



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON LOCAL GOVERNMENT ACCOUNTS

ON THE

**REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF LOCAL
AUTHORITIES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2022**

FOR THE

THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

FOREWORD

Madam Speaker, the Committee on Local Government Accounts, has the honour to present its Report on the Report of the Auditor General on the Accounts of Local Authorities for the Financial Year Ended 31st December, 2022. The functions of the Committee are set out in Standing Order 206 (h) of the National Assembly Standing Orders, 2024.

The Committee held thirty nine meetings to consider the Report of the Auditor General on the Accounts of Local Authorities for the Financial Year Ended 31st December 2022. With technical guidance from the Permanent Witnesses, the Committee considered both oral and written submissions from local authorities that were cited in the Report.

The Report is in two parts, as follows: Part I deals with the responses from Accounting Authorities (Sub Warrant Holders); and Committee's Observations and Recommendations, while Part II deals with the Committee Tours and Conclusion of the Report.

The Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. It also wishes to express its gratitude for the guidance and services rendered during its deliberations by the Office of the Speaker and Clerk of the National Assembly.



Mr Darius Mulunda, MP
CHAIRPERSON

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ACRONYMS

ACC	Anti-Corruption Commission
BoQ	Bill of Quantity
CDFC	Constituency Development Fund Committee
CBD	Central Business District
DEC	Drug Enforcement Commission
DSA	Daily Subsistence Allowance
EPB	Environmental Project Brief
EPPA	Eastern Province Planning Authority
HRMC	Human Resource Management Committee
ICT	Information Communication Technology
IDP	Integrated Development Plan
JICA	Japan International Cooperation Agency
LDF	Land Development Fund
LGEF	Local Government Equalisation Fund
LGSC	Local Government Service Commission
MTEF	Medium Term Expenditure Framework
MLGRD	Ministry of Local Government and Rural Development
NAPSA	National Pensions Scheme Authority
NATSAVE	National Savings and Credit Bank
PAYE	Pay As You Earn
PLGO	Provincial Local Government Officer
ROTOMAP	Road Tolling and Maintenance Programme
ToT	Turn Over Tax
WDC	Ward Development Committee
ZEMA	Zambia Environmental Management Agency
TLB	Truck Loader Backhoe
ZNS	Zambia National Service
ZICA	Zambia Institute of Chartered Accountants
ZULAWU	Zambia United Local Authorities Workers Union
UPS	Uninterrupted Power Supply
RTSA	Road Transport and Safety Agency
VAT	Value Added Tax
ZRA	Zambia Revenue Authority
WDCs	Ward Development Committees
ZPPA	Zambia Public Procurement Authority
ZANACO	Zambia National Commercial Bank

**REPORT OF THE COMMITTEE ON LOCAL GOVERNMENT ACCOUNTS ON
THE REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF LOCAL
AUTHORITIES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2022,
FOR THE THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

Composition of the Committee

The Committee consisted of: Mr Darius Mulunda, MP (Chairperson); Mrs Kampamba Mulenga, MP (Vice Chairperson); Mr Elliot Kamondo, MP; Mr Edgar Singombe, MP; Mr Christopher Shakafuswa, MP; Dr Aaron Mwanza, MP; Mr Misheck Nyambose, MP; Mr Luhamba Mwene, MP; Mr Lukas Simumba, MP; and Mr Misheck Mutelo, MP.

PART 1

Introduction

Budget, Funding and Expenditure

It was reported by the Auditor General that during the period under review, the Councils budgeted to receive grants from the Ministry of Local Government and Rural Development and to generate funds from various sources in amounts totalling K6,975,968,559 against which amounts totalling K6,414,468,556 were received and generated resulting in a negative variance of K2,649,585,644. As at 31st December, 2022, amounts totalling K3,764,882,912 had been spent by the 116 Local Authorities.

In order to ensure that the audit findings were best classified, they were categorised as specific and cross-cutting audit observations; and the Accounting Authorities submitted as set out below.

Chadiza Town Council

Paragraph 16

Specific Audit Findings

a. Operational Matters

i. Operation of Bus Station - Illegal Bus Station

The Accounting Authority submitted that the cited illegal bus station was a taxi rank and was not in private hands. Signage for taxi rank had been installed and the area in question was operating as a taxi rank.

Management would ensure that no illegal operation of taxi and other public transport business, in the Central Business Centre (CBD), was established without authority.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. The Committee also urges that supporting documents should be submitted to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Failure to Operationalise the Ablution Block at Chadiza's New Market

The Accounting Authority submitted that the ablution block was still under construction at the time of the audit. The Council had since completed the construction of the ablution block and it was operational. The Council would endeavour to ensure that all completed capital projects were operationalised on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. The Committee also urges that supporting documents should be submitted to the Office of the Auditor General for audit verification, whereupon, the matter should be closed .

b. Construction of Crossing Points

c.

The Accounting Authority submitted that the delay in the completion of three crossing points was as a result of the projects being implemented using the labour based contract and the Council had challenges in securing adequate equipment to complete the projects on time. Two crossing points had since been completed, except for one, whose works were still ongoing. The implementation methodology for the remaining crossing point was changed from labour based contract to full contract and had since been contracted and works were underway and yet to be completed. Management would ensure that there was timely execution of projects.

Committee's Observations and Recommendations

The Committee bemoans the delay to complete the crossing points and urges the Accounting Authority to be proactive and ensure that the remaining crossing point is completed without delay and will await a progress report on the matter.

**Chama Town Council
Paragraph 27**

a. Rural Water Account - Reconciled Balances

The Accounting Authority submitted that the bank reconciliation balance was not matching with bank statement balances and was not accurately reconciling with the three accounts, namely; Rural Water, Chief Retainers and Development Accounts

Management had since rectified the errors identified in the three cashbooks and reconciled the affected accounts. Management would always endeavour to ensure that correct entries were made in the cashbooks and reconciliations were done early in order to allow supervision and verification to be done on time.

Committee's Observations and Recommendations

The Committee finds unacceptable the failure by the Council to reconcile bank statements and urges the Accounting Authority to put measures in place to enhance the capacity of the Accounts Department to prevent the recurrence of this matter. The Committee resolves to close the matter subject to audit verification.

i. Discrepancies in Closing and Opening of Cash Book Balance - Chief Retainers Account

The Accounting Authority submitted that the discrepancies in the closing and opening balances of the Chief Retainers cash book was due to an omission of a receipt amounting to K5,000, made from the sale of blocks, which was not updated. Management had since rectified the error and updated the cashbooks and reconciled the particular month.

Management would always endeavour to ensure that all cash books were adequately updated and reconciliations done in-order to allow supervision and verification to be done on time.

Committee's Observations and Recommendations

The Committee finds unacceptable the failure by the Council to reconcile cash books and urges the Accounting Authority to put measures in place that will enhance the capacity of the Accounts Department to prevent the recurrence of this matter. The Committee resolves to close the matter subject to audit verification.

ii. Irregular Payment of Salaries to a Summarily Dismissed Officer

The Accounting Authority submitted that the irregular payment of salaries to a summarily dismissed officer was due to the failure by Management to recall the earlier summary dismissal letter after the officer made an appeal. The matter was still being considered by the Human Resource Management Committee (HRMC).

The HRMC report was submitted to the Local Government Service Commission and the officer had since been transferred to another Council.

Management would always ensure that HRMC cases were executed expeditiously.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges that the matter must be escalated to the Local Government Service Commission (LGSC) so that the disciplinary matter is concluded without delay. The Committee will await a progress report on the matter.

iii. Questionable Transfer of Principal Officer – Council Secretary

The Committee was informed that the questionable transfer of the Principal Officer (Council Secretary) was due to the urgent need for the Council to have another Principal Officer to administer the affairs of the Council, during the period under review, as the substantive Principal Officer was sent on administrative leave by the Local Government Service Commission to facilitate investigations by the Anti-Corruption Commission (ACC).

The Local Government Service Commission appointed another Principal Officer, in an acting position, to administer the affairs of the Council.

The Council Management would always ensure that there was continuous interaction between the Council and the Local Government Service Commission where staff matters were concerned.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

iv. Employees without Grade 12 Certificates Chief Human Resource Officer Building Inspector

The Committee was informed that Management had since directed the said officers to enrol for GCE in order for them to obtain the required five O levels within two years or risk their positions being declared vacant to the Local Government Service Commission. However, the Chief Human Resource Officer had since cleared one subject and was remaining with one. The Chief Human Resource Officer had in fact a Masters degree.

Management would always ensure that all the officers that were employed directly by the Local Government Service Commission did meet the prerequisite qualifications required for the positions.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that the matter is addressed in consultation with the Local Government Service Commission, without delay. The Committee will await a progress report on the matter.

v. Failure to Remit Tax

The Accounting Authority submitted that the failure to remit tax on settling in allowance was because the Council had only concentrated on the tax returns from the payroll for Pay As You Earn (PAYE) which was remitted to Zambia Revenue Authority (ZRA) as the other tax (settling allowance) was done outside the payroll.

Management had since remitted the tax returns to the ZRA. A further write up to the ZRA had been made to enter into a debt payment plan in which the Council would be paying the current amount with an addition of K4,000 towards liquidation of the old debt.

Management would always ensure that all allowances were paid through the payroll so that tax returns were remitted once.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from acting after the audit process. The Committee also urges that supporting documents should be submitted

to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

vi. Irregularities in the Procurement of Laptops

The Committee was informed that the procurement irregularities were due to the fact that the supplier had only one laptop in stock that met the required specifications and coupled with urgent need to use the laptop from user departments (Finance and Works) because of the National Budget hearing meeting that was taking place in Chongwe District. This resulted in getting one laptop which did not meet the required specifications.

Management agreed with the supplier to exchange the laptop in question with a new laptop which met the required specifications and the laptop had since been delivered.

The Council had since received the Systems Analyst who had been employed by the Local Government Service Commission, who would be instrumental in advising Management on the procurement of ICT related equipment.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to adhere to the provisions of Procurement Regulations, without exception. The Committee further urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed.

b. Management of the Local Government Equalisation Fund - Failure to Implement Approved Projects

It was submitted that the non-implementation of projects was due to the financial constraints that the Council was facing where the Equalisation Fund fell short to meet other budgeted expenses. Additionally, funds meant for the two projects were varied towards the extension of office accommodation, due to increased demand for office space in the District, in the wake of devolution.

The Council had continued the renovations and extension of office accommodation at the Civic Centre.

Further, Management had also written to the Ministry of Local Government and Rural Development (MLGRD) requesting to consider increasing the allocation of the Local Government Equalisation Fund (LGEF) for Chama Town Council.

The Council would ensure that all capital projects, for the future, were implemented on time so that the benefits thereof could trickle down to the community.

The Council had further embarked on revenue enhancement measures such as block making and opened the Council bar to improve its revenue base. This in turn would greatly help in service provision.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to engage the relevant Ward Development Committees (WDCs) where the projects are falling, to consider applying for Constituency Development Fund (CDF) funding to complete the works. The Committee will await a progress report on the matter.

Chasefu Town Council

a. Failure to Collect Revenue from Sale of Plots

The Accounting Authority submitted that the failure to collect maximum revenue on plot premium charges was attributed to the land dispute that the community of Emusa raised in the planned area.

The area in question, was formerly traditional land, which the late Senior Chief Magodi V offered to the Government and the parcel of land was later converted to state land by following all the laid down procedures as guided by law. The parcel of land was later planned, numbered and 1000 plots were surveyed. The Council phased the advertisement of the plots and planned to offer 103 plots, However, during the offer of the plots, some community members demanded to be given back the land that was already planned and surveyed. They engaged the lawyer who threatened to take the Council to court if their demands were not addressed. The area that was mainly affected was the medium cost plots that were offered to the successful applicants and due to the land dispute that arose, the successful applicants withheld the payments of plot premium to the Council.

Management wrote to the Eastern Province Planning Authority (EPPA) and the Provincial Local Government Officer (PLGO) on 6th February, 2023, who came along with the Provincial Lands Officer and the Provincial Chiefs Affairs Officer. And a meeting was held with the aggrieved community and His Royal Highness Senior Chief Magodi VI. The meeting resolved to have the aggrieved community members rescind their decision of taking the matter to court and have an engagement with the new Senior Chief Magodi VI and other stake holders

Arising from the resolution of the stakeholders meeting held at the palace of the Senior Chief Magodi, Management wrote to Chalwe and Kabalata Legal Practitioners on 6th March, 2023, informing them of the resolution of the stakeholders meeting to have the issues raised resolved outside court.

Management would ensure continued engagement of the traditional leadership and the community before and after conversion of land from customary to state land as well as during implementation of the planned area.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that plots are allocated to deserving members of the public and collect the much needed revenues without delay. The Committee will await a progress report on the matter.

b. Failure to Create Access Roads

The Accounting Authority submitted that the failure to complete the creation of the access road was attributed to the land dispute as alluded to in the earlier query. The community,

through their lawyer halted all matters concerning servicing of the said plots, such as creation of access roads, facilitating for offer of the plots to successful applicants and development of the plots, despite the Council following all land tenure conversion procedures. This land dispute had resulted in the Council suspending all land development and related activities in the said area.

The Council, as service provider, needed to work in harmony with the community they provided the service to. Hence Management engaged the Senior Chief Magodi VI, Provincial Lands Office, Provincial Chief Affairs and the aggrieved community so that the matter could be resolved amicably. The Council was still waiting for the withdrawal of the engagement of the lawyer so that the issue could be resolved outside court. Management would ensure that access roads were done to all new planned areas.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to engage the traditional leadership and ensure that the said plots are serviced without delay and will await a progress report on the matter.

Chavuma Town Council

a. Irregular Payment of Rural Hardship Allowance

The Accounting Authority submitted that after reviewing the query and the corresponding eligibility criteria, Chavuma District had no service station and the fuel was procured in the neighbouring town, Zambezi. The District did not have a registered retail outlet and services of that nature were obtained from Solwezi, which was 610 kilometres away from Chavuma.

Management would endeavour to comply with relevant circulars and conditions of service in force.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

Chembe Town Council

a. Use of Private Printed Receipt Books

The Accounting Authority submitted that the Council, in 2022 procured ninety market receipt books from a private institution contrary to Cabinet Office Circular No. 11 dated 10th July, 2020, which abolished the procurement and printing of documents for Ministries, Provinces and other Spending Agencies from private institutions, with effect from 1st September, 2020. This arose due to the delayed printing of the receipts by Government printers within a reasonable time frame.

All receipt books were collected from the Ministry of Finance and National Planning and the Government printers to avoid last minute requests.

The Council would ensure all procurements were made from Government Printers or Shorthorn if Ministry of Finance and National Planning had no stock.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to stop the use of such receipts without delay and desist from the violation of Financial Regulations without exception. The Committee will await a progress report on the matter.

b. Irregular Cash Withdrawals

The Accounting Authority submitted that this was as a result of lack of banking facilities in the District, unforeseen circumstances and the distance to the nearest district, Mansa, which had banking facilities and was 89km away. Management saw it fit to have a cashier draw funds on behalf of staff and have it acquitted at the point of issuance.

A memo had been issued to guide that requests/notices for meetings should be made on time to avoid delays in the processing of funds.

Management had significantly minimised the practice of drawing cash in order to conform to the Ministry of Finance and National Planning Treasury and Finance Management Circular No. 1 of 2022.

Payments were being made through individual bank accounts for programmes that had adequate notices.

Management would appeal to the Secretary to the Treasury to consider a waiver in specific circumstances for Chembe Town Council, looking at the specific situation of the District.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to desist from the practice and ensure that supporting documents are submitted to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

Chieng Town Council

i. Management of Payroll and Staff Related Matters –

Officers on Paid Study Leave without Bonding Agreement

The Committee was informed that the query was caused by the non-signing of Bonding Agreements by officers on self-sponsored study permission, studying on distance basis with various higher institutions of learning.

The matter was being followed up with the Local Government Service Commission so that necessary documentation was signed to bond affected officers.

The Council was committed to sticking to budget guidelines.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from acting after the audit process. The Committee also urges that supporting documents must be submitted to the Office of the Auditor General for audit verification and will await a progress report on the matter.

Chikankata Town Council

Paragraph: 23

- **Accounting Irregularities - Irregular Payment of Value Added Tax**

The Committee was informed that the suppliers did not charge the Council the Value Added Tax (VAT) component as it was not showing on either their quotations or invoices that were issued to the Council. Further, this query came as a result of the Procurement Officer including VAT when preparing the Quotation Analysis.

The Council had urged the Procurement Unit to be meticulous in the drafting of procurement documents and to write exactly what the quotations and invoices stated when creating the Quotation Analysis.

The Council would include the submission of VAT or certificates on the inquiries sent to suppliers to determine the tax registered for.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed

- **Operational Matters - Unutilised Newly Constructed Market**

The Committee was informed that the Council carried out several engagement meetings with the roadside traders. The Council in its engagement meeting that was held on 27th October, 2023, gave traders a seven day ultimatum for them to stop conducting business along the road reserve and move to designated areas such as the Turnpike Market, failure to which the Council would use the State Police to remove them. However, the Council could not go-ahead with this action as the roadside traders took the matter to Kafue Magistrate Court where an injunction was granted to them.

The Council was raising more infrastructure within the market and had also identified land in Nansenga Ward where it intended to build other markets.

In future the Council would take timely action before the numbers of traders in designated places increased.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the court matter.

Chilanga Town Council

a. Failure to Spend Capital Project Funds

The Accounting Authority submitted that Management did not spend the K2,908,128 on capital projects due to land issues that arose after budgeting for the capital projects and contractual issues between the Ministry of Infrastructure, Housing and Urban Development and the contractor on the completion of the civic centre.

Management resolved to use part of the unspent capital funds on the following;

- Repair of a motor grader engine and completion of the nine houses at the civic centre

The engine was taken to Barloworld Equipment Zambia limited for assessment, and the company stated that it suspended manufacturing 311 caterpillar engines.

As for the houses, the project was under procurement. However the council was informed that the Ministry of Infrastructure, Housing and Urban Development contracted National Housing Authority to complete the houses. Management sought further clarity from the Ministry on the same.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to address the land wrangles that are holding back the completion of the project, without any further delay. The Committee will await a progress report on the matter.

c. Failure to Build the Modern Fire Station

The Accounting Authority submitted that the Council had no modern fire station and instead used a three bedroomed staff house as a station, which was not adequate. It also used male dormitories to store various equipment and documents due to lack of proper storage area. Further, the station had no running water in the bath room, windows had no glass panes and both male and female officers were using one bathroom.

Management had been engaging the MLGRD to help the Council to be a fully equipped Fire Authority with a fire engine complete with housing for all its activities.

Management had also secured the land where the fire station was supposed to be erected and would continue to engage the Ministry for consideration.

Further, the routine maintenance works and broken glass-panes had been attended to and an ablution block for the fire house had been budgeted for under the 2024 approved budget. Management would also ensure that all maintenance works were proactively carried out and on time.

Committee's Observations and Recommendations

The Committee bemoans the failure to establish a modern fire service station, thereby compromising the safety of property and life in the District. The Committee, therefore urges the Accounting Authority to ensure that the setting up of a modern fire facility is expeditiously carried out and completed. The Committee will await a progress report on the matter.

Chilubi Town Council

a. Management of Local Government Equalisation Fund

i. Construction of Council Guest House

- ***Irregular Award of Contract***

It was submitted that Management awarded a new contract at a sum of K117,252 for the completion of twelve rooms at the Council Guest House without terminating the initial contract. However, the initial contract was terminated and the new contract was signed, because the initial contract was based on 25 per cent of the material cost which became unsustainable due to inflation over the years.

Management would ensure that all contract conditions were met.

Committee's Observations and Recommendations

The Committee finds the violation of Procurement Regulations unacceptable and urges the Accounting Authority to enhance the procurement mechanisms without fail. The Committee will await a progress report on the matter.

- **Delayed Completion of Council Motel**

The Accounting Authority submitted that the delayed completion of the Council Motel was due to under allocation of funds, transfers of top Management officers and putting of works on hold between 2018 and 2019.

Management decided to allocate adequate funds towards the completion of twelve rooms and the project was at 98 per cent completion.

Management would ensure that the projects were adequately funded before commencement.

Committee's Observations and Recommendations

The Committee bemoans the poor project management and urges the Accounting Authority to caution the responsible officers and ensure that the project is completed without any further delay. The Committee will await a progress report on the matter.

C. Management of Assets-Non-functional Market

The Accounting Authority submitted that the community, through the Councilor, requested for the construction of the market. However, the market was used seasonally. Management had engaged the WDC and the area Councilor to sensitise the community on the use of the market.

Management would always ensure that stakeholder consultative meetings were held.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. The Committee also urges the Accounting Authority to submit

supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

Chingola Municipal Council

Paragraph: 27

a. Accounting for Revenue

i. Failure to Collect Regularisation Fees

The Committee was informed that prior to the land audit that was conducted in 2020 by the Chingola Municipal Council, the areas earmarked for regularisation were unplanned and the site plans had not yet been produced for onward numbering of the properties by the Ministry of Lands, hence causing delay in collecting revenue from the said areas.

The site plan for one of the areas, (Chikola Loop) had since been produced and properties numbered by Ministry of Lands and demand notices to the settlers had since been issued. A total of K2,328,142 had since been collected under regularisation, as at 22nd February, 2024.

The Council would endeavor to promptly facilitate the planning process and enhance the revenue collection efficiency.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to expedite the planning and numbering of the regularised areas and submit supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

b. Operational Matters

i. Maintenance of Township Roads - Failure to Maintain Township Roads

The Committee was informed that at the time of the audit, the Council did not have equipment for road works and depended on hiring, which proved to be too expensive. The cited amount included the procurement of the earth moving equipment for road maintenance.

The Council had procured equipment that included a motor grader, front end loader and two tipper trucks for routine road maintenance. The cited roads were worked on.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed.

ii. Illegal Establishment of Market

The Accounting Authority submitted that the illegal markets came about due to distance covered to and from existing markets.

The process of legalising the cited markets had commenced and the Council resolution had been secured. A letter for approval for the establishment and operation of the three markets had since been sent to the Ministry of Local Government and Rural Development.

The Council would endeavor to promptly identify and facilitate the establishment of markets and bus stations in designated areas.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

c. Weaknesses in Information Technology Systems

i. Lack of an Information Technology Steering Committee

It was submitted that Chingola Municipal Council, like any other Council, did not have a framework to draw its mandate to establish the Information Technology (IT) Steering Committee.

Management had since written to the MLGRD for further guidance on the establishment of the IT Steering Committee. In the interim, a committee had been constituted to look at IT matters at the Council.

Council would endeavour to operate in line with the regulations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

ii. Lack of Hardware Maintenance

The Accounting Authority submitted that the said hardware had outlived its usefulness as recommended by the IT Unit.

Management had since taken stock of all obsolete computer hardware for the purpose of disposing them. The Council had, in the last two years, procured new computers, printers and accessories to enhance smooth operations of the machines.

Management would prioritise routine maintenance of computer hardware to ensure smooth operations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process as it resolves to close the matter subject to audit verification.

iii. Physical and Environmental Security - Access to Computer Server

The Committee was informed that due to limited office space, the server room was also being used for storage of procurement documents hence allowing Procurement Officers to access the room.

Security had been intensified on access to the server room through introduction of the log book and the server room was under lock and key. Further, the label indicating restricted entry had been installed by the door to the server room.

Management would endeavor to ensure that the server room was secured and entry restricted.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from acting after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed .

Chinsali Municipal Council Paragraph 28

a. Failure to Avail Information on Sale of Plots

The Accounting Authority submitted that Management had since submitted the complete information on the sale of plots as tabulated below.

Plots Offered for Sale in Kapasa Makasa University Area

SN	Plot Category	Size	No. of Plots on Offer	Application Fee K	Premium Charge K	Expected Amount K	Actual Amount Collected K	Balance K
1	High Cost	50mx50m	250	300	13,500	3,375,300	1,540,300	1,835,000
2	Medium Cost	30mx40m	200	300	8,500	1,700,300	386,796.79	1,313,503.21
3	Low Cost	15mx20m	150	300	5,500	825,300	205,890.73	619,409.27
4	Commercial	10mx20m	16	500	12,000	192,500	108,600	83,900
5	Commercial	100mx100m	17	1,000	27,500	468,500	398,500	70,000
6	Lodges	100mx100	3	1,000	27,500	83,500	0	83,500
7	Filling Station	200mx100m	2	5,000	100,000	205,000	0	205,000
8	Shopping	200mx200m	1	7,000	200,000	207,000	0	207,000
9	Places of worship	100mx100m	7	1,000	27,500	193,500	28,500	165,000
	Total		646			7,250,900	2,668,587.52	4,582,312.48

Management would endeavour to submit information to the auditors on time as and when it was requested.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Management of Local Government Equalisation Fund - Failure to Implement Approved Projects

c.

The Accounting Authority submitted that the failure to implement the projects was due to the encumbrances on the site of the market project and insufficient funds to support the projects. Management had since leveraged on CDF and had constructed crossing points at Luko and Chimbeimbe in Chipanga and Ichinga/Chinsali Wards, respectively. Furthermore, Management had secured an award for the 2022 Valuation Roll.

In the case of the Market at Nambuluma, Management was still in discussions with the local leadership in the quest to find suitable land for the construction of the Market.

Management would endeavour to implement the projects during the period in which they were meant to be implemented.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to undertake a feasibility study before embarking on any project implementation. The Committee, however urges the Accounting Authority to ensure that pending projects are completed without delay and will await a progress report on the matter.

Chipangali Town Council

Paragraph: 29

a. Management of Local Government Equalisation Fund (LGEF)

i. Rehabilitation of Chamaumba Crossing Point – Poor Workmanship

The Accounting Authority submitted that the eroded section of the Chamaumba crossing point had since been worked on and ready for audit verification.

In order to improve service delivery in the District, Management had requested the Local Government Service Commission to fill the vacant position of Deputy Director of Works, as the Department was only manned by one person, the Director of Works. Further, through the decentralised Human Resource Management Committee, Management had employed two foremen to enhance service delivery through site inspection and would ensure in future that works were completed in accordance with acceptable standards and specifications.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Rehabilitation of Chitandika Police Post - Incomplete Works

The Accounting Authority submitted that at the time of the audit, the rehabilitation works of Chitandika Police Post, such as mending of the cracks and floor screed in the holding cells and on verandah had not been done. The contractor, Sinkhula Sonkhe Enterprises Limited, was engaged indicating the observations. The contractor mobilised on 7th August, 2023 and the cracks and floor screed in the holding cells were worked on and the project had since been completed.

Management would, in future, intensify inspection and monitoring of each stage of construction and ensure that projects were completed on time especially that the vacant positions were filled.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Management of Commercial Ventures – Unutilised Block Making Machine

The Committee was informed that the query had been caused by the delay in the conclusion of the process in acquiring land where the machine would be installed. The Council did not have a Central Business District and therefore, relied on customary land from the traditional leaders.

Management had been engaging their Royal Highnesses and was still in the process of finalising land acquisition for the block making machine in order to operationalise the venture. The land had been identified within the area of His Royal Highness Chief Mshawa. The matter was awaiting final approval by Paramount Chief Mpezeni.

Management would endeavour to strictly adhere to securing of land before embarking on any project such as procuring block making machine.

Committee's Observations and Recommendations

The Committee finds the situation unfortunate and urges the Accounting Authority to engage the parent Ministry on the land matter and will await a progress report.

Chipata City Council Paragraph 30

a. Underutilised Market Shelter and Twenty Council shops

The Accounting Authority submitted that the under-utilisation of the market shelter and shops was as a result of the marketeers abandoning the shelter on account of the following design flaws:

- (i) the market shelter had a single access as entrance and enclosed all the twenty shops within the shelter;
- (ii) the market shelter had limited accessibility for the stands and not opened enough for easy visibility by shoppers; and
- (iii) the market shelter had poor ventilation and inadequate natural lighting.

The Council had embarked on the modification of the market shelter to make the shops more accessible to the public by opening up the enclosed market shelter, breaking some parts of the walls to allow fitting of doors/counters from the outside, thereby creating the lock up shops more visible to traders and customers. Furthermore, in order to increase natural lighting, the Council had removed some iron sheets and replaced them with translucent roofing materials. The Council would ensure that future market designs considered the interests and preferences of the users.

Committee's Observations and Recommendations

The Committee bemoans the wastage of public resources on account of failure to consult the users before the market was constructed. The Committee, therefore, urges the Accounting Authority to be consultative and ensure that the project is completed without delay and will await a progress report on the matter.

Chipili Town Council

a. Failure to Collect Revenue from the Sale of Plots

The Accounting Authority submitted that the failure to collect K23,250 from plot premium was due to less demand on plots by the general public as the plots were on the first come first served basis. The response from the public was poor.

Chipili Town Council Management had engaged ZESCO Limited for power supply to the Civic Center and the planned area to attract clients to acquire plots in the near future. Furthermore, Management had since procured earth moving equipment to open up township roads in the planned area which would enhance demand for plots.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

b. Irregular Payment of Housing Allowance to Officers in Institutional Houses

It was submitted that the officers occupying shared houses were being paid housing allowances due to lack of decent accommodation within the Central Business District and the nearby settlement. The officers in question, shared rooms and not the whole house. For the period under review, the Council accommodated twenty-one officers in seven houses, as the three other houses were being used as offices for the Council.

Management had devised a tenancy agreement for all officers who were occupying houses to ensure that there was accountability in the way houses were being managed.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to stop the irregular payment and ensure that funds are recovered without delay and will await a progress report on the matter.

Failure to Implement Approved Projects - Management of Local Government Equalisation Fund

The Accounting Authority submitted that Management failed to implement three approved projects. That is the construction of the truck park, road to dumpsite and rumble strips and sinking of a borehole. This was due to:

a. Road to Dump Site

Management was waiting for the approval of the Environmental Project Brief assessment from the Zambia Environmental Management Agency (ZEMA).

b. Truck Pack

Management observed that the budgeted amount, relating to construction of the truck pack was inadequate to undertake the project, and that the project would be more expensive to undertake in phases.

c. Borehole

Management failed to drill the borehole in Lufubu ward due to lack of access road to the proposed site.

D. Rumble Strips

The construction of the truck pack and rumble strips were part of the truck park project and as such could not be undertaken in isolation. The budgeted amount was inadequate to undertake the project, and that the project would be more expensive to undertake in phases.

The Opening of the road to the dump site was awaiting approval from ZEMA.

The Council had since procured earth-moving equipment using CDF. Management would plan to open roads in accessible areas including the proposed site for drilling the borehole in Lufubu.

Chipili Town Council Management, going forward, would only budget for fully funded projects.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to expedite the works and ensure that they are completed without any further delay and will await a progress report on the matter.

e. Failure to Control Use of Motor Vehicles

The Committee was informed that Management charged the driver for damaging the property of the Council for a period of six months an amount totalling K15,789.

Management had further surcharged the officer an amount which would cater for the difference between K295,000 and K268,539. The vehicle had since been repaired.

Management would ensure that all motor vehicles except those on official programmes, were parked by 18:00 hours.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Chisamba Town Council

1. Failure to Register Moveable Asset

The Accounting Authority submitted that the supplier, Bell Equipment Zambia Limited, delayed in providing comprehensive documentation for the Truck Loader Backhoe (TLB) in question, to enable the Council proceed with the registration process in good time.

The TLB valued at K1,358,048 had since been registered and the white book was available for verification. Management would ensure that all machinery procured was registered before it was delivered.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter.

Choma Municipal Council

Paragraph: 33

a. Unaccounted for Revenue – Meat Inspections

b.

The Accounting Authority submitted that the delay in paying the inspection fees by Zam So Abattoir was on account of reconciliation of the meat inspection sheet.

Zam So Abattoir submitted the payment plan to liquidate the cited amount and the Council had receipted a total of K10,034.

The Council had resolved that the abattoir's daily slaughter inspection sheet be paid before the next inspection was carried out for all abattoirs in the District.

The Council had engaged all abattoirs in the District to maintain the reconciled signed copy for abattoir daily slaughter inspection sheet at the abattoirs.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to put measures in place to prevent the loss of revenue from meat inspections. The Committee, however, resolves to close the matter subject to audit verification.

c. Management of Payroll and Other Related Matters – Employment of Casual Workers

The Accounting Authority submitted that the delay in having the contractual workers to be upgraded to permanent and pensionable establishment was on account of the revenue remaining constant.

The Council was implementing the revenue integrating system to enhance revenue collection to supplement the payroll.

The Council would implement upgrading of casual workers in a phased approach with the approval of MLGRD.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to desist from engaging casual workers for work that is permanent in nature, as this is a violation of the labour laws. The Committee, therefore urges that all casual workers employed to perform work of a permanent nature should be considered for permanent employment. The Committee will await a progress report on the matter.

d. Operational Matters

i. Failure to Maintain Roads

ii.

The Committee was informed that the failure to maintain the roads was on account lack of equipment. However, the maintenance of the roads, by way of grading and gravelling, had commenced following the Council's acquisition of a roller compactor and a grader.

Furthermore, pothole patching, road grading and gravelling had commenced in the District and

the Council had benefited from the road upgrade programme for Central Business District of 10 kilometer funding.

The Council would intensify road maintenance in the District in line with the RDA guidance.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to prioritise the maintenance of the roads, in line with its mandate, without delay and submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

ii. Management of Markets - Illegal Market-Makalanguzu Market

The Accounting Authority submitted that the failure to legalise and put up market stands at Makalanguzu Market was due to the fact that the land was still under Zambia Railways.

The traders from the market had since been sensitised and given a grace period to put up temporal stands and palates for displaying their merchandise. The Council and the Zambia Railways Board resolved to value the land and the valuation report had been submitted to the Zambia Railways Board.

The Council would endeavour to construct the modern market to enhance the trading environment.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

d. Management of Assets - Failure to Claim Insurance

The Accounting Authority submitted that the failure to claim insurance was on account that the insurance company had not reconciled the total insurance payments for all the vehicles at the time when the company was operating in Choma District.

The claim was submitted to Meanwood Insurance Company in Lusaka. However, the cited vehicle was on the approved schedule for disposal.

The Council had insured all the freight with the Zambia State Insurance Cooperation according to the type of the vehicle.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from acting after the audit process and submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed.

Chongwe Town Council

a. Issuance of Receipt Books and Data Capturing

The Council had since migrated from manual issuance of receipts to online system generated receipts as at October, 2023. The Council had also implemented the Palmsoft Accounting System which was used to issue receipts.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

- i. The daily cash collection sheets were not serially numbered, making reconciliations between the source documents and transactions captured in the Baxcel accounting system difficult. Further, the daily cash collection sheets were not checked by Internal Audit.

The Accounting Authority submitted that the Council had since numbered the daily cash collection sheets and had further engaged the developer of the Palmsoft Accounting system to include the daily cash collection sheet in the system, which would be sequentially numbered and had submitted the user requirements to the system developer. However, all collection sheets were being verified by internal audit before being updated on the cash books.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

- ii. The revenue collectors issued manual receipts to customers upon payment. However, the manual receipts did not always match with the system generated receipts produced by the Dove Billing System. Therefore, it was difficult to reconcile the amounts collected from the source documents and the receipts recorded in the Dove Billing System.

The Accounting Authority submitted that this was as a result of manual issuance of receipts which were prone to alteration and falsification resulting in under receipting of income. The Council had gone cashless by using point of sale machines, Kazang and Ting for revenue collection, while the Palmsoft Accounting System was used for issuing of system generated receipts. The Council had migrated from manual receipts to system generated receipts.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to call for an audit of the said manual receipts and establish if there were any alterations, and report the matter to the relevant investigative agencies. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, as it resolves to await a progress report on the matter.

b. Shared Accounts – Dove Billing

The Accounting Authority submitted that this happened during the uploading of the 2023 Valuation Roll. The system developed a fault, which resulted in the deletion of some user accounts and was not able to allow the inclusion of other users.

The developer had since rectified the problem and some user accounts had been added with unique login credentials. The Council would closely monitor the system through the systems administrator to ensure that any adverse development in the system was identified and rectified promptly.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

c. Lack of Revenue Database

The Accounting Authority submitted that this was as a result of not segregating the categories by indicating the nature of revenue streams expected from the said farms on non-billable income. The said data base had since been updated.

The Council would ensure that the data base was regularly updated to cater for new farms and new farm business ventures.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

d. Failure to Record Receipt Books in the Register of Accountable Documents

The Accounting Authority submitted that the entries were initially recorded in the accountable register book which went missing. A new accountable register book was introduced, where entries were recorded. However, the missing accountable register was located and it was resolved that the old accountable book be updated with all the records.

The omitting of receipt books occurred when updating in the new accountable register book. The Council had since updated the accountable register to include the omitted receipt books. The initial accountable register was available for verification. The Council would ensure that the accountable registers were fully secured and updated regularly.

Committee’s Observations and Recommendations

The Committee bemoans the poor management of accountable documents and urges the Accounting Authority to prioritise the addressing of the gap in the management of stores and accountable documents without delay. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

e. Irregular Completion of Receipt Form

The Committee was informed that the cashiers used faded carbon copies when issuing receipts which made triplicate copies very faint or blank in some instances.

The Council had verified the receipted revenue using the range from the Chief Cashier’s and Treasurer’s stock sheets while the faded carbon papers were replaced and had since October 2023 migrated from manual receipting to online paperless system using kazang and ting as collection platforms. The Council had since migrated from manual issuance of receipts to online paperless receipting.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

f. Questionable Receipts Issued to Zhongyang ECO Agriculture Industrial Park Zambia Limited

The Accounting Authority submitted that this was as a result of the fraudulent issuance of receipts amounting to K28,760 by a revenue collector. The Council had since recovered part of the money from the employee’s accrued leave days. The officer was dismissed and referred to ACC for further action. The Council had gone cashless and used the Palmsoft System printed receipts, quotations and invoices.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

g. Unaccounted for Revenue

i. ZDA(IN FULL) Henan Guoiji Development

The Accounting Authority submitted that this was as a result of under receipting of income by the Revenue Collector. The Council had since recovered part of the money from the employee's accrued leave days. The officer was dismissed and referred to the ACC for further action. The Council had gone cashless and used the Palmsoft System printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

ii. Big Five Mini-Mart

The Accounting Authority submitted that there was under receipting of income by the Revenue Collector. The Council had since recovered the money from the employee's accrued leave days. The officer was dismissed and the case was referred to ACC for further action.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

iii. Grace Malina

The Accounting Authority submitted that there was under receipting of income by the Revenue Collector. The Council had since recovered all the money from the employee's accrued leave days. The officer was also dismissed and the case was referred to the ACC for further action. The Council had gone cashless and used the Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close. .

iv. Bri-Ozii

It was submitted that there was under-receipting of income by the Revenue Collector.

The Council had since recovered part of the money from the employee's accrued leave days. The officer was also dismissed and the case was referred to ACC for further action. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

v. Fish life Investment Limited

The Accounting Authority submitted that there was under receipting of income by the Revenue Collector. The council had since recovered all the money from the employee's accrued leave days. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should stand closed.

vi. RSS Treasurer and Crafts Limited

The Accounting Authority submitted that the Council had since recovered all the money from the employee's salary. The officer was also dismissed. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should stand closed.

vii. Dorothy Mwanza

The Accounting Authority submitted that the Council has since recovered part of the money from the employee's accrued leave days. The officer had since been dismissed and referred to Anti-Corruption Commission for further action. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

viii. Espeka Zambia Limited

The Accounting Authority submitted that this was as a result of under receipting of income by the Revenue Collector. The Revenue Collector refunded all the money and because a whistle blower in the case.

The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

ix. Kleos Reings Academy

It was submitted that this was as a result of under receipting of income by the Revenue Collector. The Revenue Collector refunded all the money and became the whistle blower in the case. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

x. Azikimana Etienne

of the Accounting Authority submitted that there was under receipting of income by the Revenue Collector who had since been charged and dismissed. The monies had been recovered. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close. .

h. Misappropriation of Revenue

The Committee was informed that this was as a result of fraudulent issuance of a receipt which was under receipted by the officer. The Council had since recovered part of the money from the employee's accrued leave days. The officer was dismissed and the case was referred to the ACC for further action. The Council had gone cashless and used Palmsoft online system printed receipts, quotations and invoices.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

i. Uncredited POS Transactions

The Committee was informed that this was as a result of un-credited money from various Points of Sale machines. The ZANACO bank headoffice was engaged to assist the Council investigate the fraudulent activities, however ZANACO advised that the Council should get a court order/search warrant.

The Council had since engaged investigative agencies to deal with the matter and the process was still ongoing. The Chief Cashier/ Internal Audit had been authorised to view the online bank statement to ensure that all deposits were confirmed by the cashier on the bank statement before being receipted.

In particular, the following was submitted:

i. Chiphembela Trust Limited and Mika Meats Limited

The Health Inspector received money from the client and under banked it.

The Council had since recovered part of the money from the employees accrued leave days and the officer was dismissed. The case was referred to the ACC for further action. The Council had since gone cashless and used Palmsoft online system for printing quotations, invoice and receipts.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

i. Patrick Buhendwa

Money was not credited from various Point of Sale (PoS) machines. The ZANACO headoffice was engaged to assist the Council investigate the fraudulent activities, however, ZANACO advised that the Council should get a court order/search warrant. Council had since engaged investigative agencies to deal with the matter and the process was still ongoing.

The Chief Cashier/ Internal Audit had been authorised to view the online bank statement to ensure that all deposits were confirmed by the cashier on the bank statement before being receipted.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

j. Undeposited Funds

Amounts totalling K427,764, were deposited in account number 0064087110048 instead of 0060408711048. As a result the monies bounced

The actual uncredited amount on the first schedule was K136,479.30 while the second schedule had K86,283.60, when added together giving a total of K222,735.90. However, there was an arithmetical error of K205,027.63 that was added thereby inflating the figure to 427,763.53 instead of K222,735.90 on the schedules. The client, Mount Meru was engaged with respect to the K13,353 which bounced and the money was re-deposited. This, therefore, gave a remaining balance of K209,382, of which deposits amounting to K144,408.40 had been traced leaving an uncredited balance of K64,974.50 attributed to pilfering by some revenue collectors.

The Council had granted the Chief Cashier access to the online bank statements to ensure that any deposits were confirmed before being receipted. The system was available for inspection.

Committee's Observations and Recommendations

The Committee bemoans the failure by the revenue collectors to deposit money and therefore, urges the Accounting Authority to ensure that the affected officers are reported to Police for theft of public funds. The Committee also urges the Accounting Authority to submit

supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

k. Accounting Discrepancies

This was as a result of clients who paid for Council services but did not present deposit slips for receipting. Hence the amount deposited was not receipted. The Council had since introduced officers from Revenue Section on the online platform to be able to view all the direct deposits from clients for the purpose of issuing receipts on time. Officers from revenue section had been engaged to take note of all daily direct deposits for receipting and posting in the cash books.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

l. Unaccounted for Point of Sale Machines

This was as a result of three PoS machines which were not identified on the list of authorised machines where funds amounting to K57,812 were posted. The Council engaged ZANACO Bank to help identify and give a status regarding the three unauthorised POS machines. The Bank had since advised that two POS machines were decommissioned on 2nd August, 2021 while the other one was operational at Kwamwena Site Office. The Bank had further advised that the details of the same could be gotten through a court order/search warrant. The matter had since been reported to the investigative agencies. The Council had agreed with the Bank to have constant engagement and monitoring of Council transactions on the POS machines.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification; and will await a progress report on the matter.

n. Questionable Issuance of Receipts

This was as a result of fraudulent issuance of receipts by revenue collectors on declined P.O.S. deposit receipts totalling K7,172. The Council had since recovered the funds issued on receipts from declined P.O.S. deposit receipts amounting to K7,172.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

o. Unsupported Bank Credits

This was as a result of direct deposits by clients and aggregated deposits for various services, which were individually receipted in accordance with the revenue classification codes.

Council had retrieved some of the aggregated deposits on the statement and had issued journals for the direct deposits made by clients which were not receipted. Officers from the Revenue Section had been engaged to take note of all daily direct deposits when receipting and posting in the cash books.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

p. Receipts not Supported with Deposit Slips

This was as a result of aggregated deposits which were individually receipted amounting to K63,071. The Council had confirmed K49,295.90 on the bank statement using the receipt range and treasurer's receipts from the cash books, leaving a balance of K13,776 attributable to thefts in the schedule. The Council would endeavour to record revenue in line with the Public Finance Management (General) Regulations of 2020.

Committee's Observations and Recommendations

The Committee bemoans the failure by the revenue collectors to account for revenue and therefore, urges the Accounting Authority ensure that the affected officers are reported to the Police for theft of public funds. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

q. Failure to Collect Revenue from Property Rates

This was as a result of the outstanding balance on property rates from United Quarries. The Council had since collected K100,000 from United Quarries with an undertaking to pay the outstanding balance. The Council would ensure to collect outstanding amounts for property rates from United Quarries.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the much needed revenue is collected, even by engaging the bailiffs, without delay and will await a progress report on the matter.

r. Unaccounted for Fuel

The log books were not updated at the time of the audit. The Council had provided the updated log books for verification. The Council would ensure that log books were updated and checked regularly.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

w. Construction of a Public Ablution Block–Chongwe Market-Delayed Completion of Works

This was as a result of works not being completed on time. The Council had written to the contractor for termination of the contract. The Council would ensure that all community projects were completed on time.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

y. Road Rehabilitation

The Council could not install the culverts due to budget constraints which led to prioritising working on certain aspects of the project to make the road passable (by grading), using locally generated resources. The Council had budgeted for the road works and road furniture. The Council would ensure that more funds were allocated for essential components in its road projects.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority ensure that the road rehabilitation works are completed without delay and will await a progress report on the matter.

Gwembe Town Council

a. Management of Local Government Equalisation Fund

i Construction of a Bar and Restaurant at Chipepo Guest House

ii

The Committee was informed that the project being executed on labour based contract, was also delayed due to the change of design which led to increase in size and scope of works such as tiling works; ceiling works; septic tank and soakaway; and drainage and apron.

Management had engaged another Technical Supervisor to complete the highlighted works after the change of scope of the works. The works had since been done except tiling works which were on going and almost completed.

Management would endeavor to engage contractors on full contract basis as labour based projects were proving to contribute to the delay in the completion of projects.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

ii. Construction of Conference Hall at Munyumbwe Guest House

The Committee was informed that the delay was attributed to the non-performance by the contractor.

Management decided to terminate the contract with Bright Mwiinga General Dealers and later engaged Mr Ident Chilala who painted the internal and external walls and did tiling works, among other works.

The electrical installation works were underway and were being carried out by the electrician for Gwembe Town Council.

Management would endeavor to engage contractors with capacity to perform in order to avoid delaying the completion of projects.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that due diligence is conducted before awarding of contracts. The Committee also urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

Ikelenge Town Council Paragraph 36

A. Weaknesses in Revenue Collection - Unaccounted for revenue K16,250

The Committee was informed that the amount in question had since been recovered from the officer and deposited in the appropriate bank account. Going forward the general public was encouraged to make direct deposits to reduce on cash interface with employees since the district relied on banking facilities Mwinilunga District. For the small daily collections, there was physical verification of the cash as it was being put in the safe, before banking, which was done twice in a week.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

Isoka Town Council Paragraph 37.

a. Failure to Perform Bank Reconciliations

The Committee was informed that the closing balances had been reconciled between the financial statements and confirmed balances as evidenced by the unqualified opinion (clean report) later issued by the Auditor General. Monthly bank reconciliations were being undertaken to ensure that financial statements contained correct balances.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Management of Payroll and Staff related Matters - Failure to Remit Tax

The Accounting Authority submitted that funds were not remitted to the ZRA owing to the non availability of funds at the time of the audit and the change of payment system at the ZRA. The cited amount of K18,836 had since been paid to the ZRA. All deductions including ZRA obligations were provided for in the budgets to ensure that they were paid for as long as money was available.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

c. Delayed Implementation of Fencing And Plumbing Works

The Accounting Authority submitted that the materials procured for fencing of Kalungu Dry Port, were not used at the time of the audit. The fencing was only going to be done once the Kalungu Dry Port surface was stabilised by use of equipment from the Zambia National Service. There were concerns that the materials would be stolen due to the isolation of the place if they were installed before the surfacing (which was the final process before the dry port could become operational). Despite getting a quotation from the ZNS for the equipment and reserving funds for the same, they did not mobilise to Isoka, citing break down of their equipment and commitments to other districts. They had also requested for re-assessment of the works after the rainy season so that a new quotation was issued. However, preliminary works such as general maintenance and clearing of the site had been done and barriers manufactured. Management had continued engaging other companies which could be hired to do the surfacing of the Dry Port.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to re-engage the ZNS on the matter and expeditiously ensure that the Dry Port is operationalised to enhance revenue of the Council. The Committee resolves to await a progress report on the matter.

Kabwe Municipal Council

Questionable Retention of Revenue–Dot Com Zambia and Ministry of Local Government and Rural Development

The Accounting Authority submitted that this was attributed to the system that was implemented by the service provider which made it difficult for the Council to collect the budgeted amount. There was equally an issue of resistance to comply by the taxis and bus drivers to use e-Levy for payment of the fees. In addition, at the time of the audit, the Ministry had not shared the service level contract for e-Levy which was between Dot Com Zambia and the MLGRD. The Council was not privy to the contract as Kabwe Municipal Council was picked as one of the pilot Councils for the project.

Management wrote a letter to the service provider highlighting the challenges faced with their system. As a result of the challenges, Management ceased using the e-Levy system.

Regarding the contract, a letter was written to the Ministry requesting a copy of the contract between Book Now Zambia Limited and the Ministry.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that supporting documents are submitted to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b Failure to Issue Licenses for the Storage of Petroleum

The Accounting Authority submitted that the fourteen clients who did not comply were farmers from the Central Province Farmers Union. Management engaged the FarmersøUnion leadership on the need to comply with the regulations and the consequences of the failure to comply.

Management would continue engaging the FarmersøUnion leadership and other stakeholders to ensure that the license fees were paid by the farmers and the dangerous petroleum license was issued by the Council.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. As it contends that delayed action may lead to loss of life or property due to the nature of the product being handled unlicensed. The Committee also urges the Accounting Authority to expedite the process without delay and will await a progress report on the matter.

c Expenditure-Lack of Disposal details for Rabies Vaccines

It was submitted that the Lack of disposal details for anti-rabies vaccines at the time of the audit was as a result of documents being filed in a different box file at the Veterinary Department since the Council did not have the storage facility. Disposal details were retrieved and attached to the cited payment voucher.

Management would ensure that all the necessary disposal records for such vaccines were properly and timely filed.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should close .

d Management of Local Government Equalisation Fund-Failure to Operate the Constructed Mulungushi Truck Park

The Committee was informed that works which required to be undertaken were as set out below.

- ~ Site preparation (Grabbing and clearing).
- ~ Building of wall fence, welding of steel poles and square tubes on palisades.
- ~ Welding of two big gates and one small gate.

- ~ Grading, graveling and compacting.
- ~ Construction of superstructure walls, roofing, plastering and ironmongery of ablution block and guard houses.

The truck park project could not be operationalised due to the disapproval by the RDA to construct culverts encroaching on the T2, Kabwe Lusaka High Way which was earmarked for expansion to dual carriage way.

Permission to construct culverts temporarily had been requested and no positive feedback had yet received from the RDA as they awaited the final design of the T2 dual carriage way project. The guard house was designed not to have iron-mongery, carpentry and joinery works, as it would be used for easy transacting and recording of incoming trucks.

Management would ensure that due diligence was fully conducted before undertaking such projects.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

e. Management of Assets - Unaccounted for Vehicles

It was submitted that the motor vehicle Toyota Hilux, Registration No. BAC 6289 could not be presented for physical verification conducted in May 2023 as it was still being used by the former Town Clerk.

The former Town Clerk was eventually asked to surrender the motor vehicle following the turning down of his request to purchase it by the Secretary to the Treasury through a letter dated 28th June, 2023, addressed to the Permanent Secretary in the MLGRD.

Management would continue adhering to the Transport Fleet Management Policy that was issued by the Ministry of Works and Supply in 2019, to help in verifying and accounting for the Council motor vehicles and equipment at all times.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Kafue Town Council

a. Unaccounted for Funds

The Accounting Authority submitted that revenue in amounts totalling K111,901 was not accounted for as deposit slips and daily cash collection sheets were not availed for audit because the documents were misfiled. Out of the K111,901, deposit slips and daily cash summary sheets amounting to K96,610 were traced leaving a balance of K15,291. Out of this balance, K8,525.87 was deducted from the erring officers' accrued leave days owing to the fact that the said officers had been transferred to other Councils. Management had since

written to Lumezi Town Council to deduct through the remaining balance of K6,765.13 through the payroll.

The Council had started using the computerised receipting system where a receipt was issued to a client upon presenting a bank deposit slip. Further, a daily cash summary sheet was prepared on a daily basis supported by copies of computerised receipts and bank deposit slips. In addition, all accountable documents were filed in order and secured in the strong room.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that the outstanding amount is recovered without delay and will await a progress report on the matter.

b. Management of Payroll and Staff related Issues - Irregular Payment of Salaries

It was submitted that the Council Secretary (LGSS/02) was transferred from Chilanga Town Council on 29th April, 2022 and was still sitting on Kafue Town Council payroll despite her not working at Kafue Town Council. The Local Government Service Commission issued an instruction through a letter dated 26th August, 2022, directing the Council to maintain the said officer on the payroll. Further, Kafue Town Council made follow ups with the Local Government Service Commission, through letters dated 29th November, 2022 and 29th December 2023, on the way forward.

Kafue Town Council would continue submitting staff returns to the Local Government Service Commission on a quarterly basis so that the establishment for the Council was adhered to.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to re-engage the service Commission and ensure that the matter is addressed without delay and will await a progress report on the matter.

c. Environmental Management - Dumping of Condemned Meat

It was submitted that since the waste was disposed off by a franchise Company contracted by Chilanga Town Council, a letter was written to seek clarification for the disposal of animal remains at Kafue dumpsite. The certification forms indicating that the products were unfit for human consumption in accordance with the *Public Health Act, Chapter 295 of the Laws of Zambia*, were available for verification.

Management would always ensure adherence to the law by way of intensifying monitoring of the operations at the dumpsite.

Committee's Observations and Recommendations

The Committee bemoans the indiscriminate disposal of condemned meat and urges the Accounting Authority to engage Chilanga Town Council to desist from violating environmental regulations with impunity. The Committee, however, resolves to close the matter, subject to audit verification.

c) Management of Local Government Equalisation Fund (LGEF) - Delayed Completion of the Construction of a Bar and Restaurant at the Swimming Pool-Kafue Ward

The Committee was informed that at the time of the audit, the project was not completed as the contract was terminated due to the delayed completion of the works. Under Council resolution Minute No. C/77/10/23, it was resolved that the whole property housing the swimming pool, bar and restaurant including the outer space should be advertised for lease. With this resolution therefore, no further works could be carried out on the bar and restaurant structures to see them to completion.

Management would ensure that the roles of the Project Managers were re-emphasised and that the regular monitoring of projects at every stage would be undertaken to avoid delayed completion of projects.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

Kalabo Town Council

Paragraph 41

Sale of plots

- a.
- b.

i. Failure to Revoke Expired Plot Offer Letters

It was submitted that the Council did not revoke the expired offer letters due to suspected fraud in the receipting of plot premiums. Management had since reported the matter to Zambia Police and the matter was under investigation.

Management would always ensure that all land administration matters were managed in conformity with the law and regulations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

ii. Offer of Plots at Discounted Prices to Council Employees Without Authority

The Accounting Authority submitted that the Council offered plots to six members of staff at a discount of 90 per cent and only collected K2,200 instead of K22,000. However, there was no authority for selling plots to Council employees at 10 per cent of the price offered to external applicants contrary to the Ministry of Local Government Circular No. MLG/12/8/2 dated 28th September, 2020, which prohibited local authorities from issuing plots to its staff at a discounted price.

The Council through Minute Number **PWDRE 75.11.2018** resolved to sale plots to Councilors and Council staff at 10 per cent as per the approved Plot Acquisition Policy for Kalabo Town Council.

Management had since written demand notices to the six members of staff to pay the difference of 90 per cent.

Management had ensured that plots were offered at the public rate to all successful

applicants.

Committee's Observations and Recommendations

The Committee bemoans the *laissez faire* attitude adopted by the Council on the matter and urges that the outstanding plot fees owed by Council employees are paid without delay, failure to which plots must be withdrawn. The Committee will await a progress report on the matter.

c. Inadequately Supported Revenue Collected

It was submitted that the duplicate invoices had since been retrieved and were available for verification. Further, the register of companies that took part in the Tender for Council contracts had been retrieved.

Management would always ensure that all revenues collected were adequately supported.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

d. Management of Payroll and Staff Related Matters- Under Deduction of PAYE

The Committee was informed that the query was caused by the fact that housing allowance for employees of Kalabo Town Council was not taxed due to system-based omissions. Management had since activated taxation on housing allowance with effect from January, 2024.

Management through the Department of Human Resource and Administration and Finance and Internal Audit shall ensure that the payroll system was effectively managed.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

e. Failure to Implement Approved Project- Weakness in Management of 20 percent Local Government Equalisation Fund

It was submitted that the query was caused by the failure of Management to implement the planned project of installing street lights. The installation of street lights was an extension of the already installed street lights. However, the earlier installed street lights were being vandalised. Management could not proceed to install new street lights because of security concerns on the existing street lights which were being vandalised. Management had since engaged the community on the need to safeguard public property and reported the vandalism case to the Police.

Management would ensure that the community was periodically sensitised on the sense of ownership to public goods and services.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to install appropriate solar street lights which will be challenging to vandalise and will await a progress report on the matter.

Kalomo Town Council
Paragraph 42

a. Management of Local Government Equalisation Fund
- Questionable Procurement of Land

The Accounting Authority submitted that the cause of the query was procedural discrepancies, despite the matter being reported to the Council. Notably, there was urgent need to acquire the land due to high demand and some concerns that delaying the process could lead to an increase in the price, which might have compromised the budget allocation. However, despite the urgency, certain procedural steps were not adequately followed, leading to concerns about transparency and adherence to established protocols.

Upon identifying these discrepancies, the Council Management promptly addressed the issue by taking corrective measures. Discussions were initiated with both the Tender Committee and the Zambia Public Procurement Agency (ZPPA) to obtain an approval and the required no objection for direct bidding respectively. Additionally, an independent valuer was engaged to evaluate the land, ensuring a comprehensive and accurate assessment of its value. It was found that its value was 1.2 million, significantly higher than the purchase price of K780,000.

To prevent the recurrence of similar incidents, the Council Management had implemented rigorous measures. All procurement processes required approval from both the Council and the District Tender Committee. Furthermore, independent valuation would be conducted to ensure transparency and fairness in land procurement. These measures underscored the commitment to upholding integrity and compliance in procurement procedures, safeguarding against potential irregularities, and ensuring the responsible use of public funds. Additionally, measures were being explored to enhance oversight and review mechanisms to prevent such discrepancies in the future and ensure that purchases aligned more closely with assessed values.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and institute disciplinary action against officers who neglected to follow procedures and to submit supporting documents to the Office of the Auditor General for audit verification and will await progress report on the matter.

b. Operational Matters - Failure to Set Aside and Use 5 percent of Locally Generated Funds on Wards

The Accounting Authority submitted that the query was due to the delay in disbursing funds. This resulted in a decision to wait until the end of the financial year to ascertain the total revenue generated before allocating the 5 per cent funds for Ward Development Fund. This further resulted in postponement in implementation of ward development projects. Subsequent to the delay, the Council took decisive steps to rectify the situation.

Disbursement of funds was expedited, and all allocated projects were successfully completed in the following year. This action aimed to mitigate the effects of the delay and ensured that ward development projects were executed in a timely manner, fulfilling the commitment of the Council to infrastructure development within the wards.

The Council Management swiftly reviewed its distribution approach to guarantee the prompt allocation of the necessary 5 per cent of funds earmarked for infrastructure development in the wards. This implied that the forecast for the year end allocations were based on the third-quarter receipts and payment reports to ensure accuracy. Additionally, these measures were implemented to mitigate delays in future disbursements, thereby facilitating the timely execution of ward development projects. This demonstrated the dedication of the Council to implementing ward projects efficiently.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Kalulushi Municipal Council Paragraph 43

a. Loss of Revenue Due to Lack of an Abattoir

It was submitted that the loss of revenue due to lack of an abattoir was because after conducting a survey, it was established that this project was not profitable. The meat sold in Kalulushi was slaughtered outside the District. Management conducted a survey and established that it was not financially and economically viable to construct an abattoir. In future Management would ensure that an abattoir was constructed when the demand increased in the District.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b. Expenditure

j. Ward Fund - Poor Workmanship – Drainage

The Accounting Authority submitted that the targeted area was water logged with high water table as it was close to the stream. The cause of the cracked concrete was due to ingress of water from beneath.

The cracked concrete had since been worked on by introducing a very strong mix, dump proof course (DPC) and thorough compaction underneath.

In future Management would ensure that strict supervision was effective at all critical stages in community project implementation. Management was therefore, exploring the possibility of doing away with labour-based community projects and instead engaging registered contractors who could be held fully accountable in case of extreme poor workmanship. This would mitigate the risk of loss of funds due to poor workmanship.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

iii. Failure to Maintain Township Roads

It was submitted that Luangwa, Luapula and President Avenue roads were under the prerogative of RDA because they were M10 roads, however, the Council had worked on the parts which were extensively damaged.

The North Kalengwa Road was not maintained at the time of the audit because the Council had inadequate road equipment to deal with road maintenance.

a) Luapula Road

Periodic maintenance of the bad sections was done.

b) President Avenue

The few potholes that developed on the road had been worked on and the road was in good state.

c) Kalengwa Road

Kalulushi Municipal Council had since procured road construction equipment and the said North Kalengwa Road had been worked on.

Kalulushi Municipal Council would continue maintaining township roads as and when funds were available.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

c. Use of Goods and Services/Expenditure

i. Management of Assets – Unaccounted for Assets

The Accounting Authority submitted that the tablets and accessories were not availed to the auditors for verification as they were being used by individual recipients at the time of the audit.

The office furniture and equipment in question was not identified because they had no inscriptions at the time of the audit.

Management acknowledged the short comings and informed the Committee that a list signed by the Councilors upon collection of the queried tablets was available for verification.

Management had since engaged the Ministry of Transport and Logistics to help with the inscription of assets. Management had also charged the responsible officer for gross negligence of duty resulting in loss of Government property, where two HP computer system units went missing.

Management summoned all the charged officers to a disciplinary hearing where the HRMC resolved to surcharge all the officers.

In future, Management would ensure that all assets were accounted for and availed to the auditors for inspection at the time of the audit.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

ii. Failure to Maintain Movable Assets

It was submitted that the failure to maintain movable assets was due to the fact that service parts had not yet been received at the time of the audit. The Toyota Hilux ABR 8990, Nissan Hard body ABJ 9180 and Toyota Hilux ABR 8986 had since been serviced and were running. Management would ensure that all serviceable vehicles were serviced on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Kalumbila Town Council

1. Failure to Collect Revenue from Mining Access Fees

The Accounting Authority submitted that mining access fees were not prescribed under any Act of Parliament. This entailed that Kalumbila Town Council could only legally impose the said mining access fees if there was an enacted by-law in place as to do otherwise would be an illegality.

Management would recommend to the Council that a by-law or Council resolution should be passed to enable the institution collect mining access fees to the would-be explorers.

Management would ensure that all the rates, levies, charges, tariffs, fees, tolls and duties were collected.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to engage the relevant Ministry on the matter and will await a progress report.

2. Irregular Offer of Plots

The Committee was informed that the institution had since started recovering the said funds through the payroll. For employees who were transferred, the officers were communicated to and the recovery was done from their respective leave days.

Management would adhere to the Circular Minute No. MLG/12/8/2 requiring that civic leaders and Council employees be treated on equal terms and conditions with any other person from the public applying for plots.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the said funds are paid and failure to which, the offered plots must be withdrawn from the officers without delay. The Committee will await a progress report on the matter.

3. Projects – Locally Generated Funds Irregular Charge of Value Added Tax

The Accounting Authority submitted that the Council had since deducted on final payments for all the contractors who were erroneously paid VAT despite not being registered. As for contractors without running projects, formal communication was made to refund VAT which was erroneously paid.

Management would make it a requirement for contractors to submit their tax registration certificates during the bidding process as opposed to tax clearance only.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to engage the ZRA on the registration to be a tax agent. The Committee will await a progress report on the matter.

i. Construction of a 1x3 Classroom Block at Beston Muluka Primary School a. Delayed Completion of the Project

It was submitted that the project in question was delayed as the contractor failed to complete the project within the stipulated contract period. Despite the extension and warning letter, the contractor did not complete the works. The contract was terminated and given to a new contractor who had since moved on site.

Management would ensure close supervision of works and to expedite the completion of the project as per the contract.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that due diligence is undertaken before the awarding of contracts to prevent wastage of public resources. The Committee also recommends that the project should be completed without delay and will await a progress report on the matter.

b. Inclusion of Anthill Clearance in the Bill of Quantities

It was submitted that the officer erred by including Anthills in the BoQ . The responsible officer had since been charged.

Management would ensure that the officers responsible for the preparation of the BoQs took note of the specification on site at the time of field appraisal.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

ii. Construction of a 1x3 Classroom Block at Lubinga Primary School **a. Delayed Completion of the Project**

The Committee was informed that the project in question was delayed as the contractor failed to complete the project within the stipulated contract period. Despite the extension and warning letter, the contractor did not complete the works. The contract was terminated and given to a new contractor who had since mobilised.

Management would ensure close supervision of works and to expedite the completion of the project as per the contract.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that due diligence is undertaken before awarding of contracts to prevent the wastage of public resources. The Committee also recommends that the project should be completed without delay and will await a progress report on the matter.

b. Inclusion of Anthill Clearance in the Bill of Quantities

It was submitted that the officer erred by including anthills in the BoQ . The responsible officer had since been charged.

Management would ensure that the officers responsible for the preparation of the BoQ took note of the specifications on site at the time of field appraisal.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should close.

iii. Construction of a Clinic at Kisasa Ward **a. Delayed Completion of the Project**

It was submitted that the project in question was delayed as the contractor failed to complete the project within the stipulated contract period. The project had since been completed.

Management would ensure close supervision of works and expedite the completion of the project as per the contract.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

b. Inclusion of Anthill and Opening Access Road in the Bill of Quantities

It was submitted that the officer erred by including anthills in the BoQ. The responsible officer had since been charged.

With regard to the road, at the time of the audit, it was not fully opened but had since been opened.

Management would ensure that the officers responsible for the preparation of the BoQ took note of the specifications on site at the time of field appraisal.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

**Kaoma Town Council
Paragraph 45**

Operational Matters

1. Failure to Utilise Market Shelters

The Committee was informed that marketeers abandoned the market shelter to trade on the streets. Management had since moved all street vendors from the streets into the market.

Management would ensure that traders traded in designated places by continued reinforcement of the law through a combined team of State Police and Council Officers.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed.

**Kapiri Mposhi Town Council
Paragraph 46**

a. Operational Matters - Operation of Markets

i) Operational Matters - Operation of Markets - Council was in control of four markets out of thirty-four markets

The Accounting Authority submitted that thirty markets out of the thirty-four cited were community organised markets that were not gazetted and established under the *Markets and Bus Stations Act, No. 7 of 2007*. The said thirty markets did not meet the minimum requirements to enable the Council to write to the MLGRD to gazette them and allow the Council be in full control.

Four Markets out of the thirty-four cited were established under the *Market and Bus Stations Act, No. 7 of 2007*. These four markets had facilities such as market shelters, ablution blocks and Council offices as required by the Act.

Management had since provided in the 2024 budget, for one additional market to be established in a phased manner to put up infrastructure and other requirements relevant to meet the requirements for gazetting one of the markets.

Management would always endeavour to follow the laid down procedures as stipulated under the Act in establishing trading markets for the public and continue to endeavour to set aside funds in the budgets for establishment of Markets.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to designate the already established trading places as markets by ensuring that facilities which may be lacking are put in place without delay and will await a progress report on the matter.

i. Operation of Markets –Poor Maintenance of Sanitary Facilities

a. No Running Water in Markets

The Accounting Authority submitted that the population around these markets at the time of establishment was not too much for Lukanga Water and Sewerage Company, to manage as it had adequate facilities to meet the demand. However, due to the high demand arising from the population growth, the company had been failing to meet the demand of providing running water throughout the day and had slowly started rationing the water supply thereby limiting the consumption at these markets.

Management had implemented some works such as the procuring of an underground tank to act as a reservoir and the excavation works were done.

The overhead tank, tank stand and accessories to ensure that the collected water could be supplied to the toilets were all fixed.

Management was lobbying, through the WDCs to apply to the CDF Committee for drilling of boreholes in the market as a lasting solution.

Management had ensured that periodical maintenance of Council properties was done and enhanced security; and had since replaced the Cisterns.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

i. No Power Connected in the Toilets

The Accounting Authority submitted that at the time of the audit, the process of connecting power to the market was underway. Management had since connected power in the toilets. Management would always endeavour to have power in all the markets all the time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

No Refuse Bay at the Old Market

The Accounting Authority submitted that due to inadequate space at the old market to construct a refuse bay, Management decided to be using a refuse bay at the nearest Tambalale Market. The two markets (Old Market and Tambalale Market) were only separated by a road in between and therefore, easily accessible by marketeers from both markets.

Management had since directed all stakeholders in the market to be using the nearest refuse bay when disposing off garbage. To mitigate on the increased garbage being generated at the refuse bay, Management had procured an additional tractor for collection of refuse, specifically, at the refuse bay which received garbage from these two markets.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Delay in collecting garbage at Tambalale Market

It was submitted that at the rate the garbage was being generated at Tambalale and Old Markets, it was difficult to adequately collect garbage using one tractor.

Management in an effort to address the challenge, procured an additional new tractor that had been dedicated towards garbage collection. Management would endeavour that garbage was collected regularly.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Abandoned Market Shelter – Old Market

(i) Abandoned Market Shelter – Old Market

The Accounting Authority submitted that at the time of the audit most of the market stands at Old Market were abandoned by traders preferring to trade from the streets. Traders most often abandoned their stands in the market and went back to the streets each time Council Police were redeployed to other stations to carry out other duties.

Management enforced the return of the traders back into the markets and had since mobilised a team to be constantly carrying out random monitoring of traders that tended to return to the streets and trade. Management would endeavour to monitor street vending frequently.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process, and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b. Failure to Update Asset Register-Weaknesses in Management of Assets

It was submitted that at the time of the audit, the process of updating the Asset Register was still underway by the Department of Government Valuation and Property Management. The Asset Register had since been updated. Management had committed itself to ensuring that all Council assets were captured into the Asset Register and that the Asset Register, which would be continuously updated.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Kaputa Town Council

1. Procurement of Goods and Services/Expenditure - Irregular Cash Withdrawals

The Committee was informed that group Imprest of K32,238 was paid to cater for payment of daily subsistence allowances and fuel for two officers and a driver who travelled to Livingstone to attend the ZICA Annual General Meeting. The amount in question was paid into an account of one officer because the other officer and a driver had bank outstanding loans and if allowances were paid direct into their bank accounts the allowances would have been recovered instantly as monthly loan repayments.

Management no longer used group Imprest to pay allowances to officers and only paid direct into individual bank accounts as per Ministry of Finance Treasury and Finance Management Circular No. 1 of 2022.

Management would ensure that allowances due to officers were paid directly into recipients' bank accounts as per Ministry of Finance Treasury and Finance Management Circular No. 1 of 2022.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary action against officer(s) who approved the payment to serve as a deterrent and will await a progress report on the matter.

2. Management of Local Government Equalisation Fund - Failure to Install Hammer Mill

It was submitted that one hammer mill had not been installed from the time it was procured. The initial site which was reserved for construction of the hammer mill became water logged due to excessive rains experienced in the 2022/2023 rainy season.

A new site had been identified for the new construction of a modern hammer mill shed with a loading and drying bay. There was a budget line of K450,000 as phase 1, which was anticipated.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is implemented without delay and will await a progress report on the matter.

Kasama Municipal Council

Paragraph 48

Failure to Provide Services at Markets

The Accounting Authority submitted that the feasibility study was undertaken for rehabilitation of two public ablution blocks at Chikumanino Bus Station and Chambeshi Market . The purpose of conducting feasibility study was to come up with a lasting solution to the problem.

Management had completed the rehabilitation of the two ablution blocks at the total cost of K53,682 and K42,952, respectively. Further, the ablution block at Chambeshi Market had been connected to a newly constructed sewer network which was being operated by the Chambeshi Water Utility Company.

Management would endeavour to adhere to the Council Asset Maintenance Policy for the rehabilitation and maintenance of all Council buildings.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Irregular Cash Withdrawals

It was submitted that withdrawals were made through bank agents due to the fact that cheques took long to clear when deposited directly into officers' bank account considering the urgency of some meetings.

Management had completely done away with the processing of payments for subsistence allowances and fuel refunds to officers through the use of bank agents and using of acquittal sheets for retiring of funds. Therefore, all the requests relating to subsistence and fuel refunds were paid direct into beneficiaries' bank accounts.

Management would endeavour to adhere to the Treasury and Finance Management Circular No. 1 of 2021.

Committee's Observations and Recommendations

The Committee also urges the Accounting Authority to institute disciplinary action against officer(s) who approved the payment to serve as a deterrent and will await a progress report on the matter.

Kasempa Town Council

Paragraph 49

a. Failure to Register Dogs

- **Failure to Register Dogs and Failure to Collect Revenue.**

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The Accounting Authority submitted that the Council had embarked on community sensitisation on the need for dog registration and vaccination in order to prevent the outbreak of diseases such as rabies and enhance public health.

Progressively, the Council through its devolved Departments of Health and Veterinary Services had commenced the mass registration and vaccination campaign which was ongoing up to 31st March, 2024. The Council was expected to raise a total of K15,050 from registration and K21,500 from vaccination of the 215 registered dogs.

Management would continue to sensitise the communities on the importance of dog registration and vaccination.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to ensure that the dog registration exercise is finalised without delay. The Committee will await a progress report on the matter.

b. Irregular Payment of Rural Hardship Allowance - Management of Payroll and Staff Related Matters

- **Payment of Rural Hardship Allowance to Employees**

The Accounting Authority submitted that employees in Kasempa District were eligible for payment of Rural Hardship Allowance as prescribed in the Conditions of Service under Circular No. MLGRD/101/23/24, dated 9th March, 2022.

Despite the opinion of the auditors, Kasempa still lacked access to banking services and over 85 percent of the employees still traveled to Solwezi for banking services. This was mainly because most of the workers were banking with banks which were not in Kasempa.

Attempts to remove Rural Hardship Allowance from Payroll in the past resulted in a **serious industrial unrest**, which compelled the National Executive Committee of the Zambia United Local Authorities Workers Union (ZULAWU) to travel to Kasempa and during a meeting guided that the Council Management had misinterpreted the prescribed criteria for eligibility, hence workers should be paid Rural Hardship Allowance as the District was typically rural by all characteristics.

The Council Management would continue to comply with the approved conditions of service.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to engage the parent Ministry and have the matter clarified without delay and will await a progress report on the matter.

c. Irregular Cash Withdrawals

It was submitted that this was being done due to the fact that NATSAVE Bank which was the holder of the commercial account for the Council did not offer cheque books and e-banking services like other commercial banks did.

In managing the commercial venture specifically, the Council Restaurant, clients such as the suppliers of charcoal, tomatoes, vegetables, mushroom and village chicken did not own bank accounts hence the use of cash payments to both clients and duty facilitation allowances to employees.

However in order to avoid cash withdraws, Management made a resolution to be transferring funds from the NATSAVE Bank commercial account to the ZANACO Bank account to ease cheque payments and online payments and allowances were being paid through online transfers.

Council Management would continue transferring funds from the NATSAVE Bank commercial account to the ZANACO Bank account to ease cheque payments and online payments to avoid cash withdraws especially for payment of duty facilitation allowances and all suppliers with bank accounts.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close..

d. Questionable Payment of Zesco Bills

It was submitted that the Council account for streetlights was erroneously put under the name of Mr. Every Nøgandu who was Council Secretary instead of Kasempa Town Council. This was typical for most accounts for utility bills such as ZESCO and water bills.

It was clarified that the K28,500 captured by the auditors included a K10,000 which was paid for Council Police training. A total of K18,500 was paid to ZESCO for street lights and the Council had since corrected the account name to Kasempa Town Council. Council Management was in the process of changing all utility accounts in individual names of former employees in order to avoid such queries in future.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

e. Environmental Management - Open Air Burning of the Waste at the Market Holding Bay

The Committee was informed that regrettably, the burning was always done by the marketers themselves due to lack of understanding of the danger related to open air burning.

In addressing the problem, Management had since taken serious measures to avoid future occurrence by sensitising the Market Advisory Committee together with marketeers especially restaurant owners who were in the habit of emptying their braziers on the garbage bay, on the dangers of burning garbage.

Management through the Department of Public Health would continue with community sensitisation on the dangers of open air burning in all the markets and the communities.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Kasenengwa Town Council Paragraph 50.

a) Management of Special Grant for Water Crossing Points - Implementation of Projects - Management of Local Government Equalisation Fund.

It was submitted that at the time of the audit, three projects had not yet been undertaken. Those were borehole drilling, and installation budgeted at K140,000, construction of the revenue shelters budgeted at K160,000; and the dairy animals and infrastructure project budgeted at K500,000. The parking bay project was prioritised over the dairy farm and the funds for the dairy farm were varied to the parking bay as the amount needed for completion of the parking bay was estimated at K17,000,000.

Both revenue shelters at Mtenguleni and early check points had been constructed at a cost of K151,819.10 and were being used by the revenue collectors.

1. Authority was sought from the MLGRD to have the Dairy farm project deferred as the parking bay project was prioritised. With permission from the Ministry, the funds were varied to the construction of the parking bay which project had commenced.

The boreholes had since been drilled and a water reticulation system had been installed at a cost of K55,000.

The Council would endeavour to start and complete approved projects in the period of approval.

b. Crossing Points

The Accounting Authority submitted that at the time of the audit Kapansi 1 Crossing Point, Chizenje Crossing Point, Gundani Crossing Point, Kachapa -1 Crossing Point, Kachapa - 2 Crossing Point, Chiwayu Crossing, Katondo Crossing Point had outstanding works such as stone pitching. Makoba Crossing Point had not yet commenced due to unfavourable weather conditions and the works were therefore suspended until after the rainy season. The contractors went back on site after the rainy season and all outstanding works were completed at all the crossing points.

The Council would endeavour to start and complete approved projects in the period of approval.

Committee's Observations and Recommendation

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should close.

Katete Town Council

a. Irregular Cash Withdrawal

It was submitted as set out below.

i. Only one Commercial Bank (Atlas Mara), was available in the District and the nearest branches of the other commercial banks were in Chipata, about 90 Kilometres from Katete, making it difficult for the officers, Councillors and members of various Committees entitled to allowances, that had accounts with commercial banks other than Atlas Mara Bank, to access funds for logistics.

- i. There was delay in Bank clearance of transfers and cheques. This made it hard to have logistics available on time for officers to attend meetings or programmes.
- ii. Bank restrictions in cashing cheques: Banks had a policy that only allowed signatories and authorised bank agents to draw cash at the counter. If the option to write open cheques for beneficiaries was available, challenges faced in an effort to comply with the circular as a result of prolonged clearing time of bank transfers and cheques, could have been significantly minimised.
- iii. Short notices for workshops and meeting: Some workshops and meetings were called at short notice and the only way officers could attend the meetings was by drawing their logistics as cash.
- iv. Payments based on attendance: Most of the meetings held within the District such as Council Meetings, CDFC Meetings and Procurement Committee Meetings participants were paid based on attendance and after the conclusion of the said meetings, thereby making it difficult for payments to be made by way of bank transfer or cheques.
- v. Some of the payments to stakeholders without bank accounts involved transport refunds in respect of meetings with stakeholders who were not Council employees.

It was submitted that the following action had been taken:

1. Management had significantly minimised the practice of drawing cash. Payments were being made through individual bank accounts for programmes that had adequate notices.
2. Management had written an appeal to the Secretary to the Treasury to consider a waiver in specific circumstances for Katete Town Council looking at the specific situation of the District.

Management would endeavour to pay beneficiaries the allowances through their respective bank accounts.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to adhere to Financial Regulations without exception. The Committee also urges the Accounting Authority to submit supporting

documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b. Operational Matters

i. Failure to Avail Ward Development Committee Minutes

The Committee was informed that this was due to the unavailability of officers charged with the responsibility to monitor WDC activities and maintain records of WDC meetings Minutes. The District Planning Officer and Town Planner were on study leave at the time of audit and the Social Economic Planner had resigned from employment.

However, the following action taken:

1. the officers were recalled to the station to come and attend to the auditors and the minutes of the WDC meetings were submitted to the auditors for verification.
2. A file had been opened at the registry where third copies of minutes were maintained and the IT officer had been instructed to develop a system that should allow the Council to start maintaining minutes of WDCs and other reports electronically to enhance information management and improve accessibility.

Management would endeavour to ensure that the relevant officers were available to provide the requested documentation and explanations during audit.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Environmental Management

ii. Failure to Prepare an Integrated Waste Management Plan

It was submitted that at the time of audit the officers in charge of waste management were not available to avail the Integrated Waste Management Plan, and further to explain that the plan was part of the Integrated Development Plan (IDP) for the District. The officers, namely; the District Planning Officer were on study leave at the time of audit. However, the officers were recalled back to attend to the auditors and the Integrated Waste Management Plan was made available for verification.

Management would endeavour to ensure that the relevant officers were available to provide the requested documentation and explanations during audit.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should close.

iii. Use of Dumpsite Without a License

It was submitted that the cause of the query was the unavailability of responsible officers to avail the necessary documentation and explanations to the auditors during the audit period.

It was further submitted that the Council was operating a dumpsite that was inspected and approved by ZEMA, however, ZEMA delayed in issuing the license despite the Council having made payment for the same. ZEMA wrote to communicate the approval of the dump

site and guided that the Provincial ZEMA Office collected the license from the Lusaka Office on behalf of the Council.

The officers were recalled to attend to the auditors and the documents relating to the dumpsite were made available to the auditors for verification.

Management would ensure that all relevant officers were available to provide all necessary information and documentation to the auditors.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Management of Local Government Equalisation Fund - Delayed Completion of the Kavulamungu Bridge

It was submitted that the construction of Kavulamungu Bridge was being implemented in three phases and at the time of the audit the Council was implementing the second phase, at the contract sum of K1,104,210 as correctly quoted by the auditors. However, the contract period was twelve months and not eight weeks. The eight weeks related to Phase 1 of the project contracted in February 2021 at a contract sum of K495,558.71.

The works were also suspended for three and a half months during contract execution due to heavy rains and also to allow for alterations to the initial design as guided by the Permanent Secretary, MLGRD.

It was submitted that the contractor did not delay in completing the construction of Kavulamungu Bridge as the contract completion date as initially agreed was 16th August, 2023 which was subsequently extended by a further three and a half months to 16th December, 2023, in accordance with the ZPPA Regulation of 2022.

The contracted works under Phase 2 of the project had been completed.

Management would endeavour to ensure that initial queries raised during the audit were resolved by providing the necessary documentation and explanations during verification.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should stand closed..

iv. Failure to Deduct National Pension Scheme Authority Contributions

It was submitted that the failure to deduct (NAPSA) was as a result of an omission on the part of Management in the year under review. This was because wages in respect of casual workers were not processed through the pay roll accounting system which automatically deducted NAPSA contributions because the casual workers did not have social security numbers and were being paid a daily rate and not monthly as was the case with the other officers on the permanent establishment.

The following action was taken:

1. the amount of K15, 863 due to NAPSA in respect of casual workers was paid to NAPSA; and
2. the appropriate department had been instructed to engage NAPSA whenever there works to involve temporary workers.
3. Management would endeavour to facilitate social security numbers and NAPSA deductions for all temporary workers.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Kitwe City Council

a. Lack of Alternative Power Supply and Lack of Uninterrupted Power Supply for KCC ICT Equipment in the Server Room - Information and Communication Technology (ICT) Systems.

The Accounting Authority submitted that at the time of audit, the existing Uninterrupted Power Supply (UPS) equipment had broken down and the Council had not procured the replacement.

The Council had since procured the Uninterrupted Power Supply (UPS) equipment. The payment voucher, delivery notes, invoices, receipt and pictures of the Uninterrupted Power Supply (UPS) equipment were available for verification.

The Council had set aside funds in the 2024 budget, to procure an automated power generator in order to ensure continuous (without interruption) power supply to mitigate the interruption of power and reduce the damage to electronic items.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Lavushimanda Town Council Paragraph 53

a. Capital Projects - Local Government Equalisation Fund Failure to Implement Approved Projects

The Accounting Authority submitted that the budgeted amount for the projects was lower than the actual amount quoted hence the projects were carried forward to 2023 budget with an upward adjustment to the allocation.

K251,247 was allocated towards land development and plots had since been surveyed whereas for boreholes, the works were re-scoped as per table 2 below, and completed.

Scope of Works for drilling of borehole and construction of water reticulation system

S/N	Initial works/Mode of procurement	Re-scoped works/Mode of procurement	Type of adjustment
1	Drilling 200mm diameter of boreholes	Drilling 150mm diameter of boreholes	Reduced size
2	Drilling depth of 65 m maximum	Drilling depth of 50m maximum	Reduced depth
3	Construction of kiosk and water trough	-	Removed
4	Tree purchase and planting around project site	-	Removed
5	Full works contract	False Account	Changed

To avoid recurrence, projects would be sufficiently funded.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Over Expenditure on Projects

It was submitted that the 2022 budget was approved with an upward adjustment on the Equalisation Fund, which increased the allocation of 20 per cent capital from K1,379,376 to K1,873,215. Following this increase, the Council apportioned K277,838.99 to office building and K200,000 to Dry Port. However, at the time of the audit, the Council minute book, in which the resolution was minuted to adjust costs for the two projects was misplaced. The Council minute book had been found. Management would be ensure that documents were properly filed and secured.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Construction of the Civic Centre

The Committee was informed that the said project was phased due to the expected cost of the project, which could not be financed within a financial year. Further, during the audit, the budgets for the project, material schedules and ledgers were misplaced. The project had been completed and was operational and the budgets, material schedule and ledger had been found.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close..

Livingstone City Council.
Paragraph 54

a. **Accounting for Revenue**
i. Questionable Remission of Property Rates K174,960

The Accounting Authority submitted that the cause of the query was the difference in interpretation of the law on remission of rates. The procedure for granting of remission was provided for in Section 21 of the *Rating Act, No. 21 of 2018*. The Council acted on the premise and understanding that remission of rates was an act of offering relief to any applicant (rate payer) whose reasons were judged as compelling, rather than a matter of irrecoverability of the debt or it being a bad debt. The understanding was that remission applied to the bill for the year in which the relief was sort and was not applicable to bills accumulated in previous years, which would amount to debt cancellation. Further, the failure to adjust the budget was a lapse on Management's part at the time and was deeply regretted.

Management had written to the Office of the Attorney General for further guidance on the applicability of the regulation quoted by the Auditor General on the remission of rates.

Management would endeavour to adhere to the provision of the law and would also ensure that adjustments were made to the budget whenever remission was granted to an applicant.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

b. **Operational Matters**
i. Environmental Management

Engagement of Waste Management Companies without Contracts

The Accounting Authority submitted that there was delay in the granting of waste management licenses by the MLGRD to the Franchise companies following recommendations by the Council and this caused the query.

Management had assumed that the waste management licenses had been granted as provided for under the law and had since signed contracts with franchise companies and the contracts were available for verification. Management would ensure that contracts were signed on time with all the franchise companies under the Council's jurisdiction.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

ii. **Failure to Maintain Roads.**

The Accounting Authority submitted that the Council failed to maintain the needs due to lack of adequate resources and appropriate equipment at the time.

However, Management procured a road cutter and hand plate compactor, and had since worked on all the potholes along Kombe Drive. The works on Francis Town Road could not start because the cost of repair was almost equivalent to the cost of a new one and that a complete overhaul was recommended.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

c. Management of Payroll and Staff Related Matters - Employment of Casual Workers

The Accounting Authority submitted that the cause of the query was the failure to follow the labour laws at the time of engagement of the fifteen workers.

The Council made a request to the MLGRD to budget for the fifteen officers in the 2024 financial year and the Ministry gave the Council a go-ahead. The Council was awaiting the approval of the budget before final clearance and recruitment was done.

Management would strictly adhere to laws governing employment in Zambia.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

Luampa Town Council Paragraph 55

Audit Findings

a. Failure to Collect Plot Premiums

The Accounting Authority submitted that members of the general public in Luampa District had been very reluctant to purchase the advertised land from the Council. Management had engaged institutions such as the Zambia Police, Zambia Army, Zambia National Service, Banks and others to try to entice them to buy land. However, at the time of audit the subscriptions for the advertised plots were very low.

The Finance Committee sought authority from the Council to allow Management to recover a minimum of K500 per month through the payroll from all Council employees that had been allocated plots, with effect from March 2024.

Following this authority, Sixty-two plots had been applied for at a total gross value of K663,000 of which the monthly recoveries would initially sit at K31,000.

For other civil servants from the Central Government, an application was made for a deduction from the Public Service Management Division (PSMD).

Further a partnership with Sinoma Mine had been agreed for the supply of cement to the District at a reasonable price to make it easier for potential buyers of plots to access cheap

cement locally to encourage them acquire land and build. The Council resolved to enhance advertisements and engagements with the community.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

b. Accounting Irregularities

i. Irregular Cash Withdrawals

It was submitted that the decision to make cash withdraws to facilitate various payments was mainly due to lack of banking facilities within the District and the cost implication of individuals traveling to Kaoma and Mongu where there were banking facilities, to access their money.

Further, members of the general public that sat on various Council committees who did not have bank accounts and required to be paid smaller amounts necessitated the use of cash as the cost of accessing the allowance was greater than the allowance.

Management had partnered with Access Bank, Kaoma Branch, to set up an agency banking facility that would be able to handle most of the transactions. Management had further encouraged the affected stakeholders to open bank accounts through the notice generated from the Council Secretary's office dated 25th November, 2023.

Management would ensure that bank schedules were prepared timely to avoid clearing delays.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Lack of Planning Authority Status

The Accounting Authority submitted that the staffing levels at the time of audit within the Department posed a challenge in applying for the planning authority status. Further, the equipment required during the period of the audit to undertake the functions of the Department were not procured in the year under consideration.

Management had written to the Local Government Service Commission on the possibility of sending the relevant human resource that could enable the Council to attain the planning authority status and applied to the MLGRD to consider conferring the Council with that status. The equipment had since been procured.

Management would enhance engagement with the Local Government Service Commission and the MLGRD.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Luanshya Municipal Council

Paragraph 56

a. Failure to Collect Revenue

I. Revenue from Toilets

The Accounting Authority submitted that the toilets in question were leased out to various leaseholders to manage the toilets on behalf of Luanshya Municipal Council. It was regrettable that the lease agreements were not availed to the auditors at the time of audit as the said lease agreements were not traced at the time. The lease agreements had since been traced and were available for verification.

Management had since issued demand notices to leaseholders for all un-paid lease rentals in accordance with the lease agreement. The Council had so far received amounts totalling K13,350 leaving a balance of K43,850.

Management would ensure that all the lease agreements were prepared, properly filed, secured and availed to the auditor during the audit.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

II. Property Rates

Properties Without Ratable Values

The Accounting Authority submitted that the cause of the query was that at the time of uploading the new Valuation Roll on the billing system some properties were wrongly classified as Government properties, religious properties and there was duplication in the billing software system for other properties.

The service provider was engaged to rectify the issues in the billing software. During the audit verification conducted by the Auditor General's Office on 23rd November, 2023, out of 269 properties, 233 properties were verified and cleared leaving a balance of thirty-six properties.

The properties in amounts, totalling K242,248 were billed, as at 31st December, 2023. Management would ensure that all the properties were properly verified, timely billed and engage the service provider promptly whenever any challenges with the billing system arose.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which the matter should close.

III. Revenue from Billboards

It was submitted that the billboard owners failed to settle their bills on time. Management had since collected K180,411.50, leaving the balance of K196,105.50.

In an effort to improving collection efficiency, Management reconstituted a new revenue task force which would ensure that all the revenue from the billboards was promptly and timely collected.

Further, legal action had since been taken against the defaulting companies that had neglected to oblige despite several demands.

Management would ensure that all billboard fees were collected within the financial years and invoices were issued on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which, the matter should close.

IV. Failure to Provide Accounting Records for Revenue Generated from the Gymnasium

It was submitted that the gymnasium had not been operationalised at full commercial basis. Management had established a register for both commercial members and social members and began the collection of revenue.

Management had established internal control measures to ensure that accounting records were maintained in accordance with the *Public Financial Management Act, No.1 of 2018*.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b. Weaknesses in Land Management - Failure to collect Regularisation fees

It was submitted that this was due to the fact that the clients had not responded to the demand notices issued to them.

Management had since collected the sum of K83,400, leaving a balance of K227,100.

Management had also issued final and further demands for payment of regularisation fees and that all defaulters that would still neglect to abide would be sued to recover the said fees.

Management would ensure that enforcement measures were effected timely in order to improve the collection of regularisation fees.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that all the outstanding fees are collected without delay and will await a progress report on the matter.

c. Management of Payroll and Staff Related Matters - Position on Wrong Salary Scale

It was submitted that a number of officers in division one joined Luanshya Municipal Council from other Councils. Management relied on official payslips from the sending councils and transfer letter from the Local Government Service Commission. Therefore, the basic pay was based on the payslip provided by the Council an officer had transferred from.

Management conducted a verification of the payroll after the audit findings and it was revealed that no notch increments were effected. Further, Management had continued relying on official copies of payslips from the sending councils as requisite documents for payroll inputs for all officers that were transferred to Luanshya Municipal Council.

Management would ensure that payslips were verified before inclusion on the payroll and continue to observe payroll procedures.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

d. Failure to Carry out Road Maintenance

It was submitted that most of the roads in the District had outlived their lifespan making it very costly to regularly maintain them.

The following actions had however been taken:

1. 10.5 Km Ndola Luanshya Road was patched with resources from RDA and the Council; and
2. K1 Million had been approved by the CDF Committee to patch the Roan óMpatamatu Road under the 2023 CDF Roan Constituency allocation.

Government, through RDA had engaged AVIC International to fully rehabilitate the Ndola Luanshya Road, as part of the approximately 347 Km Lusaka Ndola Dual Carriage way construction. The MLGRD would also rehabilitate 8 Km of urban roads within the township.

H-Figov Road had been fully rehabilitated with resources from Luanshya Copper Mines and Luanshya Municipal Council, at a total cost of K2,508,000.

I-

Other roads included paving of the 2.5km Mwaiseni Kamuchanga Road under CDF.

There was a budgetary provision for road maintenance amounting to K3.7million from MLGRD in the 2024 budget.

Management would continue to adhere to the maintenance policy by allocating sufficient funds and performing routine road maintenance to prevent significant damage. Further, Management would continue engagements with stakeholders to lobby for financial support to complement Government efforts.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

e. Failure to Spend 50 per cent of Fire License Revenue on Fire Services Unit

The Committee was informed that the revenue collected from the issuance of fire certificates was being deposited in the operations account and some of the payments related to fire brigade were made in the operations account.

Management resolved that 100 percent of revenue collected from the issuance of fire certificates should be deposited into the fire brigade account and be used for the development of the fire brigade through procurement of uniforms for fire officers, training of fire officers, servicing of fire engine and rehabilitation of fire station.

Management would adhere to the Circular Number MLGH/101/17/4 dated 21st July, 2018, issued by the MLGRD.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

f. Management of The Local Government Equalisation Fund

i. Questionable Payments

It was submitted that the query was due to supporting quotations of two suppliers bearing same contact details.

Management inquired from PACRA to ascertain ownership of the three companies that participated in the tender for supply and delivery of electrical materials and the findings where that ownership of the said companies were different. Management further conducted a physical verification of the three bidders.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to further interrogate the matter as it amounted to cover bidding. The Committee will await a progress report on the matter.

g. Management of Assets

i Failure to Operationalise Baluba Motel

É Guest Rooms

It was submitted that the works at the motel were planned in phases and as such the initial phase included the truck parking facility, the bar and the offices. However, due to limited resources, only the truck parking facility was operational at the time of the audit.

Management had since operationalised the truck park, conference facility, offices and the bar. Further, Management was in the process of procuring the furniture and beddings for the sixteen rooms, with plans to open the rooms within 2024.

Management had submitted a request to the MLGRD for financial support in form of a grant in lieu of rates, amounting to K1,097,414.89. Management would ensure that the remaining four rooms were renovated by the end of 2024.

Committee’s Observations and Recommendations

The Committee resolves to await a progress report on the full implementation of the projects.

É Failure to Install Geysers

It was submitted that the geysers had not been installed for fear of theft or vandalism because the rooms were not operational.

Management had since installed the geysers in the rooms and would continue to adhere to the earlier implementation plan to complete the remaining phases.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

É Conference Hall

It was submitted that at the time of audit, Management had not secured funds to procure furniture for the conference facility. Management had since operationalised the conference room.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

i Lack of Modern Fire Station

It was submitted that at the time of audit a new Stove had not been procured and there was no female dormitory due to the way the structure was designed.

However, Management had procured and installed a new stove.

A new design had been done for the new dormitory for females with possible funding from CDF. Management had set aside K1,538,560 in the 2024 budget for the rehabilitation of Council infrastructure including the fire station.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the pending works on the dormitory are completed without delay and will await a progress report on the matter.

i Failure to Avail Asset Register

It was submitted that at the time of audit the asset register was incomplete. The Asset register had been updated and it was available for audit verification.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and resolves to close the matter subject to audit verification.

Lufwanyama Town Council

Paragraph 57

a. Weaknesses in the Management of Payroll

i. Irregular Drawing of Fuel

ii.

The Accounting Authority submitted that this query was as a result of irregular drawing of fuel by non-runner motor vehicles, amounting to K64,481 and the irregular drawing of fuel by motor vehicles that did not belong to the Council fleet of vehicles amounting to K38,880.

- **Fuel Drawn by Non – runner motor vehicles**

- **Fuel Drawn by non – council vehicles**

It was submitted that out of eight one non-council vehicles that drew fuel in amounts totalling K64,481, sixty-six non-council vehicles had written authority to draw fuel in amounts totalling K55,126 as evidenced by the status report on the verification of responses to the Interim Management Letter on the audit of accounts for Lufwanyama Town Council for the financial year ended 31st December, 2022. Further, verbal authority was given to fifteen non-council vehicles to draw fuel in amounts totalling K9,355.

Going forward, drawing of fuel by non council vehicles would only be done if the principal officer gave written approval.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary action against officers who authorised the drawing of fuel without following procedure and will await a progress report on the matter.

b. Operational Matters

Fire Fighting and Rescue Services

Lack of Fire Hydrants

It was submitted that the District did not have a water utility company to facilitate the provision of fire hydrants. However, Nkana Water and Sewerage company was in the District doing social and physical surveys on how they could supply water to Lufwanyama CBD, using the World Bank funded dam which was constructed at Katembula.

The Council would work hand in hand with Nkana Water and Sewerage Company to ensure that the Lufwanyama water project came to fruition.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the Council prioritises the setting up of fire hydrants without delay and will await a progress report on the matter.

Lack of Fire Station

The Committee was informed that the Council had commenced construction of a fire station and had reached lintel level.

Management was determined to ensure that the fire station was completed as soon as possible by allocating more funding for the completion of the fire station in the 2024 budget.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

Land Management - Failure to Create Access Roads in Shibuchinga - Extension Farm Block.

The Committee was informed that the query was as a result of the failure by the Council to create access roads in Shibuchinga ó Extension Farm Block. Prior to allocation of plots, the Council opened up approximately 40.7Km of access roads. However, due to lapse of time and most of the farm beneficiaries not having much activity to develop their properties, substantial sections of the opened up roads had seen bush and shrub overgrowth on selected sections.

Management would ensure that access roads were opened up in areas where plots were being offered.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to open up the access roads without delay and will await a progress report on the matter.

Lukulu Town Council Paragraph 58

a. Management of Local Government Equalisation Fund

ii. Delayed Completion of Works – Fencing of Dump Site

The Accounting Authority submitted that the cause for the delay was due to failure by the engaged contractor to execute works on time. The Council Management terminated the contract and a new contractor was engaged to complete the outstanding works. Considerable progress had been made on site. The Council Management would not hesitate to terminate contracts for contractors that did not comply with contractual obligations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

ii. Failure to Implement Planned Activities

Bar and Restaurant Phase II – K400,000

It was submitted that the late implementation of projects was due to the slow pace of work execution by the contractor. The contractor finished the construction of phase one of the bar and restaurant after Council Management cautioned him to expedite the works.

Phase two had since been awarded to a different contractor to complete the remaining works which included fittings and wall finishes.

The Council Management would not hesitate to terminate contracts for contractors that did not comply with contractual obligations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

Dumpsite – K41,003.96

The Committee was informed that the Council Management terminated the contract as a result of delayed execution of works by the contractor and a new contractor was engaged who was on site.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

Business Complex – K552,671

The Committee was informed that the cause for the late implementation was because phase II was planned to be executed in the last quarter of 2022. The Council Management procured the contract in the last quarter as planned. And the works had since been completed. The Council Management would not hesitate to terminate contracts for contractors that did not comply with contractual obligations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Lundazi Town Council

a. Failure to Collect Revenue from Sale of Plots

The Accounting Authority submitted that an amount of **K580,300** was not collected due to low demand for the offered plots. Further, the offerees were hesitant to pay for the plots. The offerees had been served with enforcement and withdraw letters. In addition, an amount of K66,300 had been collected, leaving a balance of K514,000. Out of the remaining balance, thirty plots amounting to K240,000 were offered to the Drug Enforcement Commission (DEC). Reminders had been served, however, little commitment to settle the bills had been made.

Management had also provided access roads in the area as well as engaged the Water and Sanitation Company as well as ZESCO to ensure that the provision of water and electricity respectively was done.

Management would ensure that it created a diversified portfolio of plots with minimum basic services.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. The Committee also urges the Accounting Authority to submit

supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Lupososhi Town Council

a. Failure to Collect Revenue - Plot Premium

b.

The Accounting Authority submitted that the failure to collect revenue on plot premiums was as a result of low turnout from potential developers as the Township was not fully opened and serviced. A larger number of the plots were expected to be serviced using the Land Development Fund that was budgeted to be received in the period under review, which however at the time of audit had not been received.

Management had serviced a small portion of the township plots surrounding the newly constructed office block using local resources. Further, Management had continued engaging the Ministry of Lands and Natural Resources for the disbursement of the remaining components of the Land Development Fund, which included the components of road opening, electricity provision and water reticulation. Management, through the CDF Committee had further budgeted to buy earth moving equipment that would help in opening up the Township.

Management had continued engaging the Ministry of Lands and Natural Resources on the disbursement of the remaining funds. Further, Management would budget for the remaining components of the Land Development Fund (LDF) in an event that the Ministry of Lands and Natural Resources did not service the plots.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures beyond the LDF are put in place to have the said land serviced without delay and will await a progress report on the matter.

b. Management of Payroll and Other Staff Related Matters

i) Overpayment of Salary

It was submitted that over payment of salary was as a result of an error by Indo Zambia Bank which credited the officer's October 2022 salary twice, and the intermittent physical receipt of bank statements. The overpaid salary had been recovered. Management would ensure that timely electronic receipt of bank statements was done, to necessitate timely bank reconciliations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to put measures in place that will seal the loopholes in order to prevent the recurrence of the query. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

c. Irregular Drawings of Fuel

It was submitted that the irregular drawing of fuel cited by the auditors in the period under review was as a result of the use of the pool vehicle both for the administrative functions for Council operations, and the Council Chairperson official duties.

Management had conducted a reconciliation based on the motor vehicles routed patterning to the activities of the Office of the Chairperson and had established that the fuel used by the Chairperson amounted to 3,000, and had since been deposited by the Council Chairperson.

Management would strengthen the fuel management system by enhancing motor vehicle log book reconciliation which would allow for efficient recovery of fuel from officers that drew fuel allowance but benefited from fuel for general operations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, after which, the matter should close.

d. Non-Functional Guest House - Management of Local Government Equalisation Fund

It was submitted that the reduced operations at the guest house were as a result of reduced fishing activities in the area in question. Management had diversified on the expected clientele by introducing flexible rates that allowed monthly payment for rooms to deployed civil servants. Management had further planned for the dredging of the Nsombo Canal which was scheduled for August 2024, when water levels were low, which was expected to increase the influx of clients at the lodge.

Management with the advent of devolution through the devolved function of tourism would enhance the promotion of various lagoons and water falls in order to diversify the clientele of the lodge.

Committee's Observations and Recommendations

The Committee notes the response and will await a progress report on the matter.

**Lusaka City Council
Paragraph 61**

61.1 Audit Findings

a. Revenue Collection from Markets and Bus Stations - Failure to Collect Market Fees

The Committee was informed that the Council could not collect the whole budgeted amounts in the five markets due to street vending. Thus, all the markets were operating at almost half of their capacities due to street vending.

Street vendors had since been taken back into established trading areas. The evidence of the 2022 revenue collections for Bwafwano, Longacres and Lilanda Markets, before and after the interventions, was available for verification.

The Council would ensure that all collectable levies and fees from markets were collected, receipted and banked on time. Further, Council Police had been deployed to deter street vending.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

a. Irregular Engagement of Contractor to Collect Council Revenue - Kulima Tower Bus Station

The Committee was informed that the Council had a copy of the signed contract No. LCC/PSU/PH/MWU/D1/05/20 for Clean Friends (Z) Limited which was engaged to collect, transport and dispose off solid waste from Cairo Road, part of Chachacha Road, Sapeli Road and all other centre roads between Sapeli and Chachacha Roads.

The Council had not renewed the contract after it expired and would take precautions not to enter into such contracts in future.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that measures are taken to regularise the contract without delay and will await a progress report on the matter.

c. Collection of Business Levies/Licenses

i. Failure to Collect Business Levies - Banks and Other Financial Institutions

The Accounting Authority submitted that it regretted not having availed all information regarding the collection of business levies from banks and financial institutions to the auditors at the time of verification due to difficulties in accessing information from the system.

Levies were collected and duly deposited as per the regulations. Copies of receipts to show how much each client paid towards business levies had been retrieved.

The Council would always ensure that all levies were collected within the specific time frame as mandated by the law.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Failure to Collect Bulky Storage Fees from Filling Stations

It was submitted that levies were collected and duly deposited as per the regulations. Copies of receipts to show how much each client paid towards business levies had been retrieved.

The Council would endeavour to collect all Council levies within the stipulated time frame as mandated by the law.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

iii. Under Collection of Fire Certificate Levy – Fueling Stations

It was submitted that the Council had collected all the Fire Certificate levies from the filling stations. The copies of receipts to show how much each client paid towards the Fire Certificate levies had been retrieved.

The Council would always ensure that all levies were collected within the specific time frame as mandated by the law.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which the matter should close.

iv. Failure to Collect Business Levy from Filling Stations

It was submitted that levies were collected and duly deposited as per the regulations. The copies of receipts to show how much each client paid towards business levies had been retrieved.

The Council would always ensure that all levies were collected within the specific time frame as mandated by the law.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matters should be closed.

d. Property Rates

i. Properties Without Ratable Values

The Committee was informed that during the period under review the Council had not obtained the full award of the 2019 Main Valuation Roll. Hence, it could not maximise on the collection from property rates, as over 1,000 objectors had lodged in their objections to the entries in the Valuation Roll in line with the Rating Act.

All the entries in the Valuation Roll had been entered and billed following the approval of the main Valuation Roll. Management was also going through all the entries in the main Valuation Roll in order to ensure that all entries were correctly captured and existed on the ground. The cited customers' statements were available for verification.

The Council would always ensure that all properties captured in the Valuation Roll had values attached and were billed accordingly.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Failure to Claim Grants in Lieu of Rates from Government

It was submitted that despite the Council claiming Grants in Lieu of Rates on a number of occasions through written correspondences, no positive response had been received.

Management had not received Grants in Lieu of Rates in 2022 from Government. However, Government had assured all Local Authorities, as per the 2024 budget guidelines that Grants in Lieu of Rates, would be remitted in 2024 and going forward.

Management would ensure that it engaged the Government for grants due to the Council such as Grants in Lieu of Rates.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

e. Management of Payroll and Staff Related Matters

i. Officers on Payroll But not on Staff Returns

It was submitted that the twenty-six retired employees of the Council were maintained on the Council's payroll and did not appear on the staff returns as they were no longer active employees of the Institution.

The retired employees were however still maintained on the payroll at the time of audit verification due to non-payment of terminal benefits according to Article 189 (2) of the Constitution of Zambia.

The Council was striving to ensure that all retired employees were paid off all their outstanding terminal benefits so that they could be removed from the payroll.

The Council would always make it a priority to pay retired officers as soon as they left active employment.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Payment of Responsibility Allowances to Ineligible Officers

The Accounting Authority submitted that the Council had stopped paying responsibility allowances and recoveries had since been effected.

The Council would always ensure that the Local Government Service Commission was informed whenever any vacancies occurred to avoid assigning officers additional responsibilities that would attract additional entitlements.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

ii. Irregular Payment of Overtime Allowances

iii.

It was submitted that the Council paid K749,433 as overtime allowances to officers. The lapse was due to lack of harmonisation between the conditions of service and the *New Employment Code Act, No. 3 of 2019*, which amended the normal working hours in a week from forty to forty-eight hours.

The Management would always ensure that only eligible employees received overtime allowance as stipulated in the collective agreement, the conditions of service and in line with the *Employment Code Act, 2019*.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

iv. Irregular Payment of Salary Arrears

It was submitted that amounts totalling K1,416,827 were paid to 744 divisions II, III and IV unionised Council employees whose collective agreement was signed between the Republic of Zambia and the Zambia Local Authorities Workers' Union (ZULAWU), for the period 1st January 2022 to 31st December 2022. The agreement was only implemented in March 2022. This meant that the arrears for January 2022 and February 2022, were paid in March 2022. However, the 2022 collective agreement and other documents were not available to auditors at the time of verification.

However, the salary arrears were paid according to the agreed conditions of service as contained in the signed collective agreement.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

f. Operational Matters – Environmental Management

i. Failure to Renew Zambia Environmental Management Agency Licence

ii.

The Accounting Authority submitted that with the advent of the *Solid Waste Regulation and Management Act, No. 20 of 2018*, it was no longer the mandate of ZEMA to issue permits for management of landfills. According to section 46 of the *Solid Waste Regulation and Management Act, No. 20 of 2018*, the MLGRD issued the landfill permits.

Moreover, the acquisition of the permit was delayed due to the planned works to provide a facelift to the landfill. At the time of audit verification, the landfill did not meet permit requirements.

The removal of accumulated waste around the perimeter wall was completed and under the Lusaka Clean City Project, a grant aid from the Government of Japan, equipment for the landfill was procured.

Further, the Ministry also provided funds for landfill equipment. And lastly, topographical surveys for Chunga Landfill, with assistance from JICA were conducted. These activities and equipment had helped to bring the landfill to acceptable standards for the acquisition of the permit.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

iii. Illegal Sell of Liquor – Intercity Bus Terminus

The Committee was informed that there was guidance by the MLGRD, instructing all the Local Authorities in Zambia to remove all the street vendors within their areas of jurisdiction.

However, the operations were halted upon guidance from the President of the Republic of Zambia that the Local Authorities should not rush to remove the vendors without proper engagements and consultations with various key stakeholders. The Local Authorities should find alternative ideal trade areas for the street-vendors so that they were not left vulnerable.

The Council had managed to remove all street vendors from the Central Business District, as well as other areas such as the Intercity Bus Station and Kulima Tower Bus Station, so as to bring sanity in the city.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

iv. Poor Management of Chunga Landfill

It was submitted that the waste at the landfill remained uncompacted due of the breakdown of the landfill compactor. The Council was unable to replace the compactor due to the cost of the repair of the machine as the Council was experiencing financial challenges.

The Council in partnership with the Ministry of Finance and National Planning formed a Company called the Lusaka Integrated Solid Waste Management. The company commenced operations and would be responsible for all matters of solid waste management in the City of Lusaka.

The Company was awaiting the delivery of equipment procured through the support from JICA in the second quarter of 2023.

Further, in 2021, Lusaka City Council commenced the procurement of services of companies that would establish a waste to energy facility. The process had reached an advanced stage with the Evaluation Committee undertaking due diligence on the two shortlisted companies.

The Council would offer support to the Lusaka Integrated Solid Waste Management Company in order to help resolve the challenge of Solid Waste Management in the City as well as at the landfill.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, and will await a progress report on the matter.

v. Failure to Provide Solid Waste Management Reports

It was submitted that the Lusaka Integrated Solid Waste Management Company, was in the process of preparing the report for submission to the Ministers responsible for health, environment and water.

The Council would always strive to ensure that reports were produced and shared with all relevant stakeholders in line with the *Solid Waste Regulation and Management Act, No. 20 of 2018*.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which the matter should be closed.

g. Management of Assets

i. Failure to Account for Motor Vehicle – Toyota Hilux

ii.

The Committee was informed that the Ministry of Transport and Logistics, through the Office of the Controller of Government Transport, took the vehicle from the Council in July 2022 and handed it over to the Ministry of Works and Supply where it was being used on other national duties. The vehicle was surrendered back to the Council and parked at the Civic Centre.

The Council would ensure that appropriate documentation was prepared for vehicles surrendered to perform other national duties.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to engage the Parent Ministry and get clarity on the management of vehicles, in line with the Ministry of Transport and Logistics' regulations. The Committee will await a progress report on the matter.

iii. Failure to Register Motor Vehicles with the Road Transport and Safety Agency

It was submitted that the Council had not yet registered the vehicles and equipment at the time of audit due to the fact that these vehicles were donated through the MLGRD and the documents had remained with the Ministry since then.

The Council had written to the Ministry so that documents could be released and authority could be granted by the Ministry of Transport and Logistics to register the vehicles with the Road Transport and Safety Agency (RTSA).

Management would always endeavour to ensure that all public assets such as motor vehicles and equipment were registered with the RTSA.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the said vehicles from the parent Ministry are registered without delay and will await a progress report on the matter.

Lusangazi Town Council

Paragraph 62

a. Missing Receipt Book Leaflets

The Accounting Authority submitted that the receipt book in question was issued to one revenue collector in August 2022. It however, came to the attention of Management through the Internal Audit Report that some leaflets were missing. The officers who had collected the receipt books were asked to do formal reports to the Head of the Accounting Department. During the year under review, the Council had only one safe which was not sufficient to secure all the accountable documents and other valuables. It was difficult to secure all accountable documents especially that all the accounting officers were operating in one office due to lack of office accommodation. The officer who had custody of the receipt book where receipts with serial numbers 1622987 and 1622989 went missing was interrogated but denied having done any wrong.

Management managed to retrieve receipt number 1622937 and it was verified by the external auditors during the audit verification at the status report stage. The matter of the other receipts was further escalated and reported to the Police for further investigations and during investigations, the officer was implicated in another case and he was no longer in employment.

The public was also notified of the missing receipt and that the officer involved was no longer an employee of the Lusangazi Town Council.

Management had secured two more safes from the strong room at Ministry of Finance and National Planning and would ensure that officers having custody of accountable documents were provided with secure storage.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b. Unutilised Block Making Machine - Management of Local Government Equalisation Fund

It was submitted that the delay was attributed to the change in the initial plan to run block making under the private Company registered in the name of the Council. This was after the Council's resolution on 23rd June, 2023, to form a company to run all the Council's commercial ventures including the block making and paving machine on its behalf. The rationale of operating the business as a private entity was to allow the business compete favourably with other companies in the same sector. The delay by ZESCO to connect power to the premises where the machine should be operating had also hindered the progress. Management had registered the company in the name of Msanzala Investments Limited and it was operational. Management had applied to ZESCO to connect the premises with power. The Council had financed the initial operating capital for the company to start trading.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

Luwingu Town Council Paragraph 63

a. Management of Asset - Irregular Disposal of Motor Vehicles

It was submitted that the disposal of six assets was conducted by the Central Government via the Board of Survey (BoS).

Table for Assets Disposed Of

S/No.	Description	Reg. No.	Value (K)
1	MISTSUBISH SPOTERO - MOTOR VEHICLE	ABT 6690	100,000
2	YAHAMA 2001 - MOTOR BIKE	ABR 9254	2,000
3	HONDA - MOTOR BIKE	ALL 4216	2,000
4	HONDA - MOTOR BIKE	ALL 4217	2,000
5	HONDA - MOTOR BIKE	ALK 5999	2,000
6	NISSAN TIPPER TRUCK 15 TONES UD	GRZ 896 BR	70,000
	Total		178,000

Before the sale by BoS, the Council had recognised the necessity to dispose of the unserviceable assets and thus formed the Disposal Committee. However, despite attempts to involve the Permanent Secretary and the Provincial Minister, the concerns were not addressed before the process was completed.

The Council would keep engaging with the Central Government through the MLGRD and the Provincial Administration on the importance of complying with the Law.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to report the matter to the relevant investigative agencies for the violation of the relevant legal provisions and will await a progress report on the matter.

Mambwe Town Council Paragraph 64

a) Management of Stores - Unaccounted for General Stores

The Committee was informed that the business cards and councilors identity cards procured worth, K4,500 were not delivered at the time of the audit. The delay in the delivery of the cards was because the first consignment delivered was rejected due to many errors and the quality was not satisfactory.

Further, a payment of K9,000 to Government Printers for the supply and delivery of accountable documents, were also not delivered at the time of the audit. The supplier had since delivered the identity cards and business cards.

Further, the Government Printers had delivered the accountable documents as tabulated below.

Description	Quantity Ordered	Quantity Delivered	Variance
Procurement Requisition Books	15	14	1
Daily Stock Sheets	15	10	5
Payment Vouchers	30	0	30

However, some accountable documents had not yet been delivered. A letter had been written to Government Printers to notify them about the documents that were still remaining to be delivered.

Since the printing of accountable document was the sole responsibility of Government Printers, the Council would always ensure that necessary follow ups were made to the supplier to ensure that the procured goods were delivered on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that all the outstanding stores are delivered without delay and will await a progress report on the matter.

a) Operational Matters - Failure to Maintain Fire Extinguishers

The Committee was informed that the institution had since received a Fire Officer from the Local Government Service Commission. This had enabled the Council to effectively conduct sensitisation and fire prevention inspections in order to equip the business owners with knowledge on the provisions of the law.

The inspections and sensitisation were still ongoing and various business owners had been cautioned and advised accordingly.

The Council stated that it would continue conducting the fire prevention inspections and sensitisation as well as ensure that the provisions of the law were enforced. Further, the Council would ensure that all business premises had installed fire extinguishers.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that all business houses are equipped with appropriate fire equipment without delay. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

c) Construction /Rehabilitation of Crossing Points

i. Delayed Completion of Lowo Crossing Point

It was submitted that the delay in the execution of the project was mainly due to inaccessibility of the site throughout the rainy season. The project had since been completed successfully.

Management would ensure timely completion of projects in the future.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should be closed.

ii. Delayed Completion of Nsefu Crossing Point

It was submitted that the delay in the execution of the project was mainly due to the unfavourable weather condition that rendered continuation of works impossible. Additionally, site accessibility was a challenge during the rainy season. The scope of works that were still outstanding on the project at the time of audit had been completed successfully and the crossing point had since been opened for public use. Management would ensure timely completion of projects in the future.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Mansa Municipal Council Paragraph 65

(a) Expenditure

i. Irregular Issuance of Imprest

The Accounting Authority submitted that the Council had cautioned officers who initiated the payments and guided them to follow Financial Circular No.1 of 2020 to the letter, in future payments. The Council was adhering to the Finance Treasury and Financial Circular No.1 of 2020, which guided controlling officers to pay subsequent allowances into a beneficiary's account.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary action against the authorising officer to serve as a deterrent and will await a progress report on the matter.

ii. Printing of Receipt Books from Private Institutions

The Committee was informed that that the Council printed documents such as receipt books and revenue collection books valued at K28,000 using private printing companies. The Council had, however, stopped procuring receipt books and revenue collection books from private printing companies. Further, the Council had engaged the MLGRD for authority to allow the Council to source accountable documents from the authorised dealers in situations where the strong room at the Ministry of Finance ran out of stock and where Government Printers was not able to deliver orders on time even after Council had made payments.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to desist from the practice of printing receipts from private companies. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Operational Matters.

iv. Trading from Undesignated Places

It was submitted that the traders were trading in undesignated trading places because of lack of trading places at the UB Market. The Council issued a notice to move all the affected traders to the designated trading places. The notice ran up to 31st May, 2024. The Council would apply possible means to control street vending. The Council had also encompassed the establishment of Markets in developing settlements in both planned and unplanned markets in the Integrated Development Plan which was at draft stage. As a short-term measure to address the issue, the Council was relocating the same traders in designated areas.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to actualise the relocation of the traders to designated places without delay and will await a progress report on the matter.

iv. Failure to Create Access Roads

The Committee was informed that this was caused by the Council not having earth moving equipment at the time of the audit. The Council had provided for the creation of access roads, as per provision of Circular No. 1 of 1985 and the Land Administration and Allocation Circular No. 1 of 2015, in the 2024 budget. The Council had commenced the procurement of earth moving equipment and opening up of roads. Future planning and land allocation would be done as per Circular No. 1 of 1985 and the Land Administration and Allocation Circular No. 1 of 2015. The opening of the roads would be done before land was allocated.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the opening of the roads was prioritised without delay and will await a progress report on the matter.

Manyinga Town Council

Paragraph 65

Manyinga Constituency

Irregular Use of Imprest

The Accounting Authority submitted that Management had since stopped the usage of imprest on unauthorised payments and had continued paying through payees bank accounts.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Masaiti Town Council

a. Failure to Collect Land fees

It was submitted that the Council obtained consent from Senior Chief Mushili on 20th May, 2016 to create a township in Chankute area but the Council did not conclude the Resettlement Action Plan with the sitting tenants. The clients who were offered land could not possess the land as the sitting tenants refused to vacate their land without compensation. This discouraged the majority of the clients from paying the plot premiums, hence the K35,225,500 remained outstanding at the time of audit.

The Council had constituted a Land Audit Committee to handle all land related matters in the District. The Land Audit Committee had since engaged the affected sitting tenants and entered into a Memorandum of Understanding. A number of clients who could not possess the land lost patience and claimed for refunds. The Authority had repossessed a total of 897 plots which comprised those that were surrendered and those that could not be paid for due to the refusal of the sitting tenants to make land available.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

b. Management of Payroll and other related matters

Management of Assets - Unpaid Plot Premiums

The Accounting Authority submitted that Management had written to the thirteen applicants to pay service charges to the Council. However, none of the applicants responded. Management had since written to the Ministry of Lands and Natural Resources to consider re-entry of the thirteen title deeds and the Ministry of Lands and Natural Resources had since responded.

Management would ensure that only clients that had paid full amounts would be recommended to the Ministry of Lands and Natural Resources.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Milenge Town Council

Paragraph 69

a. Management of Local Government Equalisation Fund

The Accounting Authority submitted that Management would venture into commercial activities such as block making, poultry farming and the expansion of the Council Lodge in order to supplement on the traditional sources of revenue.

Management would always endeavour to make sure that the planned projects were implemented in order to foster social economic development in the District.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should be closed.

Mkushi Town Council

a Failure to Issue Licences for the Storage of Petroleum

The Accounting Authority submitted that the failure to issue storage licenses was as a result of disputes by the affected institutions that in this case were commercial farmers. The farmers contended that they store diesel which was not classified as a dangerous petroleum hence were not required to pay for a storage license.

Management wrote to the MLGRD and the Office of the Attorney General to give guidance on the interpretation of the meaning of dangerous petroleum. However, Management had not yet received the feedback from the two institutions despite several follow ups. Management would continue to pursue the matter with the Ministry and the Attorney General's Chambers for guidance.

Committee's Observations and Recommendations

The Committee expresses concern and urges the Accounting Authority to ensure that license matters of petroleum storage are addressed to prevent the risk of loss to public property and will await a progress report on the matter.

b Operational Matters - Loss of Revenue- Market Shelters

It was submitted that the query arose as a result of traders from the market shelter opting to go and trade in the streets citing lack of business in the market shelter.

Management had since successfully removed the traders from the streets and taken them back to the market shelter. Arising from that, revenue amounting to K24,927.50 had been realised from the market shelter. Further, Management had deployed Council Police to prevent vendors from getting back in the streets.

Management would ensure that marketers continued to trade from the market shelter so as to allow the Council to realise the much-needed revenue.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

c Weakness in Management of Fire Services - Failure to Remit 50 percent of Fire License Revenue to Fire Services Unit

It was submitted that at the time of audit Management had not yet opened the fire account as collections from fire certificates were being deposited in the Council operations account from

where programmes for fire services were being catered for just like any other Council activities.

Management opened a fire account with ZANACO in which remittances of the 50 per cent fire licences revenue was being deposited.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

d Local Government Equalisation Funds - Delayed Construction of Fire Station Offices

It was submitted that the delay was as a result of the contractor not finishing the works on time. The Project had since been completed and the contractor was charged liquidated damages for the delayed completion. Management would ensure that contractors completed projects on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Mongu Municipal Council Paragraph 72

a. Operational Matters

i. Weaknesses in Issuance of Plots - Failure to Service Plots

The Accounting Authority submitted that the Council did not have resources to service the plots. The cost of hiring earth moving equipment was too high. The Council had since procured earth moving equipment through CDF and therefore, the Council was expected to commence the opening up of roads in Kasima. The Council would ensure that only land which had been fully serviced would be offered to plot applicants and would also apply for Land Development Funds in future.

Committee's Observations and Recommendations

The Committee will await a progress report on the opening up of access roads.

ii. Management of Markets

• Failure to Maintain Market Property

Staff House at Sefula Market

It was submitted that the Council could not maintain the house because it was old and the integrity of the structure was compromised to the extent that it could not be rehabilitated and further it was not fit for human habitation as certified by health inspectors.

The staff house was inspected by a combined team of health inspectors and engineers and they certified that the staff house was not fit for human habitation hence recommended for demolishing. The Council would demolish the existing structure and consider constructing a new staff house once funds were made available. The ablution blocks were not maintained due to financial challenges the Council was facing. The ablution blocks at Imwiko and

Namushakende Markets had since been maintained. Further the Council, through Western Water and Sanitation Company, had constructed a modern ablution block at Sefula Market. Management would ensure that ablution blocks were kept clean and maintained at all times.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

b. Procurement of Goods and Services – Questionable Drawings of Fuel

It was submitted that this was an omission due to the work overload because of inadequate stores officers. Mongu Municipal Council had only one stores officer. The updated fuel ledgers and fuel statement showing vehicle registration numbers and coupon numbers were available for verification. Further, the Council in the interim had trained an officer to help the stores officer.

The Council would ensure that all the supporting documents were availed to the auditors. The Council would request for a stores controller from the Local Government Service Commission.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Monze Town Council

Paragraph: 73

a. Management of Payroll and Other Staff Related Matters - Employment of Casual Workers

The Accounting Authority submitted that the failure to remit NAPSA contributions was attributed to financial constraints. Furthermore the Council had amended the contracts and extended them from three months to one year.

Further, Management had commenced the process of recruiting some of the fixed term contractual employees on permanent basis as Council Police after obtaining approval from the MLGRD.

In addition, the Council had engaged and was in discussion with NAPSA for a possible debt swap of amounts totalling K334,591.50. The amounts would go towards liquidation of the outstanding NAPSA debt of K33,231,087.39.

Further, Management would give permanent and pensionable employment to those casual workers that met minimum requirements gradually as the Council built capacity to pay their wages.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

**Mpika Town Council
Paragraph 74**

a. Irregular Cash Withdrawals - K28,7831

The Accounting Authority submitted that the Council made cash withdrawals using Council's bank agents. Management had taken note of the auditors observation and had discontinued the practice. Management would ensure responsible officers complied with the regulations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary action against officers who approved the irregular withdraw of cash and will await a progress report on the matter.

b. Hire of Private Conference Facilities without Authority –K31,500

It was submitted that the Council had since stopped using private conference facilities without authority.

Management would ensure to engage the Office of the Secretary to Cabinet to seek authority before hiring private conference facilities.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

b. Management of Assets - Failure to Maintain Roads

It was submitted that this was due to limited financial resources at the time. Management had since commenced the road maintenance exercise and had so far worked on 10km out of 14km of roads. Management would ensure that road maintenance was prioritised in every fiscal year. The Council, through CDF, had procured earth moving equipment to help in maintaining the roads.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, after which the matter should be closed.

a. Failure to Set Aside and Use 5 percent of Locally Generated funds on Wards

It was submitted that this was due to limited financial resources at the time. Management had since opened all the twelve WDC bank accounts and would ensure to set aside the 5 per cent of locally generated funds.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, after which, the matter should be closed.

Mporokoso Town Council
Paragraph 76

(i) Irregular Payment of Subsistence Allowance

It was submitted that the subsistence allowances were wrongly paid to the officers who went to work on the bridges in Lumangwe and Kabwelume Falls area, 85km from Central Business District of Mporokoso. The officers were lodging in Kawambwa but performing the work at Lumangwe and Kabwelume in Mporokoso District.

Management had recovered the funds paid to the two employees. Furthermore, Mporokoso Town Council hired the grader from Lunte Town Council, therefore, the operator qualified to get the Daily Subsistence Allowance (DSA).

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Mpulungu Town Council
Paragraph 77

b. Questionable Cash Withdrawals

The Accounting Authority submitted that the withdrawals which were regrettable and Management would continue adhering to the authorised provisions and regulations as guided through the Ministry of Finance Treasury and Finance Management Circular No. 1 of 2021.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary against officers who approved the cash withdraw in violation of financial regulation without delay, and will await a progress report on the matter.

Mufulira Municipal Council

a. Accounting for Revenue

i. Failure to Update and Clean up the Billing System

The Accounting Authority submitted that the matter had been resolved by engaging the system provider who managed to clean up the double entries.

Management had an understanding with the Government Valuation Department that at the time of updating or renewal of valuation roll, the Department should use the previous information for identification and reference.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Failure to Bill Properties for Rates

The Committee was informed that the 99 properties in question with a total amount of K1,224,722 existed in the system and were captured using house numbers instead of stand numbers which appeared as though not being billed. All the 99 properties were billed.

Management would ensure that going forward, the billing system provider had corresponding information as it appeared in the valuation roll to avoid the mismatch of information.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

iii. Inconsistencies in Property Numbering in the Billing System

It was submitted that the Government Valuation Department team that undertook the task of updating the Valuation Roll for Mufulira District omitted the use of existing database (Palmsoft System) as part of their reference document making it impossible to ascertain the accuracy of K1,262,095 charged under the year.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which the matter should be closed.

b. Weaknesses in Information Technology Systems and Other Internal Controls

i. Access to the Information Technology Offices Holding the Server

It was submitted that to secure the server room, a log book had been introduced for employees going in and out of the server room.

Management would ensure that everyone who entered the server room logged in and out in the log book provided. Further, the Director of Finance checked regularly the log book for adherence.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

ii. Lack of Server Room

It was submitted that there was lack of office space and lack of resources to isolate a sever room which led to some officers using the same sever room as an office. In the 2024 budget, an allocation amounting to K80,000 had been set aside for temporary partitioning of the server room and partitioning had been done.

Management would ensure that the server room was well maintained to attain a well sustained security system.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

c. Maintenance of Properties

i. Failure to Maintain Township Roads

It was submitted that the failure to maintain township roads during the period under review was due to financial challenges that were being faced by the Council. Management had since maintained all the four roads and allocated resources for periodic maintenance and rehabilitation of roads in the District using the CDF.

Committee's Observations and Recommendations.

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

d. Management of the Payroll and staff Matters - Irregular Commutation of Leave Days

It was submitted that the Council had since stopped allowing commutation of leave days. The Council would ensure that it adhered to the Public Service Management Division Circular No. B.18 of 2018. However, should the resources improve in the institution, the Council would seek for authority to pay from the MLGRD.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, after which the matter should be closed.

e. Procurement of Goods and Services - Failure to Abide by the Specifications in the Supply of two Desktops – Model HP 290 - LGEF

It was submitted that at the time the memorandum and purchase requisition were being prepared, the specifications were erroneously typed. Furthermore, the supplier supplied in accordance with what was in the requisition. No action had been taken as the error was with the information that was on the memorandum that did not have specifications and the requisition sent to the supplier. Management would ensure that the memorandum and requisitions had full and correct specifications indicated to avoid future disparities. Further, the Procurement Unit would ensure that end users cross checked on specifications before an inquiry was sent to suppliers.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Mufumbwe Town Council

Paragraph 161

Mufumbwe Constituency

a. Operation of Markets - Abandoned Kalambo Fish Market Abandoned market shelter

The Accounting Authority submitted that the sellers abandoned the market shelter due to poor customer turnout in their opinion and resorted to selling from outside the shelter in a bid to attract customers. The Council through the Market Committee met stiff resistance when it tried to coerce the sellers to utilise the shelter.

As a long-term measure, the Council had budgeted for the rehabilitation of the shelters in the main market to make the market more accessible for both the customers and sellers. The Council would continue to engage the sellers to use the shelter.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to continue engaging the marketeers on the matter and deploy Council Police to ensure that marketers operated from the designated market. The Committee will await a progress report.

b. Land Management

i. Failure to Collect Revenue from Sale of Plots

It was submitted that the demand for the plots was low from the general public because of the location of the area that was opened up for plots at the time. The sale of plots was demand driven, by factors such as the location of the plots in the District, other supporting developments in the surrounding areas near the plots and the distance of the plots from the CBD. In the case of the aforementioned plots, the low demand lead to poor response even on payments from those people who received the offer letters. The Council offered plots in a different location and the Council managed to raise over K600,000 from plot premiums. However, the unsold plots had since been re-advertised, and to encourage the general public to take up the plots, the Council had regraded the access roads and had engaged other service providers like ZESCO and Northwestern Water and Sewerage to extend the services in the area.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed..

ii. Failure to revoke offers not paid for

It was submitted that the provisional offer letters which were given to the successful applicants contained a clause which resulted in automatic forfeiture and revocation of the plot on failure to pay the plot premiums within the stipulated time frame (90 days).

The Council further implemented a sensitisation programme and reminded the general public about the clause in the offer letter.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that offers for the plots are revoked and the plots re-advertised without delay. The Committee will await a progress report on the matter.

Mulobezi Town Council Paragraph 80

Audit Findings Weaknesses in Internal Control

i.) Lack of Strategic Plan

It was submitted that Management did not have the strategic plan because of the correspondence dated 31st October, 2018 under Circular No. MLG/52/12/4 titled "Roll Out of Public Service Strategic Planning to Local Authorities." In this circular, all Local Authorities without strategic plans were instructed not to go ahead to prepare strategic plans and to wait for guidance from the Ministry of Local Government. According to the circular, what necessitated the decision was that the Local Authorities were using different formats which were not aligning with the performance management package. This further brought about difficulties in aligning with the implementation of National Development Plans and realising the Vision 2030.

In order to facilitate for a successful transition from sectoral planning to multi-sectoral planning, Parliament enacted the National Planning and Budgeting Act 2020. All Local Authorities were therefore, supposed to prepare the Integrated Development Plans (IDPs) for a period of ten years. The Council in collaboration with other stakeholders in the District has since formulated a draft copy of IDP 2024 to 2034.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

ii.) Lack of Disaster Recovery Plan/Business Continuity Plan

It was submitted that the Mulobezi Town Council lacked a Disaster Recovery Plan and Business Continuity Plan to take care of the information technology of an institution.

Management had since written to the Local Government Service Commission for an IT officer to manage the Disaster Recovery Plan and Business Continuity Plan. Management would ensure that all policies and procedures were developed well in advance to avoid future reprimands.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to prioritise the development of the Disaster Recovery Plan without delay and will await a progress report on the matter.

1. Failure to Collect Revenue from Sale of Plots

It was submitted that there was an under collection of **K25,750** from the sale of plots due to reluctance to pay by the developers. The Council had since written to the would-be developers to pay off the outstanding balances amounting to **K25,750**. The Council would endeavor to collect all revenue for the Council as per section 9 (h) of the Public Finance Management (General) Regulations, 2020.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

2. Failure to Service Plots

It was submitted that during the time of audit the plots were not adequately serviced with access roads, water and electricity and Natural Resources.

However, the Council had engaged the Ministry of Lands and Natural Resources for the Land Development Fund (LDF).

The Council had since created access roads in the surveyed plots to enhance the marketability of the plots. The Council would ensure that all plots were serviced before advertising to would be developers in line with the Ministry of Lands and Natural Resources, Circular No.1985.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that the said plots are serviced without delay and will await a progress report on the matter.

3. Failure to Implement a Project - Green Market Electrification

It was submitted that the delay in electrifying the Green Market in Mulobezi was as a result of the late response by ZESCO in submitting the quotation for the said works. Management had since engaged ZESCO and they had finally provided the quotation as at 12th April, 2024 for the payment to be made.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

4. Rehabilitation of Township Roads

a. Mass Earthwork - Delayed Completion of the Project

i. Independence Road

The Ten Houses, Riverside and High School Roads

It was submitted that the delay to complete the project was due to some other engagements that ZNS had in other districts with similar road projects within the Province.

Further the delay was caused by the breakdown of the machinery.
The works had since been done.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Drainage Project- Delayed Implementation of the Project

It was submitted that the delay to implement the project was due to delay in the completion of road works by ZNS as the planned drainage system was supposed to protect the road embankment on the Independence Road which was usually affected by soil erosion during the rainy season. The ZNS had since completed the road works and Management had since completed the works of drainage construction in Mulobezi Central Business District.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close. .

c. Paving Project-Failure to Utilise Purchased Materials

It was submitted that Management had since completed the paving project in Mulobezi Central Business District. The Council would endeavor to ensure that all the funded projects were implemented and completed on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and desist from taking action after the audit process and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, after which the matter should be closed.

Mushindamo Town Council

Paragraph 82

Solwezi East Constituency

a. Failure to Collect Plot Premium Failure to Collect Plot Premium - K125, 000

The Accounting Authority submitted that the issues relating to land were resolved and the deductions had since been effected. So far, a total amount of K12,178.61 had.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

**b. Expenditure - Irregular Payment of Accommodation Allowances
Irregular Payment of Accommodation - K53,600.**

It was submitted that this decision was prompted by the extensive area covered by officers, who travelled 220 km to reach the duty station at Kipushi Border. The distance made it impractical to commute daily, therefore, Management introduced an allowance of K200 for accommodation to alleviate the hardships faced by officers as they could not manage to travel back the same day. Deductions had been effected on nineteen employees, a recovery of K11,350 from the officers that were on Council payroll and K12,200 for the officers that were transferred had been made, amounting to K23,550.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary action against the Officers who approved the payment and will await a progress report on the matter.

**c. Management of Assets - Failure to Utilise Block Making Machine
Failure to Utilise Block Making Machine**

It was submitted that a quotation of K217,850.19 was received from Zesco Limited for the purpose of power connection. Regrettably, due to insufficient funds, the Council was unable to fulfill this payment. Consequently, Management had opted to locally produce blocks, focusing on supplying them to the local contractors engaged in construction projects within Mushindamo District.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that other modes of power are explored to reduce dependency on Zesco supply and will await a progress report on the matter.

**Mwandi Town Council
Paragraph 83**

**a. Accounting Irregularities
i. Irregular Payment of Training Cost**

The Accounting Authority submitted that the query was as a result of missed narrations on the payment voucher. Supporting documents for the payment voucher had been retrieved stating the correct items purchased.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Failure to Remit Tax

It was submitted that the failure to remit PAYE Tax was due to the low revenue base on locally generated revenue. The Council had engaged ZRA with a proposed payment plan and awaited a response. Further the Council had embarked on commercial ventures such as a block making factory, the construction of a truck inn bay, bar and restaurant that would improve the locally generated revenue.

Management would continue to engage ZRA on finding a quick solution to resolving the outstanding debt.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

iii. Failure to Withhold Value Added Tax

It was submitted that Management delayed to implement the Treasury and Finance Management Circular No. 6 of 2017 in that whenever there was a Treasury and Finance Management Circular from the Ministry of Finance and National Planning, a follow up letter was written from the MLGRD instructing Local Authorities to implement the stated policy guidelines issued. In the case of the Treasury and Finance Management Circular No. 6 of 2017, there was no follow up correspondence authorising Local Authorities to implement the Circular. The deductions on VAT had been implemented and payments were being made directly to ZRA and proof of payment submitted to the suppliers.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, after which, the matter should close.

iv. Irregular Engagement of Suppliers without Tax Clearance

It was submitted that the Council engaged the seven suppliers to provide evidence on their tax compliance, unfortunately the suppliers were yet to provide that evidence. The Council would ensure that all suppliers of goods and services that were engaged were tax compliant.

Committee's Observations and Recommendation

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

b. Failure to Provide Ablution Blocks within Markets

It was submitted that the area only contained four operational shops behind residential housing. The traditional leadership was in the process of designating the small market, as they had also started offering plots. The Council had been allocated a plot for constructing the abluion block and would budget for it in the 2025-2027 MTEF Budget Estimates.

Management would ensure that all markets and other public places were provided with water and sanitation facilities according to the *Local Government Act, No. 2 of 2019*.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed without delay and will await a progress report on the matter.

c. Failure to implement approved Capital Projects

It was submitted that the failure to implement the construction of the bar and restaurant and the Council Satellite Office was due to unresolved land issues, at Simungoma area where the two projects were to be undertaken. Further, the failure to construct the shopping complex

was as a result of defects on the block work and concrete works and questionable structural integrity of the building which needed attention before the K400,000 budgeted for could be utilised. The project was planned to be completed in phases as the required total amount of K2,208,344.20 could not be funded at once.

Authority by the Barotse Royal Establishment to construct the bar and restaurant in Simungoma area had been given. Management had also started the process of rectifying the defects on the ongoing shopping complex in Lutaba with plans of completing it in phases using the budget allocation in the 2024 Medium Term Expenditure Framework (Budget Estimates).

Management would ensure that a consent letter on land was acquired before budgeting for projects to be implemented on customary land. Management would also ensure to implement projects that were fully funded to completion and stiffen supervision and monitoring of projects.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the pending projects are completed without delay and will await a progress report on the matter.

Mwansabombwe Town Council Irregular Overpayment of Allowances

It was submitted that the allowance was computed correctly for Local Government Association of Zambia (LGAZ) meeting in Kabwe. The purported overpayment of k20,801 did not go through the bank and was not paid to the officer as was verified by the auditor in the preliminary status report.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

(d) Delay in implementation of an Integrated Development Plan

It was submitted that following the grant of authority by the Provincial Planning Authority, the Council proceeded to advertise for the required sixty days and subsequently got ministerial approval of the IDP document as at 15th of April 2024.

Management would continue to adhere to set laws and planning regulations and ensure that there was timely implementation of all development plans.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Mwinilunga Town Council
Paragraph 86

a. Inappropriate recording of Accountable Documents

It was submitted that the inappropriate recording of accountable documents was caused by a lapse in the supervision of the officer who was assigned to be recording the documents in the register. The books had since been properly documented and the necessary documents were available for verification.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Weaknesses in Managing Assets- Lost Safe Key

It was submitted that the key was lost in 2021. Management had since written to the Secretary to the Treasury seeking replacement of the lost key. The cabinet in which the accountable documents were being kept had been moved to a more secure office. Management would ensure the safe was repaired through engagement with the Secretary to the Treasury.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to follow up with the Treasury through the Office of the Controller of Internal Audit, on the issue of keys and will await a progress report on the matter..

Nakonde Town Council
Paragraph: 87

a. Under Collection of Motor Vehicle Charges

It was submitted that the cited discrepancies amounting to K18,281,413 reported as under collection was accounted for as receipts on the Digital Direct Payment Systems, the Council introduced mid-way in the financial year under consideration. The system required clients to make direct bank deposits into the Council accounts after receipts were issued by the revenue collector.

It was regrettable that printed computerised receipts were not reviewed to ascertain the collection of these funds.

The Council had been following up with the MLGRD on the application to be migrated to the ZRA Single Window Platform to enhance maximum collection of motor vehicle charges.

Committee's Observations and Recommendations

The Committee bemoans the poor cash handling system and urges the Accounting Authority to ensure that the Council is put on the ZRA Single Window Platform and will await a progress report on the matter.

b. Management of Commercial Ventures - Nakonde Guest House

i. Unaccounted for Revenue from Bar Takings

It was submitted that the queried variance of K133,297 cited as unaccounted for revenue from bar takings figures in the financial statements as reported for the financial year ended 31st December, 2022, were rectified and verified. This could be seen from the audited financial statements for the year ended 31st December, 2022 as the Auditor General issued an unmodified opinion, meaning that the financial statements were presented fairly, in all material respects, in accordance with the applicable Financial Reporting Framework.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should be closed..

c. Irregular Regrading of an Officer Without Authority from the Local Government Service Commission

It was submitted that the officer in question was not demoted, rather just re-assigned to work from the Civic Center, to sit on the Commercial Venture Desk and coordinate the implementation of commercial venture related matters and to perform other principal accountabilities as stated in the job description. The officer would help out with tasks that were in line with her field of study, as she possessed a bachelor's degree in Business Administration. The officer maintained the same salary scale.

Management would ensure to continue engaging the Local Government Service Commissioner on staff matters.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

d. Local Government Equalisation Fund - Construction of Ablution Block

It was submitted that the contract had elapsed and was terminated. A new contractor was engaged and had since completed the remaining works. Management would ensure that projects were completed on time.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Nalolo Town Council

a. Management of Payroll and Staff Related Matters – Failure to Tax Housing Allowance

It was submitted that Management reviewed the payroll system bi-annually, hence Management failed to detect the system failure on time.

Management engaged the supplier of the software to rectify the malfunction in taxation and the system was updated and able to tax the housing allowance appropriately. Furthermore, the deductions for the affected months in 2022 had commenced.

From the total sum of K192,096 that was not recovered, K80,040.04 had so far been recovered as at 31st March, 2024.

Management reduced the time frame for reviewing the performance of the payroll software from yearly to monthly to facilitate for timely detection of any malfunctioning of the system.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Payment Vouchers without Payees

The Committee was informed that the information was retrieved from both the bank and the filed records. The payees were also identified, and payment vouchers were updated accordingly.

Management cautioned the officers who handled accountable documents to ensure that all vouchers were appropriately filed before being escalated to the next level.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

c. Irregular Use of Internally Generated Funds

It was submitted that Management transferred the funds back to the District Fund Account to replace the used funds.

Management had continued to ensure that all payments for CDF activities were paid from the appropriate CDF allocation/account.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to institute disciplinary action against the officers who authorised the irregular drawing of funds and will await a progress report on the matter.

Composition of the Council

It was submitted that Management had written to the MLGRD, through the Provincial Local Government Officer, to provide guidance on the matter as the correspondence from both ends clearly outlined the request made by the Council to the traditional leadership and the response to the request.

Management would continue to make consultations and engage with relevant authorities to have the matter resolved as it was beyond the capacity of the Council to handle.

Committee's Observations and Recommendations

The Committee will await a progress report.

Nchelenge Town Council

a. Expenditure - Printing of Accountable Documents from Private Institutions

b.

It was submitted that the printing of accountable documents by private institutions was due to non-availability of receipt books at the Ministry of Finance and National Planning and failure by the Government Printing Department to print accountable documents on time.

The Council ordered accountable documents on 31st March, 2021 from Government Printing Department but the last batch was collected on 21st February, 2024 despite making several follow ups.

Further, the Council had stopped printing of accountable documents from private institutions.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Ndola City Council

a. Accounting for Revenue

i. Failure to Collect Revenue - K938,719 Weaknesses in Cash Collection System – Kazanga

The Accounting Authority submitted that the Council had since suspended collections of market fees using Kazang machine, pending resolution of malfunctioning of the Kazang System, and had further with the authority of the MLGRD started procuring receipt books from both Short Horn Printers and Government Printers to avoid stock running out. Further, in an effort to collect market fees using electronic means, the Council had engaged Zambia National Commercial Bank and INDO Zambia Bank to introduce point of sale system which would allow traders to pay using mobile money and swiping. The Council further started sensitising traders on the importance of paying fees using electronic means. The measures implemented had resulted in the collection of market and toilet fees amounting to K2,845,538.55 as at 31st December 2023 compared to K K1,654,224 collected in 2022.

The Council had engaged Zambia National Commercial Bank and INDO Zambia Bank to develop automated revenue collection systems in order to phase out manual collection systems whilst ensuring sufficient receipt books as back-up in case of systems failure.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority

to submit supporting documents to the Office of the Auditor General for audit verification, after which, the matter should be closed..

**b. Weaknesses in Information and communication Technology Systems
ICT Governance - Failure to Adopt Information and Communication Technology Standards and Frameworks**

It was submitted that the ICT Strategic Plan had been made and adopted by the Council and was available for audit verification.

The Council had formulated an ICT Committee which had been charged with the responsibility of ensuring that the Council was adhering to standards and frameworks, which were applicable internationally and generally used in the implementation, operation and auditing of Information and Communication Technology (ICT) environments.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

i. Failure to Update Application System - Microsoft Dynamics Navision

It was submitted that the failure to update the system was mainly due to the increase in the cost of renewal by the service provider (Microsoft) which was pegged at \$110,826 as at the end of the financial year 2023.

The Council had requested authority from MLGRD to change the application system to an affordable System as the Council waited for the ministerial system to be rolled out. The Council was pursuing the change of the Microsoft Dynamics Navision 2013 system.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should stand closed. .

c. Failure to Manage Property Legal Agreements

i. Lowenthal Theatre

It was submitted that the delay to take possession of the Lowenthal Theatre premises was due to the protracted counter claims made by Rotary Club with regard to renovations and extensions allegedly made by the Rotary Club to the premises. The theatre was built as a private initiative championed by Rotarian Abe Lowenthal about 1956 and was handed over to the Council to manage for the community but the Rotary Club argued that it be co-managed.

The Council had carried out an audit of all Council property in order to ensure that all sitting tenants had valid contracts with updated rental income which were within the period of time authorised by the *Local Government Act, No. 2 of 2019*, as well as ensuring that all Council properties were used for the intended purpose with memorandum of understand put in place for future guidance.

Committee's Observations and Recommendations

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

ii. Ndola Squash Club, Tennis Club and Bowling Club

It was submitted that the non-payment of rental income was as a result of allowing the sports clubs to continue managing sports activities without a written Memorandum of Understanding. The premises were handed over to the Council by White Sports Executive in the 1970s and mutually agreed in line with corporate social responsibility to continue supporting the sports activities.

The Memorandum of Understanding between the Council and each sports club had been drawn and presented for execution by the both parties.

The Council had carried out an audit of all Council property in order to ensure that all sitting tenants had valid contracts with updated rental income where applicable, which were within the period of time authorised by the *Local Government Act, No. 2 of 2019*, as well as ensuring that all Council property were used for the intended purpose.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

iii. Institutional Houses

It was submitted that the 1996 conditions of service for Council staff before harmonisation of certain terms and conditions in July 2012, provided for free accommodation to be provided to the Town Clerk and Directors. The two officers retired based on these conditions and remained in occupation of houses pending clearance of their terminal benefits by the employer.

The Council had made strides to pay K168,716.65 towards the former Assistant Director of Finance, who was ready to vacate the house upon full payment of terminal benefits which stood at K168,716.65. As for the former Town Clerk, she sued the Attorney General and was awarded K2,471,454 and K2,277,451 to be paid by the Attorney General and Local Government Superannuation Fund (LASF), respectively. The former Town Clerk awaited the payment and was ready to vacate, once the amount was settled in full.

The Council had put in place measures to ensure that officers were paid their terminal benefits timely after retirement.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

d. Management of Capital Fund 20 Percent (LGEF) - Delayed Completion of Projects – Pamodzi Market Habitat

It was submitted that the works on the project stalled because the contractor requested to vary the rates of the contract during the performance of the contract. However, the request for the

variation was not approved and no response was received from Attorney General to permit price variation.

The Council terminated the contract with Marton Investment Limited for the construction of a Market Shelter at Pamodzi Habitat Market on 22nd August 2023 after the contractor abandoned working on the market as the Council could not approve the request for variation on rates and the contract had since been re-advertised. The contract stage pricing was undertaken to clear the contract for the works done withing the certificates approved. The Council would ensure that it expedited tender procedures to avoid further delays in the implementation of the project.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that the project is completed without delay and will await a progress report on the matter.

e. Land Management – Failure to Collect Plot Premiums in Manyoni (New Dola Hill Extension) Area

It was submitted that the ninety plots for Manyoni under Minute Number OC/580/12/2020 were to be allocated to the farmers and squatters that illegally existed in Manyoni. The majority of the farmers and squatters failed to pay for the plots although they continued to exist in the area. The Council had formally allocated the plots to the seventeen applicants who had paid the development charges and the Council resolved to continue engaging the offerees to pay the money so that their stay in Manyoni could be formalised. The Council also resolved to only allocate plots to paid up applicants in order to avoid loss of revenue.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent offset all outstanding plots without delay and will await a progress report on the matter.

f. Commercial Ventures

i. Failure to Remit VAT

The failure to remit K997,550 VAT was owing to non-reconciliation of the ventures tax obligations monthly which led to accumulation of the amount owed to Zambia Revenue Authority. The Council had planned in the 2024 budget to start liquidating the outstanding arrears to Zambia Revenue Authority and so far, a payment of 122,573.13 had been made.

The Council ensured that the ventures accounts were reconciled monthly to avoid failure to remitting the taxes to the Zambia Revenue Authority.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

ii. Poor Workmanship in the Repair of The Ambassador Hotel Roof

It was submitted that the defects which were observed in the query were not part of the scope of works that was being undertaken at the time. The focus was on the emergency works to

repair the blown off roof at that time due to limitation of resources. In the 2023 budget, funds were set aside in order to carry out repair works in a phased manner. A specialist contractor had since been engaged to carry out the works. The scope of works included removal of faulty concrete screed on roof, demolition of loose bund wall on roof and reconstruction of bund wall as well as installation of water proof bituminous felt on roof. The roof and ceiling defects on the third floor had been worked on.

The Council had come up with a maintenance policy for all the properties, this would allow the Council to prioritise properties that were in a dilapidated state.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Ngabwe Town Council

c. Lack of Safes at the Revenue Collection

d.

The Council had written to the Ministry of Finance National Planning and bought lockable drawers to store the accountable documents in the interim, as it awaited for the Ministry of Finance and National Planning to provide the safe, as stipulated by the Public Finance Management Regulations of 2020 under regulation 161 (1).

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

c. Failure to Set Aside and Use 5 percent of Locally Generated funds on Wards.

Management had budgeted for the Ward Development Committee (WDC) in the 2024 budget and would transfer the 5 per cent of the local generated revenue to Ward Development Committees (WDC) individual accounts. Management would ensure that the 5 per cent of the local revenue would be transferred to the WDC.

Committee's Observations and Recommendations

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

iii. Lufubu Lodge - Commercial Venture

The contractor executed and completed all the works. The Council would continue to ensure that all projects were implemented with the right quality and within the agreed period.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should stand closed. .

Nkeyema Town Council

Paragraph 93

a. Management of Payroll and Other Staff Related Matters

Under deduction of PAYE

Management had commenced deductions for the under deducted PAYE which would run for 6 months effective 31st March, 2024.

Council would ensure that the failures and omissions were detected and addressed on time or in a timely manner.

i. Failure to Deduct and Remit NAPSA Contributions

The affected employees were engaged to work as Contractual workers with specific time lines hence NAPSA contributions were not effected because they were not registered at that time.

2. Operational Matters - Lack of Planning Authority Status

The Council had financial challenges to procure all the needed prerequisites to qualify as a Planning Authority especially equipment such as differential GPS, Plotter and Desk top computers,cabinets including technical staff.

- i. The Council had procured all the required equipment as per assessment tool namely the Differential GPS, Plotter, desk top and filing cabinet.
- ii. The Council had adequate required technical staff as follows: 4 qualified Town Planners, 4 Civil and other Engineers and 1 Health Inspector as per required standards for consideration to Planning Authority Status.
- iii. In this regard, Nkeyema Town Council had since applied to the Ministry of Local Government and Rural Development for assessment and the Ministry had responded to process assessment documentation (Assessment Tool) in order to be granted Planning Authority status.
- iv. The Council would ensure that the Planning Authority mandates are prioritized and timely executed in accordance with the provisions of the *Urban and Regional Planning Act, No.3 of 2015* and ensure community empowerment and decentralised planning and land related services to the local people of Nkeyema District.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter(a and 2)

3. Management of the Local Government Equalisation Fund (LGEF)

i Questionable payment for building materials

Management notes the auditor's query and wishes to state that the supporting documents were not availed at the time of audit due to misfiling and these materials were destined for construction of 3 road side markets at Nalumino Mundia, Shamapeni and Mawilo areas.

- i. The payment vouchers amounting to K34,115 contrary to the stated amounts of K48,695 are fully supported and were availed and verified by the Auditors.
- ii. The remaining payment vouchers amounting to K14, 580.00 have been retrieved and are fully supported the same are available for the verification of the Committee.
- iii. Registers for record tracking have been introduced and operationalised to cure misfiling and loss of Council documents.

- i. The Council will ensure that documents are properly kept and filed in accordance with the provisions of the *Public Finance Management Act, No.1 of 2018*.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

- iv **Construction of the Trucking inn bay Phase II**
- É **Delay in the completion of the Trucking Inn Bay**
- É **Truck Inn Bay under construction**

The delay in the implementation of the project was due to the prolonged court case over the land dispute

- i. The disputed parcel of land was contested in the subordinate Court and the case was disposed off in favour of Nkeyema Town Council (defendants) and the plaintiff's claims were dismissed.
- ii. The project implementation resumed soon after the case was disposed off in favour of the Council with the construction and drilling of a borehole that had been completed.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

Nsama Town Council Paragraph 94

a. Management of Payroll and Other Staff related Matters.

i. Failure to Provide Information for Audit

The Council did not avail information in respect of ten selected procurements of which payments amounts totalling K1,809,620 were made. Failure to provide information for audit was as a result of prolonged absence of the procurement Officer from the station due to sicknesses and bereavement in the family such that files were misplaced and could not be traced at the time of audit.

The files had since been located and the same were available for audit verification. Disciplinary action was instituted against the erring officer.

Management would ensure that proper filing systems were in place to avoid future audit queries and not depend on an individual as a sole custodian of files.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should stand closed.

b. Operational Matters - Lack of a Statutory order declaring Nsama District as a rateables area

Management had already started the process of getting Nsama Town Council to be declared as a rating authority and had engaged the Ministry of Local Government and Rural Development. Management had also engaged Kaputa Town Council for a joint valuation roll.

Management shall continue to collaborate with Kaputa Town Council over the matter while pursuing the matter to the Ministry of Local Government and Rural Development.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

c. Management of Commercial Venture-Bar and Restaurant

i. Theft of Cash sales

Nsama District had no banking facilities and this made cashiers to keep money for a long period before taking the money to Kasama for banking and in the process shortages were discovered.

The matter was reported to Audit Committee for unremitted cash sales then Audit Committee referred the matter to disciplinary committee for action which had since taken the necessary appropriate measures. Management had signed a contract with ZANACO and KAZANG to operationalise cashless payment systems.

Management would control delayed banking with the introduction of cashless systems of handling council funds.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to report the erring officer to Police for theft of funds without delay and will await a progress report on the matter. .

d. Management of Assets

i. Unaccounted for Motor Vehicle

The vehicle was taken for repair of which it was not satisfactorily worked on and could not be transported back to Nsama. Consequently, the vehicle was left in the same garage where it was vandalised to the extent that it became obsolete. Upon being aware, the Controller of Government Transport took it for custody to a government garage without notifying Nsama Town Council.

Management made a follow up after the audit with the Controller of Government Transport, who responded that the vehicle was moved from Esco, a private garage to a Government Garage in Kasama.

Management had made arrangements to dispose of the said vehicle and had since appointed the assets disposal committee.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the

Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

Petauke Town Council

Failure to Utilise Lusowe Aquaculture Project Fish Ponds

É Failure to replace Old Water Pump

Failure to return the pump was due to lengthy engagement with the supplier over the repairs to be done on the pump. On 1st September, 2022, the pump was returned to the supplier for repairs and the repairs were done at no cost to the Council. The pump was returned to the Council following the repairs on, 13th December, 2022. Management deeply regretted not availing this information to the Auditor and to that effect, Management had improved record keeping so that information was readily available to ensure improved performance and information sharing.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which, the matter should close.

- **Failure to Follow Procurement Procedures**

Management could not locate the minutes of the Procurement Committee meeting at the time of audit. The Minutes of the Procurement Committee at which the procurement of the items were approved were found and were available for verification. A proper filing system had been devised and copies were shared with the office of the Council Secretary.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

Incomplete Guard House

The guardhouse and the office block were not fully complete at the time of harvesting the fish from the fishponds.

Management had since completed the construction of the guardhouse and the office. One of the fishponds had since been repaired and restocked with fingerlings in a bid to revamp the aquaculture project. The devolved department of fisheries and livestock would take lead in managing the project.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority

to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Failure to collect revenue K442,355

The target on plot premium was not met as the Council had disputes with some of the traditional leadership as well as settlers despite the land being in the expanded township boundary. This made it difficult for those offered the said plots to be shown the plots hence their reluctance to pay the plot premium charges. The Council set up an adhoc committee to resolve the disputes with the traditional leaders and the settlers in the area. This matter was resolved and Council at its meeting held on 6th March 2024 adopted a resolution under minute number PTC/OC/280/03/24 which paved way for those who were offered land to be shown the plots. Management would continue engaging the traditional leadership and settlers on matters pertaining to land in the District.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

ii. Failure to Collect Dog Registration Revenue

Dog owners were not availing themselves to the Council to have the dogs registered upon vaccination. Intensified community sensitisation programmes were conducted and this culminated in dog registration exercises with the Veterinary Department. Management further conducted dog destruction for stray and unregistered dogs. Management reported that it would intensify community awareness and sensitisation on the importance of dog registration. Management was working with Veterinary Department in vaccinating, registering and destruction of dogs as the Department had been devolved to the Council.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should close. .

iii) Failure to Collect Billboard Levy

The under collection on bill boards was due to non-compliance in payment of bill board charges by tax payers. Management had issued demand notices to those with outstanding amounts and a total of K41,539.01 had been collected from what was outstanding at the time of Audit. Management would ensure that revenues owed to the Council were collected.

Committee’s Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which, the matter should be closed. .

Rufunsa Town Council

Paragraph 97:

a. Failure to Collect Revenue from Sale of plots

The failure to collect all the required funds was attributed to a conflict which arose between some settlers in Sinjela villages and the Council. The matter had since been resolved by Chief Bunda-Bunda who then held meetings and addressed the concerns of his subjects. The possible legal matter that the Council faced was a major deterrent in meeting the set targets of collection. Additionally, the Council has immediately commenced the rescinding of offers to clients who were issued with demand notices which had not been honoured. The Council would continue to engage the traditional leadership, the community and other stakeholders on the matter.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Failure to Build a Fire station

The Council engaged the Ministry of Local Government and Rural Development (MLGRD) requesting for assistance with support to acquire fire and rescue equipment. However, the MLGRD indicated that they could not provide the equipment due to budgetary constraints and that the request would be considered in subsequent allocations.

The Council further had earlier proposed for the construction of the fire station through the Constituency Development Fund (CDF) as a community project in 2024 and unfortunately the application was not considered due to competing priority areas of community projects.

The Council attached great importance to the provision of fire services in the community due to the high prevalence of road traffic accidents and other related cases in the district. Unfortunately, Management could not include the construction of a fire station in the 2024 estimates of expenditure due to budgetary constraints. However, K221,940 was provided in the current budget for the provision of fire services and procurement of rescue equipment.

Management would continue to engage the MLGRD and other stakeholders on the matter.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the service station is constructed without delay and will await a progress report on the matter.

Senanga Town Council

Paragraph 98

a. Failure to Cover Waste During Transportation

The Council had since purchased a tent which was being used to cover waste as it was being transported to the dump site.

The Council would endeavour to adhere to the requirement of covering the waste during its transportation to the dumpsite to avoid littering by make sure that covers such as nets or canopy or tent is provided at all times.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Unaccounted for Assets

(i) Unaccounted for Assets

(a) Toyota Land Cruiser GRZ 109

The above motor vehicle was auctioned by the Ministry of Works and Supply but still remained recorded in the Council's old fixed asset register.

(b) Toyota Hilux ABR 7512 and Boat

The above assets were transferred to Nalolo Town Council upon the creation of the new district of Nalolo in 2012 and remained captured in the old fixed asset register although indicated as assets transferred to Nalolo Town Council.

(c) Water pump, Welding Machine and Motor bike ABH 358

The water pump and the motor bike ABH 358 (non-runner) was kept in a temporal store room which was created to accommodate some stores items and no physical inspection was done by the auditors at the time of audit.

(d) Digital Cameras x2

The two digital cameras were purchased in 2005 and 2010 nineteen (19) and fourteen (14) years ago respectively and became obsolete as they were beyond their life span at the time of the audit. Despite this state, they were still appearing in the asset register.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

a. Missing Television Sets at the Motel

At the time of the audit, seven televisions sets were reported to have been stolen from the motel on different occasions and the matter was under investigations by Zambia Police Service, as well as staff disciplinary process was underway.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

(i) Unaccounted for Assets

All assets which were transferred to Nalolo Town Council had been recorded as transfers from the old fixed asset register. Necessary accounting journal entries were effected in the accounting records of the Council and approval has been sought to remove the said assets from the Senanga Town Council Asset Register.

The water pump and the motor bike ABH 358 (non-runner) are safely secured and their point of location have been recorded in the asset register with the approval.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed. .

c. Transfer of Motor Vehicle to Another Department

The Project motor vehicle Reg No. BAE 835 was transferred to the office of the District Commissioner, following the issuance of the instruction from the Office of the Provincial Permanent Secretary.

The Management engaged the Office of the Provincial Permanent Secretary following the query raised by the auditors. The Permanent Secretary had since responded.

The Council would endure to seek guidance from the Ministry of Local Government and Rural Development, as well as Project Financiers before execution of similar instructions to avoid the recurrence of such.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

Senga Hill Town Council

a. Irregular Cash Withdrawals

Management had stopped drawing cash on behalf of councillors and officers. Payments of allowances were now being paid directly into individual bank accounts.

Management would adhere to the Treasury guidelines and Finance Management Circular No 1 of 2021.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which the matter should be closed. .

b. Operational Matters

i. Non-Declaration of the District as a Rating Authority

ii.

The Council applied to the Ministry of Local Government and Rural Development to be a Rating Authority, as per letter dated 11TH August 2022 and the Ministry noted receipt of the application and advised the Council to wait until necessary processes were completed, as per the letter dated 15th September 2022, with reference number MLGRD/54/8/7.

The Council would continue to engage the Ministry until the Council was declared a Rating Authority.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

ii Management of Local Government Equalisation Fund-Unauthorised Investment of Funds

The Council invested capital funds in the block making without Authority from the Ministry. However, the Council budgeted the capital funds to implement the block making business. The Council would endeavour to seek authority from the Ministry before implementation of such Business Venture.

Committee's Observations and Recommendations

The Committee expresses concern on the wastage of resources and urges the Accounting Authority to institute disciplinary action against those who approved the implementation of the project and will await a progress report on the matter.

Serenje Town Council Paragraph 100

a. Weaknesses in Accounting for Revenue Management - Lack of a Safe

The Council had not procured a safe at Pensulo Check Point due to non- availability of permanent council infrastructure to house the facility. The Council had planned and budgeted to implement electronic collection of revenue through point of sale services and mobile money platforms as an immediate measure. It would further undertake to construct permanent council infrastructure at the check point to house a safe once the road works being carried out by the Road Development Agency were completed around the check point area.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

b. Under Collection of Revenue from Sale of Residential Plots - Offer of Plots on-Farmlands, Commercial Plot and Residential Plots

twenty-one plots were allocated with expected income of K1,703,800. As at 31st October, 2023 only K1,115,700 was collected leaving a balance of K548,100 because various applicants had only made part payments while others had not made any payments.

As at 13th March, 2024 amounts totalling K362,750 were collected, leaving a balance of K185,350. Further, Management had issued demand notices to applicants who had not paid.

Management would ensure that all outstanding fees on plot premium were collected within the stipulated period and re-advertise the plots that will not be paid for.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

Sesheke Town Council Paragraph 101

a. Revenue Collections not supported by Deposit Slips

Funds amounting to K55,515 out of K65,315 were deposited and the ledger was provided. However, the balance of K9,800 was not deposited. The officer who was involved in the unbanked funds was charged and suspended as more investigations were being carried out. The matter was also reported to the police. Management would continue to adhere to the provision of the public financial management act no. 1 of 2018.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

b. Failure to Collect Revenue from Sale of Plots

After the list of successful applicants was published, nine of the successful applicants who initially were squatters on the advertised piece of land sued the council demanding that they be allocated plots where they were initially squatting. This legal battle which took more than twelve months discouraged other successful applicants who had not yet paid from paying.

After the disposal of the case, demand notices were issued for the other successful applicants who had not yet paid, advising them to pay. Some funds had since been collected, those that had not paid for the plots would lose them through repossession. Management would continue to ensure that successful applicants paid for the plots promptly.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

c. Failure to Provide Dog Registration and Licensing Services

Failure to conduct dog registration during the period under review was caused by the delay in completion of the dog registration sensitisation activities which the Council was carrying out. Upon completion of sensitisation, the Council was scheduled to commence the registration exercise. An engagement was done with the department of veterinary services to collaborate with the Council in the area of dog vaccination during the registration exercise. Management had since started dog registration.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

d. Management of Local Government Equalisation Fund

i. Failure to Implement Approved Capital Project

- **Fire Station**

The contract for the construction of phase 1 of the fire station was not signed. , The offer was withdrawn even after clearance of the draft contract by the attorney general because the contractor who won the tender had another running contract where he was delaying to complete.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the project is completed and have another contractor to take up the work and will await a progress report on the matter. .

- ii. **Failure to Work on the Defects - Renovation of the Registry and Store room at the Civic Centre**

After completion of the project, it was observed during the rainy season that a section of the ceiling board had a water mark indicating a leakage on the roof installation.

A notice of defects was issued to the contractor to rectify the defect as the contract was still under the defects liability period. The defect was corrected. Management would continue to ensure that defects were corrected timely.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

- i. **Non-Operationalisation of Mini Bar**

- Non-Operational Mini Bar**

The mini bar was not operational at the time of the audit because there was no power connected to the building despite payment being done, further security reasons necessitated the council to provide funding for additional works to the structure which included the installation of security steel frames on some sections of the window seals.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to expedite the opening of the bar and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

- ii. **Delayed Completion of the Nakatindi Market Shelter Phase II**

The delay in completion of the project was as a result of the contractor who had deserted the site for some time and it was later learnt that the contractor had another project elsewhere.

A warning letter was issued to the contractor instructing them to immediately re-mobilise to the site and complete the works. The contractor mobilised and completed the works.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should close.

iii. Management of Commercial Venture

i. Failure to Collect Revenue - Outstanding Bills

The reason for failure to recover was that the lodge had not yet reconciled its records to ensure that the uncollected funds were collected.

The lodge reconciled its records and tenants who had unpaid bills were approached. Bills had been paid, the balance had been charged on the guest house manager who had failed to collect the funds. Management would ensure that all funds due to the lodge were recovered timely.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

ii. Employment of Casual Workers

The casualisation of labour was caused by engaging employees on a temporal basis as a way of keeping the Council Guest Lodge viable.

The said employees had since been placed on a fixed term contracts which would attract gratuity and the contracts were renewable.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

Shangombo Town Council

Management of Payroll and Staff Related Matters - Payment of Salary Advance to Officers with Outstanding Salary Advances

Recoveries were effected a month following the month of payment of salary advance for the next three months. The advances were recovered in three months and documents were available for verification. Management would continue to adhere to the regulations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which, the matter should be closed.

Shibuyunji Town Council

a) Environmental Management - Burning of Waste at the Market

The burning of waste at the market was due to the low level of compliance on waste management by some members of the community.

The Council had and would continue to sensitise the community on solid waste management and consequences of not abiding to the *Solid Waste and Management Act, No. 20 of 2018*.

The Council would procure a skip truck and skip bins in the year 2024 to ensure prompt solid waste management. The Council was in the process of securing land for the dumpsite.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Shiwang'andu Town Council

Paragraph 104

a. Revenue

i. Failure to Secure Accountable Documents

At the time of the audit the handle of the door to the store room was damaged. The lockable filling cabinet had been procured and documentation was available for verification. The Council was ensuring that accountable documents were kept in a lockable filling cabinet.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should be closed.

b. Management of Payroll and Staff Related Matters

i. Overpayment of Salaries

Council had since adjusted the salary notches for the officers affected and also recovered K34,152 through the December 2023 payroll, K4,860 through settling-in-allowances ledger of the officer who was been transferred and K9,528 was yet to be recovered through terminal benefits of the retired officer. The Council was ensuring that officers are placed on correct salary notches.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

ii. Employment of Casual Workers

iii.

The eleven contracted workers were engaged on a temporal basis for a contract period less than six months and the Council had no capacity to engage permanent workers due to

financial challenges. The engagement of contracted workers for a period of less six had continued due to financial challenges. The Council had intensified revenue collection in order to increase the own source revenue.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to desist from the practice and ensure that labour laws are upheld at all times. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

iv. Irregular Payment of Allowances to Retirees

The payment of allowances was based on the Local Government Service Commission Circular No. **LGSC/101/8/1** dated 5th February, 2021, which had guided the Council to continue paying retirees what they were getting through the payroll at the time of their retirement. The Council had since implemented the contents of the Public Service Management Division Circular No. B26 of 2022 issued on 6th May, 2022, which gave guidance on the allowances to be paid to retirees retained on the payroll with effect from December 2023. The Council was ensuring that the contents of Circular No. B26 of 2022 issued on 6th May, 2022 were implemented.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter and also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification after which the matter should be closed.

v. Recruitment of an Officer on a Non-Existing Position

The officer was employed by the Local Government Service Commission and the position was budgeted for in the 2022 budget.

The Council had written to the Local Government Service Commission to provide further guidance on the matter. The Local Government Service Commission responded in a letter **LAS/50177** dated 16th November, 2023 that, the new approved structure for Town Councils provided for the position of the Community Development Officer and further stated that the officer would not be transferred from Shiwangandu Town Council because the new structures had since been approved. The Council was ensuring that the guidance provided by the LGSC who were the employer of all Councils in Zambia were complied with.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Sinazongwe Town Council
Paragraph 105

c. Operational Matters

h. Operation of Markets - Lack of Sanitary facility at Sinazongwe Market

This was due to the compromised state of the infrastructure and sewer network. The Council had budgeted for the rehabilitation of toilets under KFW funding and works had since commenced by Domus Enterprise, the contractor. The Council would always ensure timely rehabilitation of its infrastructure in the markets to safe guard the public health.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

Sioma Town Council

Paragraph 106

a. Failure to Remit Tax

The cause of the query was due to omission by the Council to include the Pay as You Earn calculated on the affected officers settling in allowances following their transfers in the months June, July and September 2022. Management made an application to ZRA to amend the PAYE records for the affected months as per acknowledgement receipts from ZRA. The payment to ZRA was made after an application for amendment was approved. Council Management would ensure that statutory obligations were paid as and when they fall due.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

Solwezi Municipal Council

Paragraph 107

a. Irregular Remittance of Bus Station Fees to Ministry of Local Government and Rural Development

The remittances of funds was as stated in a contract between Dot.com and Solwezi Municipal Council, in which contract Dot.com was mandated to collect bus loading fees on behalf of the Council at the agency charge of 8 per cent of the gross collection. The remaining balance after deduction of agency fees, was to be distributed as 30 per cent transferred to the Ministry of Local Government and Rural Development, whilst 70 per cent remitted to the Council by the agent.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

b. Management of Payroll and Staff Related Matters

i. Unauthorised Salary Notches

Adequate clarification and documentation were not availed during audit with regard to 132 officers who were paid in higher salary notches, while thirteen officers in lower salary scales were placed on salary scales higher than their positions of appointment. Management had since retrieved documentation of recoveries made through the payroll for the 132 officers who were on wrong salary notches, showing recoveries that the Council has effected. Recoveries had been effected on the thirteen officers in lower salary scales were placed on salary scales higher than their positions of appointment.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed. .

ii. Questionable Payment of Staff Loans

The Minutes of approval by full Council through Minute No C/08/12/19, for the issuance of staff loans and reprints of payslips showing recoveries were available for verification. Management would endeavour to ensure that documentations that were availed during audit in order to avoid unresolved quires.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

c. Missing Cheques

The eighty-three alleged cancelled cheques were not availed for audit, as documents were not easy to retrieve after the raid investigations the Council went through. The non-availing of other documents among them cashbooks, banks reconciliation statements and cancelled cheques before closure of the audit and in the preparation of this memoranda was that, the Council was still under investigations with all documentation taken into possession by investigative agencies.

Management would endeavour to ensure that documentation that was requested for investigations were photocopied before issuance, to secure a record file.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

d. Payments made without Encashment Lists

The encashment lists amounting to K127,333,425 and supporting documents for the amount of K12,346,317 which were not attached to the payment vouchers were not availed at the time of audit. The Council was still under investigations with all documentation taken into possession by investigative agencies.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

e. Questionable Payments made without any Details and Attachments

Payment vouchers did not have adequate required details describing the payments and supporting documents were not attached.

The Council was still under investigations with all documentation that could have been referred to still being in possession by investigative agencies.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter.

f. Unapproved and Unauthorised Payment Vouchers

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

g. Failure to Check Payments by Internal Audit

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

h. Insufficient Details in Cash Books

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

i. Transfer of Funds to Private and Unknown Bank Accounts

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

j. Bank Transfers not Signed by Signatories

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

k. Unaccounted for Funds

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

l. Unaccounted for Accountable Imprest

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

m. Questionable Payments

i. Hire of Prisoners

ii. Joint Supplementary Valuation Roll

iii. Over Payments of Office Imprest

iv. Unauthorised Trip for the Town Clerk

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

Goods and Services Paid for in Advance

Documentation that could have been referred to were still with investigative agencies and that the Council was still under investigations.

n. Irregularities in Procurement of Skip Bins

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

q. Failure to Follow Procurement Procedures

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

r. Irregular Procurement of Receipt Books from a Private Institution

All procurements were made from Government printers or Shorthorn if Ministry of Finance and National Planning had not got in stole. The council would always ensure that receipts books were procured from prescribed organisations.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed.

s. Questionable Procurements from Companies owned by Government Employees

Documentation that could have been referred to was e still with investigative agencies and that the Council was still under investigations.

t. Questionable Payments - Kansanshi Hotel

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

u. Questionable Service of ICT Equipment

v. Management of Fuel

i. Fuel withdrawn from Different Fuel Accounts on same Day

ii. Questionable Drawing of Fuel

iii. Fuel drawn by Unknown Vehicles

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

w. Operational Matters

i. Lack of Security of Cheque Books

Cheque books were notably kept in a box within pool office instead of a secured lockable safe. The cashier was reprimanded to ensure that all cheques were secured in the safe located in Director of Finance's office. Further, accountable register for the cheque books had been updated including maintenance of cheque distribution registers.

The Council would ensure that cheque books were secured in safe located in the office of Director of Finance. Updated cheque distribution register and provisions of clarifications during audit were enhanced to avoid matters remaining unresolved.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon the matter should be closed. .

ii. Use of Two or More Cheque Books at the Same Time

iii. Lack of Segregation of Duties in Making Payments

Documentation that could have been referred to was still with investigative agencies and that the Council was still under investigations.

iv. Abandoned Market – Mushitala Market

A newly constructed market namely Mushitala Market had remained un-utilised as traders were trading along the street of Kansanshi road leaving the market abandoned. The traders abandoned the market because of poor ventilation thus predisposing them to communicable diseases, poor lighting and that the market was hidden away from the public.

Management wishes to report that the Council engaged various stake holders among them marketeers and notice was given to go back into the market by 31st March, 2024.

Management continues to sensitise the general public on the dangers of street vending and it being a contravention of the provisions of the law, as read in Section 16 (g) of the *Markets and Bus Station Act, No. 7 of 2007*.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to be proactive and ensure that measures are put in place to prevent the recurrence of the matter. The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification whereupon, the matter should close.

Zambezi Town Council

Paragraph 109

Management of Local Government Equalisation Fund - Failure to Implement approved Projects

Management of Local Government Equalization Fund - Failure to Implement approved projects amounting to K1,704,003. The failure to implement approved Projects was due to; Inadequate technical capacities in works department and procurement sections for the most part of the year (2022). The works department only had Civil Engineer while the Procurement Section only had the Assistant Procurement Officer to service both capital projects and the Constituency Development Fund Programme in the two Constituencies, Zambezi East and Zambezi West, a situation which proved to be overwhelming.

The issue of failure to implement projects had now been addressed and all projects were implemented in 2023. Staffing inadequacies had since been resolved as Works Department had critical positions of Director and Deputy Director of Works filled. The position of Procurement Officer was filled in Procurement Section too.

Management would adhere to timelines in the implementation of projects since personnel in key offices had been filled.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to ensure that the pending projects are implemented without delay and will await a progress report on the matter.

Irregular Payment of Rural Hardship Allowance

Irregular payment of rural hardship allowance amounting to K936,172. Management acknowledged the Auditor's observation and reported that Management relied on the Public Service Management Division (PSMD) Circular No. B.2 of 2010, which was a review of salaries and condition of service for Management and non-unionized employee in the Public Service which stated the category of districts qualifying to pay rural and remote hardship allowance, of which Zambezi Town Council was on the list in category C.

Further, the Terms and Conditions of Service for Local Authorities section 168, stated that rural; hardship; and remote allowance, shall be paid to officers in Local Authorities declared as rural or remote.

In addition, the district still lacked facilities which formed part of the criteria to be ineligible for rural hardship, such as registered retail outlets, all-weather township roads and water supply was only limited to a small section of the Central Business District and not the entire urban area which, was supposed to be the 20 Kilometers radius, as provided for in the PSMD Circular No. B.2 of 2010.

In fact, the terrain of the greater operational area of the district, characterised by sand and flooding, may qualify the district for remote allowance.

Given the far-reaching implication of this query as it bordered on conditions of service, Management reported that it had written the Ministry of Local Government and Rural Development to help interpret the conditions of service in this regard, especially that there were districts within and beyond the province that had better socio-economic conditions than Zambezi that continued to pay rural hardship allowance. Management had engaged the general workforce over the development who have expressed concerns that the action amounted to discrimination and unfair treatment, which was contrary to the spirit of the Employment Code and condition of service, given that other Local Authorities with similar or better socio-economic conditions had continued to pay rural hardship allowance. The Council will continue to apply the conditions of service in force at every given time.

Committee's Observations and Recommendations

The Committee also urges the Accounting Authority to submit supporting documents to the Office of the Auditor General for audit verification, whereupon, the matter should be closed.

Appendix 1: Audit Opinions

No.	Council	2021 Issued Opinion	2022 Proposed Opinion
1	Audit of Chadiza Town Council	Unqualified	Qualified
2	Audit of Chama Town Council	Disclaimer	Qualified
3	Audit of Chasefu Town Council	Unqualified	Unqualified
4	Audit of Chavuma Town Council	Unqualified	Unqualified
5	Audit of Chembe Town Council	Qualified	Qualified
6	Audit of Chibombo Town Council	Unqualified	Unqualified
7	Audit of Chienge Town Council	Qualified	Qualified
8	Audit of Chifunabuli Town Council	Qualified	Qualified
9	Audit of Chikankata Town Council	Qualified	Qualified
10	Audit of Chilanga Town Council	Unqualified	Unqualified
11	Audit of Chililabombwe Municipal Council	Qualified	Qualified
12	Audit of Chilubi Town Council	Qualified	Unqualified
13	Audit of Chingola Municipal Council	Qualified	Unqualified
14	Audit of Chinsali Municipal Council	Disclaimer	Qualified
15	Audit of Chipangali Town Council	Unqualified	Unqualified
16	Audit of Chipata City Council	Unqualified	Unqualified
17	Audit of Chipili Town Council	Unqualified	Unqualified
18	Audit of Chirundu Town Council	Unqualified	Unqualified
19	Audit of Chisamba Town Council	Qualified	Qualified
20	Audit of Chitambo Town Council	Unqualified	Unqualified
21	Audit of Choma Municipal Council	Qualified	Unqualified
22	Audit of Chongwe Municipal Council	Unqualified	Qualified
23	Audit of Gwembe Town Council	Qualified	Qualified
24	Audit of Ikelenge Town Council	Unqualified	Unqualified
25	Audit of Isoka Town Council	Unqualified	Unqualified
26	Audit of Itezhi-tezhi Town Council	Qualified	Qualified
27	Audit of Kabompo Town Council	Unqualified	Unqualified
28	Audit of Kabwe Municipal Council	Qualified	Qualified
29	Audit of Kafue Town Council	Unqualified	Unqualified
30	Audit of Kalabo Town Council	Qualified	Qualified
31	Audit of Kalomo Town Council	Qualified	Qualified
32	Audit of Kalulushi Minicipal Council	Unqualified	Unqualified
33	Audit of Kalumbila Town Council	Qualified	Qualified
34	Audit of Kanchibiya Town Council	Unqualified	Unqualified
35	Audit of Kaoma Town Council	Unqualified	Unqualified
36	Audit of Kapiri Mposhi Town Council	Unqualified	Unqualified
37	Audit of Kaputa Town Council	Unqualified	Unqualified
38	Audit of Kasama Municipal Council	Unqualified	Unqualified
39	Audit of Kasempa Town Council	Unqualified	Unqualified
40	Audit of Kasenengwa Town Council	Unqualified	Qualified
41	Audit of Katete Town Council	Unqualified	Qualified
42	Audit of Kawambwa Town Council	Qualified	Qualified
43	Audit of Kazungula Town Council	Unqualified	Qualified

No.	Council	2021 Issued Opinion	2022 Proposed Opinion
89	Audit of Nalolo Town Council	Qualified	Unqualified
90	Audit of Namwala Town Council	Qualified	Qualified
91	Audit of Nchelenge Town Council	Qualified	Qualified
92	Audit of Ndola City Council	Qualified	Qualified
93	Audit of Ngabwe Town Council	Unqualified	Qualified
94	Audit of Nkeyema Town Council	Unqualified	Unqualified
95	Audit of Nsama Town Council	Qualified	Qualified
96	Audit of Nyimba Town Council	Unqualified	Unqualified
97	Audit of Pemba Town Council	Unqualified	Unqualified
98	Audit of Petauke Town Council	Qualified	Unqualified
99	Audit of Rufunsa Town Council	Unqualified	Unqualified
100	Audit of Samfya Town Council	Qualified	Qualified
101	Audit of Senanga Town Council	Qualified	Unqualified
102	Audit of Senga Hill Town Council	Qualified	Unqualified
103	Audit of Serenje Town Council	Qualified	Qualified
104	Audit of Sesheke Town Council	Unqualified	Unqualified
105	Audit of Shangombo Town Council	Unqualified	Unqualified
106	Audit of Shibuyunji Town Council	Unqualified	Unqualified
107	Audit of Shiwangandu Town Council	Qualified	Unqualified
108	Audit of Siavonga Town Council	Unqualified	Unqualified
109	Audit of Sikongo Town Council	Qualified	Unqualified
110	Audit of Sinazongwe Town Council	Unqualified	Unqualified
111	Audit of Sinda Town Council	Unqualified	Unqualified
112	Audit of Sioma Town Council	Qualified	Unqualified
113	Audit of Solwezi Municipal Council	Qualified	Qualified
114	Audit of Vubwi Town Council	Unqualified	Qualified
115	Audit of Zambezi Town Council	Qualified	Qualified
116	Audit of Zimba Town Council	Unqualified	Unqualified

Committee's Observations and Recommendations

The Committee notes the matter.

Appendix 2: Budget, Income and Expenditure

No.	Councils	Approved Budget K	Income K	Variance K	Amounts Spent K	Unspent Amounts K
1	Chadiza Town Council	39,853,840	40,564,427	710,587	17,231,244	23,333,183
2	Chama Town Council	64,248,209	68,066,239	3,818,030	19,624,055	48,442,184
3	Chasefu Town Council	36,481,825	35,694,692	(787,133)	17,748,353	17,946,339
4	Chavuma Town Council	41,397,608	36,444,371	(4,953,237)	15,219,242	21,225,129
5	Chembe Town Council	41,917,065	42,950,702	1,033,637	22,976,965	19,973,737
6	Chibombo Town Council	80,281,985	68,610,304	(11,671,681)	33,661,330	34,948,974
7	Chiengi Town Council	38,744,801	38,055,900	(688,901)	19,738,991	18,316,909
8	Chifunabuli Town Council	38,102,698	33,576,760	(4,525,938)	13,034,595	20,542,166
9	Chikankata Town Council	45,417,840	39,786,503	(5,631,337)	29,130,192	10,656,311
10	Chilanga Town Council	52,959,826	45,456,896	(7,502,930)	27,462,617	17,994,279
11	Chililabombwe Municipal Council	111,570,698	107,915,503	(3,655,195)	90,103,657	17,811,846
12	Chihubi Town Council	41,107,241	36,767,783	(4,339,458)	4,993,657	31,774,126
13	Chingola Municipal Council	90,186,748	99,608,019	9,421,271	87,008,346	12,599,673
14	Chinsali Municipal Council	27,117,726	25,366,444	(1,751,282)	25,150,767	215,677
15	Chipangali Town Council	35,654,006	33,621,997	(2,032,009)	19,595,542	14,026,455
16	Chipata City Council	99,986,539	86,475,540	(13,510,999)	49,420,008	37,055,532
17	Chipili Town Council	37,882,212	35,196,613	(2,685,599)	11,133,614	24,062,999
18	Chirundu Town Council	50,030,982	49,409,341	(621,641)	28,353,881	21,055,460
19	Chisamba Town Council	24,654,089	16,581,283	(8,072,806)	21,502,195	(4,920,912)
20	Chitambo Town Council	12,534,471	10,788,594	(1,745,877)	12,583,137	(1,794,543)
21	Choma Municipal Council	91,301,029	80,284,248	(11,016,781)	44,366,210	35,918,038
22	Chongwe Municipal Council	62,074,187	63,703,991	1,629,804	42,823,933	20,880,058
23	Gwembe Town Council	43,877,354	42,469,816	(1,407,538)	20,746,330	21,723,486
24	Ikelenge Town Council	12,230,204	10,993,194	(1,237,010)	10,683,849	309,345
25	Isoka Town Council	15,327,204	13,863,821	(1,463,383)	13,847,998	15,823
26	Itezhi Tezhi Town Council	44,863,858	36,661,817	(8,202,041)	13,461,007	23,200,810
27	Kabompo Town Council	10,850,610	13,235,163	2,384,553	12,100,345	1,134,818
28	Kabwe Municipal Council	108,947,177	120,269,567	11,322,390	77,374,509	42,895,058
29	Kafue Town Council	83,698,041	54,397,933	(29,300,108)	44,221,362	10,176,571
30	Kalabo Town Council	69,061,259	64,136,540	(4,924,719)	33,073,771	31,062,769
31	Kalomo Town Council	68,667,305	63,977,204	(4,690,101)	29,698,241	34,278,963
32	Kalutushi Municipal Council	119,843,807	129,384,376	9,540,569	99,690,489	29,693,887
33	Kalumbila Town Council	113,036,967	98,278,473	(14,758,494)	76,285,914	21,992,559
34	Kanchibiya Town Council	37,186,825	34,112,704	(3,074,121)	23,763,538	10,349,166
35	Kaoma Town Council	69,568,814	65,943,644	(3,625,170)	12,792,195	53,151,449
36	Kapiri Mposhi Town Council	69,056,934	51,032,755	(18,024,179)	33,336,325	17,696,430
37	Kaputa Town Council	41,645,088	37,629,517	(4,015,571)	18,710,948	18,918,569
38	Kasama Municipal Council	79,619,944	74,607,683	(5,012,261)	36,560,476	38,047,207
39	Kasenpa Town Council	40,707,455	34,032,390	(6,675,065)	21,212,677	12,819,713
40	Kasenengwa Town Council	36,458,938	41,488,790	5,029,852	17,244,233	24,244,557
41	Katete Town Council	72,276,657	64,697,471	(7,579,186)	23,620,398	41,077,073
42	Kawambwa Town Council	68,614,012	61,976,847	(6,637,165)	19,266,524	42,710,324
43	Kazungula Town Council	51,579,523	48,782,023	(2,797,500)	48,704,254	77,769

No.	Councils	Approved Budget K	Income K	Variance K	Amounts Spent K	Unspent Amounts K
44	Kitwe City Council	268,674,855	257,391,230	(11,283,625)	189,001,821	68,389,409
45	Lavushimanda Town Council	36,997,022	33,561,469	(3,435,553)	10,340,660	23,220,809
46	Limulunga Town Council	37,593,052	35,274,015	(2,319,037)	21,022,108	14,251,907
47	Livingstone City Council	91,267,739	87,285,930	(3,981,809)	67,943,762	19,342,168
48	Luampa Town Council	37,635,226	34,969,979	(2,665,247)	15,341,531	19,628,448
49	Luangwa Town Council	41,501,509	38,367,675	(3,133,834)	17,705,560	20,662,115
50	Luano Town Council	39,492,747	36,753,843	(2,738,904)	17,796,604	18,957,239
51	Luanshya Municipal Council	120,701,408	104,302,664	(16,398,744)	66,922,280	37,380,384
52	Lufwanyama Town Council	49,715,796	48,467,092	(1,248,704)	8,284,909	40,182,183
53	Lukulu Town Council	41,412,924	38,037,867	(3,375,057)	17,478,497	20,559,370
54	Lumezi Town Council	38,194,251	34,138,404	(4,055,847)	14,721,877	19,416,527
55	Lundazi Town Council	42,176,197	39,904,490	(2,271,707)	19,812,300	20,092,190
56	Lunga Town Council	36,952,167	34,521,018	(2,431,149)	13,705,343	20,815,675
57	Lunte Town Council	36,718,664	34,150,893	(2,567,771)	13,357,992	20,792,901
58	Lupososhi Town Council	38,357,568	33,622,490	(4,735,078)	16,354,528	17,267,962
59	Lusaka City Council	618,929,856	514,711,956	(104,217,900)	329,349,622	185,362,334
60	Lusangazi Town Council	36,227,700	33,946,080	(2,281,620)	14,723,348	19,222,732
61	Luwingu Town Council	43,169,783	36,234,008	(6,935,775)	16,099,790	20,134,218
62	Mafinga Town Council	37,525,579	40,755,680	3,230,101	20,616,226	20,139,454
63	Mambwe Town Council	39,182,027	40,042,101	860,074	24,147,972	15,894,129
64	Mansa Municipal Council	85,696,183	83,143,084	(2,553,099)	35,885,412	47,257,672
65	Manyinga Town Council	39,233,679	37,245,767	(1,987,912)	15,832,307	21,413,460
66	Masaiti Town Council	71,105,746	67,892,480	(3,213,266)	28,975,628	38,916,852
67	Mazabuka Municipal Council	88,851,890	88,418,131	(433,759)	48,663,643	39,754,488
68	Mbala Municipal Council	49,412,359	40,248,301	(9,164,058)	20,901,185	19,347,116
69	Milenge Town Council	38,719,132	34,614,473	(4,104,659)	20,840,637	13,773,836
70	Mitete Town Council	37,954,049	35,409,796	(2,544,253)	17,594,112	17,815,684
71	Mkushi Town Council	19,620,501	23,974,223	4,353,722	20,163,692	3,810,531
72	Mongu Municipal Council	85,043,729	87,567,476	2,523,747	45,035,638	42,531,838
73	Monze Town Council	103,700,947	90,205,683	(13,495,264)	73,010,420	17,195,263
74	Mpika Town Council	53,406,424	44,513,089	(8,893,335)	30,691,015	13,822,074
75	Mpongwe Town Council	40,670,293	38,971,357	(1,698,936)	19,533,048	19,438,309
76	Mporokoso Town Council	38,705,883	34,943,740	(3,762,143)	17,072,600	17,871,140
77	Mpulungu Town Council	49,252,755	38,888,394	(10,364,361)	17,045,649	21,842,745
78	Mufulira Municipal Council	77,431,604	50,999,569	(26,432,035)	50,531,604	467,965
79	Mufumbwe Town Council	11,229,648	13,729,711	2,500,063	12,093,162	1,636,549
80	Mulobezi Town Council	39,137,221	38,309,392	(827,829)	22,734,302	15,575,090
81	Mumbwa Town Council	80,356,139	71,842,793	(8,513,346)	33,727,426	38,115,367
82	Mungwi Town Council	42,016,713	35,641,043	(6,375,670)	17,652,341	17,988,702
83	Mushindamo Town Council	40,363,167	37,122,712	(3,240,455)	20,168,222	16,954,490
84	Mwandi Town Council	38,417,703	34,842,135	(3,575,568)	19,232,649	15,609,486

No.	Councils	Approved Budget K	Income K	Variance K	Amounts Spent K	Unspent Amounts K
85	Mwansabombwe Town Council	38,933,226	35,169,321	(3,763,905)	22,671,546	12,497,775
86	Mwense Town Council	67,739,565	62,326,139	(5,413,426)	16,474,543	45,851,596
87	Mwinihanga Town Council	17,061,486	13,204,025	(3,857,461)	13,204,012	13
88	Nakonde Town Council	62,509,093	59,848,678	(2,660,415)	40,745,424	19,103,254
89	Nalolo Town Council	38,027,136	36,070,775	(1,956,361)	17,304,228	18,766,547
90	Namwala Town Council	38,747,316	36,295,269	(2,452,047)	19,375,298	16,919,971
91	Nchelenge Town Council	41,221,001	57,488,599	16,267,598	19,183,583	38,305,016
92	Ndola City Council	211,949,560	196,675,278	(15,274,282)	124,716,204	71,959,074
93	Ngabwe Town Council	52,290,097	39,439,364	(12,850,733)	27,462,617	11,976,747
94	Nkeyema Town Council	38,097,921	35,341,205	(2,756,716)	15,581,113	19,760,092
95	Nsama Town Council	39,187,260	36,361,105	(2,826,155)	16,408,050	19,953,055
96	Nyimba Town Council	43,830,935	39,001,913	(4,829,022)	20,864,907	18,137,006
97	Pemba Town Council	37,781,283	37,762,382	(18,901)	22,976,965	14,785,417
98	Petauke Town Council	71,075,734	65,174,971	(5,900,763)	48,325,948	16,849,023
99	Rufunsa Town Council	38,493,194	36,991,857	(1,501,337)	20,676,928	16,314,929
100	Samfya Town Council	42,016,426	35,631,441	(6,384,985)	15,629,298	20,002,143
101	Senanga Town Council	38,885,468	35,496,285	(3,389,183)	27,462,617	8,033,668
102	Senga Hill Town Council	41,786,944	34,489,476	(7,297,468)	14,530,323	19,959,153
103	Serenje Town Council	47,563,641	51,189,934	3,626,293	21,670,669	29,519,265
104	Sesheke Town Council	42,067,600	37,854,816	(4,212,784)	11,625,444	26,229,372
105	Shangombo Town Council	37,286,852	35,539,804	(1,747,048)	21,231,144	14,308,660
106	Shibuyunji Town Council	52,290,097	39,439,364	(12,850,733)	32,789,567	6,649,797
107	ShiwangaAndu Town Council	39,892,860	36,661,576	(3,231,284)	34,038,702	2,622,874
108	Siavonga Town Council	55,509,969	50,393,920	(5,116,049)	34,841,479	15,552,441
109	Sinda Town Council	64,170,296	60,657,904	(3,512,392)	16,777,299	43,880,605
110	Sinazongwe Town Council	52,252,413	43,364,588	(8,887,825)	27,027,224	16,337,364
111	Sikongo Town Council	36,858,842	35,467,830	(1,391,012)	19,782,102	15,685,728
112	Sioma Town Council	39,468,992	35,390,184	(4,078,808)	20,086,975	15,303,209
113	Solwezi Municipal Council	121,108,534	117,430,763	(3,677,771)	112,235,131	5,195,632
114	Vubwi Town Council	37,144,347	37,681,832	537,485	17,819,595	19,862,237
115	Zambezi Town Council	68,307,052	68,549,186	242,134	31,746,074	36,803,112
116	Zimba Town Council	39,037,983	30,218,661	(8,819,322)	18,248,568	11,970,093
	Total	6,975,968,559	6,414,468,556	(561,500,003)	3,764,882,912	2,649,585,644

Committee's Observations and Recommendations

The Committee expresses concern at the poor budget performance by Local Authorities, attributing it to failure to prepare realistic budgets and lack of reviews. The Committee particularly observes that most town councils were literally surviving on national support instead of taking advantage of the commercial ventures within their localities. The Committee further observes that Councils like Lusaka City Council, were not taking advantage of bill boards around the City to generate its income. In this regard, the Committee urges the all Local Authorities to be creative and come up with commercial ventures which would help to improve the much needed revenue, without delay.

Appendix 3: Failure to Collect Revenue

No.	Councils	Failure to Collect Revenue K
1	Chadiza Town Council	20,650
2	Chama Town Council	106,644
3	Chavuma Town Council	1,370,920
4	Chibombo Town Council	1,873,508
5	Chikankata Town Council	61,022
6	Chilanga Town Council	392,550
7	Chingola Municipal Council	87,380,931
8	Chipata City Council	26,720
9	Chipili Town Council	23,250
10	Choma Municipal Council	1,052,010
11	Isoka Town Council	33,562
12	Itezhi Tezhi Town Council	307,917
13	Kabompo Town Council	38,600
14	Kabwe Municipal Council	130,344
15	Kafue Town Council	1,813,847
16	Kalomo Town Council	1,431,053
17	Kalulushi Municipal Council	11,599,380
18	Kalumbila Town Council	387,800
19	Kapiri Mposhi Town Council	15,389,067
20	Kaputa Town Council	147,602
21	Kasama Municipal Council	13,556,611
22	Kasempa Town Council	79,059
23	Kawambwa Town Council	296,050
24	Kazungula Town Council	1,442,451
25	Kitwe City Council	158,972,304
26	Lavushimanda Town Council	8,655
27	Limulunga Town Council	317,187
28	Livingstone City Council	17,780,955
29	Luano Town Council	238,200
30	Luanshya Municipal Council	376,517
31	Lufwanyama Town Council	274,271
32	Lukulu Town Council	252,500
33	Lumezi Town Council	6,529
34	Lupososhi Town Council	1,613,090
35	Lusaka City Council	675,320
36	Luwingu Town Council	864,271
37	Mafinga Town Council	13,770
38	Mansa Municipal Council	16,179,753
39	Mazabuka Municipal Council	763,917

No.	Councils	Amount K
40	Mbala Municipal Council	8,780,661
41	Milenge Town Council	208,392
42	Mkushi Town Council	48,400
43	Mongu Municipal Council	23,199,680
44	Monze Town Council	2,341,220
45	Mpika Town Council	12,036,623
46	Mpongwe Town Council	1,131,949
47	Mporokoso Town Council	313,083
48	Mpulungu Town Council	706,913
49	Mufulira Municipal Council	46,922,290
50	Mufumbwe Town Council	21,000
51	Mumbwa Town Council	40,200
52	Mungwi Town Council	494,647
53	Mwandi Town Council	786,717
54	Mwense Town Council	65,123
55	Mwinilunga Town Council	264,000
56	Nakonde Town Council	30,900
57	Nchelenge Town Council	426,510
58	Ndola City Council	212,731,052
59	Nkeyema Town Council	12,480
60	Nyimba Town Council	33,400
61	Pemba Town Council	15,000
62	Petauke Town Council	442,355
63	Rufunsa Town Council	1,073,492
64	Senanga Town Council	1,289,691
65	Shangombo Town Council	331,105
66	Shiwanga Andu Town Council	90,564
67	Siavonga Town Council	2,190,200
68	Sinda Town Council	1,171,184
69	Sinazongwe Town Council	1,842,421
70	Sikongo Town Council	205,676
71	Solwezi Municipal Council	165,475
72	Zambezi Town Council	105,330
73	Zimba Town Council	82,705
	Total	656,899,225

Committee's Observations and Recommendations

The Committee expresses concern at the failure to collect revenue by the Councils and contends that this could be due to dependence on national support. In this regard, the Committee urges the local authorities set up task forces that will help in the collection of revenue. The committee also urges that WDCs to help in the collection of revenue. The Committee will await a progress report on the matter.

Appendix 4: Failure to Update Valuation Roll

No.	Councils
1	Chembe Town Council
2	Chienge Town Council
3	Kaputa Town Council
4	Lundazi Town Council
5	Manyinga Town Council
6	Milenge Town Council
7	Mufumbwe Town Council
8	Mulobezi Town Council
9	Mushindamo Town Council
10	Mwinilunga Town Council
11	Ngabwe Town Council
12	Nkeyema Town Council
13	Pemba Town Council
14	Rufunsa Town Council
15	Shibuyunji Town Council
16	Vubwi Town Council

Committee's Observations and Recommendations

The Committee expresses concern and urges the Accounting Authorities to ensure that they engage the parent Ministry on the awarding of the valuation roll, without delay.

Appendix 5: Missing Receipt Books

No.	Councils	Number of Missing Receipt Books
1	Chongwe Municipal Council	58
2	Gwembe Town Council	5
3	Itezhi Tezhi Town Council	35
4	Mitete Town Council	5
5	Mpika Town Council	9
6	Senanga Town Council	20
7	Serenje Town Council	37
8	Sesheke Town Council	5
9	Sinazongwe Town Council	12
10	Vubwi Town Council	1
	Total	187

Committee's Observations and Recommendations

The Committee expresses concern at the missing receipt books and urges the Accounting Authorities to ensure that measures are put in place to enhance record keeping in Councils. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 6: Failure to Control and Manage Markets

No.	Councils	Number of Markets in their controll	Number of markets not controlled by the Council
1	Chikankata Town Council	-	5
2	Chisamba Town Council	-	9
3	Kabompo Town Council	-	4
4	Kabwe Municipal Council	-	6
5	Kapiri Mposhi Town Council	-	30
6	Kaputa Town Council	-	1
7	Kasenengwa Town Council	-	1
8	Lusaka City Council	-	60
9	Mafinga Town Council	-	1
10	Masaiti Town Council	-	5
11	Mkushi Town Council	-	4
12	Mongu Municipal Council	7	5
13	Nalolo Town Council	-	3
14	Ngabwe Town Council	-	6
15	Senanga Town Council	2	4
16	Serenje Town Council	4	7
17	Sioma Town Council	-	2
18	Solwezi Municipal Council	-	5
	Total	13	158

Committee's Observations and Recommendations

The Committee expresses concern and urges the Accounting Authorities to adhere to the provision of the *Markets and Bus Stations Act, No.7 of 2007*, without exception.

Appendix 7: Unsupported Payments

No.	Councils	Amount K
1	Chienge Town Council	2,320,670
2	Chifunabuli Town Council	52,160
3	Chikankata Town Council	94,075
4	Chipili Town Council	288,380
5	Gwembe Town Council	22,223
6	Itezhi Tezhi Town Council	407,911
7	Kalabo Town Council	92,180
8	Kapiri Mposhi Town Council	156,811
9	Kasempa Town Council	1,644,380
10	Katete Town Council	3,623,523
11	Lavushimanda Town Council	108,547
12	Luampa Town Council	4,640,751
13	Luano Town Council	125,039
14	Luanshya Municipal Council	359,093
15	Lufwanyama Town Council	863,289
16	Lukulu Town Council	385,102
17	Lunte Town Council	168,324
18	Lupososhi Town Council	373,890
19	Lusaka City Council	2,166,260
20	Masaiti Town Council	626,605
21	Mazabuka Municipal Council	69,570
22	Milenge Town Council	1,357,234
23	Monze Town Council	32,616
24	Mpika Town Council	88,511
25	Mpongwe Town Council	191,983
26	Mporokoso Town Council	89,777
27	Mumbwa Town Council	18,000
28	Mwandi Town Council	243,018.56
29	Namwala Town Council	389,051.00
30	Nchelenge Town Council	372,216
31	Ngabwe Town Council	822,479
32	Nkeyema Town Council	963,481
33	Nsama Town Council	679,171
34	Rufunsa Town Council	508,044
35	Senanga Town Council	143,017
36	Sesheke Town Council	26,175.84
37	Shangombo Town Council	430,839
38	Shibuyunji Town Council	123,047
39	Sinazongwe Town Council	329,042
40	Solwezi Municipal Council	28,444,384
41	Zambezi Town Council	6,807,832
	Total	60,648,701.40

Committee's

Observations and Recommendations

The Committee expresses concern and urges the Accounting Authorities to ensure that measures are put in place to enhance record keeping in Councils. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 8: Missing Payment Vouchers

No.	Councils	Number of Payment Vouchers	Amount K
1	Chienge Town Council	17	124,093
2	Chikankata Town Council	30	724,171
3	Chipili Town Council	45	360,132
4	Itezhi Tezhi Town Council	32	1,635,712
5	Kalumbila Town Council	204	8,314,211
6	Kapiri Mposhi Town Council	49	608,121
7	Kasempa Town Council	42	628,938
8	Katete Town Council	8	28,430
9	Luampa Town Council	2	32,000
10	Luanshya Municipal Council	479	4,537,332
11	Lufwanyama Town Council	242	1,973,538
12	Lupososhi Town Council	51	2,000,387
13	Masaiti Town Council	4	38,984
14	Mazabuka Municipal Council	81	653,980
15	Milenge Town Council	65	447,620
16	Monze Town Council	18	185,561
17	Mpika Town Council	12	56,036
18	Mporokoso Town Council	29	380,711
19	Mumbwa Town Council	22	55,601
20	Mwinilunga Town Council	22	143,274
21	Ngabwe Town Council	69	1,505,898
22	Nkeyema Town Council	201	6,709,782
23	Nsama Town Council	116	671,586
24	Rufunsa Town Council	75	685,112
25	Shangombo Town Council	43	430,845
26	Shibuyunji Town Council	14	180,948
27	Solwezi Municipal Council	891	31,679,411
28	Zambezi Town Council	173	2,704,657
	Total	3,036	67,497,071

Committee's Observations and Recommendations

The Committee expresses concern at the missing payment vouchers and urges the Accounting Authorities to ensure that measures are put in place to enhance record keeping in Councils. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 9: Irregular Use of Accountable Imprest

No.	Councils	Amount K
1	Chama Town Council	39,113
2	Chinsali Municipal Council	29,775
3	Kasama Municipal Council	72,710
4	Lupososhi Town Council	42,324
5	Mbala Municipal Council	9,779
6	Mpika Town Council	27,315
7	Namwala Town Council	29,422
8	Pemba Town Council	18,950
9	Solwezi Municipal Council	152,383
	Total	421,771

Committee's Observations and Recommendations

The Committee expresses concern at the violation of the financial regulations and urges the Accounting Authorities to adhere to financial regulations without exception. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 10: Unretired Accountable Imprest

No.	Councils	Number of officers	Amount K
1	Chibombo Town Council		49,320
2	Chienge Town Council	13	26,940
3	Chipili Town Council	8	84,950
4	Lavushimanda Town Council	9	19,900
5	Luampa Town Council	6	9,760
6	Lufwanyama Town Council		84,638
7	Lukulu Town Council	4	37,538
8	Lupososhi Town Council	7	46,310
9	Manyinga Town Council	4	18,000
10	Mazabuka Municipal Council	15	44,945
11	Milenge Town Council	14	111,173
12	Mumbwa Town Council	18	105,145
13	Mushindamo Town Council	5	83,375
14	Namwala Town Council	2	39,544
15	Nchelenge Town Council	19	47,140
16	Ngabwe Town Council		19,700
17	Nsama Town Council	2	15,108
18	Senanga Town Council	8	26,294
19	Shibuyunji Town Council		328,420
	Total	134.00	1,198,200

Committee's Observations and Recommendations

The Committee expresses concern at the huge amounts of unrecovered funds and urges the Accounting Authorities to ensure that measures are put in place to ensure that the funds are

recovered without fail. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 11: Unaccounted for Store

No.	Councils	Amount (K)
1	Chasefu Town Council	303,927
2	Chembe Town Council	15,210
3	Chibombo Town Council	1,103,677
4	Chienge Town Council	21,132
5	Chikankata Town Council	193,109
6	Chipili Town Council	231,283
7	Itezhi Tezhi Town Council	198,322
8	Kapiri Mposhi Town Council	150,007
9	Kasempa Town Council	101,274
10	Katete Town Council	548,111
11	Lavushimanda Town Council	224,760
12	Luanshya Municipal Council	743,889
13	Lukulu Town Council	39,367
14	Lunga Town Council	330,752
15	Lupososhi Town Council	71,815
16	Manyinga Town Council	358,742
17	Masaiti Town Council	478,435
18	Milenge Town Council	235,920
19	Mitete Town Council	8,538
20	Mpika Town Council	597,707
21	Mpongwe Town Council	137,335
22	Mpulungu Town Council	24,408
23	Mulobezi Town Council	25,000
24	Mumbwa Town Council	168,203
25	Mushindamo Town Council	59,663
26	Mwandi Town Council	71,250
27	Namwala Town Council	152,992
28	Nchelenge Town Council	286,269
29	Ngabwe Town Council	366,419
30	Nkeyema Town Council	324,262
31	Nsama Town Council	673,117
32	Nyimba Town Council	61,310
33	Sesheke Town Council	288,828
34	Shangombo Town Council	427,625
35	Shibuyunji Town Council	422,576
36	Shiwanga Andu Town Council	70,000
37	Sinazongwe Town Council	851,446
38	Solvezi Municipal Council	3,490,757
	Total	13,857,436

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that measures are put in place to manage stores to prevent the wastage and pilferage of public resources. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 12: Failure to Inscribe Assets

No.	Councils	Value of Assets K
1	Chilanga Town Council	284,618.00
2	Chongwe Municipal Council	333,403.00
3	Livingstone City Council	467,180.00
4	Lusaka City Council	228,182.00
5	Mambwe Town Council	561,955.00
6	Mongu Municipal Council	110,730.00
7	Nalolo Town Council	248,400.00
8	Sikongo Town Council	189,625.00
9	Solwezi Municipal Council	928,489.00
	Total	3,352,582.00

Committee's Observations and Recommendations

The Committee finds the violation of financial regulations unacceptable and urges that all assets are inscribed without exception and will await a progress report on the matter.

Appendix 13: Failure to Recover Salary Advances

No	Councils	Number of Officers	Amount K
1	Itezhi Tezhi Town Council	5	14,882
2	Lavushimanda Town Council	7	16,400
3	Luanshya Municipal Council	45	233,239
4	Lupososhi Town Council	9	28,833
5	Milenge Town Council	8	40,500
6	Monze Town Council	2	13,000
7	Mungwi Town Council	1	8,000
8	Nkeyema Town Council	10	22,917
9	Nsama Town Council	12	38,460
	Total	99	416,231

Committee's Observations and Recommendations

The Committee expresses concern at the *laissez faire* attitude adopted on the recovery of funds. The Committee urges that funds must be recovered without delay.

Appendix 14: Over Employment of Staff

No.	Councils	Number of Vacant Positions	Number of Officers Employed	Number of Over Employed Staff	Cost implication (K)
1	Chavuma Town Council	1	2	-1	48,778
2	Chembe Town Council	1	2	-1	85,066
3	Chibombo Town Council	19	36	-17	
4	Chienge Town Council	3	5	-2	193,025
5	Chikankata Town Council	3	6	-3	504,527
6	Chililabombwe Municipal Council	71	118	-47	2,620,870
7	Chilubi Town Council	2	4	-2	
8	Chingola Municipal Council	76	109	-33	1,906,844
9	Chinsali Municipal Council	1	2	-1	122,919
10	Chirundu Town Council	19	29	-10	791,311
11	Choma Municipal Council	2	5	-3	
12	Chongwe Municipal Council	25	46	-21	2,432,576
13	Isoka Town Council	3	5	-2	197,196
14	Itezhi Tezhi Town Council	7	27	-20	1,276,791
15	Kabwe Municipal Council	33	59	-26	2,685,808
16	Kafue Town Council	26	42	-16	1,015,438
17	Kalabo Town Council	4	8	-4	628,085
18	Kalomo Town Council	10	15	-5	229,345
19	Kalumbila Town Council	29	41	-12	52,432,601
20	Kapiri Mposhi Town Council	32	54	-22	1,470,558
21	Kaputa Town Council	1	2	-1	143,800
22	Kasempa Town Council	1	2	-1	320,652
23	Lavushimanda Town Council	3	5	-2	169,470
24	Livingstone City Council	78	111	-33	2,753,252
25	Luampa Town Council	0	3	-3	35,951
26	Luanshya Municipal Council	35	60	-25	1,645,707
27	Lufwanyama Town Council	2	5	-3	410,925
28	Lusaka City Council	1592	1754	-162	500,753
29	Mambwe Town Council	1	2	-1	
30	Masaiti Town Council	11	22	-11	416,184
31	Mpika Town Council	24	27	-3	204,499
32	Mufulira Municipal Council	20	37	-17	1,345,714
33	Mufumbwe Town Council	8	16	-8	732,505
34	Mushindamo Town Council	3	6	-3	209,467
35	Mwinilunga Town Council	1	2	-1	13,442
36	Nakonde Town Council	0	9	-9	270,216
37	Nchelenge Town Council	2	4	-2	138,848
38	Ndola City Council	119	175	-56	
39	Serenje Town Council	32	40	-8	459,087
40	Sesheke Town Council	0	1	-1	59,778
41	Shiwangandu Town Council	5	9	-4	685,064
42	Sikongo Town Council	1	2	-1	142,882
43	Zimba Town Council	2	3	-1	63,791
	Total	2,308	2,912	- 604	79,363,724

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to engage the Local Government Service Commission on the matter and will await a progress report on the matter.

Appendix 15: Failure to Fill Vacant Positions

No.	Councils	Vacant Positions	Filled positions	Variance
1	Chadiza Town Council	96	90	6
2	Chasefu Town Council	88	54	34
3	Chavuma Town Council	110	81	29
4	Chienge Town Council	189	68	121
5	Chifunabuli Town Council	71	58	13
6	Chilanga Town Council	195	145	50
7	Chilubi Town Council	73	55	18
8	Chipangali Town Council	103	62	41
9	Chipata City Council	368	139	229
10	Chipili Town Council	78	53	25
11	Chirundu Town Council	162	150	12
12	Chisamba Town Council	137	104	33
13	Chitambo Town Council	114	59	55
14	Choma Municipal Council	205	157	48
15	Ikelenge Town Council	65	59	6
16	Isoka Town Council	373	96	277
17	Kabwe Municipal Council	417	249	168
18	Kafue Town Council	48	34	14
19	Kanchibiya Town Council	68	41	27
20	Kapiri Mposhi Town Council	79	55	24
21	Kaputa Town Council	85	66	19
22	Kasempa Town Council	6	0	6
23	Lavushimanda Town Council	48	43	5
24	Livingstone City Council	459	444	15
25	Luampa Town Council	95	63	32
26	Luangwa Town Council	76	27	49
27	Lundazi Town Council	105	89	16
28	Milenge Town Council	79	69	10
29	Mitete Town Council	62	57	5
30	Mkushi Town Council	150	132	18
31	Mporokoso Town Council	123	55	68
32	Mulobezi Town Council	83	56	27
33	Mumbwa Town Council	133	117	16
34	Mushindamo Town Council	85	76	9
35	Namwala Town Council	326	127	199
36	Ndola City Council	91	25	66
37	Ngabwe Town Council	65	48	17
38	Nyimba Town Council	233	110	123
39	Rufunsa Town Council	53	0	53
40	Senanga Town Council	147	88	59
41	Serenje Town Council	49	15	34
42	Sesheke Town Council	216	146	70
43	Shangombo Town Council	47	43	4
44	Shibuyunji Town Council	99	77	22
45	Shiwangandu Town Council	193	63	130
46	Sinazongwe Town Council	86	64	22
47	Vubwi Town Council	72	45	27
48	Zambezi Town Council	113	98	15
49	Zimba Town Council	114	106	8
	Total	6,532	4,158	2,374

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to engage the Local Government Service Commission on the matter and will await a progress report on the matter.

Appendix 16: Failure to Confirm Staff

No.	Councils	Failure to Confirm Staff	Period (months)
1	Chama Town Council	3	8months
2	Chifunabuli Town Council	11	6months
3	Chililabombwe Municipal Council	25	10 - 42 months
4	Chingola Municipal Council	2	23- 33 months
5	Chisamba Town Council	4	4 to 33 months
6	Choma Municipal Council	6	26 to 36 months
7	Ikelenge Town Council	5	7 to 24 months
8	Isoka Town Council	7	2 to 22 months
9	Kabompo Town Council	2	30 to 50 months
10	Kalulushi Municipal Council	6	21 to 40 months
11	Kanchibiya Town Council	1	24 months
12	Kapiri Mposhi Town Council	9	4 to 20 months
13	Kasama Municipal Council	9	6 to 21 months
14	Kasempa Town Council	3	11months
15	Kawambwa Town Council	2	21 months
16	Kitwe City Council	37	25 to 69 months
17	Lavushimanda Town Council	4	13 to 29 months
18	Livingstone City Council	4	7 to 22 months
19	Luampa Town Council	7	3 to 8 months
20	Lukulu Town Council	2	11 to 24 months
21	Lumezi Town Council	1	8 months
22	Lunte Town Council	2	14 to 24 months
23	Lusaka City Council	76	6 to 270 months
24	Luwingu Town Council	3	26 to 28 months
25	Mafinga Town Council	11	3 to 22 months
26	Mbala Municipal Council	7	8 to 23 months
27	Milenge Town Council	7	24 months
28	Mufulira Municipal Council	29	21 to 39 months
29	Mungwi Town Council	1	12 months
30	Nakonde Town Council	2	24 months
31	Nchelenge Town Council	3	24 to 34 months
32	Ndola City Council	27	24 to 396 months
33	Senanga Town Council	2	14 to 24 months
34	Sesheke Town Council	1	26 months
35	Shangombo Town Council	6	10 to 12 months
36	Sioma Town Council	3	30 months
37	Solwezi Municipal Council	11	17 to 36 months
38	Vubwi Town Council	1	25 months
39	Zimba Town Council	4	5 to 31 months
	Total	346	

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to engage the Local Government Service Commission on the matter and will await a progress report on the matter.

Appendix 17: Employees Without Requisite Qualifications

No	Councils	Number of Officers
1	Chama Town Council	2
2	Chembe Town Council	7
3	Chikankata Town Council	4
4	Chililabombwe Municipal Council	18
5	Chilubi Town Council	9
6	Chipili Town Council	6
7	Kalabo Town Council	6
8	Kanchibiya Town Council	9
9	Kasama Municipal Council	17
10	Kawambwa Town Council	2
11	Lavushimanda Town Council	10
12	Lukulu Town Council	2
13	Lupososhi Town Council	5
14	Lusaka City Council	67
15	Mbala Municipal Council	5
16	Mongu Municipal Council	1
17	Mpika Town Council	10
18	Mporokoso Town Council	3
19	Mufulira Municipal Council	26
20	Mushindamo Town Council	7
21	Mwansabombwe Town Council	6
22	Mwinilunga Town Council	1
23	Solwezi Municipal Council	9
24	Vubwi Town Council	2
25	Zimba Town Council	3
	Total	237

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to engage the Local Government Service Commission on the matter and will await a progress report on the matter.

Appendix 18: Failure to Provide White Books for Movable Assets

No.	Councils	No. assets without white book
1	Chisamba Town Council	7
2	Kalulushi Municipal Council	23
3	Kazungula Town Council	29
4	Lufwanyama Town Council	17
5	Mufulira Municipal Council	25
6	Ndola City Council	36
7	Zimba Town Council	8
	Total	145

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that measures are put in place to prevent the loss of property. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 19: Failure to Secure Properties with Title Deeds

No.	Councils	Number of properties	Value K
1	Chasefu Town Council	1	2,500,000
2	Chavuma Town Council	44	
3	Chembe Town Council	28	4,766,493
4	Chibombo Town Council	27	14,237,000
5	Chililabombwe Municipal Council	20	11,591,600
6	Chilubi Town Council	31	
7	Chingola Municipal Council	61	65,760,000
8	Chipangali Town Council	2	863,029
9	Chipata City Council	15	8,075,000
10	Chisamba Town Council	15	3,282,220
11	Choma Municipal Council	39	
12	Gwembe Town Council	19	4,422,713
13	Isoka Town Council	15	
14	Itezhi Tezhi Town Council	15	41,280,753
15	Kabwe Municipal Council	18	2,881,716
16	Kalabo Town Council	20	
17	Kalomo Town Council	33	
18	Kalulushi Municipal Council	34	3,367,588
19	Kalumbila Town Council	12	52,432,601
20	Kaoma Town Council	23	
21	Kapiri Mposhi Town Council	20	
22	Kaputa Town Council	12	
23	Kasempa Town Council	8	
24	Kazungula Town Council	31	
25	Livingstone City Council	38	
26	Luampa Town Council	7	
27	Luanshya Municipal Council	57	34,343,700
28	Lufwanyama Town Council	2	342,000
29	Lumezi Town Council	1	1,340,000
30	Lunte Town Council	2	
31	Lupososhi Town Council	4	
32	Luwingu Town Council	17	9,416,291
33	Mafinga Town Council	1	
34	Manyinga Town Council	6	
35	Masaiti Town Council	4	
36	Milenge Town Council	24	
37	Mpongwe Town Council	31	
38	Mporokoso Town Council	28	
39	Mufulira Municipal Council	175	33,874,977
40	Mufumbwe Town Council	13	3,411,679

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that measures are put in place to prevent the loss of property. The Committee also urges the Accounting Authorities to institute disciplinary action against the erring officers and will await a progress report on the matter.

Appendix 20: Failure to Repair Fire Tenders

No.	Councils	Number of Fire Tenders
1	Kitwe City Council	1
2	Lusaka City Council	4
3	Mongu Municipal Council	1
4	Rufunsa Town Council	1
5	Solwezi Municipal Council	1
	Total	8

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to engage the parent ministry on the matter and will await a progress report on the matter. .

Appendix 21: Failure to Insure Motor Vehicle

No.	Councils	Number of uninsured Vehicles	Value of Uninsure vehicles	Number of of uninsured properties	Value of Uninsure properties
1	Chadiza Town Council	6			
2	Chasefu Town Council	7			
3	Chifunabuli Town Council	2			
4	Chilanga Town Council	4	3,820,400		
5	Chilubi Town Council		4,864,636		
6	Chipangali Town Council	9			
7	Chisamba Town Council			15	3,282,220
8	Itezhi Tezhi Town Council	6			
9	Kabwe Municipal Council			96	82,055,342
10	Kalomo Town Council			7	13,374,100
11	Kapiri Mposhi Town Council			20	13,717,005
12	Kaputa Town Council	3			
13	Kasenengwa Town Council	5			
14	Lavushimanda Town Council	4			
15	Livingstone City Council	21		5	
16	Lusaka City Council	114		28	
17	Milenge Town Council	2			
18	Monze Town Council	11		16	19,730,000
19	Mungwi Town Council	4	1,468,592		
20	Nsama Town Council	10			
21	Pemba Town Council	7	1,206,276	5	7,823,910
22	Senga Hill Town Council	5			
23	Sesheke Town Council	2			
24	Shibuyunji Town Council	3			
25	Sinazongwe Town Council	5	954,880		
26	Zambezi Town Council	2	567,065	2	622,000
27	Zimba Town Council	6		19	
	Total	238	12,881,849	213	140,604,577

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that measures are put in place to prevent the loss of property due to negligence and will await a progress report on the matter.

Appendix 22: Failure to Maintain Council Properties

No.	Councils	Number of Properties
1	Chadiza Town Council	1
2	Chavuma Town Council	7
3	Chembe Town Council	3
4	Chienge Town Council	2
5	Chingola Municipal Council	3
6	Chipata City Council	6
7	Chipili Town Council	10
8	Chisamba Town Council	7
9	Choma Municipal Council	3
10	Chongwe Municipal Council	25
11	Isoka Town Council	1
12	Kabompo Town Council	4
13	Kalomo Town Council	2
14	Kapiri Mposhi Town Council	3
15	Kaputa Town Council	1
16	Livingstone City Council	8
17	Luanshya Municipal Council	4
18	Lukulu Town Council	1
19	Lupososhi Town Council	1
20	Lusaka City Council	2
21	Mafinga Town Council	1
22	Milenge Town Council	2
23	Mongu Municipal Council	5
24	Mufulira Municipal Council	6
25	Mumbwa Town Council	1
26	Rufunsa Town Council	1
27	Sesheke Town Council	1
28	Solwezi Municipal Council	1
29	Zambezi Town Council	3
	Total	115

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that measures are put in place to prevent the loss of public property and will await a progress report on the matter.

Appendix 23: Failure to Establish a Waste Disposal Site

No.	Councils	Number of local authorities
1	Chilanga Town Council	1
2	Chililabombwe Municipal Council	1
3	Chipangali Town Council	1
4	Chipili Town Council	1
5	Kapiri Mposhi Town Council	1
6	Lavushimanda Town Council	1
7	Lunte Town Council	1
8	Lusangazi Town Council	1
9	Mafinga Town Council	1
10	Milenge Town Council	1
11	Mpulungu Town Council	1
12	Ngabwe Town Council	1
13	Shibuyunji Town Council	1
14	Vubwi Town Council	1
	Total	14

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that the matter is addressed without delay and will await a progress report on the matter.

Appendix 24: Failure to Fence Dumpsite

No.	Councils	Number of Unfenced Dumpsites
1	Chadiza Town Council	1
2	Chama Town Council	1
3	Chasefu Town Council	1
4	Chavuma Town Council	1
5	Chibombo Town Council	1
6	Chililabombwe Municipal Council	1
7	Chingola Municipal Council	1
8	Choma Municipal Council	1
9	Gwembe Town Council	1
10	Ikelenge Town Council	1
11	Kabwe Municipal Council	1
12	Kalabo Town Council	1
13	Kalulushi Municipal Council	1
14	Kalumbila Town Council	1
15	Kaoma Town Council	1
16	Kaputa Town Council	1
17	Kawambwa Town Council	1
18	Limulunga Town Council	1
19	Livingstone City Council	1
20	Luanshya Municipal Council	1
21	Lusaka City Council	1
22	Monze Town Council	1
23	Mpika Town Council	4
24	Mulobezi Town Council	1
25	Mumbwa Town Council	1
26	Mungwi Town Council	1
27	Mwandi Town Council	1
28	Mwansabombwe Town Council	1
29	Mwinilunga Town Council	1
30	Nalolo Town Council	1
31	Petauke Town Council	1
32	Rufunsa Town Council	1
33	Samfya Town Council	1
34	Senanga Town Council	1
35	Serenje Town Council	1
36	Sesheke Town Council	1
37	ShiwangøAndu Town Council	1
38	Sikongo Town Council	1
39	Solwezi Municipal Council	1
40	Zimba Town Council	1
	Total	43

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that the matter is addressed without delay and will await a progress report on the matter.

Appendix 25: Failure to Establish and Maintain Cemeteries

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that the matter is addressed without delay and will await a progress report on the matter.

Appendix 26: Failure to Sort Waste

No.	Councils
1	Kabompo Town Council
2	Kalabo Town Council
3	Kalumbila Town Council
4	Luangwa Town Council
5	Lusaka City Council
6	Mumbwa Town Council
7	Mwinilunga Town Council
8	Nalolo Town Council
9	Rufunsa Town Council
10	Sikongo Town Council
11	Solwezi Municipal Council
12	Zambezi Town Council
	Total

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that the matter is addressed without delay and will await a progress report on the matter.

Appendix 27: Failure to Provide Waste Receptacles

No.	Councils	Number of sites without Waste Receptacles
1	Chavuma Town Council	1
2	Chifunabuli Town Council	1
3	Choma Municipal Council	3
4	Ikelenge Town Council	1
5	Kabompo Town Council	1
6	Kalabo Town Council	1
7	Kalumbila Town Council	1
8	Kapiri Mposhi Town Council	1
9	Livingstone City Council	3
10	Luanshya Municipal Council	1
11	Lukulu Town Council	1
12	Mansa Municipal Council	2
13	Manyinga Town Council	1
14	Masaiti Town Council	1
15	Monze Town Council	1
16	Mpika Town Council	4
17	Mufulira Municipal Council	3
18	Mufumbwe Town Council	2
19	Mwansabombwe Town Council	1
20	Mwinilunga Town Council	3
21	Ngabwe Town Council	1
22	Nkeyema Town Council	1
23	Senanga Town Council	3
24	Sesheke Town Council	1
25	Shibuyunji Town Council	1
26	Vubwi Town Council	1
27	Zambezi Town Council	1
	Total	42

Committee's Observations and Recommendations

The Committee urges the Accounting Authorities to ensure that the matter is addressed without delay and will await a progress report on the matter.

Committee Tours

1.0 Local Tour

the Committee on Local Government Accounts successfully undertook its verification and inspection tour of selected projects in North Western and Copperbelt Provinces, which had been cited in the Reports of the Auditor General on the Accounts of Local Authorities for the Financial Years Ended 31st December, 2020 and 2021. The Local Authorities visited and whose projects were cited are as follows:

- i. Solwezi Municipal Council;
- ii. Kasempa Town Council;
- iii. Mwinilunga Town Council;

- iv. Ikelenge Town Council;
- v. Chililabombwe Municipal Council;
- vi. Kalulushi Municipal Council;
- vii. Kitwe City Council; and
- viii. Ndola City Council;

The findings of the Committee are set out below:

1. Solwezi Municipal Council

i. Failure to Enforce Court Judgement

The Committee was informed that the matter was resolved by the Office of the Auditor General, as K36 million was paid by Lumwana Mine, which was further remitted to Kalumbila Town Council. Solwezi Municipal Council was simply collecting the funds on behalf of Kalumbila Town Council, which was not yet a Rating Authority.

The Committee, however, requested that a deposit slip be availed to the Office of the Auditor General for audit verification.

Committee's Observations and Recommendations

The Committee advises the Council and the Office of the Auditor General to meet and reconcile on the K4.3 million, which the Council felt may have been wrongly stated in the Report of the Auditor General.

ii. Failure to Remit Statutory Obligations

The Committee was informed that the matter was still outstanding, as the Council still owed NAPSA five months in penalties. The Committee was informed that in order to be eligible for a waiver from NAPSA, the Council would need to pay the principal amount owing. As of January, 2024, the Council owed K59 million in statutory obligations, of which K19 million had been paid between January and June, 2024. The Committee was also informed that the Council made approximately K1.3 million per month as revenue.

The Committee was also informed that the Council owed about K5 million to retirees who were under the Local Authorities Superannuation Fund (LASF), and that the retirees would be paid off by December, 2024.

The Council also stated that its biggest source of revenue were mine rates, of which about K80 million was collected per year.

Committee's Observations and Recommendations

The Committee urges the Accounting Authority to submit supporting document to the Office of the Auditor general for audit verification, whereupon the matter should stand closed. .

2. Mwinilunga Town Council

i. Failure to Implement Constituency Development Fund Projects:

The Committee learnt that the cited projects were being implemented and took time to appreciate the following projects:

Construction of a Health Post for Mudanyama Community.

The Committee was informed that the project was completed under the 2022 CDF. However, the project had not been commissioned as the inside furniture had not yet been installed, in addition to the absence of the water facilities (borehole) and an ablution block.

The Committee was also informed that the furnishing of the facility would be done using 2024 CDF, while the ablution block would be done using the 2023 CDF. The Committee was, however, concerned with potential vandalism if the commissioning of the Health Post was delayed.

Committee's Observations and Recommendations

The Committee resolves to close the matter.

o Completion of a 1x3 Classroom Block at Nswanakudya

The Committee was informed that the Project was completed using the 2020 CDF. The last funding was in 2022, which went towards the purchase of glass panes for the classroom block. The Committee was informed that the project started as a community initiative in 2020, after which the Council took over at box level. The mode of execution was labour-based, supervised by the Director of Works at the Council. However, the Committee was concerned with the poor workmanship of the project; low quality iron sheets used for roofing, sub-standard burglar bars, and the use of un-treated timber for the roof structure. The Committee further advised the Council to avoid the use of labour-based mode of project execution, but to engage contractors for effective implementation of projects.

Committee's Observations and Recommendations

The Committee resolves to close the matter.

3. Ikelenge Town Council

i. Failure to Implement Approved Projects

The Committee visited and inspected the following projects in Ikelenge:

o

o Kamafumbu 1x3 CRB

The project was completed at a cost of K1.1 million, by a local contractor. Regular monitoring visits were done by the Council. The Committee was informed that the school had no electricity, but a request had been made to the Rural Electrification Authority (REA).

The Committee was also informed that the school had no water and housing facilities for teachers.

Committee's Observations and Recommendation

s

The Committee resolves to close the matter

o Kanyanda Bridge

The Project was still work in progress, as observed by damaged concrete base. The bridge had an initial allocation of K10,000, which had been increased to K450,000, under the 2024 CDF. The Committee observed that the bridge was in bad state due to the initial low budget

allocation. The Committee was informed that a local contractor had be engaged to construct the bridge under the 2024 CDF allocation.

Committee’s Observations and Recommendations

The Committee will await a progress report on the matter

4. Kasempa Town Council

i. Failure to Maintain Council Properties

The following were observed by the Committee based on the findings of the Auditor General, on the dilapidated Council properties:

- **Jipumpu Guest House**

The crack was reported to have been worked on following renovation works on the property. However, there were other cracks that were observed on the building. The Committee was informed that the cracks were as a result of the lack of a ring beam in the building, which had made it weak and vulnerable to cracks.

The windows and the cisterns in the toilets were replaced and in working condition.

Committee’s Observations and Recommendations

The Committee resolves to close the matter

- **Town Market Shelter-Central Business District**

-

The market shelter which was reportedly leaking, was rehabilitated using the 2023 CDF. However, the market shelter had no power.

Committee’s Observations and Recommendations

The Committee resolves to close the matter

- **Civic Centre-Along Kasempa Mumbwa Road**

The queried ceiling board in the Civic Centre offices was removed and was being replaced with a new ceiling board. The works were being done using the Local Government Equalisation Fund and locally generated revenues. The Committee was informed that the project would be done in phases, at a total cost of K1.2 million, while the time frame for completion was end of 2025. The Committee was, however, concerned with the poor quality of works conducted on the roof, due to the use of labour-based contracts.

Committee’s Observations and Recommendations

The Committee will await a progress report on the matter

- **Public Toilet: Bus Station**

The broken pipes, broken cisterns, broken taps, and leaking gutter pipes were worked on. The Committee was informed that water only ran when there was power. In this case, the toilets had drums and buckets filled with water. The Council had, however, drilled a borehole and

installed a tank to use as mitigation during water outages. The Committee also learnt that a new ablution block had been constructed and was nearing completion.

Committee's Observations and Recommendations

The Committee resolves to close the matter

- **Block of Shops-Central Business District**
- **Other Council Shops-Central Business District**
- **Low Cost Houses-Kikonkomene**

The Committee was informed that the above three (3) projects required major rehabilitation works, such that the Council Shops required a total cost of K900,000, while the Low-Cost Houses required K1.6 million. The projects would be funded through proceeds of the Valuation Roll, which the Council was awaiting approval, and which would enable the Council to raise about K5 million.

The Committee was, however, concerned about the over-dependence on Valuation Roll instead of other locally generated revenues through mining companies in the District, among others. This was in addition to the use of labour-based contracts resulting into poor workmanship and delayed project completion.

Committee's Observations and Recommendations

The Committee will await a progress report on the matter

5. Chililabombwe Municipal Council

i. Failure to implement Approved Constituency Development Fund Projects.

- **Counter Tops and Roof at Lubengele Market**
-

This project was completed and handed over, at a total cost of K231,000 under the 2020 CDF. The Committee was informed that the Council intended to build another market under the 2024 CDF allocation, which would have an ablution block and a borehole. The Committee was, however, concerned with the absence of a drainage at the market shelter, which caused flooding, thereby affecting business. The Council was advised, through the Director of Works, to rectify the lack of a drainage at the shelter. This was in addition to covering part of the wall of the shelter, which affected business during the rainy season. The Committee was also concerned with the lack of a borehole and an ablution block.

Committee's Observations and Recommendations

The Committee resolves to close the matter

- **Market Shelter at Kakoso**

The Project was completed, under the 2020 CDF. The Committee was informed that at that at the time of the audit, the Office of the Auditor General recommended that the query be rested. The roof at the structure was, however, blown away by the wind, after which the Council took over the rehabilitation using locally generated revenues. The Committee was informed that using 2024 CDF allocation, the Council intended to build a new market shelter which would have an ablution block and borehole. The Committee was, however, concerned with the poor workmanship by local contractors, which led to wastage in public resources. The Committee also expressed concern at the lack of supervision by the Council staff, in

addition to the use of labour-based mode of project implementation. The Committee observed cracked walls, floor, and benches on the market structure.

The Council was advised by the Committee to convert the market structure to an ablution block, and concentrate their efforts on the new market which had been budgeted at K2.5 million, under 2024 CDF.

Committee's Observations and Recommendations

The Committee resolves to close the matter

o Police Post at Kafue Ward

The initial project that was queried was the construction of a toilet and a container. The two were completed at a total cost of K120,000. However, Zambia Police requested for a new Police Post. The new Police Post would cost K992,000 under 2023 CDF. The Project was about 60 per cent complete. The Council further stated that the K992,000 was for Phase 1, to cater for flooring, plumbing, and floor finishes.

Committee's Observations and Recommendations

The Committee resolves to close the matter

6. Kalulushi Municipal Council

i. Operational Matters-Failure to Carry out Road Maintenance.

ii.

The maintenance works on Luangwa and Luapula Roads were still on-going. The Council, through the Engineering and Works Department, had been collaborating with the Road Development Agency (RDA), since 2022, by supplying materials for repairs and maintenance.

The Committee was, however concerned with the lack of capacity by the Council to construct a sustainable and reliable road, as observed by poor maintenance and cracked concrete on the fixed potholes. The Committee was of the view that the RDA needed to take responsibility to fix the road and not just supplying materials to the Council.

Committee's Observations and Recommendations

The Committee resolves to close the matter

iii. Management of the Local Government Equalisation Fund

o Failure to Complete Projects-Construction of Truck Park Inn

The Truck Park Inn was not yet operational. The Committee was informed that water and electricity had been installed, including an ablution block, restaurant, and a guard house, at a total cost of K2.6 million, using locally generated revenue. The delay in officially opening the Truck Inn was because the RDA had not given an access road to the facility. The Council was still waiting for feedback from the RDA in order for the Truck Inn to be fully operational.

Although water and electricity, ablution block and restaurant had been completed, the Committee was concerned with the absence of security lights and other facilities that were needed for the Truck Inn to be fully operational.

The Committee advised the Council to write to the Provincial Administration and the RDA to expedite the process of setting up an access road to the Truck Inn, as the facility was a potential source of revenue for the Council, and delay in opening it may affect local revenue mobilisation targets.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

7. Kitwe City Council Operational Matters:

i. Failure to Install and Maintain Street Lights

The Council installed fifty solar-powered street lights on Matuka Road, through a local contractor, at an amount of K722,000. The street lights covered a radius of 17.5 metres, and were placed 35 metres apart. The Committee was, however, concerned with the small size of the street lights, and how sustainable they would be in providing adequate lighting on the mentioned road.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

ii. Failure to Maintain Roads-Chingola Road Cemetery

The Committee observed that the Cemetery Road had been completed. The Committee, however, showed concern by the lack of drainage on the road, which may cause flooding, leading to high maintenance costs.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

iii. Management of Assets

o Dilapidated KMB Mechanical Workshop

The Committee observed that the workshop was still dilapidated as there had not been much maintenance works undertaken. The Committee was concerned that since 2021, maintenance works had not been completed, showing negligence by the Council. The Council, however, stated that cleaning and plumbing works (fixing of showers and toilets) were being carried out, and that major works would be done using the 2024 and 2025 budget and that rehabilitation works would be completed end of year 2024.

The Council, further stated that the scope of works included; rehabilitation of roof; fixing of leaking water pipes; removing and replacing collapsed walls; rehabilitating the roof support structure; which had been budgeted at K800,000.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

○ **Dilapidated Bamboo Building Workshop**

The Committee observed that the workshop was still dilapidated and no maintenance works had been done since 2021, thereby affecting service delivery. The lack of rehabilitation was due to lack of adequate resources. The Committee was informed that some repairs of the workshop would be included in the 2025 and 2026 budget. The Council needed about K7 million for the workshop to be fully rehabilitated and operational.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

○ **Dilapidated Buchi Hotel**

The Hotel was not operational and no rehabilitation works had been done. The Committee was informed that it was difficult to run the Hotel profitably due to the poor location, in addition to it being very old as it was constructed post-independence. The Council intended to convert the Hotel into a boarding house, targeting students at a nearby Hospital.

The Council stated that if the Bamboo Workshop was fully operational, it would have been supplying materials meant to rehabilitate Buchi Hotel.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

○ **Chisokone Fish Shelter without Concrete Floor and Drainage**

The drainage at the market had been installed and operational. The Committee, however, advised the Council to sensitise the community and marketeers not to throw rubbish in the drainage, as it could result into blockage. The Committee was also informed that the cover tops for the drainage were supplied by the Council Workshop.

It was also stated that the concrete floor and trading tables were next to be done by the Council, however, no timeframe was given.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

8. Ndola City Council

i. Management of Constituency Development Fund – Undelivered Building Materials

The building materials; six-hundred pockets of cement and twenty-five timber, all at a cost of K82,800, were delivered to the Council. The Council stated that the materials would be channeled to other CDF Projects which needed the materials. The Committee was informed that the K200,000 which was given to the cooperative was a grant under the old CDF Guidelines when CDF was still at K1.6 million per Constituency.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the matter

2.2 Foreign Tour

The Committee on Local Government Accounts undertook its Benchmarking visit to the United Republic of Tanzania, where it interacted with the Deputy Speaker of the National

Assembly; Members of the Local Authorities Accounts Committee; Minister of Finance and his staff; Deputy Minister in the Ministry of State, Office of the President; Regional Administration and Local Government; and the Deputy Internal and Auditor General.

The findings of the Committee are set out below.

i. Local Authorities Accounts Committee

The Committee was informed that the Local Authorities Accounts Committee, was a Committee of Parliament, whose Members were appointed by the Speaker at every Session of the Assembly. There was no prescribed number of Members to serve under the Committee as this was determined by the Speaker, depending on the nature of business the Committee was to consider in a particular Session. At the time of the benchmarking tour, the Committee consisted of nineteen Members of Parliament and the Chairperson was from the opposition, as this was prescribed in the Standing Orders.

The Committee provided oversight on the utilisation of the funds given to the Local Authorities, from the Central Government; and on the locally generated revenues. Accounting Authorities, who were appointed by the President, appeared before the Committee based on the queries highlighted in the Report of the Auditor General. However, the appearance was not publicised but the Report of the Committee was publicly debated on the Floor of the House.

ii. Ministry of Finance

The Committee was given a presentation focusing on the disbursement of the Constituency Development Catalyst Fund (CDCF), as it was referred to in Tanzania. The Committee learnt that the CDCF was a Central Government Fund given to the Members of Parliament to finance community-driven development projects, executed at constituency level, through the local authorities.

The Fund was established through the *Constituency Development Catalyst Development Fund Act, No. 16 of 2009* and it was allocated to 264 electoral constituencies, of which 214 were found on Mainland Tanzania and fifty on Tanzania Zanzibar.

The Minister responsible for Local Government, prepared the allocation plan for each electoral constituency and submitted to the Ministry of Finance to incorporate the proposed allocations in to the National Budget.

The Committee was informed that the criteria for allocating the Fund was as set out below.

- i. 25 per cent equal allocation to every constituency.
- ii. 45 per cent, based on population size in the constituency.
- iii. 20 per cent, based on the rate of poverty in the constituency.
- iv. 10 per cent, based on the size of the administration area of the constituency.

With regard to the composition of the CDCF Committee, it was submitted that the Committee consisted of following members:

- i. a Member of Parliament who was also Chairperson of the Committee;
- ii. a District Planning Officer of the respective Council where the constituency falls, who would also be a secretary of the Committee;

- iii. a male and female Councilor from the respective constituency;
- iv. two ward executive officers from the respective constituency; and
- v. one representative of the NGOs from the constituency.

iii. Ministry of State, Office of the President: Regional Administration and Local Government

With regard to the composition and criteria of managing the CDCF, the Ministry reechoed the submission made by the Ministry of Finance.

With regard to the Planning and Budgeting process in Local Government, the Committee learnt that the Local Government Reform Programme (LGRP) of 1997 and the Decentralisation by Devolution Policy of 2000, served as the foundation for the budget process in Local Government Authorities. The Decentralisation Policy was formally launched in 1998, and was put into practice in 2000. This policy acknowledged and guided the planning and budgeting process, which began at the village or street level.

The Committee was informed that all Local Government Authorities in Tanzania did have two sources of funding projects, which were own source revenue and grants from the Central Government. Through the Ministry of Finance, the Government transferred revenue and grants from the Central Government and development partners to the Local Government Authorities. The Ministry of Finance forwarded the financial information to the Office of the President- Regional Administration and Local Government (PO-RALG) and Regional Offices to oversee the Local Government Authorities in their respective regions for compliance with the approved budget.

With regard to own source, the Committee was informed that all Local Government Authority revenue was collected by the Local Government Authorities themselves and deposited into a special Own Source Revenue Collection Account every day. The revenue was allocated to be used for developmental projects and regular operational costs of the Local Government Authority, in accordance with the priorities set out in the approved budget.

iv. Office of the Internal and Auditor General.

The Committee was informed that the Office conducted its audits in line with the International Organisation of Supreme Audit Institutions (INTOSAI) standards. The Audit Office produced a consolidated report on the audit of accounts of Local Authorities every financial year.

v. Tour of Projects funded through CDCF and Locally Generated Revenue

The Committee undertook an inspection of a Maternity facility, petty traders market and an Investment Complex. The Maternity building and its installations were built using the Constituency Development Catalyst Fund. The petty traders Market was built using Locally Generated Revenues and contributions from the petty traders. The Market was built as a trading place for traders who were removed from the streets.

Similarly, the Council was building an Investment Complex, with conference facilities, which will serve as a commercial venture for Dodoma City Council.

The Committee was informed that all the projects were being implemented by Local Contractors who were regularly monitored.

Committee's Observations and Recommendations

The Committee observes that the criteria for allocating the CDCF was progressive and ,therefore, urges the Controlling Officer in the Ministry of Local Government and Rural Development to consider developing CDF regulations in line with what was obtaining in Tanzania.

The Committee is pleased with the quality of workmanship and implementation of the projects visited in Dodoma and contends that this could be due to the quality of local contractors and constant supervision.

In view of this, the Committee urges the Controlling Officer in the Ministry of Local Government and Rural development to enhance the monitoring and supervision project mechanisms in place to Improve the quality of the projects being developed by the Councils.

CONCLUSION

The Committee expresses concern that Councils were having challenges to mobilise locally generated revenues and observes that this was simply because of lack of innovation proactivity to come up with income generating activities; and to harness the existing sources of revenue. The Committee is confident that with concerted effort from all stakeholders in local communities, Councils would improve their revenue collection and be in a position to deliver quality services to the communities.

The Committee is confident that the observations and recommendations contained in this report will be favourably considered and fully implemented by the Executive in the interest of the Zambian people.

We have the honour to be, Madam Speaker, the Committee on Local Government Accounts mandated to consider the Report of the Auditor General on the Accounts of Local Authorities for the Financial Year Ended 31st December, 2022.



Mr Darius Mulunda, MP
CHAIRPERSON

JULY, 2024
LUSAKA

APPENDIX I - List of National Assembly Officials

Mr Stephen Chiwota, Director (Financial Committees)
Mrs Angela M Banda, Deputy Director (Financial Committees)
Mr Charles Chishimba (Senior Committee Clerk (FC 1)
Mr Moses Chuba, Committee Clerk
Mrs Charity K Muyunda, Acting Administrative Assistant II
Mr Danny Lupiya, Acting Senior Committee Assistant
Mr Muyembi Kantumoya, Acting Committee Assistant