. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee reiterates its earlier recommendations and awaits a progress report on the matter.

### **f. Questionable Purchase of Toyota Hiace – Solwezi East - K108,000,000**

The Committee observed with concern that there was no technical advice from the Council Management on the procurement of an Ambulance despite limited resources. The Controlling Officer was urged to take stern disciplinary action against the Council Management for failure to provide technical advice as stipulated in the 2006 Constituency Development Fund (CDF) guidelines. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to provide technical advice to Management on procurement procedures in line with Constituency Development Fund (CDF) guidelines. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who caused the irregular procurement and documents to normalise the procurement. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding and awaits a progress report on the matters.

### **g. Weaknesses in the Management of Projects – Solwezi Municipal Council**

The Committee is concerned with the failure by the responsible Officers in the Engineering Department at the Council to supervise the works which are within their mandate. The Controlling Officer is therefore, urged to take disciplinary action against the Officers and ensure that all works were completed expeditiously. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to supervise works which were within their mandate and the completion of the works. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee awaits a progress report on the completion of works.

## **7.9 Northern Province**

### **(Constituency Development Funds Projects in the (21) Constituencies)**

#### **Paragraph 7**

#### **Paragraph 4.10**

##### **a. Unspent Funds (K4,108,600,557)**

The Committee was concerned at the failure by the council to use Constituency Development Fund (CDF) within the timeframe it was intended. The Controlling Officer was urged to ensure that, in future, CDF for a particular year was spent within the stated period. The matter was however recommended for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Councils who failed to use Constituency Development Fund (CDF) within the time frame in the guidelines and the utilisation of the funds.

The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the Councils who failed to utilise funds as per CDF guidelines and the utilisation of the funds. A progress report will be availed to the Sub-Committee on Outstanding Issues.

##### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation by the previous Committee and awaits a progress report.

##### **b. Unsupported Payments - K55,017,000**

The Committee recommended the matter for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who misplaced the supporting documents. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who misplaced the supporting documents and the supported payments. A progress report will be availed to the Sub-Committee on Outstanding Issues.

##### **Committee's Observations and Recommendations**

The Committee awaits a verification report.

**c. Misapplication of Funds - K270,386,500**

The Committee urged the Controlling Officer to ensure that all Administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further urges the Controlling Officer to ensure that reimbursement of the borrowed funds was done expeditiously. The Committee awaited a progress report on the matter.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on acquainting Administrators in the Council on the Administration of Constituency Development Fund (CDF) and the reimbursement of the misapplied funds. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee awaits a progress report on reimbursing of misapplied funds and the action taken against erring officers

**d. Undelivered Building Materials and Equipment - K293,362,204**

The Committee urged the Controlling Officer to take disciplinary action against erring officers for failure to conduct reconciliations during the period under review and the matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who failed to conduct regular reconciliations during the period under review. The matter remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to conduct regular reconciliation and the receipt and disposal details of the Building Materials and Equipment. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until verification has been done by the office of the Auditor General.

**e. Poor Management of Projects**

The Committee noted the submission but expressed concern at the failure by the responsible officers in the Engineering Department at the Council to supervise the works which were within their mandate. The Controlling Officer was therefore, urged to ensure that all works were completed expeditiously. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the completion of the works. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter on the completion of works.

#### **7.10 Eastern Province**

##### **(Constituency Development Funds (CDF) Projects in the 17 Constituencies)**

###### **Paragraph 7**

###### **Paragraph 4.11**

###### **a. Unspent Funds – K3, 202,277,596**

The Committee noted the submission but urged the Controlling Officer to ensure that funds reach the intended beneficiaries promptly within the intended usage period in order to ensure periodicity in terms of accounting for it. The matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling officer did not submit the A progress report on the utilization of the funds and the status of the projects. The matter remained outstanding until the Controlling Officer availed a verification report from the Office of the Auditor General on the utilization of the funds and the status of the projects. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

###### **b. Weaknesses in Internal Controls**

###### **i. Unsupported Payments -K 144,938,740**

- **Chama –Chama South and**
- **Chadiza – Vubwi**

The Committee noted the submission but urged the Controlling Officer to take disciplinary action against erring officers for misplacing the disposal detailed and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who misplaced disposal details. The matter remained outstanding until the Controlling Officer availed a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to avail the disposal details and the clearance of the disposal details. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves a progress report on the matter.

#### **ii. Missing Payment Vouchers K698,437,800**

- Chama – Chama North and
- Chadiza – Vubwi

The Committee noted the submission but urged the Controlling Officer to ensure that Internal Controls were strengthened at the Council and erring officers disciplined for misplacing the payment vouchers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who misplaced payment vouchers. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who misplaced the payment vouchers and the traced payment vouchers. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until a verification report from the Office of the Auditor General on the disciplinary action taken is availed by the Controlling Officer.

#### **iii. Unaccounted for Building Materials K194, 573,000**

- Chadiza – Vubwi

The Committee found the reasons given by the Controlling Officer misleading as the Auditors queried undelivered materials which were not found physically and not documents. He was urged to take disciplinary action against erring officers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who were responsible for materials which were not physically found on site. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to account for the Building Materials during audit and the receipt and disposal details. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until a verification report from the Office of the Auditor General on the disciplinary action taken is availed by the Controlling Officer.

#### **7.10.1 Chama District Council**

##### **(Chama District Constituency Development Funds)**

###### **Paragraph 7**

###### **Paragraph 4.11.1**

##### **Chama District Council**

#### **i. Failure to Raise Payment Vouchers - Chama South (K41,258,000) and Chama North (K41,522,000) Constituencies**

The Committee observed with concern that the Council Officers deliberately chose to abrogate the laid down guidelines which is a serious omission on their part. The Controlling Officer is, therefore, urged to ensure that the erring officers were disciplined and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who deliberately chose to abrogate the laid down guidelines. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who abrogated the Constituency Development Fund (CDF) guidelines and the payment vouchers. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding and awaits a progress report.

**ii. Irregular Payments to Suppliers - K104,400,000**

The Committee noted the submission by the Controlling Officer and resolved to await a progress report on the matter.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the status of the investigations by the Anti-Corruption Commission. A progress report on the investigations by the Anti-Corruption Commission will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

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

**iii. Failure to Reimburse Borrowed Funds - K10, 185,000**

The Controlling Officer was urged to ensure that all Administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further urges the Controlling Officer to ensure that reimbursement of the borrowed funds was done expeditiously and that erring officers were disciplined. The Committee awaited a progress report on the matter.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on disciplinary action taken against the Officers who did not follow Constituency Development Fund (CDF) guidelines and acquainting of Administrators in the Council on the Administration of CDF and the reimbursements of the borrowed funds. A progress report would be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee awaits progress report on reimbursements of the borrowed funds.

**iv. Irregular Payment of Allowances - K12,320,000**

The Committee urged the Controlling Officer to ensure that all administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further urged the Controlling Officer to ensure the erring officers were surcharged. The Committee would await a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on surcharging erring officers and acquainting Administrators in the Council on the administration of Constituency Development Fund (CDF) and the recovery of the irregular paid allowances. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits an update on the recovery of the irregular allowances paid. The Committee further awaits a progress report on the action taken on surcharging officers and on whether Administrators have been acquainted on CDF administration.

#### **v. Failure to Deliver Building Materials – Wamwai Plumbing and General Services -K153,340,000**

The Committee noted the submission but urged the Controlling Officer to recommend to the Local Government Service Commission for disciplinary action against erring officers for failure to conduct reconciliations during the period under review resulting in failure to follow up on deliveries. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who failed to conduct reconciliations during the period under review resulting in failure to follow-up on deliveries of materials. The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to account for the Stores during audit and the receipts and disposal details. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves await a progress report on the matter.

#### **vi. Failure to Produce Monitoring Reports**

The Committee urged the Controlling Officer to take disciplinary action through the Local Government Commission against erring officers for failure to avail Monitoring Documents to Auditors during the time of audit. The matter was, however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who failed to avail monitoring reports to Auditors during the time of audit. The matter

remains outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to avail monitoring reports. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee finds the failure to take disciplinary action against officers who failed to avail monitoring reports during audit erring officers unacceptable. The Committee reiterates the Previous Committee's recommendation and awaits a progress report on the matter.

#### **a) Chama South Constituency**

##### **i. Grading of Feeder Road from Chasato River to Junction of Chief Chikwa - K438,758,400**

- **Unapproved Project**
- **Failure to Provide Contract Document**
- **Irregular Payment**
- **Failure to Commence Works**

The Committee noted the response and urged the Controlling Officer to recommend the matter to Investigative Wings and for disciplinary action against the Director of Works. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Director of Works and referring the matter to the Investigative Wings. A progress report will be availed to the Sub-Committee on Outstanding Issues on the outcome of the investigations.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outcome of the report to investigative wings.

#### **b) Chama North Constituency**

##### **i. Unaccounted for Building Materials - K12,618,000**

The Committee urged the Controlling Officer to recommend to the Local Government Service Commission for disciplinary action against all the erring officers for failure to conduct reconciliations during the period under review. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to conduct reconciliation during the period under review. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the matter.

#### **ii. Diversion of Funds K25,125,000 and K74,875,000 Unaccounted for**

The Committee expressed concern at the diversion of Constituency Development Fund (CDF) to unrelated activities and the Controlling Officer was urged to ensure that all Administrators of CDF were well acquainted with its administration. With regards the K25,125,000, it was recommended that the Controlling Officer surcharged the respective officers for misapplying the funds while the re-imburement of K74,875,000 through the Office of the President, Eastern Province, must be followed up without further delay. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on surcharging the Officers who misapplied the Constituency Development Fund (CDF) and on the follow-up on the reimbursement of K74,875,000 from the Office of the President, Eastern Province . A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the reimbursement of K74, 875,000 from the Office of the President in Eastern Province. The Committee also awaits a progress report on the disciplinary action taken on the officers for misapplying CDF.

#### **iii. Construction of Staff Houses - K192,000,000**

- **Failure to Follow Procurement Guidelines**
- **Failure to Provide Contract Document**
- **Irregular Payment**

The Committee urged the Controlling Officer to submit the matter to Investigative Wings and also take disciplinary action against the Officers responsible. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on reporting the matter to the Investigative Wings and no disciplinary action was taken against the responsible Officers. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outcome of the report from investigative wings.

#### **iv. Irregular Expenditure – Maintenance of Chilumbi - Muliro Road**

The Committee noted the response and urged the Controlling Officer to ensure that approval was granted, retrospectively, through the full Council and also that the erring officers were disciplined. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on whether retrospective authority was granted by the full council and disciplinary action taken against the responsible officers. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on retrospective authority by the full council on the irregularly paid amount. The Committee further awaits a progress report on whether disciplinary action was taken against the erring officers.

## **7.10.2 Lundazi District Council**

### **i. Poor Implementation of Projects**

The Committee recommended disciplinary action against the two Officers, District Planning Officer and Director of Works, for their failure to supervise works which had resulted in delayed completion and poor workmanship. The Committee further urged the Controlling Officer to ensure that all the outstanding works were completed and defects corrected expeditiously. The Committee, therefore, awaits a progress report on the status of the works.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the District Planning Officer and Director of Works for failure to supervise works which had resulted in delayed completion and poor workmanship. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee resolved to await a progress report on the completion of works.

### **7.10.3 Nyimba District Council**

#### **(Nyimba District Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.11.2**

#### **Nyimba District Council**

##### **a) Misapplication of Funds – Purchase of Motor Vehicles - K250,700,000**

The Committee urged the Controlling Officer to ensure that all Administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further urged the Controlling Officer to ensure that disciplinary action is instituted on all erring Officers. The Committee awaited a progress report on the matter.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on disciplinary action taken against the erring officers who caused the misapplication, the reimbursement of the Constituency Development Fund (CDF) used to procure the operations Vehicle and acquainting Administrators in the Council on the administration of CDF. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on reimbursement of misapplied funds to the appropriate accounts.

##### **b) Poor Projects Implementation**

The Committee urged the Controlling Officer to ensure that stern disciplinary action is taken against the erring officers for their failure to supervise works which had resulted in delayed completion and poor workmanship. The Controlling Officer is further urged to ensure that all the Outstanding Works are completed and defects corrected expeditiously. The Committee therefore, awaits a progress report on the status of the works.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against erring officers for failure to supervise works which had resulted in delayed completion and poor workmanship. A progress report will be availed to the Sub-Committee on Outstanding Issues on when the works will be completed and defects corrected.

## **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the completion of works and correction of defects.

### **7.10.4 Mambwe District Council**

#### **(Mambwe District Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.11.3**

#### **Mambwe District Council**

##### **a) Wasteful Expenditure – Procurement of Motor Vehicle - K70,000,000**

The Committee urged the Controlling Officer to ensure that discipline was instituted expeditiously on the erring Officers. The Committee awaits a progress report on the matter.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against erring officers who procured a Second Hand Ambulance without an Assessment Report on the Road worthiness of the Vehicle. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee observes with concern the failure by to institute disciplinary action against erring officers who procured a second hand ambulance without an assessment report on the road worthiness of the vehicle. The Controlling Officer is strongly urged to immediately take action on the matter and the Committee resolves to await a progress report on the matter.

##### **b) Irregular Payment – Procurement of Hand Pumps**

The Controlling Officer was urged to ensure that all Administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further urged the Controlling Officer to ensure that disciplinary action was instituted against the erring Officers. The matter was, however, recommended for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on disciplinary action against the erring officers who procured the Hand Pumps without authority from the Council and the acquainting of Administrators on the administration of the Constituency Development Fund (CDF). The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who procured the Hand Pumps. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who procured the Hand Pumps without authority.

### **7.10.5 Chadiza District Council**

#### **(Chadiza District Council Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.11.4**

##### **i. Irregular Payment - Ulimbe Contractors - K101,367,000**

The Committee urged the Controlling Officer to ensure that all Administrators of Constituency Development Fund (CDF) were well acquainted with its administration. The Committee further, urged the Controlling Officer to ensure that disciplinary action was instituted against the erring Officer. The matter was, however, recommended for closure subject to audit verification.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who deliberately disregarded the provision of the Zambia Procurement Act, Local Authority Financial Regulations and Constituency Development Fund (CDF) guidelines. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who caused the irregular procurements. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee reiterates the recommendation by the previous Committee and awaits an update on the matter.

##### **ii. Poor Project Implementation**

The Committee urged the Controlling Officer to ensure that disciplinary action against the erring officers was instituted for their failure to supervise works which had resulted in delayed completion and poor workmanship. The Controlling Officer was further urged to ensure that all the Outstanding Works were completed and defects corrected expeditiously. The Committee, therefore, awaited a progress report on the status of the works.

##### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against erring officers for failure to supervise works which had resulted in delayed completion and poor

workmanship. A progress report would be availed to the Sub-Committee on Outstanding Issues on when the Outstanding Works will be completed and defects corrected.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report and the Controlling Officer is urged to ensure that all the outstanding works are completed and defects corrected expeditiously.

## **7.11 Central Province**

### **(Constituency Development Funds projects in the 14 Constituencies)**

#### **Paragraph 7**

#### **Paragraph 4.12**

##### **a) Unspent Funds - K16,620,000,000**

The Committee noted the submission but urged the Controlling Officer to ensure that funds reach the intended beneficiaries promptly within the intended usage period. The matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The matter was noted for compliance on the prompt release of funds to beneficiaries and it would remain outstanding subject to audit verification by the Office of the Auditor General that funds had been spent by the respective Councils.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report.

## **7.10.1 Kabwe Municipal Council**

### **(Kabwe Municipality Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.12.1**

##### **a) Bwacha Constituency**

##### **i. Misapplication of Funds - K31, 235,939**

The Committee urged the Controlling Officer to ensure that reimbursement of the misapplied funds is done expeditiously and that discipline is instituted on all erring Officers. The Committee awaits a progress report on the matter.

### **Treasury Response (Action Taken)**

The Council has made commitment to refund the funds and a letter has since been sent to the Local Government Service Commission for the Officers to be disciplined as they are no longer with that Council. Progress on the reimbursement of the misapplied Constituency Development Fund (CDF) and disciplinary action taken against the Officers to be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on reimbursement of the misapplied funds and an update on the action taken against officers.

#### **ii. Road Rehabilitation**

- **Failure to Follow Constituency Development Fund (CDF) Guidelines**
- **Excess Payment ( K33,000,000)**

While noting the response, the Committee urged the Controlling Officer to report the matter to Investigative Wings and further to ensure that disciplinary action is taken against the Officers responsible. The Committee awaits a progress report on the status of the project

### **Treasury Response (Action Taken)**

The road works had since been completed and the Completion Certificate was yet to be availed to the auditors for verification. The Council had written to the Local Government Service Commission for disciplinary action as the Officers were no longer with the Council. The Ministry had also written to the Commission recommending disciplinary action against the erring Officers. The Controlling Officer had not submitted a progress report to refer the matter to the Investigative wings. A progress report to be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on outcome of investigations as was recommended earlier.

#### **b) Construction of Maternity Wing – Kabwe Central Constituency**

The Committee expressed concern on the over commitment by the Council Management to a contract whose available resources were only about 35% of the contract sum. The Controlling Officer was urged to, ensure that disciplinary action was taken against the Council Management so that they worked within the available resources provided because over commitments would result in uncalled for penalties for failure to abide by the contract. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer had made recommendations for the Officers who were involved in the awarding of this contract to be disciplined by the Local Government Service Commission. Progress on the disciplinary action taken against the Officers to be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the reimbursement of the misapplied funds.

#### **7.11.2 Serenje District Council**

##### **(Serenje District Constituency Development Funds)**

##### **Paragraph 7**

##### **Paragraph 4.12.2**

##### **Serenje District Council**

###### **a) Serenje Central Constituency**

###### **i. Undelivered Coffin Lowering Tool - K 20,000,000**

In noting the submission, the Controlling Officer is urged to ensure that all procurement procedures were followed by the Council Management and suppliers thoroughly screened to avoid recurrence. The matter was however, recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter was noted for compliance on the need to follow procurement procedures by the Council in the administering of Constituency Development Fund (CDF) and it therefore remained outstanding until the Office of the Auditor General verified the amounts refunded by the Supplier.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until verification is undertaken by the Office of the Auditor General.

###### **ii. Failure to Follow Procurement Guidelines - single sourcing of the Truck (K100,000,000)**

The Committee noted the response but urged the Controlling Officer to recommend the matter to Investigative Wings and ensure that stern disciplinary action is taken to the Officers responsible. The Committee awaits a progress report on the status of the project.

### **Treasury Response (Action Taken)**

The matter was being investigated by the Anti-Corruption Commission. A progress report would be availed to the Sub-Committee on Outstanding Issues on the outcome of the investigations.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outcome of investigations from the law enforcement agencies.

#### **iii. Tarring of Serenje Bus Station**

The Committee urged the Controlling Officer to recommend the matter to Investigative Wings and also ensure that discipline on the officers responsible was expedited. The Committee further recommended that the Controlling Officer explored ways of compelling the Contractor to correct the defects to ensure that there is value for money spent on the project. The Committee awaited a progress report on the status of the project.

### **Treasury Response (Action Taken)**

The Contractor had since worked on the defects and the matter was being investigated by Anti-Corruption Commission. A progress report would be availed to the Sub-Committee on Outstanding Issues on the outcome of the investigations and the status of the project.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on outcome of investigations by Anti-Corruption Commission.

#### **b) Failure to Commence the Project – Muchinga Constituency - K50,000,000**

The Committee noted the response but urged the Controlling Officer to recommend the matter to Investigative Wings and ensure that disciplinary action is taken on the Officers responsible. The Committee awaits a progress report on the status of the project.

### **Treasury Response (Action Taken)**

The Mukupa Project was completed in October 2013 and it is yet to be verified by the Office of the Auditor General. The Controlling Officer has not provided a progress report on the disciplinary action taken against the erring officers who delayed the commencement of the project and referring the matter to Investigative Wings. A progress report will be availed to the Sub-Committee on Outstanding Issues.

## **Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the outcome of the report to investigative wings.

### **7.11.3 Mkushi District Council**

**(Mkushi District Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.12.3**

### **Mkushi District Council**

#### **a) Mkushi North Constituency**

##### **i. Failure to Follow Procurement Guidelines - single sourcing without a “No Objection”**

The Committee did not accept the reason the Controlling Officer gave on the reasons for the Council’s failure to follow procurement guidelines as well as single sourcing the procurement of Hammer Mills. The Committee urged the Controlling Officer to recommend the matter to Investigative Wings and ensure that immediate disciplinary action was taken against the erring Officers. The Committee awaited a progress report on the status of the project.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against erring officers and reporting the matter to the Investigative Wings for failing to follow procurement guidelines through single sourcing procurement of Hammer Mills. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

##### **ii. Failure to Implement the Project**

The Committee expressed concern at the reasons given by the Controlling Officer for failure to implement works and urged him to take disciplinary action against the erring Officers. The Committee awaited a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against erring officers for failure to implement the works on time. A progress report would be availed to the Sub-Committee on Outstanding Issues on the completion of the project and disciplinary action against the erring officers.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the completion of the project.

#### **iii. Stalled Project – Completion of 1 x 2 Class Room Block**

The Committee urged the Controlling Officer to initiate disciplinary action against the erring officers for their failure to file documents and for their failure to supervise works which had resulted in delayed completion and subsequent loss of K2,040,000 due to the hardening of unused cement. The Controlling Officer was also urged to ensure that all the outstanding works were completed. The Committee, therefore, awaited a progress report on the status of the works.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against erring officers for failure to file documents and supervise works and cause the loss of K2,040,000 due to the hardening of unused Cement. A progress report would be availed to the Sub-Committee on Outstanding Issues once all the Outstanding Works had been completed.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the completion of works.

#### **b) Mkushi South Constituency**

##### **i. Unaccounted for Equipment - Saro Agro Industries - K19,689,744**

The Committee expressed concern at the failure on the part of stores officers to maintain disposal details. The Committee urged the Controlling Officer to take disciplinary action against erring officers and the matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who failed to maintain disposal details. The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to account for Equipment and the receipt and disposal details. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

**ii. Unaccounted for Building Materials - K93, 000,000**

The Committee urged the Controlling Officer to ensure that Officers concerned were disciplined for their failure to carry out regular reconciliations. The matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers who failed to carry out regular reconciliations. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to reconcile the Building Materials and the receipt and the disposal details. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee requests an update on the matter.

**7.11.4 Chibombo District**

**(Chibombo District Constituency Development Funds)**

**Paragraph 7**

**Paragraph 4.12.4**

**Chibombo District Council**

**i. Unsupported Payments - K380,399,758**

The Committee expressed concern at the failure on the part of the Accounting Officers to maintain Accounting Documents. The Committee urged the Controlling Officer to ensure that disciplinary action was taken against all the erring officers and the matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to maintain Accounting Documents. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to support the payments and the supported payments. A progress report would be availed to the Sub-Committee on Outstanding Issues.

## **Committee's Observations and Recommendations**

The Committee finds condemns the Controlling officer for not ensuring the erring officer is charged and disciplined accordingly for failing to maintain. The Committee awaits a progress report on the matter.

### **a) Katuba Constituency**

#### **i. Misapplication of Funds - K11,700,000**

The Committee noted the submission and recommended the matter for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The matter was yet to be verified by the Office of the Auditor General. A progress report would be availed to the Sub-Committee on Outstanding Issues as the matter awaits audit verification before it is closed.

## **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

### **ii. Poor Projects Implementation**

The Committee urged the Controlling Officer to initiate disciplinary action against the two Officers, the District Planning Officer and the Director of Works, for their failure to supervise works which had resulted in delayed completion and poor workmanship. The Controlling Officer was also urged to ensure that all the outstanding works are completed and defects corrected expeditiously. The Committee, therefore, awaited a progress report on the status of the works.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the two (2) Officers, District Planning Officer and Director of Works for failure to supervise works which had resulted in delayed completion and poor workmanship. A progress report will be availed to the Sub-Committee on Outstanding Issues on when all the Outstanding Works would be completed and defects corrected.

## **Committee's Observations and Recommendations**

The Committee requests an update on the matter.

**iii. Abandoned Water Project – Mungule Clinic**

The Committee urged the Controlling Officer to ensure that disciplinary action against the erring officers for their laxity is taken without further delay. The Controlling Officer is also urged to ensure that all the outstanding works were completed and defects corrected expeditiously. The Committee therefore, awaited a progress report on the status of the works.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers for their laxity to duty and commitment which led to the abandonment of the project. A progress report would be availed to the Sub-Committee on Outstanding Issues on when all outstanding works would be completed and defects corrected.

**Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the outstanding works.

**iv. Wasteful Expenditure–Mulundu Water Trust Project - 25,000,000**

The Committee urged the Controlling Officer to ensure that disciplinary action is taken against the erring officers. The Committee therefore, awaited a progress report on the status of the works.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers responsible for wasteful expenditure and the status of the works. A progress report will be availed to the Sub-Committee on Outstanding Issues.

**Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the outstanding works.

**b) Chisamba Constituency - K325,379,300**

**i. Missing Payment Vouchers**

The Committee expressed concern at the failure on the part of the Accounting Officers to maintain Accounting Documents. The Committee urged the Controlling Officer to take disciplinary action against all the erring officers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers for failure to maintain Accounting Documents. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to secure documents and the traced payment vouchers. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until verified by the Office of the Auditor General.

#### **ii. Unsupported Payment - K80,393,000**

The Committee expressed concern at the failure on the part of the Accounting Officers to maintain Accounting Documents. The Committee urged the Controlling Officer to take disciplinary action against all the erring officers and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers for failure to maintain accounting documents. The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to support the payments and the supported payments. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the disciplinary action taken against for failure to maintain accounting records.

#### **iii. Misapplication of Funds - K40,070,000**

The Committee urged the Controlling Officer to expeditiously ensure that recoveries were made and funds used for the intended purpose. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the recoveries of the misapplied funds. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outstanding works.

**iv. Failure to Produce Monitoring Reports - K6,360,000**

The Committee expressed concern on the failure by the Controlling Officer to take disciplinary action against the Officers for their laxity. He was therefore, urged to ensure that disciplinary action is taken against them without further delay and the matter was recommended for closure subject to audit verification.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers for their laxity in putting up comprehensive monitoring mechanism in place and avail Monitoring Reports. The matter remained outstanding until the Controlling Officer avails a verification report from the Office of the Auditor General on the action taken against the erring officers who failed to avail monitoring reports during audit and the Reports. A progress report would be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee resolves to close the matter subject to audit verification.

**v. Unaccounted for Hammer Mills - K150, 000,000**

The Committee noted the submission and resolved to await the outcome of the court process.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the status of the matter before the Courts of Law. A progress report would be availed to the Sub-Committee on Outstanding Issues.

**Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outcome of the court process.

**vi. Unaccounted for Funds - K80,000,000**

The Controlling Officer was urged to ensure that Constituency Development Fund (CDF) must only be given to approved groups or beneficiaries to avoid abuse of the programme funds. The Committee also urged the Controlling Officer to take appropriate action against the Council for approving unqualified beneficiaries and the Committee would await a verification report. The matter remained open.

**Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the action taken against the Council for approving unqualified groups of beneficiaries. A progress report would be availed to the Sub-

Committee on Outstanding Issues as the matter remains open until audit verification by the Auditor General was conducted.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

#### **vii. Weaknesses in the Management of Project**

The Committee urged the Controlling Officer to take appropriate disciplinary action against the erring officers for their failure to supervise works which had resulted in delayed completion and delivery of wrong materials. The Controlling Officer was further urged to ensure that all the outstanding works were completed expeditiously. The Committee therefore, awaited a progress report on the status of the works.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to supervise works which resulted in delayed completion and delivery of wrong materials. A progress report on the status of the works would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

#### **7.11.5 Mumbwa District Council**

##### **(Mumbwa District Constituency Development Funds)**

#### **Paragraph 7**

#### **Paragraph 4.12.5**

#### **Mumbwa District Council**

##### **i. Weaknesses in the Management of Projects**

The Committee urged the Controlling Officer to take appropriate disciplinary action against the erring officers for their failure to supervise works which had resulted in delayed completion and poor workmanship. The Controlling Officer was further urged to ensure that all the outstanding works were completed expeditiously. The Committee, therefore, awaited a progress report on the status of the works.

#### **Treasury Response (Action Taken)**

The Contractor for Kaluzyu project was directed to work on the defects. The defects had since been rectified and the project completed and in use. The construction at Shiweva and Chabota

Basic Schools had also been completed and the structures were in use. The matter would be closed after the audit verification on the completion of the works.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until it is verified by the Office of the Auditor General.

#### **ii. Delayed Project**

##### **Construction of 1 x 2 Class Room Block (CRB)**

The Committee urged the Controlling Officer to take appropriate disciplinary action against the erring officers for their failure to supervise works which had resulted in delayed completion. The Controlling Officer was further urged to ensure that all the outstanding works were completed expeditiously. The Committee, therefore, awaited a progress report on the status of the works.

#### **Treasury Response (Action Taken)**

The Contractor was replaced and the works had since been completed and were yet to be verified by the Office of the Auditor General.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until it is verified by the Office of the Auditor General.

##### **Construction of a Dip Tank**

The Committee urged the Controlling Officer to take appropriate disciplinary action against the erring officers for their failure to supervise works which had resulted in delayed completion of works.

The Controlling Officer is further urged to ensure that all the Outstanding Works are completed expeditiously. The Committee, therefore, awaits a progress report on the status of the works.

#### **Treasury Response (Action Taken)**

The Contractor remobilised to complete the remaining works and the works had since been completed. The completed works were yet to be verified by the Office of the Auditor General.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until it is verified by the Office of the Auditor General.

### **iii. Failure to Account for Animals**

The Committee urged the Controlling Officer to initiate disciplinary action against all the erring officers for their failure to guide the cooperative which had resulted in swapping of Heifers with Steers. The Controlling Officer is further urged to ensure that the matter was referred to the Law Enforcement Agencies for further investigations. The Committee, therefore, awaited a progress report on the status of the outcome of the investigations.

#### **Treasury Response (Action Taken)**

The Controlling Officer reported that the Council ratified the swapping of the Animals and did not comply with the Committee's recommendation to take disciplinary action against all the erring officers who caused the swapping of the Animals and referring the matter to the Law Enforcement Agencies for further investigations. The Treasury would follow-up the matter with the Controlling Officer and the Ministry of Local Government and Housing.

#### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the status of the outcome of the investigations.

### **8.0 Head: 29 – Ministry of Local Government and Housing**

**Department: 05 – Local Government Administration**

**Programme: 03 – Support to Institutions (Local Council)**

**Activity: Various**

#### **Paragraph 8**

#### **Paragraph 2**

### **8.1 Accounting and Other Irregularities**

An examination of accounting and other records maintained at the Ministry Headquarters and selected Councils carried out in October 2012 revealed the following:

#### **8.1.1 Failure to Maintain Accounting Records**

The Committee urged the Controlling Officer to ensure that disciplinary action against all erring officers is instituted expeditiously and the matter was recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the erring officers who failed to update the Accounting Records in accordance with the Financial Regulations. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who

failed to maintain Accounting Records and the updated records. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

#### **8.1.2 Missing Payment Vouchers - K1,483,954, 110**

The Committee cautioned the Controlling Officer for allowing Councils to spend funds and fail to account for them. The Committee was aware that before an Accounting Officer pays, he/she should be satisfied with the relevant supporting documents to support the payment. As such, it was observed that the officers deliberately chose to misplace the documents so as to conceal information. The Controlling Officer was urged to discipline the erring officers and submit a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officers for failure to account for funds and misplacing documents. A progress report will be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the matter.

#### **8.1.3 Unsupported Payments - K4,684,507,071**

The Committee was deeply concerned with the weak Internal Controls at the named Councils and is of a view that drastic steps need to be taken against them to correct the prevailing situation. The Committee therefore urged the Controlling Officer to ensure that Officers are thoroughly oriented before they are assigned duties so as to avoid such serious irregularities. The matter was however recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the action taken to improve Internal Controls in the cited Councils to correct the anomaly. A progress report would be availed to the Sub-Committee on Outstanding Issues as the matter awaits audit verification before it is closed.

### **Committee's Observations and Recommendations**

The Committee requests an update on the action taken to improve Internal Controls in the cited Councils in order to correct the anomaly.

#### **8.1.4 Unretired Imprest - K1,850,499,492**

The Committee was deeply concerned with the weak Internal Controls at the named Councils and is of a view that drastic steps need to be taken against them to correct the prevailing situation. The Committee, therefore, urged the Controlling Officer to take disciplinary action against Accounting Officers and also to ensure that Officers are thoroughly oriented before being assigned duties so as to avoid such serious irregularities. The matter was however, recommended for closure subject to audit verification while for Mwinilunga, a progress report would be awaited after the decision from the Courts of Law.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the action taken to improve Internal Controls to correct the anomaly at the cited Councils. A progress report would be availed to the Sub-Committee on Outstanding Issues on the improvement of Internal Controls at the Councils and the outcome of the Mwinilunga District Council (Ikelenge) Court Case.

#### **Committee's Observations and Recommendations**

The Committee resolves to close the matter subject to audit verification while the matter relating to Mwinilunga remains outstanding until the due process of the court is concluded.

#### **8.1.5 Unaccounted for Stores - K3,470,113,491**

The Committee expressed concern at the failure on the part of Stores Officers to maintain the Stores Ledgers and fuel disposal details which were basically part of their job description. The Committee urged the Controlling Officer to take disciplinary action against all the erring officers and the matter was however, recommended for closure subject to audit verification.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Stores Officer for failure to maintain Stores Ledger and fuel disposal details. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to account for Stores and the updated receipt and disposal details. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee requests an update on the matter.

#### **8.1.6 Misapplication of Funds - K7,110,311,486**

The Committee urged the Controlling Officer to take audits seriously to avoid prolonging matters and ensure that variations were sought within the period given. He was further urged to

expeditiously ensure that variations for the remaining misapplied funds were done retrospectively and that the Councils were encouraged to revamp their revenue base to avoid misapplications. The matter was recommended for closure while for Councils whose amounts were pending variation, the Committee awaits a progress report.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on seeking retrospective authority on variations for the remaining misapplied funds. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the granting of retrospective authority by the Treasury. A progress report will be availed to the Sub-Committee on Outstanding Issues.

#### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the Councils which had outstanding amounts for variation.

#### **Misapplication (cont'd) Mwinilunga District Council (K597,016,612)**

The Committee awaited the outcome of the Court process.

#### **Treasury Response (Action Taken)**

The matter was before the Courts of Law. A progress report would be availed to the Sub-Committee on Outstanding Issues on the outcome of the Court Case.

#### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the finalisation of the court case.

#### **Misapplication (cont'd) - Petauke District Council (K131,754,140)**

The Committee observed that the figure the Controlling Officer reported was far less than the actual figure the Audit Report had revealed as having had been misappropriated. He was cautioned to strictly look at queries and take time to respond by full disclosure to avoid prolonging matters unnecessarily. Since the matter was not adequately responded the Committee resolves to pursue it until a satisfactory answer was provided.

#### **Treasury Response (Action Taken)**

The Controlling Officer was yet to comply with the Committee's directive of providing a satisfactory response on this matter. A progress report would be availed to the Sub-Committee on Outstanding Issues after the Treasury follows-up the matter to determine as to whether the Council had only one (1) General Operations Account at the time of audit.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

#### **8.1.7 Undelivered Cell Phones – Serenje District Council**

The Committee is deeply concerned as to why Blackberry Phones were preferred considering that during the period under review the Councils had liquidity problems and also why an individual was paid and not a company. It is further, observed by the Committee that recovery of the funds to date hasn't been instituted and no efforts have been made until the culprit fell ill. The Committee sternly cautions the Controlling Officer against submitting irrelevant documents like medical details to cover the loss of funds incurred as well as misleading the Committee. The Committee further urged the Controlling Officer to recommend the matter to investigative wings for further investigations and the Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The sum of K5,300,000 had been recovered from the Principal Officer who sanctioned the procurement. The balance of K7,200,000 was supposed to be paid by the Treasurer who had been given one month in which to pay the money, failure to which disciplinary action shall be taken against him. Progress on the outcome of the recovery of the monies would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outstanding amount.

#### **8.1.8 Unaccounted for Funds - K483,505,420**

##### **Chama District Council – K24,000,000**

The Committee awaits a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the documents in question as they were still being held by the Anti-Corruption Commission. A progress report would be availed to the Sub-Committee on Outstanding Issues as soon as the investigations on the matter are concluded.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

### **8.1.9 Wasteful Expenditure – Kaoma District Council K58,879,775**

The Committee found the response by the Controlling Officer misleading and actually intended to conceal information with regards to the actual situation on the ground. The Committee urged the Controlling Officer to take disciplinary action against the Management notwithstanding the fact that the matter was reported to Law Enforcement Agencies. A progress report on the matter was awaited.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against Management for misleading and concealing information on the actual situation on the ground and reporting the matter to the Law Enforcement Agencies. A progress report would be availed to the Sub-Committee on Outstanding Issues.

#### **Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the matter which was reported to the Law Enforcement Agency.

### **8.1.10 Over Payment to Contractor – Mwinilunga District Council - K125,000,000**

The Committee expressed concern at the failure by the Controlling Officer to recover the overpaid funds promptly despite having established that it was an overpayment. The Committee, therefore, awaited a progress report on the matter.

#### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the recovery of the overpaid funds to the Contractor. A progress report would be availed to the Sub-Committee on Outstanding Issues.

#### **Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the recovery of the overpayment.

### **8.1.11 Weaknesses in The Survey of Plots – Chongwe District Council**

The Committee found it unacceptable as to why the Council awarded a contract to Kayo Surveyors who did not bid for the works. The Committee also observed that there was serious abrogation of procurement procedures and therefore, urged the Controlling Officer to recommend the matter to Law Enforcement Agencies for further investigations. The Committee would await a progress report on the matter.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on referring the matter to the Law Enforcement Agencies for further investigations. A progress report on the outcome of the investigations would be availed to the Sub-Committee on Outstanding Issues once the Controlling Officer referred the case to the Law Enforcement Agencies.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outcome from the Law Enforcement Agency.

#### **8.1.12 Unsupported Cash Withdrawals – Chama District Council K208,351,500**

The Committee cautioned the Controlling Officer to ensure that financial mismanagements were dealt with and submitted to relevant offices expeditiously so as to promptly arrest the matters when evidence was available. Further, he was urged to ensure that Internal Controls were tightened which were currently very weak. The Committee awaited a progress report on the matter.

### **Treasury Response (Action Taken)**

The matter was noted for compliance and the Controlling Officer will ensure that the laid down Financial Regulations were strictly adhere to and tighten Internal Controls to curtail financial mismanagement. Progress on the outcome of the investigations would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee resolved to await a progress report on the outcome of investigations relating to cash withdrawals at Chama District Council.

#### **8.1.13 Management of Capital Projects**

##### **a) Chama District Council**

The Controlling Officer is urged to take disciplinary action against the erring Officer for failure to supervise the works and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the officer for failure to supervise the works. The matter remained outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to supervise the works. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits an update on the disciplinary action taken against the officer for failure to supervise the works.

#### **b) Chadiza District Council**

The Controlling Officer is urged to take disciplinary action against the erring Officer for failure to supervise the works and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the officer for failure to supervise the works. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to supervise the works. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits an update on the disciplinary action taken against the officer for failure to supervise the works.

#### **c) Nyimba District Council**

The Controlling Officer is urged to take disciplinary action against the erring Officer for failure to supervise the works and the matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officer who failed to supervise the works. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to supervise the works. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee awaits an update on the disciplinary action taken against the officer for failure to supervise the works.

#### **d) Mambwe District Council**

The Controlling Officer is cautioned and urged to take disciplinary action against the erring Officer for failure to supervise the works. The matter was recommended for closure subject to audit verification.

### **Treasury Response (Action Taken)**

The Controlling Officer did not report any progress on the disciplinary action taken against the Officer who failed to supervise the works. The matter remains outstanding until the Controlling Officer avails a Verification report from the Office of the Auditor General on the action taken against the erring officers who failed to supervise the works and the completion of the works. A progress report would be availed to the Sub-Committee on Outstanding Issues.

### **Committee's Observations and Recommendations**

The Committee requests an update on the matter and resolves to leave the matter outstanding until it is verified by the Officer of the Auditor General.

#### **8.1.14 Construction of Mwinilunga Civic Centre**

The following observations were made:

- **Inconsistencies in the Contract Document and Related Documents**
- **Overpayment to the Contractor K67,000,000**
- **Questionable Settlement of Debts Accrued by the Contractor**
- **Incomplete Works/Poor Workmanship**
- **Questionable Payment to the Consultant**

The Committee noted the submission and awaited the outcome of the Court.

### **Treasury Response (Action Taken)**

The matter was before the Courts of Law. A progress report would be availed to the Sub-Committee on Outstanding Issues on the outcome of the Court Case.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

## **PART II**

### **9.0 CONSIDERATION OF THE TREASURY MINUTE ON THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE FOR THE THIRD SESSION OF THE ELEVENTH NATIONAL ASSEMBLY ON THE REPORT OF THE AUDITOR-GENERAL ON THE MANAGEMENT OF CONSTITUENCY DEVELOPMENT FUNDS AND GRANTS TO LOCAL AUTHORITIES FOR THE FINANCIAL YEARS UP TO 2012**

#### **9.1 Introduction**

This part contains the comments of the Ministry of Finance on the Report of the Public Accounts Committee for the Third Session of the Eleventh National Assembly on the Report of the Auditor General on the Management of Constituency Development Funds and Grants to Local Authorities for the financial years up to 2012 and adopted by Parliament on 14<sup>th</sup> December, 2013. All the figures reflecting in this report are unrebased.

#### **9.2 GENERAL OBSERVATIONS AND RECOMMENDATIONS**

The Committee had made recommendations on each and every query that was raised by the Auditor-General as set out below. Below was a summary of the Committee's general observations and recommendations on some of the critical issues.

##### **9.2.1 Irregular payments – K10,406,669,815**

The previous Committee expressed concern that councils made irregular payments to the tune of K10,406,669,815. The Committee observed that the two major causes for the anomaly were that some councils wilfully flouted Guidelines through the payment of allowances to councillors and officers which was in conflict with CDF Guidelines. Secondly, some councils implemented projects which did not qualify under the CDF Guidelines. The previous Committee recommended that in all cases where irregular payments were made as a result of the councils failing to follow CDF Guidelines, councils should be made to refund the CDF accounts and the managements should be strongly cautioned.

#### **Treasury Response**

The Executive submitted that the matter was noted for compliance and that the Controlling Officer Ministry of Local Government and Housing had been directed to recover the irregular utilized CDF funds from the appropriated Grants to Councils for the year 2015 and ensure that only approved projects were implemented from the CDF.

#### **Committee's Observation and Recommendation**

The Committee recommends that the matter should remain outstanding until all irregular payments are recovered and verified by the office of the Auditor General.

### **9.2.2 Excess Expenditure**

The previous Committee observed that most councils were cited for excess expenditure mainly in respect of the amounts that were used over and above the K20, 000,000 allowed for administrative costs. The Committee was concerned that the councils in question did not seek authority before using extra funds for administrative purposes. The Committee was also concerned that if the matter is not addressed, most councils would continue using more money to meet administrative costs at the expense of developmental projects.

The previous Committee, therefore, urged the Controlling Officer to strongly caution all councils who committed this infringement of the Guidelines. Further, all councils should consistently be reminded of the need to observe the requirement of seeking authority before using extra funds.

#### **Treasury Response**

The Executive submitted that the matter was noted for compliance and that the Controlling Officer had been advised to consistently monitor the disbursement of CDF.

#### **Committee's Observation and Recommendation**

The Committee awaits an update on the previous disbursement of CDF.

### **9.2.3 Absence of supporting documents**

The previous Committee expressed concern that councils failed to avail supporting documents amounting to K8.3 billion during the audit process which was unfortunate as this was at times used to conceal fraud. This habit amounts to a breach of Financial Regulations and should not go unpunished.

The previous Committee, therefore, strongly urged the Controlling Officer to report all Principal Officers who failed to avail documents for verification without cause to the appointing authority so that disciplinary action could be taken against them.

#### **Treasury Response**

The Executive submitted that the matter was noted for compliance and the Treasury would ensure that the Controlling Officer reports all the Principal Officer to the appointing authority for disciplinary action.

#### **Committee's Observation and Recommendation**

The Committee awaits an update on the disciplinary action taken considering that the amount in question is huge.

#### **9.2.4 Poor management of contracts**

The previous Committee was concerned with the continued poor management of construction projects under the CDF. The Committee also noted that delays in the completion of projects were wide-spread and directly attributable to weak supervision and monitoring mechanisms in place.

The Committee, therefore, urged the Controlling Officer to work closely with stakeholders at the district level to make planning effective.

#### **Treasury Response**

The Executive submitted that the matter was noted for compliance and the Controlling Officer - Ministry of Local Government and Housing had been directed to enhance project planning and monitoring under CDF at District Level.

#### **Committee's Observation and Recommendation**

The Committee awaits an update on the monitoring mechanisms put in place in order to ensure timely completion of approved projects.

#### **9.2.5 Failure to follow procurement procedures**

The previous Committee expressed concern at the increasing number of councils cited for failure to follow Procurement Guidelines. The Committee noted that in most cases, officers were flouting the Guidelines, with only a few cases being reported to the investigative wings.

The Committee urged the Controlling Officer to ensure that all the cases with irregularities were immediately reported to investigative wings for further investigations. The Committee further urged the Controlling Officer to take disciplinary action against all the officers who participated in the irregular procurements.

#### **Treasury Response**

The Executive submitted that the matter was noted for compliance and that the Controlling Officer Ministry of Local Government and Housing had been directed to report cases of mis-procurements to the investigative wings of Government.

#### **Committee's Observation and Recommendation**

The Committee recommended that the matter should remain outstanding until details of what particular cases were reported to the investigative wings and respective disciplinary action taken against erring officers is availed.

<b>10.0</b>	<b>Head: 29</b>	<b>Ministry of Local Government and Housing</b>
	<b>04:</b>	<b>Local Government and Administration</b>
	<b>Unit:</b>	<b>04 Local Government Finance and Audit</b>
	<b>Programme:</b>	<b>03 Support to Institutions (Local Councils)</b>
	<b>Activities:</b>	<b>06 Constituency Development Funds (CDF)</b>

## **10.1 Constituency Development Funds (CDF)**

### **10.1.1 Irregularities in the Procurement of Earth Moving Equipment**

The previous Committee expressed concern that the attempts by the eight councils to procure second-hand earth moving equipment were marred by massive procurement irregularities. The Committee was particularly concerned that due to the failure by councils to follow procurement procedures, councils stood to lose out as the equipment was either defective or had not been delivered. The Committee observed further that councils disregarded and ignored procurement procedures and therefore, urged the Controlling Officer to ensure that all the cases with irregularities were immediately reported to investigative wings for further investigations. The Committee further urged the Controlling Officer to take disciplinary action against all the officers who participated in the irregular procurements. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended that it remained outstanding because the equipment for Kalomo and Choma had still not been delivered and refunds from Chibombo had not been made. In addition, no progress report had been submitted in respect of the issues that were referred to the Anti-Corruption Commission (ACC) for investigations. Progress was to be reported to the subcommittee on outstanding issues.

#### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendation on the matter, and resolves to await a progress report on the matter.

### **10.1.2 Missing Payment Vouchers – K337,484,440**

The Committee observed with concern that missing payment vouchers could not be attributed to understaffing as the same officers who processed the payments should have secured the payment vouchers after the payments were made. The Committee, therefore, urged the Controlling Officer to ensure that disciplinary action was instituted against the officers responsible for the missing payment vouchers. The Committee further urged the Controlling Officer to avail to Office of the Auditor-General the payment vouchers that had been traced for audit verification before the matter could be closed. The Controlling Officer was further urged to ensure that the missing payment vouchers in respect of the amount of K6,013,440 at Lusaka City Council were

immediately found and availed for audit verification. The Committee awaited a progress report on the matter.

### **Treasury Response**

In response, the Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended the following per District;

➤ **KASAMA MUNICIPAL COUNCIL – K8, 900,000**

That it remained outstanding until the missing payment vouchers, amounting to K8, 900,000 were traced and availed for audit scrutiny or the Controlling Officer invoked Financial Regulation 58 to conclude the matter.

➤ **SOLWEZI MUNICIPAL COUNCIL – K287,180,000**

That it be closed since all the missing payment vouchers amounting to K287, 180,000 were traced and availed for audit scrutiny.

➤ **KAOMA DISTRICT COUNCIL – K26,667,000**

That it remained outstanding until the missing payments amounting to K26, 667,000 were traced and availed for audit scrutiny or the Controlling Officer invoked Financial Regulation No.58 to conclude the matter.

➤ **LUSAKA CITY COUNCIL – K6013, 440**

That it remained outstanding until the missing payment vouchers amounting to K6, 031,440 were traced and availed for audit scrutiny or the Controlling Officer invoked Financial Regulation No.58 to conclude the matter.

➤ **SIAVONGA DISTRICT COUNCIL – K8,724,000**

That it remained outstanding until the missing payment vouchers amounting to K8,724,00 were traced and availed for audit scrutiny or the Controlling Officer invoked Financial Regulations No.58 to conclude the matter.

### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendation on the matter, and resolved to wait for a progress report on the matters relating to Kaoma, Lusaka, Siavonga and Kasama Councils. The Committee further awaits an update on what disciplinary action has been taken on erring officers.

### **10.1.3 Unsupported Payments – K5, 250,574,050**

The previous Committee found the failure by councils in question to have all payments supported unacceptable and urged the Controlling Officer to ensure that officers responsible for the missing documents were disciplined for the anomaly.

In respect of Senanga District Council, the Committee observed with concern that the Council made payments before goods were delivered and thus was not convinced that the goods in question were delivered in the absence of accounting documents. The Committee, therefore, urged the Controlling Officer to ascertain whether the goods were delivered by providing supporting documents failure to which the officers involved should be surcharged. The Committee awaited a progress report on the matter.

#### **Treasury Response**

In response, the Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended the following per District;

➤ **KASAMA MUNICIPAL COUNCIL – K1,725,133,970**

That it remained outstanding until the supporting documents for payments amounting to K1, 725,133,970 were availed for audit scrutiny.

➤ **LUWINGU DISTRICT COUNCIL – K34,368,000**

That it remained outstanding until the supporting documents for the balance of payments amounting to K33, 528,000 were availed for audit scrutiny.

➤ **KAPUTA DISTRICT COUNCIL – K146,991,880**

That it remains outstanding until the supporting documents for the balance of payments in amounting to K107, 497,000 are availed for audit scrutiny.

➤ **MPOROKOSO DISTRICT COUNCIL – K428,384,000**

That it remains outstanding until the supporting documents for payments amounting to K428, 384,000 were availed for audit scrutiny.

➤ **SOLWEZI MUNICIPAL COUNCIL – K1,162,199,300**

That it be closed since all the supporting documents for payments amounting to K1, 162,199,300 were availed for audit scrutiny.

➤ **MUFUMBWE DISTRICT COUNCIL – K48,252,000**

That it be closed since all the supporting documents for payments amounting to K48, 252,000 were availed for audit scrutiny.

➤ **MONGU MUNICIPAL COUNCIL – K150,113,000**

That it be closed since all the supporting documents for the fifteen payments amounting to K150, 113,000 were availed for audit scrutiny.

➤ **KALABO DISTRICT COUNCIL – K165,975,500**

That it remains outstanding until the supporting documents for the balance of payments amounting to K9, 800,000 were availed for audit scrutiny.

➤ **SENANGA DISTRICT COUNCIL – K138,338,000**

That it remains outstanding until the supporting documents for payments amounting to K138, 338,000 were availed for audit scrutiny.

➤ **KAOMA DISTRICT COUNCIL – K210,868,300**

That it remains outstanding until the supporting documents for payments amounting to K210, 338,000 were availed for audit scrutiny.

➤ **LUSAKA CITY COUNCIL – K175,000,000**

That it remains outstanding until the supporting documents for payments amounting to K175, 000,000 were availed for audit scrutiny.

➤ **KAPIRI-MPOSHI DISTRICT COUNCIL – K848,273,750**

That it be closed since all the supporting documents for the fifteen payments amounting to K848, 273,750 were availed for audit scrutiny.

➤ **MONZE DISTRICT COUNCIL – K4,640,430**

That it be closed since all the supporting documents for the fifteen payments amounting to K4, 640,430 were availed for audit scrutiny.

➤ **SIAVONGA DISTRICT COUNCIL – K12,036,000**

That it remains outstanding until the supporting documents for payments amounting to K12, 036,000 were availed for audit scrutiny.

### **Committee's Observation and Recommendation**

The matters above relating to supported documents were all recommended for closure except for matters relating to: Kasama, Luwingu, Kaputa, Mporokoso, Kalabo, Senaga, Kaoma, Lusaka, Siavonga councils.

#### **10.1.4 Unapproved Payment Vouchers – K172,242, 000**

The previous Committee observed that the conduct by the councils concerned was highly irregular as the principal officers were supposed to make adequate arrangements for the authorisation of payments whenever they were away from the stations. The Committee resolved to close the matter, but cautioned the Controlling Officer that if this recurred, the Committee would not hesitate to recommend stern disciplinary action against the principal officers.

### **Treasury Response**

In response, the Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended the following per District;

➤ **KASAMA MUNICIPAL COUNCIL-K7,130,000**

That it remained outstanding until the payment voucher amounting to K7,130,000 was approved retrospectively and availed for audit scrutiny.

➤ **SOLWEZI MUNICIPAL COUNCIL-K133,702,000**

That the matter be closed since all the eight payment vouchers amounting to K133,702,000 were approved retrospectively and availed for audit scrutiny.

➤ **MONGU MUNICIPAL COUNCIL-K31, 410,000**

That the matter be closed since all the eight payment vouchers amounting to K31,410,000 were approved retrospectively and availed for audit scrutiny.

### **Committee's Observation and Recommendation**

The matters above relating to supporting documents were all recommended for closure. The Committee, however, awaits a progress report on the Kasama Municipal Council.

#### **10.1.5 Irregular Payment of Allowances – K1238,154,200**

The previous Committee expressed concern that the Constituency Development Fund (CDF) Guidelines were deliberately flouted by the councils and urged the Controlling Officer to ensure that the councils involved were cautioned and the outstanding amount of K116, 982,200 paid out by other councils was refunded to the respective CDF accounts. The Committee awaited a progress report on the matter.

## **Treasury Response**

In response, the Treasury said that the matter was verified by the Office of the Auditor-General and recommended the following per District;

➤ **MUFUMBWE DISTRICT COUNCIL-K40,970,000**

That it remains outstanding until the funds for allowances amounting to K40,970,000 were reimbursed and details availed for audit scrutiny.

➤ **KABWE MUNICIPAL COUNCIL**

That it remains outstanding until the funds amounting to K7, 755,200 were reimbursed and details availed for audit scrutiny.

➤ **KASAMA MUNICIPAL COUNCIL-K38,305,000**

That it remains outstanding until the funds amounting to K38, 305,000 were reimbursed and details availed for audit scrutiny.

➤ **LUWINGU DISTRICT COUNCIL-K7,800,000**

That it remains outstanding until the funds amounting to K7, 800,000 were reimbursed and details availed for audit scrutiny.

➤ **KAPUTA DISTRICT COUNCIL-K41,897,000**

That it remains outstanding until the funds amounting to K41, 897,000 were reimbursed and details availed for audit scrutiny.

➤ **MPOROKOSO DISTRICT COUNCIL-K85,445,000**

That it remains outstanding until the funds amounting to K85, 445,000 were reimbursed and details availed for audit scrutiny.

➤ **CHILUBI DISTRICT COUNCIL-K16,000,000**

That it remains outstanding until the funds amounting to K16, 000,000 were reimbursed and details availed for audit scrutiny.

## **Committee's Observation and Recommendation**

However, the Committee awaits a progress report on all the above District Council with irregular payment of allowances.

### **10.1.6 Excess Expenditure on Administrative Activities**

The previous Committee observed with concern that Circular No. MLGH/71/6/1 dated 23<sup>rd</sup> December, 2009, which offered guidance on how much should be used for administrative purposes was clearly flouted by the councils concerned, which was unacceptable. The Committee, therefore, recommended that all the councils concerned should immediately refund the money to the respective CDF accounts. The Committee awaited a progress report on the matter.

#### **Treasury Response**

In response, the Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended the following per District and Constituency;

- **SENANGA DISTRICT COUNCIL– SENANGA CENTRAL CONSTITUENCY-K75,783,400**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K75,783,400 were reimbursed and details availed for audit scrutiny.

- **SENANGA DISTRICT COUNCIL – NALOLO CONSTITUENCY-K122,811,900**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K122,811,900 were reimbursed and details availed for audit scrutiny.

- **CHAMA DISTRICT COUNCIL - CHAMA NORTH CONSTITUENCY-K34,364,320**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K34,364,320 were reimbursed and details availed for audit scrutiny.

- **CHAMA DISTRICT COUNCIL - CHAMA SOUTH CONSTITUENCY-K8,985,480**

That it be closed since the funds incurred in excess of the 20 percent administrative costs amounting to K8,985.48 were reimbursed and details availed for audit scrutiny.

- **KASAMA MUNICIPAL COUNCIL - KASAMA CENTRAL CONSTITUENCY-K13,080,000**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K13, 080,000 were reimbursed and details availed for audit scrutiny.

- **LUWINGU DISTRICT COUCIL – LUPOSOSHI CONSTITUENCY-K14,555,000**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K14,555,000 were reimbursed and details availed for audit scrutiny.

➤ **LUWINGU DISTRICT COUCIL – LUBANSENH CONSTITUENCY-K14,103,530**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K14,103,530 were reimbursed and details availed for audit scrutiny.

➤ **KAPUTA DISTRICT COUNCIL – KAPUTA CONSTITUENCY-K3,322,400**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K3,322,400 were reimbursed and details availed for audit scrutiny.

➤ **KAPUTA DISTRICT COUNCIL – CHIMBAMILONGA CONSTITUENCY-K15,670,000**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K15, 670,000 were reimbursed and details availed for audit scrutiny.

➤ **MPOROKOSO DISTRICT COUNCIL – LUNTE CONSTITUENCY-K53,970,000**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K53,970,000 were reimbursed and details availed for audit scrutiny.

➤ **MPOROKOSO DISTRICT COUNCIL – MPOROKOSO CONSTITUENCY-K69,603,000**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K69,603,000 were reimbursed and details availed for audit scrutiny.

➤ **CHILUBI DISTRICT COUNCIL – CHILUBI CONSTITUENCY**

That it remains outstanding until the funds incurred in excess of the 20 percent administrative costs amounting to K11,810 were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendation on the matters stated above and resolves to await a progress report on them except for Chama District Council - Chama South Constituency whose matter was resolved.

#### **10.1.7 Unretired Imprest – K108,717,000**

The previous Committee observed that regulations on the management of imprest were wilfully flouted and urged the Controlling Officer to take disciplinary action against the officers responsible for the anomaly. The Committee further urged the Controlling Officer to ensure that retirement documents were immediately availed for audit verification. The previous Committee further observed with concern that there had been no response on the matter from Mansa

Municipal Council in respect of the K11, 800,000 which was unretired. The Committee, therefore, recommended that the principal officer for Mansa Municipal Council should be disciplined for failing to respond to the queries. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended the following per District;

➤ **KASAMA MUNICIPAL COUNCIL–K16,470,000**

That it remained outstanding until imprest retirement documents to support amounts totaling K16, 470,000 were availed for audit scrutiny.

➤ **LUSAKA CITY COUNCIL– K10,000,000**

That it remains outstanding until imprest retirement documents to support amounts totaling K10, 000,000 were availed for audit scrutiny.

➤ **MANSA MUNICIPAL COUNCIL– K11,800,000**

That it be closed since the retirement details for imprest in amounts totaling K11, 800,000 were availed for audit scrutiny.

➤ **SENANGA DISTRICT COUNCIL– K61,150,000**

That it remains outstanding until retirement details for imprest in amounts totaling K61,150,000 were availed for audit scrutiny.

➤ **KAPIRI-MPOSHI DISTRICT COUNCIL–K9,297,000**

That it be closed since the retirement details for imprest in amounts totaling K9, 297,000 were availed for audit scrutiny.

### **Committee’s Observations and Recommendations**

The Committee reiterates the previous Committee’s recommendation on the matter and resolves to wait for a progress report on the issues except for Mansa and Kapiri Mposhi councils whose matters were resolved.

#### **10.1.8 Unaccounted for Stores – K 816,327,278**

The previous Committee observed that failure to avail stores records was a serious omission as it made it difficult to establish whether or not the procured goods were received and urged the

Controlling Officer to strongly caution the councils responsible for this infringement of the rules. The Committee further cautioned the councils that failed to avail responses as required and urged the Controlling Officer to take the principal officers in these councils to task. The Committee resolved not to close the matter until all the stores records were found and availed for audit verification.

### **Treasury Response**

In responding to the matter the Treasury submitted that the matter was verified by the Office of the Auditor General and recommended the following per District;

➤ **CHILANGA DISTRICT COUNCIL – K8,467,840**

That it remains outstanding until receipt and disposal details for stores items costing K8, 467,840 were availed for audit scrutiny.

➤ **MANSA DISTRICT COUNCIL-K1,703,160**

That it be closed since stores vouchers in respect of stores items costing K1, 703,160 were availed for audit scrutiny.

➤ **MUFUMBWE DISTRICT COUNCIL-K206,619,700**

That it remains outstanding until the stores records for stores items costing K206, 619,700 were availed for audit scrutiny.

➤ **SENANGA DISTRICT COUNCIL-K23,617,000**

That it remains outstanding until the stores records for stores items costing K23, 617,000 were availed for audit scrutiny.

➤ **KAOMA DISTRICT COUNCIL-K9,455,000**

That it remains outstanding until the stores records for stores items costing K9, 455,000 were availed for audit scrutiny.

➤ **KASAMA MUNICIPALCOUNCIL-K44,182,250**

That it remains outstanding until the receipt and disposal details for stores items costing K44, 182,250 were availed for audit scrutiny.

➤ **CHILUBI DISTRICT COUNCIL-K338,920,000**

That it remains outstanding until the receipt and disposal details for stores items costing K338, 920,000 were availed for audit scrutiny.

➤ **SINAZONGWE DISTRICT COUNCIL-K67,514,328**

That it remains outstanding until the receipt and disposal details in respect of stores items costing K67, 514,328 were availed for audit scrutiny.

➤ **MAZABUKA DISTRICT COUNCIL-K115,848,000**

That it be closed since stores records in respect of the unaccounted stores items costing K115, 848,000 were updated and availed for audit scrutiny.

**Committee's Observations and Recommendations**

The Committee resolves to await a progress report on all other matters except for Mansa and Mazabuka whose matters were resolved.

**10.2 LUAPULA PROVINCE**

**10.2.1 Procurement of a Grader – Chembe Constituency**

The Committee noted the submission that the Council had no funds to register and insure the grader, but resolved not close the matter until the grader was appropriately insured and registered. The Committee awaited a progress report.

**Treasury Response**

The Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the grader was insured and details availed for audit scrutiny.

**Committee's Observations and Recommendations**

The Committee resolves to leave the matters outstanding until the grader is insured and verified by the auditors.

**10.2.2 Project Management**

A review of documents and physical inspections carried out on selected projects revealed weaknesses in the management of projects in that there was poor workmanship and failure to complete projects on time in respect of twenty-seven projects on which expenditure of K907,889,630 was incurred as detailed below.

**Treasury Response**

In response, the Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended the following per project in each District and Constituency.

**i. Chienge District Council**

**Construction of Mwabu Rural Health Centre (Maternity Wing)**

That it remains outstanding until the works on the construction of the maternity wing were completed and physically verified.

**Electrification of Luchinda Rural Health Centre (2011)**

That it remains outstanding until power was connected to Luchinda Rural Health Centre and the connection was physically verified.

**ii. Mwense District Council -Mwense Central Constituency**

**Electrification of Kapakala Village**

That the matter be closed since power had been connected to Kapakala Village and physically verified.

**Electrification of Mununshi RHC**

That the matter be closed since power had been connected to Mununshi Rural Health Centre and physically verified.

**Electrification of Lwanfwe Primary School**

That the matter be closed since power had been connected to Lwanfwe Primary School and physically verified.

**Completion of 1x2 Classroom Block (CRB) at Buyantanshi Primary School**

That the matter be closed since defects in the rough cast and the drainage had now been worked on and physically verified.

**Completion of 1x3 Staff House Block at Kapamba Primary School**

That it remains outstanding until the flats were handed over for occupation and the matter was physically verified.

**iii. Mambilima Constituency**

**Electrification of Chalwe RHC and Staff House**

That the matter be closed since power had been connected to Chalwe Rural Health Centre and physically verified.

### **Completion of Staff House at Kashiba Primary School**

That it remains outstanding until the works for the construction of staff houses were completed and physically verified.

### **Rehabilitation of 1x2 Classroom Block at Kanyemba Primary School**

That the matter be closed since the works had been completed and physically verified.

### **Construction of Bus Shelter at Katuta Turn Off.**

That it remains outstanding until the defects on the surface of the solid concrete seats that were peeling off were rectified and physically verified.

### **Construction of Double VIP Toilet at Mutima Basic School**

That the matter be closed since the works had been redone by the contractor and physically verified.

### **Construction of Double VIP Toilet at Mweshi Primary School**

That it remains outstanding until the defects and cracks were rectified by the contractor and physically verified.

## **iv. Mansa Municipal council - Bahati Constituency**

### **Construction of Staff House at Kalaba Primary School**

That the matter be closed since the glass panes had been fitted to the staff houses at Kalaba Primary School by the contractor and physically verified.

### **Construction of Staff House at Mutiti Primary School**

That it remains outstanding until the flats were handed over for occupation and the matter was physically verified.

### **Construction of a 1x3 Classroom Block at Chibinde Primary School.**

That it remained outstanding until the receipt and disposal details for the unaccounted for pockets of cement were availed for audit scrutiny.

**v. Mansa Central Constituency**

**Construction of Health Post at Masaba**

That it remains outstanding until the works for the construction of Masaba Rural Health Centre were completed and the matter was physically verified.

**Construction of Maternity wing at Mwanguni Rural Health Centre**

That it remains outstanding until the receipt and disposal details for the unaccounted for pockets of cement were availed for audit scrutiny.

**vi. Kawambwa District Council - Pambashe Constituency**

**Construction of Staff House at Kota Primary School**

That the matter be closed since the cracks in the sitting room wall had been sealed in the staff house at Kota Primary School by the contractor and physically verified.

**Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the outstanding projects while the following were recommended for closure: Construction of Staff House at Kota Primary School, Construction of Staff House at Kalaba Primary School, Construction of Double VIP Toilet at Mutima Basic School, Electrification of Kapakala Village, Electrification of Mununshi RHC, Completion of 1x2 Classroom Block (CRB) at Buyantanshi Primary School, Electrification of Lwanfwe Primary School, Electrification of Chalwe RHC and Staff House, and Rehabilitation of 1x2 Classroom Block at Kanyemba Primary School.

**10.3 NORTH – WESTERN PROVINCE**

**10.3.1 Project Management**

A review of documents and physical inspections carried out in January, 2014 revealed weaknesses in the management of projects in that there was poor workmanship, failure to complete the projects on time, lack of Bill of Quantities (BoQs) and overpayment to contractors in respect of two projects on which expenditure totalling K75,000,000 had been incurred in Solwezi Central Constituency as detailed below:

**a) Electrifying of Kabulobe Basic School**

The previous Committee urged the Controlling Officer to ensure that the Council pays more attention to the monitoring of projects in order to avert poor workmanship and delayed implementation. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works of the classroom block were completed and physically verified.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the works of the classroom block are completed and physically verified.

### **10.4 COPPERBELT PROVINCE**

An examination of accounting and other records maintained at six local authorities namely Ndola, Kitwe, Mufulira, Masaiti, Luanshya and Mpongwe and physical inspections carried out in September, 2013 on selected projects revealed the following:

#### **10.4.1 Misapplication of Funds – Masaiti District Council**

The previous Committee expressed concern that the council deliberately ignored the CDF Guidelines as regards the type of projects eligible for funding under CDF and urged the Controlling Officer to caution the council against the practice. The Committee urged the council to immediately pay back the balance of K16, 000,000. The Committee awaited a progress report on the matter.

## **Treasury Response**

The matter was verified by the Office of the Auditor-General and recommended that it remained outstanding until the balance of K16,000,000 was reimbursed and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee recommends that the matter remains outstanding until the balance of k16,000,000 has been reimbursed and verified by the office of the Auditor General.

### **10.5 CENTRAL PROVINCE**

An examination of accounting and other related records maintained at the six local authorities namely Kabwe, Mumbwa, Kapiri Mposhi, Mkushi, Serenje and Chibombo and physical inspections carried out in January, 2014 on selected projects revealed the following:

## **10.5.1 Kabwe Municipal Council**

### **a) Kabwe Central Constituency – Delays in Completion of Projects**

#### **i. Kasanda Malombe Primary School**

The previous Committee observed that the council flouted CDF Guidelines when it failed to ensure that only appraised projects were funded. The Controlling Officer was urged to caution the council management to follow the CDF Guidelines strictly. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.

#### **Committee’s Observations and Recommendations**

The Committee notes the matter of awarding a contract to Dynamic Link Limited for the completion of a science laboratory and classroom block at the school with a completion period of seven weeks. The Committee further notes that the contract was not delivered within the stipulated time. The Committee resolves to leave the matter outstanding until the works are completed and verified by the audit.

#### **ii. Failure to Commission a Project - Kaputula Police Post**

The previous Committee observed with concern that the failure by the council to engage the stakeholders during the inception of the project caused the anomaly. The Committee urged the Controlling Officer to impress upon the council management on the need to consult all relevant stakeholders in the district before a particular project was designed and approved. The Council was also urged to ensure that the works were redone to the desired standards. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it be outstanding until the project was commissioned and implemented.

#### **Committee’s Observations and Recommendations**

The Committee reiterates the observation of the previous Committee of not engaging stakeholders before embarking on any project, hence delaying commissioning of the project. The Committee resolves to leave the matter outstanding until the project is commissioned and implemented and verified by the audit.

## **b) Project Management**

A review of documents and physical inspections carried out in January, 2014 revealed weaknesses in the management of projects in that there was poor workmanship, failure to complete the projects on time and payments were not supported with stage completion certificates in respect of seven projects in amounts totalling K456, 719,680.

The Controlling Officer acknowledged poor workmanship, failure to complete the projects on time and payments not being supported by Stage Completion Certificates in respect of seven projects on which expenditure totalling K456, 719,680 had been incurred. The Controlling Officer submitted further as set out below'

### **Kabwe Municipal Council**

#### **i. Kabwe Central Constituency**

##### **Completion of science laboratory and classroom block at Kasanda Malombe Primary School**

The previous Committee awaited a progress report on the matter of completion of science laboratory and classroom block at Kasanda Malombe Primary School which was due to poor supervision and monitoring of the projects on the part of the council.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the construction of the science laboratory was completed and physically verified.

#### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the construction of the science laboratory is completed and physically verified by the audit.

### **10.5.2 Chibombo District**

#### **a) Irregularities in the Purchase of a Grader – Chibombo Council**

The previous Committee expressed concern that the normal Government procurement procedures were not followed from the very beginning as the authority to single source the contract was not sought and the tender was not advertised. The Committee did not understand what motivated the council to pay the second advance on 19<sup>th</sup> March, 2013, a day after the contract for the old grader was cancelled. The Committee also expressed concern that the contractor who was paid had failed to deliver the equipment/grader and was delaying in paying back the money advanced to him. The Committee urged the Controlling Officer to urgently

report the matter to the investigative wings who should investigate the matter and if malpractice was detected, culprits should be prosecuted. The Committee further urged the Controlling Officer to ensure that all funds were refunded by the contractor. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding since the advance payments had not been recovered and no progress had been reported on the outcome of the investigations by the Government investigative wings.

### **Committee's Observations and Recommendations**

The Committee is concerned that the investigative wings are taking too long to conclude and give feedback on offences cited in the Auditor General's report which are criminal in nature. The Committee resolves to leave the matter outstanding until the investigations have concluded and the money is recovered and verified by audit.

## **10.6 NORTHERN PROVINCE**

### **a) Misapplication of Funds**

#### **i. Luwingu District Council – K7,670,000**

The Committee observed that this expenditure was irregular as such expenses were supposed to be met from the administrative costs and therefore, the funds in question should be immediately refunded by the council. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the funds amounting to K7,670,000 paid out contrary to the CDF guidelines and *Public Finance Management Act*, No. 21 of 2004 were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves that the matter remains outstanding until the funds are reimbursed and verified by audit.

#### **ii. Kaputa District Council – K118,108,480**

The previous Committee expressed concern that despite the CDF Guidelines being categorical that no allowances whatsoever should be paid from the Constituency Development Fund, the council proceeded to do so. This was highly irregular and unacceptable. The Committee,

therefore, recommended that the council should immediately reimburse the funds paid out to members as allowances failure to which the Committee would recommend that the grants to the council be withheld. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the funds amounting to K118,108,480 paid out for operations and allowances, contrary to the CDF guidelines and *Public Finance Management Act*, No. 21 of 2004 were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves that the matter remains outstanding until the funds are reimbursed and verified by audit and encourages the council to find avenues to raise revenue to avoid using CDF to pay allowances.

#### **iii. Mporokoso District Council – K168,342,000**

The Committee expressed concern that despite the CDF Guidelines stating clearly that no allowances whatsoever should be paid from the Constituency Development Fund, the Council proceeded to do so, which was highly irregular. The Committee urged the Controlling Officer to ensure that the Council reimburses the funds paid out to members as allowances failure to which the Committee would recommend that the grants to the Council be suspended.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the funds amounting to K168,342,000 paid out as sitting allowances to CDF Committee members, contrary to the CDF guidelines and *Public Finance Management Act*, No. 21 of 2004 were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves that the matter remains outstanding until the funds are reimbursed and verified by audit.

#### **iv. Chilubi District Council – K18,000,000**

The Committee noted the submission by the Controlling Officer and urged him to impress upon the council to desist from misapplying funds without seeking approval. The Committee also urged the Controlling Officer to ensure that the K18,000,000 misapplied was immediately paid back to the CDF account. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the funds amounting to K18,000,000 paid out contrary to the CDF guidelines and *Public Finance Management Act*, No. 21 of 2004 were reimbursed and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter remains outstanding until the funds are reimbursed and verified by audit.

### **b) Failure to Implement Approved Projects**

The Committee expressed concern that the Controlling Officer failed to render responses to this specific query and urged him to take the work of the Auditor-General and that of the Committee seriously. The Committee strongly urged the Controlling Officer to re-submit on the matter. The Committee urged the Secretary to the Treasury to take disciplinary action against the erring officers.

## **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the balance of approved projects amounting to K263, 000 was implemented and physically verified.

## **Committee's Observations and Recommendations**

The Committee resolves that the matter remains outstanding until the funds amounting to K263, 000 are reimbursed and verified by audit.

### **c) Excess Expenditure on Projects – K258,081,420**

The previous Committee expressed concern that the Controlling Officer failed to give responses to this specific query and urged him to take the work of the Auditor-General and that of the Committee seriously. The Committee strongly urged the Controlling Officer to re-submit on matter. The Committee urged the Secretary to the Treasury to take disciplinary action against the erring officers.

## **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the Controlling Officer provided a satisfactory response on the excess expenditure amounting to K258,081,420 incurred above the approved amounts of the CDF projects by the full council.

### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves that the matter remains outstanding until the funds are reimbursed and verified by audit.

#### **i. Irregular Payments for Projects – Kaputa Constituency**

The Committee noted the submission on irregular payments which among other things showed that the monies were paid towards allowances to councillors and resolves to close the matter subject to audit verification.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the funds allocated to the women clubs amounting K220,000,000 were accounted for and the K29, 700,000 paid for allowances to councilors was reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves that the matter remains outstanding until the funds are reimbursed and verified by audit.

#### **ii. Procurement of Hammer Mills – Lukashya Constituency**

The previous Committee wondered why the council engaged an unreliable supplier when there were many established and credible suppliers of hammer mills in the Country. The Committee urged the Controlling Officer to investigate how the supplier was sourced and should there be doubt in the credibility of the process, the matter should also be reported to the investigative wings. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the two hammer mills were operationally and physically verified.

### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves that the matter remains outstanding until the matter is verified by audit.

### **10.6.1 Kasama Municipal Council**

#### **a) Kasama Central Constituency**

##### **i. Irregular Award of Contract - Construction of the Recreation Hall**

The previous Committee observed that all normal Government procurement procedures were clearly flouted by the management of the council without any valid reason. The Committee also observed that the blame for the stalled works should justifiably be placed on the council management and urged the Controlling Officer to bring the matter to the attention of the Local Government Service Commission for possible disciplinary action. The Committee also urged the Controlling Officer to report the matter to investigative wings so that if any malpractice was detected, the culprits were prosecuted. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until disciplinary action was taken against the officer who caused the irregular procurement and details availed for audit scrutiny.

#### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

#### **b) Lukashya Constituency**

##### **i) Supply of Building Materials - Overpayment**

The previous Committee resolved to close the matter subject to audit verification after noting that the invoices in respect of K26,259,000 were held by the procurement officer instead of being attached to the payment voucher. The invoices had since been traced and attached.

#### **Treasury Response**

The Government reported that the matter was verified by the Office of the Auditor- General and recommended that it be closed as the invoices amounting to K26, 259,000 had been traced and availed for audit.

#### **Committee's Observations and Recommendations**

The Committee resolves that the matter of payment regarding the supply of various electrical materials for the electrification of Mulanshi and Tibi Basic Schools in Kapongolo Ward remains outstanding until the matter was verified by audit and stern action be taken against officers if it is established that it was intentionally done.

## **10.6.2 Mporokoso District Council**

### **a) Misappropriation of Funds**

The previous Committee observed that the council did not attach seriousness to the matter during the audit process. The Committee also observed that officers were being dishonest when they received funds for the activities that had not been undertaken and urged the Controlling Officer to immediately have the matter referred to the Local Government Service Commission for disciplinary action. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the funds drawn for monitoring and evaluation of projects by the councils were accounted for or reimbursed or action be taken against the officials by the council for failing to account for the funds.

#### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves that the matter remains outstanding until the funds are reimbursed and verified by audit.

### **b) Over Payment to Contractor – K5,000,000**

The previous Committee resolved to close the matter in the overpayment of K 5,000,000 to Kigan Bwalya on a labour only contract to plaster, floor and roof Chilando School at a contract price of K2,500,000 subject to audit verification.

#### **Treasury Response**

The Treasury reported that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until documents to show that the contractor was not overpaid are availed for audit scrutiny.

#### **Committee's Observations and Recommendations**

The Committee resolves that the matter remains outstanding until verified by audit.

### **c) Construction of a Laboratory – Lunte Constituency**

The previous Committee expressed concern that materials were delivered by the Council to a third party without making adequate arrangements for accountability. The Committee resolved not to close the matter until all materials were accounted for. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the receipt and disposal details for stores items costing K129, 375,000 were availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves to leave the matter outstanding until the matter is verified by audit.

### **10.6.3 Project Management**

#### **a) Lunte Constituency**

##### **i. Construction of a staff house at Mukupa Kaoma RHC**

The previous Committee noted the submission on the construction of a staff house at Mukupa Kaoma RHC regarding and the council signing a contract with Chikwekwe Wood Processing Limited, as well as the contract being terminated after the community expressed no confidence in him. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until all the works for the construction of Mukupa Rural Health Centre such as fitting of six glass panes, interior painting of the second coat and construction of the spoon drain on the eastern and western sides were completed and the defects on the finished works observed on the wall outside the kitchen and the spoon drain that had developed cracks and the trusses that did not extend beyond the house wall, leaving the iron sheets beyond the house wall with no support were rectified and physically verified.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter of the construction of Mukupa Rural Health Centre outstanding until the health Centre is fully completed and verified by the Office of the Auditor General.

#### **b) Mporokoso Constituency**

##### **i. Electrification of Kawikisha Basic School**

The previous Committee awaited a progress report on the matter of electrification of Kawikisha Basic School considering the fact that the materials were now procured and transported to Kasama.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the Kawikisha Basic School was electrified and physically verified.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until Kawikisha Basic School is electrified and physically verified by the Officer of the Auditor General.

### **ii. Construction of Mporokoso District Bus Station**

The previous Committee observed that the anomaly was as a result of poor planning on the part of the council as the issues of space limitation should have been discussed and addressed at the time of considering the first phase of the project. The council was, therefore, urged to improve its planning of projects to avert wasteful expenditure. The Committee resolved to close the matter.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until funds paid to the contractor for the undone works were recovered and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until funds paid to the contractor have been recovered and verified by the Auditors.

## **10.7 WESTERN PROVINCE**

### **10.7.1 Mongu Municipal Council**

#### **a) Irregularities in the Awarding of Contracts – Mongu Central**

The previous Committee upon perusal of the minutes of the meeting of Tender Committee held on 13<sup>th</sup> May, 2013, was in agreement with the audit revelations that the area Member of Parliament instructed the Tender Committee to award the contracts to two preferred contractors. The Committee was particularly concerned that the contractors in question did not meet the requirement at the preliminary evaluation stage and, therefore, did not qualify to be considered. The Committee was further concerned that at the time of audit, the projects in question had not been completed. The Committee, therefore, strongly recommended that the matter should immediately be reported to investigative wings. Meanwhile, the council was also urged to ensure that the works on the staff houses were completed without further delay. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended the following for each contract as outlined below;

- i. Construction of 1 x 3 Semi-detached staff houses at Mutalaiti Basic School the matter was verified by the office of the Auditor-General and recommended that it be closed following the completion of works.
- ii. Construction of 1 x 3 Semi-detached staff houses at Ndao Basic School – the matter was verified by the office of the Auditor-General and recommended that it remains outstanding until the completions of the works.
- iii. Construction of 1 x 3 Semi-detached staff houses at Lulambo Basic School – the matter was verified by the office of the Auditor-General and recommended that it be closed following the completion of works.
- iv. Construction of 1 x 3 Semi-detached staff houses at Kama Basic School – the matter was verified by the office of the Auditor-General and recommended that it remains outstanding until the construction of the drainage and steps were completed.

## **Committee’s Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves to await an update on the construction works at Ndao Basic School and Kama Basic School.

### **10.7.2 Kalabo District Council**

#### **a) Questionable Payment - Completion of Friary House - Kalabo Central Constituency**

The previous Committee found it unacceptable for the council to put the blame on one officer when monitoring and appraisal was supposed to be conducted by a team of officers and stakeholders. The Committee awaited a progress report on the completion of the works.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the works of the Frairy House at Sihole Basic School were completed and physically verified.

## **Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

**b) Liuwa Constituency**

**i. Construction of a 1x2 Classroom Block (CRB) – Poor Workmanship**

The previous Committee expressed concern that there was poor supervision of the project which resulted in poor workmanship and urged the Controlling Officer to ensure that corrective works were done and the project was completed. The Committee awaited a progress report on the matter.

**Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until works on the flooring, fitting of doors, glazing, beam filling, painting, plastering of external walls for the 1x2 Classroom Block (CRB) were completed and physically verified.

**Committee’s Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

**ii. Delayed Works - Construction of 1x2 and 1x1 VIP Toilets**

The previous Committee noted the submission and urged the Controlling Officer to ensure that a new contractor was engaged to complete the works. The Committee awaited a progress report on the matter.

**Treasury Response**

The Executive reported on the matter that it was verified by the Office of the Auditor-General and recommended that it remains outstanding until the funds amounting to K25,000,000 were recovered and the works were completed.

**Committee’s Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the funds amounting to K25,000,000 are recovered and the works are completed and verified by the auditor.

**c) Project Management**

**i. Liuwa and Sikongo Constituencies**

The previous Committee awaited a progress report on project management in Liuwa and Sikongo Constituencies.

## **Treasury Response**

The Treasury responded that matter was verified by the Office of the Auditor-General and recommended the following for each project as below:

- i. Construction of a mothers' shelter at Namatindi RHC – that the matter was verified by the office of the Auditor-General and recommended that it remains outstanding until the construction of the mothers' shelter was completed.
- ii. Construction of a Staff House at Luohe East Basic School – that the matter was verified by the office of the Auditor-General and recommended that it be closed following the completion of works.
- iii. Rehabilitation of a 1x2 Staff house at Malondo Basic School – that the matter was verified by the office of the Auditor-General and recommended that it remains outstanding until the rehabilitation of the 1x2 staff Houses was completed.
- iv. Construction of a Staff house at Honge – that the matter was verified by the office of the Auditor-General and recommended that it remains outstanding until the construction of the staff house was completed.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding except for Luoko East Basic School whose matter has been verified by the Auditor General's Office.

### **10.7.3 Senanga District Council**

#### **a) Irregular Transfer of Funds – Senanga District Council**

The previous Committee expressed concern that the council management flouted the CDF Guidelines and urged the Controlling Officer to take disciplinary action against the erring officers. The Committee further urged the Controlling Officer to ensure that the whole amount of K83, 390,970 was immediately refunded to the respective CDF accounts. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive reported on the matter that it was verified by the Office of the Auditor-General and recommended that it remains outstanding until the borrowed funds amounting to K83,390,970 from the two CDF accounts (Nalolo - K34,216,000 and Senanga Central - K49,174,970) were reimbursed and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee expressed dismay that the council could flout CDF guidelines knowingly with impunity. The Committee reiterates the recommendation of the previous Committee and resolves to leave the matter outstanding until verified by the Auditors General

### **b) Nalolo Constituency**

#### **i. Construction of 1 x 3 Classroom Block (CRB)**

##### **Unaccounted for Building Materials**

The previous Committee expressed concern that the Controlling Officer and the council management did not take concrete steps to resolve the matter during the audit process. The Committee, therefore, urged the Controlling Officer to take audits seriously and immediately resolve the matter. The Committee awaited a progress report on the matter.

##### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the receipt and disposal details for the building materials costing K18,833,000 were availed for audit scrutiny.

The Committee resolved to leave the matter of unaccounted for building materials outstanding until the receipt and disposal details for the building materials costing K18, 833,000 were availed for audit scrutiny. The previous Committee urged the council to ensure that all the defects identified by the auditors should immediately be rectified. The Committee awaited a progress report on the matter.

##### **Treasury Response**

The Executive responded that matter was verified by the Office of the Auditor -General and recommended that it remains outstanding until the construction of 1x3 classroom block was completed and the project with poor workmanship be supervised by the Civil Engineer and physically verified.

## **Committee's Observations and Recommendations**

The Committee urges the council that civil engineers should inspect projects regularly to avoid defects. The Committee resolves to leave the matter outstanding until the works are completed and verified by Office of the Auditor-General.

**ii. Construction of a 1x2 Semi Permanent Classroom Block (Mud and Pole)**

**Unaccounted for Funds - K4, 500,000**

The previous Committee urged the Controlling Officer to avail evidence to the Office of the Auditor-General showing that the contractor gave authority to be paid through the said deputy head teacher and that the contractor received the payment due to him. The Committee awaited a progress report on the matter.

**Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the K4, 500,000 paid into the deputy head teacher's account to facilitate the payment of labour charges to the contractor was accounted for and details availed for audit scrutiny.

**Committee's Observations and Recommendations**

The Committee resolves to await progress report on the matter of unaccounted for funds.

**c) Project Management**

**i. Construction of a police post at Naande – K5,045,000**

The previous Committee urged the Controlling Officer to review the listed suppliers so that those that were not credible were blacklisted from supplying the council. The Committee awaited a progress report on the matter.

**Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the material was delivered and the construction of the police post was completed and physically verified.

**Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous committee and further urges the council to use credible contractors when awarding contracts. The Committee awaits progress report.

**ii. Construction of 1 x 2 CRB at Maziba Basic School**

The Committee noted the response about the construction of 1 x 2 CRB at Maziba Basic School and awaited a progress report on the matter.

### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the construction of the 1x2 classroom block was completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report.

#### **iii. Construction of mothers' shelter at Muoyo Rural – Building materials costing K2,000,000 not delivered**

The previous Committee urged the Controlling Officer to provide evidence that the change in the project was authorised by the council and requested the Office of the Auditor-General to inspect the staff housing project and provide an update on the matter.

### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the mothers' shelter was completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee recommends that the matter remains outstanding until the mothers' is completed and physically verified.

#### **iv. Completion of staff house at Nasiwayo Basic School – Ongoing project**

The Committee resolved to close the matter subject to audit verification.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the construction of the staff house was completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter

#### **v. Project Management - Kaoma District Council**

The previous Committee noted that the Controlling Officer failed to explain why there was poor workmanship and why the works were not completed on time. The previous Committee resolved not to close the matter until the right response is availed and awaits a progress report.

### **Treasury Response**

The Executive reported that the matters were verified by the Office of the Auditor-General and recommended the following on each as set out below:

- i. Drilling of twenty-three boreholes – the matter was verified by the Office of the Auditor-General and recommended that it be closed following the completion of works to drill and install eleven boreholes and Indian Mark II pumps and the resolution by the council not to extend the contract to drill the remaining twelve boreholes and termination of the contract.
- ii. Completion of a staff house at Mulalila Basic School – the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.
- iii. Construction of 1 x 2 CRB at Mangongi Basic School – the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.
- iv. Construction of 1 x 2 CRB at Mangongi Basic School – the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.
- v. Completion of a 1x3 CRB at Kanyenze Basic School – the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.
- vi. Completion of a 1x3 CRB at Namasheshe Basic School – the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.
- vii. Construction of a staff house at Mushwala Basic School – the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report. Further, the Committee requests specific update on the funds for the remaining twelve boreholes since only eleven boreholes were installed before the contract came to an end.

## **10.8 SOUTHERN PROVINCE**

### **10.8.1 Poor Project Management**

#### **a) Mazabuka Municipal Council**

##### **i. Drilling of forty boreholes**

The previous Committee noted the response and awaited a progress report on the drilling of the remaining forty boreholes.

#### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and noted that the construction of boreholes was erroneously indicated in the Report of the Auditor-General for the Financial Year ended 31<sup>st</sup> December, 2012 as having been done in Mazabuka instead of Namwala. In addition, physical verification of the boreholes in Namwala revealed that all the boreholes had been drilled and equipped, though four boreholes drilled: one at Shichanda East in Mbeza, one in Chibule North in Chitongo and two in Namwala Central were dry and therefore recommended that the matters on the four dry boreholes remain outstanding until the works were redone.

#### **Committee's Observations and Recommendations**

The Committee notes the response and awaits a progress report on the four dry boreholes matter.

#### **b) Namwala District Council**

##### **i. Construction of 1 x 4 CRB at Kaleya Basic School**

The previous Committee resolved to close the matter, subject to audit verification.

#### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works on flooring of the veranda, painting of inside walls, fixing of power switches, plugs and bulb holders were completed and physically verified.

#### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the works are completed and verified by the Auditor General's Office.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works on the flooring, fixing of window panes, doors, and ridges, painting plastering of two veranda pillars, drainage and plumbing were completed and physically verified.

### **Committee's Observations and Recommendations**

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

#### **ii. Construction of a staff house at Itebe RHC**

The previous Committee resolved to close the matter subject to audit verification.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works on the flooring, fixing of window panes, doors, and ridges, painting plastering of two veranda pillars, drainage and plumbing were completed and physically verified.

### **Committee's Observations and Recommendations**

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

## **10.8.2 Monze District Council**

### **a) Failure to Implement Approved Projects**

#### **i. Monze Central Constituency Projects**

##### **Harry Mwangi Nkumbula Stadium Change Room**

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

### **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until the works on the polishing up the floor, painting both inside and outside of the change room, fitting of window panes and landscaping of the outside surrounding are completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

## **ii. Bweengwa Constituency Projects**

### **Chuungu Bridge Rehabilitation Project**

The Committee urged the Ministry to continue sensitising communities on the need to support the CDF programmes which they applied for. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works on the rehabilitation of the bridge were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the works on the rehabilitation of the bridge are completed and physically verified.

## **iii. Moomba Constituency Projects**

### **Njola Mwanza Rural Health Centre**

The previous Committee urged the council to make use of planning structures in the district to harmonise development projects to reduce such instances which led to inefficiencies in the implementation of projects. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the project was completed.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until verified by the Auditors.

### **Nampeyo Rural Health Centre**

The Committee urged the Council to make use of planning structures in the district to harmonise development projects so as to reduce such inefficiencies in the implementation of projects. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the project was completed.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the project is completed and verified by Auditors.

#### **b) Misapplication of funds**

The previous Committee observed that the council willfully flouted the CDF Guidelines which was highly unacceptable and urged the Controlling Officer to ensure that the whole amount totalling K54, 588,880 was immediately refunded to the CDF account. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the misapplied funds amounting to K54, 588,880 were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee recommendation and awaits a progress report on the matter.

#### **c) Failure to Account for Pigs - Nakatuba Club**

The previous Committee observed that this anomaly was as a result of failure by the Council to ensure that the projects were properly supervised and monitored. The Committee, therefore, urged the Controlling Officer to ensure that disciplinary action was taken against erring officers who failed to monitor the project. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the funds for the unaccounted for pigs were recovered and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

**d) Rearing of Dairy Animals at Chuungwe Co-operative**

The previous Committee expressed concern at the poor monitoring and supervision of projects by the council. The Committee failed to understand how the council utilised the administrative funds if projects were not monitored. The Committee urged the council to get an updated report on the matter and provide a progress report.

**Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the police investigations were concluded and details availed for audit scrutiny.

**Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendations and awaits a progress report on the matter.

**e) Rehabilitation of Hikaunu Bridge – Bweengwa Constituency**

The previous Committee observed that poor monitoring by the council was the main cause of the anomaly as the council resorted to writing to beneficiaries instead of sending a verification team to obtain the details. The Committee urged the council to immediately obtain a detailed report on the matter and provide a progress report.

**Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the conclusion of the investigations by the investigative wings.

**Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

**f) Poor Project Management**

**i. Construction of waterborne toilets at Manungu Market**

The Committee noted the submission on the construction of waterborne toilets at Manungu Market and awaited a progress report on the matter.

**Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the pending works on roofing, plumbing,

plastering of both inside and outside, fitting of door frames and windows and painting were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the pending works are completed and physically verified by the Office of the Auditor General.

#### **g) Construction of 1 x 3 CRB at Tusole Community School**

The previous Committee noted the submission and resolved to close the matter.

### **Treasury Response (Action Taken)**

The matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the works were completed.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the pending works are done and verified by the Auditor.

## **10.8.3 Sinazongwe District Council – Sinazongwe Constituency**

#### **a) Failure to Implement Approved Projects**

The previous Committee resolved to close the matter of failure to implement approved projects, subject to audit verification.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that should remain outstanding until all the nine projects to which funds were disbursed were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the nine projects are completed and verified by the Auditor.

#### **b) Misapplication of Funds**

The previous Committee expressed concern that the council abrogated the CDF Guideline No.5 that states that, "the types of projects to be financed under CDF shall be developmental in nature and beneficial to various stakeholders in the community" and urged the Controlling Officer to

caution the council management for the omission. The Committee also urged the council to immediately refund the K51,294,865 used to purchase furniture from the CDF account and provide a progress report.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the funds amounting to K51,294,865 were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee reiterates the recommendations of the previous Committee and resolves to leave the issue outstanding until the funds amounting to K51, 294,865 are reimbursed and details availed for audit scrutiny.

#### **c) Poor Project Management**

##### **i. Construction of Kariba Radio Station at Maamba and construction of toilet block at Maliko Lwiindi Arena**

The Committee noted the submission of delayed funding and resolved to close the matter, subject to verification that works had been undertaken.

### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the pending works on painting, glazing, flooring, fitting of two doors and hand basins were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the pending works are completed and verified by the Auditor.

#### **10.8.4 Kazungula District Council – Procurement of Earth Moving Equipment**

As of January 2014, a total amount of K528, 798,000 had been paid to the contractor, however, the following was observed:

##### **a) Failure to Deliver the Earth Moving Equipment**

The previous Committee expressed concern that the earth moving equipment had not yet been delivered by Techmiya Commercial Limited, despite the supplier being paid in full. The Committee, while noting that the matter had been reported to the investigative wings, strongly

urged the Controlling Officer to continue pursuing the supplier until the equipment was delivered. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the grader was delivered and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the grader is delivered and details availed for audit scrutiny.

## **10.8.5 Kalomo District Council**

### **i. Procurement of Defective Earth Moving Equipment**

The previous Committee noted that the Controlling Officer had reported the matter to the ACC as all normal Government procurement procedures were evidently flouted by the Council. The Committee, however, urged the Controlling Officer to continue pursuing the supplier of the equipment until it was delivered. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the grader was delivered and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the grader is delivered and details availed for audit scrutiny.

## **10.8.6 Choma Municipal Council**

### **i. Procurement of Earth Moving Equipment**

The previous Committee observed that the management acted irresponsibly in the matter as all normal Government procurement procedures were wilfully flouted by the council. The Committee further observed that the decision to pay 50 percent of the contract sum before the contract was signed was highly irregular as it put public funds at great risk. The Committee urged the Controlling Officer to continue pursuing the supplier of the equipment until it was delivered. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor- General and recommended that it should remain outstanding until the equipment was delivered and the pending investigations were concluded.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the equipment was delivered and the pending investigations are completed.

### **10.8.7 Siavonga District**

#### **i. Irregularities in the Procurement of a Grader**

The previous Committee expressed concern that the file in question was not availed to the Office of the Auditor-General. The Committee urged the Controlling Officer to take disciplinary action against the officers who failed to respond to the audit queries. The Committee further urged the Controlling Officer to immediately avail the documents to the Office of the Auditor-General for audit verification before the matter can be closed.

## **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the matter of the procurement processes was resolved.

## **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

### **10.9 MUCHINGA PROVINCE**

#### **a) Construction of Water Kiosk – Isoka Constituency**

The previous Committee resolved to close the matter of the three projects at Location Compound, Kalemelela Village and Mwembe Village, which were not completed within the agreed contract period of fifty-six weeks due to the delay by ZESCO Ltd to supply power to the three water points, since all the three projects had since been connected and completed.

## **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor- General and recommended that it should remain outstanding until the installation of submersible pumps and connection of electricity to the three water kiosks were completed and physically verified.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the installation of submersible pumps and connection of electricity to the three water kiosks are completed and physically verified.

### **10.10 EASTERN PROVINCE**

#### **10.10.1 Unapproved Projects – Katete**

The previous Committee resolved to close the matter, subject to audit verification, of flouting of CDF Guideline No. 7 which states that only projects which have been appraised and approved by the council shall be funded.

#### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the council minutes and resolutions that approved the six projects were availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the council minutes and resolutions that approved the six projects are availed for audit scrutiny.

#### **10.10.2 Irregular Awarding of Borehole Drilling Contract - Chipata**

The previous Committee expressed concern that normal Government procedures were flouted from the very beginning as all the structures of the CDF were ignored. The Committee also expressed concern that the council management instead of reporting the matter to the investigative wings for possible abuse of office decided to regularise the procurement which resulted in circumvention of procurement procedures. The Committee, therefore, recommended that the matter should immediately be reported to investigative wings and if malpractice was found, the culprits should be prosecuted. The Committee also recommended that the council management should be referred to the Local Government Service Commission for possible disciplinary action for assisting in circumventing the procurement procedures. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive reported that the matter was verified by the Office of the Auditor-General and recommended that it should remain outstanding until the records pertaining to the regularisation of the procurement were availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee reiterates the recommendation of the previous Committee and resolves to keep the matter outstanding until the records pertaining to the regularisation of the procurement are availed for audit scrutiny.

#### **10.10.3 Undelivered Materials – Kasenengwa**

The previous Committee noted the submission about undelivered materials for Kasenengwa Health Centre by Sabanzu General Dealers and resolved to close the matter subject to audit verification.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that remains outstanding until the receipt and disposal details for the rural health centre were availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the receipt and disposal details for the rural health centre are availed for audit scrutiny.

## **10.11 LUSAKA PROVINCE**

### **a) Misapplication of Funds**

The previous Committee urged the Controlling Officer to ensure that the whole amount of K13,889,800 was refunded to the CDF account without further delay. The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the funds amounting to K 6,899,000 and K13,889,800 used to pay for insurance for the ambulance and grader for Matero and Chilanga constituencies, respectively, were reimbursed and details availed for audit scrutiny.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

## **b) Projects Running For More Than One Year**

### **10.11.1 Lusaka District**

#### **a) Kanyama Constituency**

##### **i. Rehabilitation of borehole, installation of a pump and 3x10,000 litres tank and four tank stand – K84,398,884**

The previous Committee noted the submission on the rehabilitation of borehole installation of a pump and 3x10,000 litre-tank and four tank stands and resolved to close the matter subject to audit verification.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the outstanding works of installing a water tank, tank stand and construction of a pump house were completed and physically verified.

#### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the pending works on rehabilitation of the borehole and installation of a pump were was availed for audit scrutiny.

##### **ii. Construction of Plain View Police Post in Garden House – K 220,854,311**

The Committee noted the submission and awaited a progress report on the matter.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until works on the floor screed, ceiling board, electrical fittings and glazing are completed and physically verified

#### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report on the matter.

### **10.11.2 Chilanga District Council**

##### **i. Construction of a 1 x 2 Classroom Block at Chigwirizano Community School – K57,400,000**

The previous Committee urged the Controlling Officer to ensure that all the projects were immediately completed. The Committee awaited a progress report on the matter.

### **Treasury Response**

The Executive responded that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the following works of fitting doors, window panes, air vents, and painting in and outside are complemented and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to leave the matters outstanding until the pending works are completed and verified.

#### **10.11.3 Rufunsa District Council**

##### **i. Construction of Rural Health Post in Lubalashi – K15,914,000**

The previous Committee noted the submission and resolved to await a progress report on the matter.

### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until the woks are completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report.

##### **ii. Rehabilitation of classroom block into a health post – K15,914,000**

The Committee noted the submission and resolved to await a progress report on the matter.

### **Treasury Response**

In response, the Treasury submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the works are completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to await a progress report.

##### **iii. Completion of One Staff House (1X3 flats) and VIP Toilets at Nkalamabwe Primary School – K5,000,000**

The previous Committee noted the submission and awaited a progress report on the matter.

## **Treasury Response**

The Treasury responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until works on fitting of air vents and painting are completed and physically verified.

## **Committee's Observations and Recommendations**

The Committee awaits an update on the remaining works.

### **10.11.4 Luangwa District Council**

#### **Construction of an Admission Ward and Store Room at Chitope RHC – K50,637,000**

The previous Committee noted the submission and awaited a progress report on the matter.

## **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the following works on plastering inside, flooring, fitting of doors and window frames and painting were completed and physically verified.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until the works are complete and physically verified.

### **10.11.5 Chongwe District Council – Chongwe Constituency**

#### **i. Construction of Chisakila Rural Health Post – Kafue**

The previous Committee resolved to close the matter of construction of Chisakila Rural Health Post, subject to audit verification.

## **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until the works are completed and physically verified.

## **Committee's Observations and Recommendations**

The Committee awaits a progress report on the matter.

**11.0 Head: 29 Ministry of Local Government And Housing**  
**Department: 05 Local Government Administrations**  
**Programmes: Grants to Institutions (Capital/Operational)**  
**Activities: Various**

### **11.1 Accounting and Other Irregularities**

An examination of accounting, stores and other relevant records maintained at the Ministry headquarters, selected councils and physical inspections of selected projects carried out from August to September 2013 revealed the following:

#### **11.1.1 Missing Payment Vouchers – K479,951,671**

The previous Committee observed that the missing payment vouchers at Milenge, Chavuma, Mufumbwe and Isoka were due to negligence on the part of the officers concerned and urged the Controlling Officer to ensure that the officers were disciplined accordingly. The Committee also urged the Controlling Officer to avail all the recovered payment vouchers and those being awaited from the Drug Enforcement Commission (DEC) to the Office of the Auditor-General for audit verification.

The Committee awaited a progress report on the matter.

#### **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the missing vouchers were availed for audit.

#### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendation and awaits a progress report on the matter.

#### **11.1.2 Unsupported Payments – K3,010,113,094**

The previous Committee observed that failure to support payment vouchers with relevant documents was mainly caused by laxity on the part of officers compounded with weak internal controls and poor supervision. The Committee, therefore, urged the Controlling Officer to ensure that measures were urgently put in place to address the matter. The Committee also urged the Controlling Officer to take disciplinary action against the officers that caused the anomaly. The Controlling Officer was also urged to avail the traced supporting documents to the Office of the Auditor-General for verification.

The Committee resolved to close the matter subject to audit verification.

## **Treasury Response**

The Treasury responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until the 277 payment vouchers amounting to K2,080,640,826 were supported with relevant documents and availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee notes that five Districts had varied reasons for the unsupported documents which were verified by the Office of the Auditor General. The Committee resolves to keep the matter outstanding until the remaining 277 payment vouchers amounting to K2,080,640,826 are availed for audit verification.

### **11.1.3 Unaccounted for Funds – K191,647,284**

#### **a) Mpongwe District Council – K54,869,360**

The previous Committee urged the Controlling Officer to take disciplinary action against the council for poor management of records and further urged him to avail the expenditure ledgers to the Office of the Auditor-General for verification before the matter could be closed.

## **Treasury Response**

The Executive submitted that the matter was verified by the Office of the Auditor- General and recommended that it remains outstanding until funds amounting to K54,869,360 were accounted for and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until all payment vouchers are supported with relevant documents and availed for audit scrutiny.

### **11.1.4 Unretired Imprest – K1,151,458,037**

The previous Committee expressed concern at the negative attitude by the councils in the management of imprest and called upon the Controlling Officer to take concrete steps to correct the situation. The Committee also urged the Controlling Officer to ensure that officers who caused the anomaly were disciplined accordingly. The Controlling Officer was further directed to avail all the retirement details to the Office of the Auditor-General for verification before the matter could be closed.

## **Treasury Response**

The Treasury responded that the matter was verified by the Office of the Auditor -General and recommended that it remains outstanding until imprest, amounting to K1,072,926,037 issued to thirty-two officers at seven local authorities were retired and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee notes that there is a variance in the amounts submitted by the controlling officer and what was verified by the Office of the Auditor General. However, the Committee acknowledges that the Office of the Auditor General verified the matter and therefore, resolves to keep the matter outstanding until imprest, amounting to K1,072,926,037 is retired and verified by the Office of the Auditor General.

### **11.1.5 Unaccounted for Stores – K1,579,855,843**

The previous Committee observed with concern that the management of stores in most councils left much to be desired. This was unacceptable as it was difficult for the Committee to establish whether or not the goods that were procured were actually delivered and distributed to the rightful beneficiaries. The Committee, therefore, strongly recommended that internal controls be strengthened to address the matter. The Committee resolved to close the matter subject to audit verification.

## **Treasury Response**

The matter was verified by the Office of the Auditor -General and recommended that it remains outstanding until receipt disposal details for stores items costing K 1,119,232,543 were availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee notes that the matter resolves to keep the matter outstanding until all supporting documents for the payment are availed for audit verification.

### **11.1.6 Misapplication of Funds – K2,735,524,080**

The previous Committee expressed concern that most councils in question had resolved to wilfully flout the CDF Guidelines on the utilisation of funds which was unacceptable. The Committee also recommended that all councils that misapplied the funds in question should immediately refund the funds to the respective CDF accounts. In this regard, the Controlling Officer was also urged to submit a consolidated report indicating an update on each council's refunds to the Office of the Auditor-General. The Committee awaited a progress report on the matter.

## **Treasury Response**

The Treasury submitted that the matter was verified by the Office of the Auditor-General and recommend that it remains outstanding until funds amounting to K1,851,848,825 misapplied by councils were reimbursed and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee notes the outcome of the verification by the Office of the General and resolves to keep the matters outstanding until funds amounting to K1,851,848,825 misapplied by councils are reimbursed and verified by audit.

### **11.1.7 Failure to Remit Statutory Contributions – K8,125,102,460**

The previous Committee noted the submission and urged the Controlling Officer to ensure that all statutory obligations were remitted in accordance with the requirements of the law. The Controlling Officer was also urged to ensure that councils came up with innovations to create some revenue collection ventures that would enable them to improve their liquidity levels. The Secretary to the Treasury was also urged to ensure that enough funds were provided in the next budget to enable councils to pay their outstanding statutory obligations.

The Committee resolved to close the matter subject to audit verification.

## **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until statutory contributions amounting to K5, 100,209,591 from seventeen local authorities were remitted and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until statutory contributions amounting to K5,100,209,591 are remitted and documents for the payment are availed for audit verification.

### **11.1.8 Under Deduction of Tax – K139,929,717**

#### **a) Lusaka City Council – K104,315,859**

The previous Committee urged the Controlling Officer to ensure that disciplinary action was taken against the officers responsible for the anomaly.

## **Treasury Response**

The Treasury responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until tax under deducted by the council amounting to K104,315,859 was recovered and remitted to ZRA.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matters outstanding until all supporting documents for the payment are availed for audit verification.

#### **b) Luangwa District Council – K24,966,868**

The previous Committee resolved to close the matter, subject to audit verification.

### **Treasury Response**

The Treasury responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until tax under deducted by the council amounting to K24,956,766.05 was recovered and remitted to ZRA.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matter outstanding until tax under deduction by the council amounting to K24, 956,766.05 are recovered and remitted to ZRA and verified by the Office of the Auditor General.

#### **c) Chilanga District Council – K4,297,294**

The previous Committee noted the submission and awaited a progress report on the outstanding remittance from the officer transferred to Mpulungu.

### **Treasury Response**

The Treasury responded that the matter was verified by the Office of the Auditor-General and recommended that it remains outstanding until tax under deducted by the council amounting to K4. 297,294 was recovered and remitted to ZRA.

#### **11.1.9 Uncredited Funds – K946,251,873**

The Committee resolved to close the matter, subject to audit verification.

### **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until documentary evidence to show that funds were credited to the respective council bank accounts were availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matters outstanding until all supporting documents for the payment are availed for audit scrutiny and verification.

### **11.2 Irregularities in Payment of Salaries and Allowances**

#### **11.2.1 Over Payment of Settling in Allowance - Livingstone City Council**

The previous Committee noted the submission and urged the Controlling Officer to ensure that officers responsible for the anomaly were disciplined for failure to correctly calculate the settling-in-allowance. The matter was recommended for closure subject to audit verification.

#### **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until K95, 004,000 overpaid to the officers as settling-in-allowance was recovered and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to leave the matter outstanding until the full amount of K95, 004,000 overpaid to officers is recovered and details availed for audit scrutiny.

#### **11.2.2 Payment of Non Detrimental Allowances - Livingstone City Council**

The previous Committee noted the submission and awaited a progress report on the matter.

#### **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until the non-detrimental allowance amounting to K45,566,250 paid to Dr Benny Chiyesu was recovered and details availed for audit scrutiny.

## **Committee's Observations and Recommendations**

The Committee resolves to keep the matters outstanding until the amount overpaid to the officers was recovered.

#### **11.2.3 Management of Capital Projects**

##### **a) Kaoma District Council – K84,712,171**

The previous Committee observed with concern that works were poorly done due to lack of supervision by the officer responsible. The Committee also expressed concern at the failure by the Controlling Officer to ensure that works were completed within the contract period. The

Committee also noted with concern that the contractor had abandoned the works. The Controlling Officer was, therefore, urged to ensure that works were completed without any further delay. The Committee awaited a progress report.

### **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until the works were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee reiterates the previous Committee's recommendation and awaits a progress report on the matter.

#### **b) Kalabo District Council – K120,000,000**

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

### **Treasury Response**

The matter was verified by the Office of the Auditor General and recommended that it remains outstanding until the works were completed and physically verified.

### **Committee's Observations and Recommendations**

The Committee resolves to keep the matters outstanding until the works are completed and physically verified.

## **12.0 Conclusion**

Most of the outstanding issues in this report relate to queries yet to be reported to investigative wings, those pending investigations by respective investigative wings, weak internal controls and queries pending verification by the Office of the Auditor General, among others. It is the expectation of the Committee that the Government will adequately fund the Office of the Auditor General in order to expedite pending verification activities. The Committee is also hopeful that the Government will ensure that all cases that have not been reported to investigative wings, as recommended by the previous Committee, will immediately be reported and concluded within a considerable period of time.

The Committee is grateful to you, Mr Speaker for the guidance rendered to it during the Session. The Committee is also grateful to the Office of the Clerk of the National Assembly and her staff for the support rendered to it throughout this Session. The Committee is further indebted to all witnesses that submitted memoranda and appeared before it.

E J Muchima, MP  
**CHAIRPERSON**

June, 2019  
**LUSAKA**

## **Appendix I- List of National Assembly Officials**

Ms C Musonda, Principal Clerk of Committees  
Mr H Mulenga, Deputy Principal Clerk of Committees (FC)  
Mrs C K Mumba, Senior Committee Clerk (FC)  
Mrs E K Zgambo, Committee Clerk  
Ms S Phiri, Typist  
Ms N Simpamba, Intern  
Mr D Lupiya, Committee Assistant  
Mr M Chikome, Committee Assistant  
Mr M Kantumoya, Parliamentary Messenger