



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEFS' AFFAIRS

ON THE

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF ACCOUNTS OF
LOCAL AUTHORITIES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER,
2024**

FOR THE

FIFTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

Foreword

Madam Speaker, the Committee on Local Governance, Housing and Chiefs' Affairs, has the honour to present its Report on the Report of the Auditor General on the Audit of Accounts of Local Authorities for the Financial Year Ended 31st December, 2024. The functions of the Committee are set out in Standing Order 206 (i) of the National Assembly Standing Orders, 2024.

The Report of the Auditor General on the Audit of Accounts of Local Authorities for the Financial Year Ended 31st December, 2024, was conducted in accordance with the provisions of *Article 250 of the Constitution of Zambia (Amendment) Act No.2 of 2016*, the *Local Government Act, No. 2 of 2019*, the *Constituency Development Fund Act, No. 11 of 2018* and the *Public Finance Management Act, No.1 of 2018* and the International Standards for Supreme Audit Institutions.

The Committee held thirty-eight meetings to consider the Report of the Auditor General. With technical guidance from the permanent witnesses, the Committee received 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 the Secretary to the Treasury on the comments of the Auditor General while Part II deals with responses from Accounting Authorities (Sub Warrant Holders) and Committee's Observations and Recommendations

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 the Clerk of the National Assembly.



Mr Twaambo E Mutinta, MP
CHAIRPERSON

May, 2026
LUSAKA

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ACRONYMS

| | |
|-------|------------------------------------|
| LGEF | Local Government Equalisation Fund |
| IPCs- | Interim Payment Certificates |
| NAPSA | National Pension Scheme Authority |

| | |
|-------|----------------------------------------------------|
| LGSC | Local Government Service Commission |
| ZRA | Zambia Revenue Authority |
| PACRA | Patents and Companies Registration Agency |
| WDC | Ward Development Committees |
| ICT | Information and Communications Technology |
| LA | Local Authorities |
| EPB | Environmental Project Brief |
| ZEMA | Zambia Environmental Accounting Authority Agency |
| ZDSP | Zambia Devolution Support Programme |
| MLGRD | Ministry of Local Government and Rural Development |
| CDF | Constituency Development Fund |
| CBD | Central Business District |
| CDFCs | Constituency Development Fund Committees |
| GBV | Gender Based Violence |
| HIV | Human Immune Deficiency Virus |
| IDP | Integrated Development Plan |
| LASF | Local Authorities Superannuation Fund |
| NHIMA | National Health Insurance Accounting Authority |
| ZRA | Zambia Revenue Authority |
| ZDSP | Zambia Devolution Support Programme |

1.0 COMPOSITION OF THE COMMITTEE

The Committee consisted of: Mr Twaambo Mutinta, MP (Chairperson); Mr Anthony Kasandwe, MP (Vice Chairperson); Mr Mr Christopher Kang'onbe, MP; Mrs Emelda Munashabantu, MP; Mr Newton Samakayi, MP; Mr George K Kandafula, MP; Mr Kampampi Kabaso, MP; Mr Kenny Siachisumo, MP; Mr Paul Chala, MP; and Mr Henry Sikazwe, MP.

PART I

RESPONSES FROM THE SECRETARY TO THE TREASURY ON THE COMMENTS BY THE AUDITOR GENERAL

2.0 INTRODUCTION

The Secretary to the Treasury acknowledged the constitutional and statutory mandate of the Auditor General in auditing Local Authorities in accordance with Article 250 of the Constitution of Zambia, the Local Government Act, the Constituency Development Fund Act and the Public Finance Management Act. The Treasury appreciated the audit process as an important mechanism for promoting accountability, transparency and prudent utilisation of public resources. Treasury further submitted that it would continue sensitising Local Authorities on Public Finance Management legislation and strengthen monitoring mechanisms through the Ministry of Local Government and Rural Development (MLGRD).

Committee's Observations and Recommendations

The Committee urges the Treasury to provide clear timelines for sensitisation programmes and strengthen enforcement mechanisms to enhance compliance with financial management legislation.

3.0 AUDIT SCOPE, METHODOLOGY AND REPORTING PROCESS

The Treasury appreciated the audit scope and methodology adopted by the Auditor General and noted that the audit process enhanced accountability through planning, risk assessment, evaluation of internal controls, audit testing and reporting stages. Treasury further submitted that Local Authorities had been encouraged to actively engage during all stages of the audit process to resolve audit queries promptly and improve financial governance.

Committee's Observations and Recommendations

The Committee urges the Treasury to ensure that Principal Officers take personal responsibility during audit processes and institute disciplinary measures against officers who fail to comply with audit and financial management requirements.

4.0 GOVERNANCE, MANAGEMENT AND HUMAN RESOURCE CAPACITY

The Treasury acknowledged the governance and management structures established under the Constitution and the Local Government Act and submitted that effective management of Local Authorities was essential for improved service delivery. Treasury further submitted that staffing levels continued to be monitored through the Local Government Service Commission and that organisational structures were under review in line with the decentralisation agenda.

Committee's Observations and Recommendations

The Committee urges the Treasury to expedite the review of staffing structures and prioritise the recruitment of key personnel in finance, engineering and legal departments to improve operational efficiency in Local Authorities.

5.0 FINANCIAL MANAGEMENT, PROCUREMENT AND REVENUE MOBILISATION

The Treasury submitted that Government had strengthened budget performance monitoring, procurement capacity building, internal audit functions and revenue management systems in order to improve accountability and transparency in Local Authorities. Treasury further highlighted the implementation of digital platforms and automation initiatives aimed at enhancing revenue collection and financial reporting.

Committee's Observations and Recommendations

The Committee urges the Treasury to strengthen oversight mechanisms, enforce strict compliance with procurement regulations and ensure that disciplinary action is instituted against officers responsible for irregular expenditure and weak revenue collection practices.

6.0 INFORMATION COMMUNICATION TECHNOLOGY AND RECORDS MANAGEMENT

The Treasury acknowledged challenges arising from fragmented ICT systems and weak records management practices within Local Authorities. Treasury submitted that collaboration with Smart Zambia Institute and cooperating partners was underway to standardise ICT systems and strengthen records management frameworks, with full harmonisation targeted by 2027.

Committee's Observations and Recommendations

The Committee urges the Treasury to expedite the harmonisation of ICT systems and provide a clear implementation timeframe to improve efficiency, transparency and uniformity in financial reporting.

7.0 STATUTORY OBLIGATIONS AND SPECIAL PROGRAMMES

The Treasury expressed concern over delays in remitting statutory obligations and submitted that measures such as deductions at source and revision of the Local Authorities Debt Management Strategy had been introduced to address the matter. Treasury further submitted that operational reforms had been implemented under the Cash for Work Programme and Zambia Devolution Support Programme to strengthen accountability, beneficiary targeting and project implementation.

Committee's Observations and Recommendations

The Committee urges the Treasury to ensure strict monitoring of statutory remittances and strengthen supervision of decentralisation and social protection programmes to guarantee value for money and improved service delivery outcomes.

8.0 CONCLUSION

The Secretary to the Treasury acknowledged the weaknesses highlighted in the Auditor General's Report and submitted that deliberate measures would be undertaken to strengthen internal controls, enhance compliance, improve systems and build institutional capacity across Local Authorities

PART II

SUBMISSIONS BY THE ACCOUNTING AUTHORITIES

FINDINGS SPECIFIC TO COUNCILS

CENTRAL PROVINCE

9.0 KABWE MUNICIPAL COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and physical inspections of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

9.1 Misappropriation of Funds-Personal Emoluments

The Accounting Authority submitted that the Group Accountant misappropriated funds amounting to K1,899,149.00 (comprising K1,479,057.28.00 in 2025 and K420,091.39 in 2024) by processing duplicate salary and personal emolument payments from the Council's Market Account into his personal bank account. The perpetrator exploited weaknesses in the Pay Flex electronic funds transfer system, which allowed transactions to be approved despite mismatches between the account name and the account number. The Accounting Authority further submitted that the officer was suspended and subsequently arrested by the Drug Enforcement Commission pending prosecution. Disciplinary proceedings were suspended pending the conclusion of the criminal matter before the Courts of Law. It was also submitted that the Council had engaged the bank, which undertook to refund the misappropriated amounts. Disciplinary action had further been taken against other officers responsible for initiating and verifying payroll data in the Finance, Internal Audit and Human Resource Departments.

The Accounting Authority submitted that, as a remedial measure, the Salaries Account was moved to another bank that provided detailed transaction records to facilitate proper monthly payroll reconciliations. It was also submitted that the bank had reimbursed the full amount and supporting documentation was available for audit verification.

Committee's Observations and Recommendations

The Committee recommends that the Council:

- i. strengthens payroll internal controls, including segregation of duties and mandatory dual verification of payroll processing, in compliance with the *Public Finance Management Act No1 of 2018* which requires regular financial reconciliation and review;
- ii. implements an automated payroll anomaly detection mechanism, capable of flagging duplicate or irregular payments before authorisation;
- iii. tightens bank interface controls, ensuring that beneficiary name-account number mismatches are automatically rejected; and

- iv. the Internal Audit Unit submits quarterly payroll audit reports to the LGSC to ensure continuous oversight.

The Committee resolves to await a progress report on the matter, specifically on the:

- i. final outcome of the court proceedings;
- ii. initiation of surcharge processes; and
- iii. implementation of strengthened payroll and banking controls

10.0 KAPIRI MPOSHI TOWN COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and physical inspections of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

10.1 Failure to Insure Motor Vehicles

The Accounting Authority submitted that the lapse arose from liquidity constraints experienced by the Council at the material time. The Futon light truck (BBA 3006) had since been insured, while the Ford Ranger (BAD 8168), was damaged beyond repair and was earmarked for auction. The matter was reported to the Provincial Accident Board, which surcharged the officer responsible. A recovery letter had been issued to Luanshya Municipal Council, where the officer was transferred, for payroll deductions.

Committee's Observations and Recommendations

The Committee recommends that the Council:

- i. ensures that all vehicles are insured continuously and appropriately before being allowed on public roads;
- ii. expedites the auction of the Ford Ranger and the proceeds are deposited into the appropriate Council account in accordance with *Public Finance Management Act No 1 of 2018, Section 45* on the disposal of public assets;
- iii. establishes a vehicle insurance compliance register reviewed monthly by the Internal Audit Unit; and
- iv. the surcharge recovery from Luanshya Municipal Council be finalised and evidence submitted to the office of the Auditor General for audit verification.

The Committee resolves to await a progress report on the matter, particularly regarding the auction of the Ford Ranger and the completion of surcharge recoveries.

10.2 Management of Infrastructure-Delayed Completion of Ablution Block at Riverside Market (Contract Sum: K791,757.00)

The Accounting Authority submitted that the delay resulted from poor contract management and the slow pace of the contractor. The ablution block had since been completed. Officers had received training in contract management, and the LGSC had effected changes in key staff positions to enhance project oversight.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens contract administration procedures, such as enforcing penalties, and ensures that officers newly trained in contract management are deployed strategically to prevent recurrence. The Committee resolves to close the matter, subject to audit verification.

10.3 Undelivered Goods-Sector Grant (K2,046,387.00)

The Accounting Authority submitted that the matter had been reported to the relevant law-enforcement agencies. Officers suspected of involvement had been suspended pending investigations.

Committee's Observations and Recommendations

The Committee recommends that the Council fully cooperates with investigative wings and ensure that all responsible officers are subjected to appropriate disciplinary and legal processes. Internal Audit Unit strengthens document control and introduces a secure document custody system for all procurement-related transactions. The Committee resolves to await a progress report on the outcome of law-enforcement investigations, reconstruction of records, and disciplinary measures taken.

11.0 NGABWE TOWN COUNCIL

An examination of the financial and other records of Ngabwe Town Council for the financial year ended 31st December 2024, and a physical inspection of selected projects undertaken in September 2025, revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

11.1 Unrecovered Funds-K431,877.00

The Accounting Authority submitted that the unrecovered funds amounting to K431,877.00 resulted from the possession of Investrust Bank by the Bank of Zambia on 2nd April 2024 due to insolvency. The Accounting Authority indicated that the Zambia Industrial Commercial Bank (ZICB), was appointed as custodian bank, and that upon receiving guidance from the Bank of Zambia, initial transfers were made to the designated transition account before final payments were effected in line with the MLGRD.

It was further reported that the funds in question had since been fully recovered and redistributed to new accounts opened with ZANACO, NATSAVE and Indo Bank, consistent with the directive.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens adherence to *Section 68 of the Public Finance Management Act, No. 1 of 2018*, which requires controlling officers to ensure that all public monies are safeguarded, including through diversifying banking arrangements and undertaking regular bank risk assessments.

The Committee resolves to close the matter subject to audit verification, as recovery has been effected and appropriate remedial measures initiated.

11.2 Unaccounted for Assets-K154,521.00

The Accounting Authority submitted that the nine (9) assets valued at K154,521.00, including printers; laptops; a refrigerator; and office furniture, were not availed for audit verification because the Council was in the process of relocating from the Kabwe office to the Ngabwe office, and the assets had not yet been arranged or reconciled at the time of audit.

It was further reported that the assets had since been located, sorted and recorded in the Ngabwe Town Council asset register, which had now been updated accordingly.

Committee's Observations and Recommendations

The Committee recommends that the Council should strengthen internal control procedures to prevent asset misplacement during relocations or departmental transfers. Additionally, the Council should institutionalise an annual physical verification process, properly documented and certified, and the updated asset register be submitted to the Office of the Auditor General for audit verification.

The Committee resolves to await a progress report on the submission of the updated asset register for audit verification.

12.0 CHILILABOMBWE MUNICIPAL COUNCIL

An examination of financial and other records for the financial year ended 31st December 2024 and a physical inspection of selected projects in August 2025 revealed the following to which the Accounting Authority responded as outlined below.

12.1 Management of Ward Development Fund-Failure to Utilise Hammermill (Mvula Ward)

The Accounting Authority submitted that the equipment had not been assembled seven (7) months after delivery and had been kept at the Engineering Workshop in Lubengele at the time of audit. The delay in operationalising the hammermill was due to the fact that the shelter intended to house the equipment was still under construction. The Accounting Authority further submitted that the shelter had since been completed and the hammermill was now operational.

Committee's Observations and Recommendations

The Committee recommends that the Council:

- i. ensures that prior to procurement of equipment under the Ward Development Fund, all supporting infrastructure such as shelters and installation facilities are completed or at an advanced stage to avoid unnecessary delays;
- ii. develops a project implementation schedule for all Ward Development Fund projects to ensure synchronisation between procurement, construction and commissioning stages; and
- iii. strengthens the Internal Audit Unit's post-procurement monitoring to confirm timely utilisation of procured assets.

In view of the submission that the shelter has been completed and the hammermill is operational, the Committee resolves to close the matter, subject to audit verification.

13.0 CHINGOLA MUNICIPAL COUNCIL

An examination of financial and other records for the financial year ended 31st December 2024 and a physical inspection of selected projects in August 2025 revealed the following to which the Accounting Authority responded as outlined below.

13.1 Failure to Utilise Procured Drone-K248,724.00

The Accounting Authority submitted that the drone had not been operationalised because the Council did not have a licensed pilot trained to operate the equipment, notwithstanding

that the procurement cost included registration and a pilot licence. The Accounting Authority further submitted that the Council had since engaged the services of a pilot to facilitate operationalisation and had written to the supplier regarding outstanding training services on the operation of the drone.

Committee's Observations and Recommendations

The Committee recommends that the Council ensures that all specialised procurements are preceded by a capacity assessment to confirm availability of trained personnel and that contracts with suppliers should clearly provide for mandatory training and commissioning prior to final acceptance of equipment. The Committee resolves to await a progress report on full operationalisation and proof of training of Council staff.

13.2 Failure to Claim Motor Vehicle Insurance-Foton Aumark Light Truck (ACZ 3915) – Insured Value K300,000.00

The Accounting Authority submitted that although the vehicle had been comprehensively insured, the insurance company did not honour the claim because the driver's licence was not valid at the time of the accident. The Accounting Authority further submitted that the driver had been charged for operating without a valid licence, negligence and causing damage to Council property. Recoveries amounting to K250,000.00 being the insured value, had commenced through payroll deductions, of which K50,966.43 had been recovered to date. Additionally, a quarterly monitoring mechanism had been introduced to track the validity of drivers' and operators' documents.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens its fleet management system by maintaining an updated register of drivers' licences and insurance policies; disciplinary and recovery measures be strictly enforced; and Management ensures that no Council vehicle is allocated to any driver without prior verification of licence validity.

Given that recoveries have commenced but remain incomplete, the Committee resolves to await a progress report on full recovery of K250,000.00 and evidence of strengthened internal controls over fleet management.

14.0 KITWE CITY COUNCIL

An examination of financial and other records for the financial year ended 31st December 2024 and a physical inspection of selected projects in August 2025 revealed the following to which the Accounting Authority responded as outlined below.

14.1 Failure to Operationalise Ticket Booths at Kitwe Main Bus Station

The Accounting Authority submitted that the ticket booths were not operational nineteen (19) months after handover because prospective tenants rejected the monthly rental fees initially proposed by the Council. The tenants had demanded additional works, namely the paving of the entire station; rehabilitation of ablution blocks; and installation of flood lights, prior to occupation.

The Accounting Authority further submitted that rental fees had subsequently been agreed upon and all sixteen (16) tenancy agreements had since been executed. The paving works and installation of flood lights were to be undertaken by a road contractor engaged by the MLGRD under the 16.25-kilometre township roads project in Kitwe. The rehabilitation

of the ablution block had been provided for in the current year's budget and was scheduled for completion in the first quarter of the year.

Committee's Observations and Recommendations

The Committee therefore recommends that the Council:

- i. ensures that all infrastructure projects intended for revenue generation are supported by pre-operational stakeholder consultations and clear tenancy frameworks prior to completion;
- ii. establishes a formal asset operationalisation plan immediately upon project completion; and
- iii. submits evidence of revenue collections from the sixteen (16) booths and progress on the ablution block rehabilitation and flood lighting.

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

14.3 Delayed Completion-Construction of Ticket Booths at Kitwe Main Bus Station

The Accounting Authority submitted that the delay in completion of the ticket booths was primarily caused by the Zambia Electricity Supply Company (ZESCO), which took more than one year to relocate armoured service lines passing beneath the project site. The delay significantly disrupted the project schedule.

The Accounting Authority further submitted that the Council terminated the contract on 2nd June 2025. The remaining works, comprising electrical installation and brick paving of drains, were thereafter undertaken by the Council and had since been completed using part of the unutilised contract balance.

Committee's Observations and Recommendations

The Committee recommends that the Council undertakes comprehensive pre-contract due diligence, including written confirmations from service providers before project commencement and strengthens contract management and risk mitigation mechanisms. The Committee resolves to close the matter, subject to audit verification.

15.0 MPONGWE TOWN COUNCIL

An examination of financial and other records maintained at Mpongwe Town Council for the financial year ended 31st December 2024, together with a physical inspection of selected projects undertaken in May 2025, revealed the following to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

15.1 Management of Land-Failure to Revoke Expired Invitations to Treat

The Accounting Authority submitted that the delay had not revoked ITTs for 309 applicants who had failed to pay plot premiums amounting to K4,271,550.00 in revoking the Invitations to Treat arose from uncertainty among some applicants after it was discovered that several of the allocated plots were located on rocky terrain, a situation that created dissatisfaction among potential developers. The hesitation by the offerees to proceed with development affected the timely payment of plot premiums.

The Accounting Authority further submitted that Management had issued a public notice informing the affected applicants of the revocation of the premium plots. The matter was also presented to the Council and reported under Council Minute No. PEIDWSA&NR/54/08/25 in order to obtain authority to proceed with the revocation and facilitate the reallocation of the plots.

Committee's Observations and Recommendations

The Committee recommends that the Council should:

- i. strictly enforce the ninety-day payment condition for plot premiums and immediately revoke offers where the conditions are not met;
- ii. complete the revocation process for the affected 309 plots and ensure that the plots are re-advertised and reallocated to eligible applicants without delay;
- iii. establish a clear land allocation monitoring system within the Council to track issued Invitations to Treat, payments of plot premiums and expiry dates in order to avoid future lapses; and
- iv. ensure that site suitability assessments are conducted before plots are offered to members of the public so that issues such as rocky terrain are identified early.

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

16.0 MUFULIRA MUNICIPAL COUNCIL

An examination of accounting and other records maintained at Mufulira Municipal Council for the financial year ended 31st December 2024, together with a physical inspection of selected projects conducted in September 2025, revealed the following to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

16.1 Failure to Claim Insurance

The Accounting Authority agreed with the Auditor General's submission that Zambia State Insurance Corporation (ZSIC) General Insurance, had not honoured an insurance claim relating to motor vehicle and that no action had been taken by the Council, thirty-six months after the accident occurred.

The Accounting Authority explained that the vehicle had initially been repaired by Alile Investments, which enabled the Council to continue using it for approximately twenty months. During this period, however, the vehicle experienced abnormal wear and tear. The insurer was later engaged to reassess the condition of the vehicle. The subsequent inspection established that the vehicle chassis required replacement, and the insurer determined that the vehicle had reached a state beyond economic repair.

The Accounting Authority further reported that ZSIC had since proposed that the vehicle be salvaged, with the proceeds from the salvage to be remitted to the Council's account.

Committee's Observations and Recommendations

The Committee recommends that the Council should strengthen its asset management and insurance monitoring systems to ensure that insurance claims are pursued and concluded within reasonable timeframes. The Council should also maintain a comprehensive asset register and incident tracking system to enable prompt follow-up with insurers whenever accidents occur.

The Committee further urges the Council to ensure that the salvage process is completed without delay and that the proceeds from the salvage are properly receipted and accounted for in accordance with the Public Finance Management Regulations governing the management of public revenue.

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

17.0 NDOLA CITY COUNCIL

An examination of financial and other records maintained at Ndola City Council for the financial year ended 31st December 2024, together with a physical inspection of selected projects conducted in September 2025, revealed the following matters, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

17.1 Management of Dredgers

17.1.1 Unreceipted Income-K K60,000.00

The Accounting Authority submitted that the amount was receipted on 9th October 2024 and that the corresponding receipts, together with the charge sheets relating to the dredger hire were available for audit verification. It was reported that the Council had strengthened internal procedures and had begun reconciling revenues on a daily basis. Charge sheets and official receipts were now being maintained within the same revenue office in order to strengthen accountability.

Committee's Observations and Recommendations

The Committee recommends that the Council should strengthen revenue management controls, including the strict requirement that all income collected be receipted immediately. The Council should also ensure that revenue from equipment hire such as dredgers is recorded through a centralised system and supported by charge sheets; hire agreements; and bank reconciliations.

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

17.1.2 Failure to Claim Additional Funds from the Hire of Dredgers-K356,715.00

The Accounting Authority submitted that during the hire periods, the two dredgers experienced breakdowns while at the client's premises. The breakdowns resulted in extended hire periods as the machines remained on site while undergoing repairs.

The Accounting Authority further submitted that the Council had introduced a formal reporting mechanism for equipment downtime during hire periods, which required the operator and the supervisor to record and endorse the downtime. The relevant documentation had been maintained and was available for verification.

Committee's Observations and Recommendations

The Committee recommends that the Council should establish clear contractual arrangements and monitoring mechanisms for all equipment hired out to third parties. Hire agreements should clearly provide for downtime, repair periods and the applicable

charges. The Council should also ensure that operators maintain daily operational logs so that revenue due to the Council is accurately calculated and collected.

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

17.2 Management of Infrastructure

17.2.1 Construction of an Ablution Block at Twapia Market

The Accounting Authority submitted that the Council acknowledged the observation raised by the Auditor General concerning defects identified on the ablution block during the defect liability period while the facility was already in use by the public.

The Accounting Authority reported that the contractor responsible for the works had been formally instructed to address the identified defects. The contractor had since undertaken the required rectification works and the defects had been corrected.

Committee's Observations and Recommendations

The Committee recommends that the Council should strengthen project supervision and contract management, particularly during construction and defect liability periods. Supervising officers should conduct routine inspections to ensure that contractors comply with the required specifications and standards before final project acceptance.

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

17.2.3 Rehabilitation of New Ambassador Hotel-Conference Room and Foyer

The Accounting Authority submitted that the peeling paint and cracked foyer were caused by roof leakages affecting the rehabilitated areas of the building.

The Accounting Authority reported that the Council had since repaired the roof leakages, after which the damaged areas in the foyer were rectified, including the repainting of affected surfaces and repair of cracks.

Committee's Observations and Recommendations

The Committee recommends that the Council should implement regular infrastructure inspection and maintenance programmes, particularly for commercial facilities such as the New Ambassador Hotel. Routine maintenance schedules should be introduced so that minor defects are addressed early before they develop into costly structural problems.

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

LUSAKA PROVINCE

18.0 LUSAKA CITY COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and physical inspections of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

18.1 Irregular Exemption of Ratable Properties in the Valuation Roll-K6,753,500.00

The Accounting Authority submitted that the forty-six properties valued at K6,753,500.00 had been recorded as agricultural properties with land extents of 2.02 hectares and therefore qualified for exemption under *Section 2(d) of the Rating Act No. 21 of 2018*. Additionally, thirty-eight properties that had not been billed had no assigned values in the 2019 valuation roll.

The Accounting Authority further submitted that the properties had since been subdivided and captured in the 2024 Main Valuation Roll and were now being billed. The supplementary roll for 2026 was under preparation, after which the remaining properties would be assigned values subject to approval by the Rating Valuation Tribunal.

Committee’s Observations and Recommendations

The Committee recommends that the Council strengthens internal controls over valuation updates and ensures that all subdivisions are promptly captured to avoid future revenue loss. Further, the Committee recommends that the supplementary roll for 2026 be finalised and submitted to the Rating Valuation Tribunal without delay.

The Committee resolves to await a progress report on the completion and approval of the supplementary roll, and the confirmation that all previously omitted properties have now been billed.

18.2 Delayed Implementation of Enterprise Resource Planning (ERP) System-Contract Sum K450,000.00

The Accounting Authority submitted that the delays arose from an expanded project scope following stakeholder consultations and challenges integrating with third-party payment platforms such as Zanaco; UBA; VISA; and Mobile Money operators.

The Accounting Authority further submitted that the ERP system had since been fully completed, deployed, and was now operational through elcc.gov.zm.

Committee’s Observations and Recommendations

The Committee recommends that future ICT contracts should include clear timelines, mandatory training deliverables, and penalties for non-performance. The Committee further recommends that all outstanding system documentation, particularly the UAT certificate and technical manuals be secured and filed.

The Committee resolves to close the matter, subject to audit verification of system functionality; training evidence; and submission of missing documentation.

18.3 Management of Assets-Lack of Lease Agreements for Thirty Properties Valued at K26,208,922.00

The Accounting Authority submitted that the absence of lease agreements had arisen from various causes, including expired leases; pending renovations; missing documents; non-payment by tenants; and the fact that some facilities were managed directly by the Council and therefore required no leases.

The Accounting Authority further submitted that:

- i. expired leases were renewed with effect from their dates of expiry;
- ii. evicted tenants’ premises were awaiting re-advertisement;
- iii. properties under Zambia Police occupation were confirmed as Council assets and would be documented;
- iv. bare land and play parks under Council control were to be upgraded and subsequently advertised; and
- v. renovation-pending units (for instance Chilenje toilet, Shake-Shake kiosk, Ibex Hill dwelling houses) would be rehabilitated in 2026.

Committee’s Observations and Recommendations

The Committee recommends that the Council finalises all outstanding lease agreements and ensures that every revenue-yielding property is supported by a valid and enforceable

contract; strengthens its asset-register controls, ensuring regular updating of all properties, including those under security institutions. All properties pending renovation or upgrading should be prioritised within the 2026 work plan with clear timelines, costings and procurement compliance. The Council should commence immediate re-advertisement of vacant premises to prevent continued loss of rental income.

The Committee resolves to await a progress report on the renewal of all outstanding lease agreements, documentation of Zambia Police-occupied properties, re-advertisement of vacant units, and the renovation of facilities.

19.0 CHONGWE MUNICIPAL COUNCIL

An examination of financial and other records maintained at Chongwe Municipal Council for the financial year ended 31st December 2024, and with a physical inspection of selected projects in September 2025, revealed the following, to which the Accounting Authority responded as outlined below.

19.1 Misclassification of Ratable Properties

The Accounting Authority acknowledged that the Auditor General's report that 290 properties had been misclassified as exempt, out of a total of 53,156.00 ratable properties. The Accounting Authority submitted that this misclassification had arisen from the late submission of required supporting documents to the Draft Audit Report process within the stipulated timeframe.

The Accounting Authority further submitted that the necessary documents had since been provided to validate that the affected properties were indeed exempt from paying rates to the Council, and that these documents were now available for audit verification.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens procedures for the timely compilation and submission of valuation-roll documentation, ensuring that all exempt properties are supported by valid evidence before classification and strict adherence to annual reviews of the valuation roll. The Committee resolves to close the matter subject to audit verification, given that the supporting documentation has been submitted.

20.0 CHILANGA TOWN COUNCIL

An examination of financial and other records maintained at Chilanga Town Council for the financial year ended 31st December 2024 and a physical inspection of selected projects carried out in May 2025, revealed the following matters, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

20.1 Missing Engine for a Grader

The Accounting Authority submitted that the engine could not be verified at the time of audit due to the absence of an asset movement form, which made it difficult for the audit team to ascertain its whereabouts. Management reported that the engine had since been collected from Barloworld and was available for verification at the Civic Centre.

Committee's Observations and Recommendations

The Committee recommends that the Council strictly enforces asset movement procedures; maintain an updated asset register in line with *Section 45 of the Public Finance Management Act, 2018 No 1 of 2018*; and ensure that all plant and machinery sent for repair are supported by properly authorised documentation.

The Committee resolves to close the matter subject to audit verification of the existence of the engine and strengthening of internal controls.

20.2 Delayed Completion-Construction of Kalundu Drainage in Kalundu Ward

The Accounting Authority submitted that the delay arose because property owners along the drainage path did not promptly produce ownership documents required for compensation. Management reported that twenty-two property owners had since been compensated in the sum of K4,338,000.00 using funds from the Disaster Management and Mitigation Unit, leaving a balance of K609,000.00 for thirteen beneficiaries who were yet to submit documentation. The remaining works had since been executed and completed by the Zambia National Service.

Committee's Observations and Recommendations

The Committee recommends that prior to project commencement, the Council should undertake comprehensive beneficiary verification and documentation. Further, the outstanding compensation of K609,000.00 should be settled only upon satisfactory verification of ownership documentation.

The Committee resolves to await a progress report on the settlement of the outstanding K609,000.00 and confirmation that all compensation procedures comply with applicable laws.

20.3 Failure to Complete Construction of Chilanga Council Civic Centre and Nine Staff Houses

The Accounting Authority submitted that the delay in completing the Civic Centre was caused by prolonged negotiations over price adjustments between the Ministry of Infrastructure, Housing and Urban Development and the contractor, which resulted in the contractor requesting termination of the contract. With respect to the nine staff houses, the delay was attributed to the procurement of a new contractor by the Ministry.

Management further submitted that the Council had written to the Ministry, emphasising the urgency of completing the projects and that the Ministry indicated that completion of the Council offices would be prioritised. The Council also reported that it could not utilise the budgeted amount of K1,104,336 in 2024 intended for completion of the staff houses because the Ministry had engaged the National Housing Authority to complete the works, and the contractor was currently on site.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens contract monitoring mechanisms and formally engages the Ministry of Infrastructure, Housing and Urban Development to obtain a clear completion timeline and revised project implementation schedule. The Council should also ensure that any unutilised funds are revalidated and committed strictly in accordance with the approved budget and relevant Treasury authority.

The Committee resolves to await a progress report detailing the revised completion timelines, utilisation of the K1,104,336.00, and the current status of both the Civic Centre and the nine staff houses.

21.0 LUANGWA TOWN COUNCIL

An examination of financial and other records maintained at Luangwa Town Council for the financial year ended 31st December 2024 and a physical inspection of selected projects carried out in October 2025 revealed the following matters, to which the Accounting Authority responded as outlined below.

21.1 Receipts Without Carbon Impressions

The Accounting Authority submitted that the absence of carbon impressions on 125 general receipts was due to fading ink on the self-carbonating receipt books. Management further submitted that the matter had since been brought to the attention of the Ministry of Finance and National Planning, which was the source of the accountable documents.

Committee's Observations and Recommendations

The Committee recommends that the Council immediately conducts a reconciliation of all affected receipts to confirm that revenue collected was fully accounted for and banked. The Council should further ensure that all receipt books are periodically inspected, defective books withdrawn, and written confirmation obtained from the Ministry of Finance and National Planning on corrective measures regarding the quality of accountable documents.

The Committee resolves to await a progress report detailing the reconciliation results; confirmation from the Ministry of Finance and National Planning; and measures instituted to strengthen controls over accountable documents.

21.2 Officers on Payroll Not on Staff Return-K2,081,871.00

The Accounting Authority submitted that the anomaly arose due to the non-inclusion of officers under Division 4 on the main staff returns, as well as the presence of unsettled retired officers. Management reported that Division 4 staff had since been incorporated on the staff returns.

Committee's Observations and Recommendations

The Committee recommends that the Council undertake a comprehensive payroll audit to reconcile all employees to approved establishment registers and staff returns. The status of the twenty officers, including those retired, should be regularised without delay. Any irregular payments identified should be recovered in accordance with Section 80 of the *Public Finance Management Act, No 1 of 2018*, where applicable.

The Committee resolves to await a progress report providing evidence of payroll reconciliation; confirmation that only authorised officers remain on payroll; and clarification on the settlement of any irregular payments.

EASTERN PROVINCE

22.0 CHASEFU TOWN COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and a physical inspection of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

22.1 Failure to Grade Township Roads

The Accounting Authority submitted that the equipment procured in 2023 had been prioritised towards opening up rural feeder roads in order to enhance accessibility and connectivity within the district during the period under review.

It was further submitted that the 2026 budget had provided for grading works under the Transport Services Programme, with a target of thirty-one (31) kilometres and an allocation of K6.3 million, part of which had been earmarked for township roads and crossing points.

Committee's Observations and Recommendations

The Committee recommends that the Council develops and implements a structured road maintenance plan that clearly allocates resources between rural feeder roads and township roads. The Council is urged to ensure that funds appropriated under the Transport Services Programme are applied strictly for their intended purpose in line with the provisions of the Public Finance Management Act No. 1 of 2018, which requires prudent and authorised use of public resources.

The Committee further recommends that the Council submits a detailed progress report indicating the:

- i. extent of township roads graded out of the targeted 31 kilometres; and
- ii. the utilisation of the K6.3 million allocation.

The Committee resolves to await a progress report on the grading of township roads and utilisation of the 2026 budget allocation.

22.3 Delayed Completion of the Council Chamber

The Accounting Authority submitted that the delay arose from the use of outdated project cost estimates prepared in 2022, which were not revised prior to implementation in 2023, thereby leading to cost escalations in materials.

It was further submitted that a new contractor had since been engaged and was on site utilising the remaining balance of K293,994.00 to complete outstanding works, including glazing, electrical installation, floor and wall finishes, carpentry, joinery, ironmongery, and external works.

Committee's Observations and Recommendations

The Committee recommends that all capital projects should undergo periodic cost reviews prior to commencement and during implementation to reflect prevailing market conditions. The Council is further urged to strengthen contract management and supervision to ensure timely completion of projects in line with approved budgets, as required under the and the applicable procurement regulations.

The Committee further recommends that the Council submits a progress report detailing the:

- i. completion status of the Council Chamber;
- ii. final contract sum; and
- iii. confirmation that all outstanding works have been completed and certified.

The Committee resolves to await a progress report on the completion of the Council Chamber and finalisation of the project.

23.0 LUMEZI TOWN COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and a physical inspection of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

23.1 Failure to Recover Salaries from a Bonded Officer-K170,688.00

The Accounting Authority submitted that, following the officer's informal resignation, Management instituted a search for his whereabouts and traced him to Kaoma in June 2025. Thereafter, a demand letter was served on the officer and receipt was acknowledged. However, the conditions contained in the demand letter had not been met by the time the audit closed. The Accounting Authority further submitted that management had since commenced legal proceedings against the officer and that the matter was before the court.

Committee's Observations and Recommendations

The Committee recommends that the Council should ensure that the case is actively pursued to its conclusion and if possible, should also enforce all available administrative recovery measures under the bond conditions. The Committee further recommends that Management should strengthen controls over bonded officers by maintaining a current register of bonds, tracking officers who separate from service, and ensuring that the Human Resource and Payroll sections immediately trigger recovery procedures once an officer resigns, or otherwise leaves employment. The officers responsible for the failure to institute prompt recovery action should be identified for appropriate disciplinary action, and where negligence is established.

The Committee resolves to await a progress report on the matter, specifically on:

- i. the status of the court proceedings;
- ii. the amount, if any, recovered from the former officer;
- iii. the administrative measures taken against officers who failed to recover the funds in good time; and
- iv. the control measures introduced to prevent a recurrence.

24.0 SINDA TOWN COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and a physical inspection of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

24.1 Construction of Council Bar and Restaurant-Stalled Project (Contract Sum: K1,406,585.00)

The Accounting Authority submitted that the delay in completion of the project had been due to the termination of the initial contract. It was further submitted that, at the time of audit, K1,327,345.00 had been paid, leaving a balance of K79,240.00, with outstanding works relating to plumbing, electrical installations, decorations and drainage. Management reported that the project had subsequently been taken over under force account using the remaining balance and had since been completed.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens contract management systems by ensuring that:

- i. performance bonds and enforceable contractual clauses are adhered to before payments are made;
- ii. payments are strictly tied to certified works completed on site; and
- iii. project supervision is enhanced through regular inspections and documented progress reports.

The Committee further recommends that the Council submits documentary evidence of the completed works, including completion certificates, inspection reports and final accounts, for audit verification. The Committee resolves to close the matter subject to audit verification that all outstanding works have been completed.

MUCHINGA PROVINCE

25.0 CHINSALI MUNICIPAL COUNCIL

25.1 Delayed Completion of Projects

Infrastructure projects funded by the Council remained incomplete beyond contractual completion periods.

Committee's Observations and Recommendations

The Committee recommends strict monitoring of contractors and timely completion of all ongoing projects.

25.2 Failure to Account for Assets

The Council failed to properly account for some public assets under its custody.

Committee's Observations and Recommendations

The Committee recommends updating and maintaining a comprehensive asset register.

NORTH-WESTERN PROVINCE

26.0 IKELENGE TOWN COUNCIL

26.1 Failure to Maintain Public Infrastructure

The Accounting Authority submitted that the Public infrastructure within the district had deteriorated due to inadequate maintenance.

Committee's Observations and Recommendations

The Committee recommends prioritisation of maintenance programmes for roads and public facilities.

27.0 KABOMPO TOWN COUNCIL

27.1 Uncompleted Projects

Several projects remained incomplete despite payments to contractors.

Committee's Observations and Recommendations

The Committee recommends enforcement of contractual obligations and recovery of funds where necessary.

28.0 KASEMPA TOWN COUNCIL

28.1 Failure to Properly Manage Revenue

The Council failed to effectively collect and account for locally generated revenue.

Committee's Observations and Recommendations

The Committee recommends strengthening internal controls and enhancing revenue monitoring systems.

29.0 MUSHINDAMO TOWN COUNCIL

29.1 Poor Project Management

The Auditor General observed weaknesses in project management and implementation.

Committee's Observations and Recommendations

The Committee recommends strengthening technical supervision and ensuring adherence to project specifications.

30.0 MWINILUNGA TOWN COUNCIL

30.1 Failure to Maintain Public Assets

Public assets under the Council were poorly maintained and deteriorating.

Committee's Observations and Recommendations

The Committee recommends development and implementation of an asset maintenance strategy.

31.0 SOLWEZI MUNICIPAL COUNCIL

31.1 Delayed Completion of Infrastructure Projects

Several infrastructure projects remained incomplete despite payments having been made.

Committee's Observations and Recommendations

The Committee recommends that the Council enforces contract timelines and ensures proper supervision of contractors.

31.2 Failure to Collect Revenue

The Council failed to collect outstanding revenue from various sources.

The Committee recommends immediate recovery of outstanding revenue and strengthening of collection mechanisms.

NORTHERN PROVINCE

33.0 CHILUBI TOWN COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and a physical inspection of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC FINDINGS

33.1 Failure to Implement Planned Activities-K3,570,000.00

The Accounting Authority submitted that the Council failed to implement two approved capital projects valued at K3,570,000.00 due to operational and funding constraints.

The Accounting Authority explained that the Council Motel Completion Project valued at K990,000.00 was not implemented because the project did not meet the Zambia Devolution Support Programme selection criteria. Further, out of the budgeted amount of K3,720,000, the Local Authority only received K2,694,737.00.

It was reported that the Council Motel had since been leased out.

The Accounting Authority further submitted that rehabilitation of feeder roads valued at K2,580,000 was not undertaken during the audit period due to lack of earth-moving machinery. Management, however, hired equipment and rehabilitated 138.5 kilometres of roads after the audit.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens project planning and ensures that projects approved under Government programmes are implemented within the prescribed timelines. The Committee further recommends that the Council prioritises acquisition or structured hiring of earth-moving equipment to avoid recurrent delays in road rehabilitation projects.

The Committee resolves to await a progress report on the implementation status of the approved capital projects and sustainability of the rehabilitated roads.

33.3 Delayed Completion of a Storage House at Kawena Village-K302,697.00

The Accounting Authority submitted that the delay in completing the storage house at Kawena Village arose due to restructuring of the Equalisation Fund.

The Accounting Authority explained that the original contract sum of K242,157.00 was revised to K302,697.00 on 19th December 2024. As at 31st May 2025, amounts totalling K193,431.00 had been paid to the contractor, leaving a balance of K109,266.00.

It was reported that the Local Authority had since sourced funds for completion of the project and that the works were expected to be completed by 28th February 2026.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens contract management and project supervision in order to ensure timely completion of works. The Committee further recommends that the Council enforces contract timelines and ensures that all variations are adequately monitored.

The Committee resolves to await a progress report on the completion of the storage house project at Kawena Village.

34.0 MUNGWI TOWN COUNCIL

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2024 and a physical inspection of selected projects revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC FINDINGS

34.1 Questionable Award of Contract-Purchase of Generators K995,000.00

The Accounting Authority submitted that the generators were procured for sensitive health installations under Mungwi District Health Office, including maternity wards, the intensive care unit, operating theatres and incubators for newborns. Management further submitted that the shortest delivery period was considered critical in order to avoid disruption of essential health services.

The Accounting Authority informed the Committee that the Sub-Procurement Committee at Mungwi District Health Office had since been dissolved.

Committee's Observations and Recommendations

The Committee recommends that all procurements be conducted strictly in accordance with the Public Procurement Act No. 8 of 2020 and the Public Procurement Regulations of 2022. The Committee further recommends that officers involved in procurement processes be subjected to refresher training in procurement procedures and accountability standards.

The Committee resolves to await a progress report on measures taken against officers responsible for the irregular procurement process and implementation of procurement reforms at the Council.

35.0 KASAMA MUNICIPAL COUNCIL

35.1 Delayed Completion of Works–Kapongolo Motel Bar

The Accounting Authority submitted that the delay in completing works on Kapongolo Motel Bar Phase I arose due to liquidity challenges as the project was being financed through locally generated revenue. Management further submitted that works relating to the counter and decorations had since been completed, while plumbing works remained outstanding pending availability of funds.

Committee’s Observations and Recommendations

The Committee recommends that the Council only undertakes projects after securing adequate funding and should strengthen project cash flow planning before commencement of works. The Council is further urged to expedite completion of the remaining plumbing works so that the facility becomes operational.

The Committee resolves to await a progress report on the completion and operationalisation of the Kapongolo Motel Bar project.

35.2 Failure to Maintain Township Roads

The Accounting Authority submitted that failure to maintain the Hospital Road was due to the road having been earmarked for rehabilitation as a previously bituminous road, although approval had not yet been obtained at the time of audit. Management further submitted that gravelling and compaction works had since been undertaken as interim measures.

Committee’s Observations and Recommendations

The Committee recommends that the Council prioritises maintenance of critical township roads and strengthens periodic road maintenance programmes even before major rehabilitation works are approved.

The Committee resolves to await a progress report on the rehabilitation and maintenance of the Hospital Road.

36.0 MPULUNGU TOWN COUNCIL

36.1 Management of Assets-Missing Motor Vehicle

The Accounting Authority submitted that the missing Nissan Twin Cab Hardbody registration number ABF 6863 had remained in the custody of Clientele Trading and General Supplies following repair works undertaken in 2017 for which an outstanding amount of K155,000.00 remained unpaid. Management further submitted that the matter had been determined by the Court in 2020, ordering the Council to settle the outstanding amount. However, before release of the vehicle, the proprietor of the firm passed away in August 2022, thereby delaying release of the vehicle pending administration of the estate.

Management further submitted that engagement had since commenced with the Administrator of the Estate in Livingstone in order to regularise the matter and secure release of the vehicle as the Council had already settled the outstanding obligation.

Committee's Observations and Recommendations

The Committee recommends that the Council expedite engagement with the Estate Administrator and ensures immediate recovery of the vehicle. The Committee further urges the Council to strengthen controls over assets placed under third-party custody through regular inspections and formal tracking systems.

The Committee resolves to await a progress report on recovery of the missing motor vehicle.

37.0 LUWINGU TOWN COUNCIL

37.1 Failure to Maintain Assets

Council assets remained non-functional due to lack of maintenance.

Committee's Observations and Recommendations

The Committee recommends periodic servicing and maintenance of all movable assets.

38.0 MPULUNGU TOWN COUNCIL

38.1 Poor Land Management

The Council allocated plots without adequate servicing and infrastructure provision.

Committee's Observations and Recommendations

The Committee recommends ensuring plots are serviced before allocation to the public.

39.0 MUNGWI TOWN COUNCIL

39.1 Failure to Account for Public Assets

Assets procured by the Council were not properly recorded and monitored.

Committee's Observations and Recommendations

The Committee recommends updating the asset register and strengthening asset tracking systems.

40.0 NSAMA TOWN COUNCIL

40.1 Delayed Completion of Infrastructure Projects

Projects funded by the Council remained incomplete after expiry of contract periods.

Committee's Observations and Recommendations

The Committee recommends strict supervision of contractors and timely completion of all projects.

41.0 SENGA HILL TOWN COUNCIL

41.1 Poor Road Maintenance

Road infrastructure within the district had deteriorated due to inadequate maintenance.

Committee's Observations and Recommendations

The Committee recommends allocation of adequate resources towards road rehabilitation and maintenance.

SOUTHERN PROVINCE

42.0 NAMWALA TOWN COUNCIL

SPECIFIC AUDIT FINDINGS

42.1 Delayed Installation of All-in-One Solar Street Lights

The Accounting Authority submitted that the delay in installation of 104 all-in-one solar street lights along Ngoma and Choma Roads arose due to delayed funding releases and price escalations during execution of the contract. Management further submitted that out of the planned 104 solar street lights, ninety-seven had since been installed, representing 93 per cent completion.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens project planning and ensures that capital projects are only commenced when adequate funding is secured. The Committee further urges the Council to complete installation of the remaining street lights without further delay.

The Committee resolves to await a progress report on completion of installation of the remaining solar street lights.

43.0 KAZUNGULA TOWN COUNCIL

43.1 Failure to Maintain Public Infrastructure

The Council failed to maintain public infrastructure resulting in deterioration of facilities.

Committee's Observations and Recommendations

The Committee recommends prioritising maintenance of roads, markets and other public facilities.

44.0 LIVINGSTONE CITY COUNCIL

44.1 Failure to Utilise Public Facilities

Some public facilities remained underutilised despite significant investments.

Committee's Observations and Recommendations

The Committee recommends operationalisation of all completed public facilities to ensure value for money.

44.2 Poor Waste Management

The Council faced challenges in waste collection and disposal.

Committee's Observations and Recommendations

The Committee recommends strengthening waste management systems and enforcement of environmental regulations.

45.0 NAMWALA TOWN COUNCIL

45.1 Failure to Complete Projects

Infrastructure projects remained incomplete beyond the contractual completion dates.

Committee's Observations and Recommendations

The Committee recommends that contractors be compelled to complete all outstanding works without delay.

46.0 SIAVONGA TOWN COUNCIL

46.1 Failure to Maintain Assets

Council assets including vehicles and equipment were poorly maintained.

Committee's Observations and Recommendations

The Committee recommends strengthening preventive maintenance systems for all public assets.

WESTERN PROVINCE

47.0 KAOMA TOWN COUNCIL

47.1 Failure to Maintain Township Roads

48.0 KAOMA TOWN COUNCIL

An examination of financial and other records maintained at Kaoma Town Council for the financial year ended 31st December 2024 and a physical inspection of selected projects carried out in June 2025 revealed the following, to which the Accounting Authority responded as outlined below.

SPECIFIC AUDIT FINDINGS

48.1 Failure to Maintain Township Roads

The Accounting Authority submitted that this arose from liquidity challenges experienced during the year under review. It was further submitted that township roads in the Central Business District had since been maintained following the receipt of sector grant funds for roads.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens its budgeting and cash flow management to prioritise critical infrastructure such as roads. It further urges Management to ring-fence road sector grants and ensure timely execution of maintenance works to avoid deterioration of infrastructure.

The Committee resolves to close the matter subject to audit verification that the road maintenance works have been undertaken.

48.2 Failure to Implement Approved Projects at a Cost of K8,805,605.00

The Accounting Authority submitted that the failure to implement certain projects arose from various factors. It was explained that works relating to road markings, signage and street lighting were paused to avoid duplication, as the road was earmarked for rehabilitation under the Kateyoyo-Katunda Road Development Agency project.

It was further submitted that the refuse bays project was not implemented due to vandalism of existing facilities, while delays in contract signing between UNICEF and the contractor affected the implementation of borehole projects.

Management reported that boreholes had since been completed, pothole patching works undertaken, and full road rehabilitation was underway. In addition, alternative interventions such as procurement of a skip truck and waste bins were being considered following community engagements.

Committee's Observations and Recommendations

The Committee recommends that Management strengthens project planning and coordination with cooperating partners to avoid delays. It further urges the Council to enhance community sensitisation and enforcement measures to curb vandalism of public infrastructure. The Council should also ensure that all approved projects are implemented within the financial year unless formally reprogrammed.

The Committee resolves to await a progress report on the:

- i. full rehabilitation works under the Kateyoyo-Katunda road project;
- ii. the procurement and operationalisation of the skip truck and waste management system; and
- iii. measures taken to prevent vandalism of public infrastructure.

48.3 Delayed Construction of Concrete Lined Drainages and Culverts (K1,558,000.00)

The Accounting Authority submitted that the delay in the construction of concrete lined drainages and culverts along Freedom Way arose from concerns raised by stakeholders on the project. It was further submitted that the matter had been referred to the MLGRD for guidance.

Committee's Observations and Recommendations

The Committee recommends that Management strengthens contract management practices by ensuring that all stakeholder concerns are addressed at the planning stage. It further urges the Council to enforce contract timelines, apply penalties where necessary, and provide regular supervision to avoid cost overruns and project delays.

The Committee resolves to await a progress report on the completion status of the drainage and culvert works, including confirmation of timelines, payments made, and measures taken to enforce contractor performance.

49.0 MONGU TOWN COUNCIL

SPECIFIC AUDIT FINDINGS

49.1 Construction of a Council Bar at Mongu Harbour

The Accounting Authority submitted that the delay in completion of the Council Bar at Mongu Harbour arose from contractor non-performance, approved variations to the scope of works and erratic funding, which disrupted the project schedule. It was reported that the original contract was terminated due to failure by the contractor to complete the works within the agreed timeframe. Management further submitted that funds were mobilised from a Council commercial venture and a replacement contractor was engaged to complete the outstanding works. The project had reached substantial completion, with only the electrical connection by ZESCO Limited pending, expected to be finalised in the first quarter of 2026.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens contract management by enforcing performance guarantees and closely monitoring contractors to avoid project disruptions. The Council is further urged to ensure that funding for projects is secured prior to commencement.

The Committee resolves to await a progress report on the completion of the electrical connection and full operationalisation of the facility.

49.2 Construction of Guest Rooms at the Council Lodge

The Accounting Authority submitted that the delay in completion was due to temporary liquidity challenges arising from increased staff-related costs, which led to re-prioritisation of funds. It was further reported that slow contractor performance resulted in extensions of time being granted, affecting the completion schedule. Management indicated that funds had been progressively mobilised and directed towards the outstanding works, with completion scheduled for the second quarter of 2026.

Committee's Observations and Recommendations

The Committee recommends that the Council enhances budgeting and ring-fences funds meant for capital projects to avoid interruptions. The Council should also enforce strict timelines for contractors and apply penalties where performance is unsatisfactory, in line with public financial management regulations.

The Committee resolves to await a progress report on adherence to the revised completion timeline of the second quarter of 2026.

49.3 Construction of a Conference Hall

The Accounting Authority submitted that the delay in completing the Conference Hall was attributed to temporary liquidity constraints following unanticipated increases in staff-related obligations, which affected the pace of project implementation. Management reported that works had continued, with ceiling finishes and tank stand works underway, while remaining works including painting; floor finishes; aluminium works; carpentry and external works were programmed for completion in the second quarter of 2026, subject to availability of funds.

Committee's Observations and Recommendations

The Committee recommends that the Council adopts a phased implementation approach tied to confirmed funding and strengthens financial discipline. The Council must also prioritise completion of ongoing projects before embarking on new ones so as to avoid spreading limited resources too thinly.

The Committee resolves to await a progress report on the matter, with emphasis on securing adequate funding and timely completion of the remaining works.

50.0 LUKULU TOWN COUNCIL

50.1 Delayed Completion of Bar and Restaurant Phase II

The Council engaged Isimbe Business Solutions to complete a bar and restaurant at a contract sum of K400,000.00. As at 31st August 2025, K375,293.00 had been paid, leaving a balance of K24,707.00. The structure remained incomplete thirteen months after the expected completion date.

Committee's Observations and Recommendations

The Committee recommends that the Council enforces completion of the project and takes appropriate action against the contractor for delay.

An examination of financial and other records maintained at Mitete Town Council for the financial year ended 31st December 2024, together with a physical inspection of selected projects conducted in September 2025, revealed the following to which the Accounting Authority responded as outlined below.

51.0 MITETE TOWN COUNCIL

SPECIFIC AUDIT FINDINGS

51.1 Cannibalisation of Moveable Assets

The Accounting Authority submitted that the removal of parts from the Nissan Patrol (BAD 9495); Toyota Hilux (BAE 8509); and Motor Bike (BAK 9459 ZM) had arisen from operational pressures, where parts were temporarily transferred to other vehicles to facilitate urgent public service delivery, particularly the collection of animal drugs from Mongu at a time when an epidemic was imminent.

The Accounting Authority further submitted that the affected vehicles had since been repaired, the missing components reinstated, and all three assets were now fully operational. Management indicated that measures had been put in place to ensure timely maintenance and reduce reliance on such practices in future.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens its asset management framework by ensuring that:

- i. all movable assets are maintained through a structured maintenance plan;
- ii. cannibalisation of assets is only undertaken under formal authority and properly documented; and
- iii. adequate budgetary provisions are made for repairs and maintenance to avoid operational disruptions.

The Committee further urges Management to maintain an up-to-date asset register and enforce internal controls over the movement and use of spare parts.

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

51.2 Failure to Account for Motor Vehicle Engine

The Accounting Authority submitted that the failure to account for the old engine from the Toyota Hilux D4D (GRZ 429CN) had occurred when the garage owner did not release the engine at the time the vehicle was collected from Lusaka.

The Accounting Authority further submitted that Management had since written to the garage owner demanding the surrender of the engine and had put in place measures to ensure that all assets and spare parts were accurately accounted for going forward.

Committee's Observations and Recommendations

The Committee recommends that Management:

- i. follows up the matter with urgency and ensures the recovery of the engine or its equivalent value;
- ii. formalises agreements with service providers to include clear accountability clauses for removed parts; and
- iii. strengthens supervision and documentation during vehicle repairs, including mandatory verification before collection of assets.

The Committee further directs that disciplinary action be considered where negligence is established and supporting documents availed to the Office of the Auditor General for verification.

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

52.0 MULOBESI TOWN COUNCIL

SPECIFIC AUDIT FINDINGS

52.1 Undelivered Concrete Pavers from the Supplier

The Accounting Authority submitted that the delay in collecting 57,845 concrete pavers from Deniz Company Limited arose due to a breakdown of the train, as the Council had opted to use Zambia Railways as the most cost-effective mode of transport for the bulk consignment. It was further reported that the supplier's proposed storage charges also contributed to the delay.

Management submitted that collection of the pavers had since commenced, with 36,265 pavers already collected and supported by delivery notes and Goods Received Notes. The remaining balance was expected to be collected by 31st March 2026.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens procurement and logistics planning by providing alternative transport options and ensuring timely collection of procured goods. Further, public resources must be safeguarded through effective contract management.

The Committee resolves to await a progress report on the collection of the outstanding 21,580 pavers and confirmation through audit verification.

52.2 Delayed Completion of Sisibi Bridge

The Accounting Authority submitted that the delay in completing the Sisibi Bridge was due to inadequate embankment works arising from a change in hauling distance from 10 kilometres to approximately 50 kilometres following depletion of suitable material from the initial borrow pit.

Management reported that the contractor had since been engaged during the defect liability period to complete the embankment works and the project had now been completed, although it remained under the defect liability period.

Committee's Observations and Recommendations

The Committee recommends that the Council undertakes thorough feasibility studies and material assessments before commencement of projects to avoid avoidable variations and delays. The Committee resolves to close the matter subject to audit verification of the completed works.

52.3 Failure to Operationalise a Bar and Shops

The Accounting Authority submitted that although the Council Bar and ten (10) shops were completed and handed over in 2020, the Bar had been operational from 2021 to June 2024 before it was closed due to low profitability arising from poor economic activity in the district. It was further reported that the low uptake of the shops was due to lack of supporting infrastructure such as electricity, road access and water supply, which affected their attractiveness to potential tenants.

Management reported that the Council had resolved to lease out the Bar as a more viable option and had advertised the shops for occupancy. In addition, an application had been made under the Land Development Fund to finance Phase II works aimed at improving infrastructure, including electrification, access roads and water supply.

Committee's Observations and Recommendations

The Committee recommends that the Council conducts proper cost-benefit analysis before undertaking commercial projects and ensures that basic infrastructure is in place to support such investments. The Council is further urged to expedite engagement with the Ministry of Lands and Natural Resources to secure funding for infrastructure development and enhance revenue generation.

The Committee resolves to await a progress report on the leasing of the Bar, occupancy levels of the shops and implementation of Phase II infrastructure works.

53.0 MONGU MUNICIPAL COUNCIL

53.1 Management of Markets, Bus Stations and Street Lights

The Accounting Authority submitted that the reported that physical inspections at four markets revealed that the Council did not maintain markets and related infrastructure.

Committee's Observations and Recommendations

The Committee recommends that Mongu Municipal Council immediately rehabilitates the affected markets and improves maintenance of markets, bus stations and street lighting infrastructure.

54.0 MWANDI TOWN COUNCIL

54.1 Failure to Recover Funds

The Accounting Authority submitted that the n officer transferred from Mumbwa Town Council had an outstanding balance of K52,637.00 relating to damage caused to a Toyota Hilux. Mwandu Town Council had not initiated recoveries as at 30th September 2025.

Committee's Observations and Recommendations

The Committee recommends that the Council immediately recovers the outstanding amount through the payroll and reports progress.

54.2 Failure to Report Lost Laptop

The Accounting Authority submitted that the nn officer failed to report the loss of an HP laptop whose value could not be ascertained. No action had been taken against the officer.

Committee's Observations and Recommendations

The Committee recommends that disciplinary action be taken against the officer and that the value of the lost laptop be established and recovered where negligence is confirmed.

54.3 Failure to Implement Planned Capital Projects

The Accounting Authority submitted that the Council received K6,080,312 for three capital projects. However, the projects had not been implemented as at 30th September 2025.

Committee's Observations and Recommendations

The Committee recommends that the Council provides reasons for failure to implement the projects and ensures that the funds are applied to the intended projects without further delay.

55.0 NKEYEMA TOWN COUNCIL

55.1 Delayed Rehabilitation of an Office Block

The Accounting Authority submitted that the Council engaged Uyoye Contractors to rehabilitate an old office block at a contract sum of K476,127.00. As at 30th September 2025, K297,071 had been paid, leaving a balance of K179,056.00. The project remained incomplete five months after the expected completion date.

Committee's Observations and Recommendations

The Committee recommends that the contractor completes the rehabilitation works and that management enforces contract timelines.

56.0 SENANGA TOWN COUNCIL

56.1 Failure to Provide Sanitation Facilities at Kaprive Market

The Accounting Authority submitted that the reported that Kaprive Market was operating without sanitary convenience and ablution facilities.

Committee's Observations and Recommendations

The Committee recommends that the Council immediately provides water and sanitation facilities at Kaprive Market.

56.2 Abandoned Market Shelters at Limoneno Market

The Accounting Authority submitted that the Out of forty-six stands at Limoneno Market, only eight were occupied. The remaining stands were abandoned due to dilapidation. Further, the ablution block had no running water and was non-functional.

Committee's Observations and Recommendations

The Committee recommends rehabilitation of the market shelter and restoration of water supply to the ablution block.

57.0 SHANGOMBO TOWN COUNCIL

An examination of financial and other records maintained at the Council for the year ended 31st December 2024 revealed the following to which the Accounting Authority responded as outlined below.

57.1 Irregular Payment of Remote Hardship Allowance

The Accounting Authority submitted that fifty-eight (58) officers who were entitled to rural hardship allowance amounting to K637,399.00 were instead paid remote hardship allowance totaling K796,749.00, resulting in an overpayment of K159,350.00. The error arose from the interpretation of the Ministerial Circular No. MLGRD/101/23/24 dated 30th January 2024 and the 2023/2024 Collective Agreement.

The Accounting Authority further submitted that the Council considered itself eligible for remote hardship allowance due to long distances to banking services (275 km to Senanga), poor road accessibility (175 km to Sioma), absence of service stations, and difficult terrain. Management had since sought guidance from the MLGRD and engaged the Zambia United Local Authorities Workers Union for clarification.

Committee's Observations and Recommendations

The Committee recommends that the Controlling Officer ensures that the overpaid amount of K159,350.00 is recovered from the affected officers and that clear written guidance is obtained from the Ministry before effecting any further payments. The Council is also urged to strengthen internal controls and payroll verification processes.

The Committee resolves to await a progress report on the recovery of the overpaid K159,350.00 and confirmation of guidance obtained from the MLGRD.

57.2 Management of Infrastructure

57.2.1 Failure to Operate the Council Lodge

The Accounting Authority submitted that the lodge was not operational due to lack of funds to install a water reticulation system.

The Accounting Authority further submitted that the system had since been installed and the lodge was now operational, with measures in place to ensure timely maintenance and avoid loss of revenue.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens planning and prioritisation of capital projects to ensure that revenue-generating infrastructure is completed and operationalised without delay.

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

57.2.2 Market Shelter Operating without an Ablution Block

The Accounting Authority submitted that the absence of an ablution block at Natukoma Market was due to lack of funds to complete the second phase of the project after construction of the shelter.

The Accounting Authority further submitted that approval had been secured from the CDF Committee to finance construction of the ablution block under the 2025 CDF Bursaries and Disaster component.

Committee's Observations and Recommendations

The Committee recommends that the Council ensures that the construction of the ablution block at Natukoma Market is completed without further delay and that all future market infrastructure projects incorporate sanitation facilities at the design stage.

The Committee resolves to await a progress report on the completion of the ablution block at Natukoma Market.

58.0 SIOMA TOWN COUNCIL

An examination of financial and other records maintained at the Council for the year ended 31st December 2024 revealed the following to which the Accounting Authority responded as outlined below.

58.0 Management of Infrastructure

58.1.2 Delayed Completion-Construction of Guest Rooms-Contract Sum: K799,460.00

The Accounting Authority submitted that amounts totalling K543,144.00 had been paid to the contractor, leaving a balance of K256,316.00. The delay had arisen due to the contractor's failure to complete the works within the contract period. It was submitted that the outstanding works included carpentry; joinery and ironmongery; electrical installation; plumbing; external works, as well as flooring and ceiling finishes. Management further submitted that a new contractor had since been engaged to complete the project.

Committee's Observations and Recommendations

The Committee recommends that the Council strengthens contract monitoring mechanisms and enforces performance clauses in contracts, including penalties for non-performance. The Council is further urged to ensure that contractors are thoroughly

evaluated prior to engagement and that projects are closely supervised to avoid cost overruns and delays.

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

58.1.3 Delayed Completion of Works at the Council Motel-Contract Sum: K341,865.00

The Accounting Authority submitted that amounts totalling K208,292.00 had been paid to the contractor, leaving a balance of K133,573.00. It was submitted that the delay had been due to the contractor's failure to complete the works within the contract period despite having been paid the stated amounts. Management, however, submitted that the contractor had since been engaged to complete the works and the project had been completed and handed over to the Council.

Committee's Observations and Recommendations

The Committee recommends that the Council institutes strict site supervision measures and ensures that payment schedules are tied to verified progress on site. In addition, the Council should invoke contractual remedies against erring contractors to safeguard public funds.

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

58.2 Management of Sector Grant Account

58.2.1 Misapplication of Funds-Pontoon Operations-K101,622.00

The Accounting Authority submitted that the misapplication of funds had arisen due to the Council's inadequate financial base, which was insufficient to facilitate the activity at the material time. Management further submitted that the funds in question had since been reimbursed.

Committee's Observations and Recommendations

The Committee recommends that the Council adheres strictly to approved budgets and ensures that funds are utilised for their intended purposes. The Council is further urged to strengthen internal controls and planning mechanisms so that operational gaps do not lead to misapplication of funds.

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

58.2.2 Management of Cash for Work Programme-Unacquitted Payments

The Accounting Authority submitted that the unacquitted payments had arisen due to funds being transferred electronically to individual accounts, which delayed the preparation of supporting documentation. Management submitted that the funds had since been acquitted.

Committee's Observations and Recommendations

The Committee recommends that the Council ensures that all payments under programmes such as Cash for Work are supported by documentation, including attendance registers and signed acquittals. The Council is further urged to strengthen

supervision and internal audit functions to ensure compliance with financial regulations and accountability requirements.

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

59.0 SESHEKE TOWN COUNCIL

59.1 Prolonged Maintenance of Retired Staff on Payroll

The Accounting Authority submitted that the Council retained four retirees on the payroll for periods ranging from sixty to ninety-six months due to failure to settle retirement dues. One retiree whose dues were K182,240.00 had been retained on the payroll for ninety-six months and paid salaries amounting to K854,280.00, which was four times higher than the retirement dues.

Committee's Observations and Recommendations

The Committee recommends that the Council settles retirement dues promptly and removes retirees from the payroll once obligations are cleared. The Committee further recommends that management investigates the prolonged payroll retention and takes corrective action.

CROSS CUTTING AUDIT FINDINGS SUMMARY

Adverse Performance on Locally Generated Revenue

Seventy-two (72) local authorities planned to generate revenue amounting to K1,499,016,486.00. However, only K1,218,959,158.00 was collected, resulting in under-collection of K280,037,328.00 representing 19 per cent adverse performance.

Failure to Collect Revenue Fifty-seven (57) local authorities failed to collect outstanding revenue amounting to K534,453,080 relating to property rates, billboards, site rent, sale of plots and rentals.

Failure to Prepare or Manage Valuation Rolls

Nine (9) local authorities did not update valuation rolls for periods ranging from two (2) to thirty-three (33) years resulting in possible under-collection of property rates.

Unaccounted for Revenue

Three (3) local authorities failed to account for revenue amounting to K213,314.00 which was neither banked nor found at hand.

Missing Receipt Books

Two (2) local authorities failed to avail ten (10) receipt books for audit verification.

Failure to Transfer 5 per cent Ward Development Funds

Seventeen (17) local authorities failed to transfer K8,570,066.00 meant for ward infrastructure development.

Unsupported Payments

Six (6) local authorities made unsupported payments amounting to K1,010,222.00.

Failure to Provide Activity Reports

Two (2) local authorities failed to provide activity reports for imprest amounting to K435,637.00.

Unretired Accountable Imprest

Twelve (12) officers at two (2) local authorities failed to retire accountable imprest amounting to K838,642.00.

Irregular Cash Withdrawals

Four (4) local authorities irregularly withdrew cash amounting to K682,263.00 instead of effecting direct payments into beneficiaries' accounts. **Failure to Obtain ZRA Clearance**
Eight (8) local authorities made payments amounting to K7,192,222.00 without obtaining Zambia Revenue Authority clearance.

Procurement Outside e-GP System

Nine (9) local authorities procured goods and services amounting to K2,967,566.00 outside the Electronic Government Procurement System.

Unaccounted for Stores

Fourteen (14) local authorities failed to account for stores valued at K2,360,869.00.

Unaccounted for Fuel

Seven (7) local authorities failed to account for fuel costing K907,198.00.

Failure to Fill Vacant Positions

Seventy-five (75) local authorities had 4,370 vacant positions affecting service delivery.

Over Employment of Staff

Thirty-five (35) local authorities employed excess staff resulting in salary payments amounting to K49,078,378.00.

Unauthorised Positions

Five (5) local authorities paid salaries amounting to K4,232,178.00 to officers occupying unapproved positions.

Delayed Confirmation of Officers

Twenty-eight (28) local authorities delayed confirming 172 officers serving on probation.

Delayed Promotion of Officers

Sixteen (16) local authorities delayed promoting forty-three (43) officers acting in higher positions.

Casualisation of Labour

Seven (7) local authorities paid K4,315,435.00 to 104 temporal workers engaged in permanent roles.

Unrecovered Salary Advances

Six (6) local authorities failed to recover salary advances amounting to K161,098.00.

Failure to Deduct NAPSA Contributions

Five (5) local authorities failed to deduct NAPSA contributions amounting to K98,965.00 from casual workers.

Failure to Inscribe Assets

Ten (10) local authorities failed to inscribe assets costing K1,496,161.00.

Failure to Provide White Books

Twenty-one (21) local authorities failed to provide white books for 166 motor vehicles.

Properties Without Title Deeds

Forty-two (42) local authorities lacked title deeds for 696 parcels of land.

Uninsured Assets

Thirteen (13) local authorities failed to insure motor vehicles, motor bikes and properties.

Poor Waste Management

Forty-two (42) local authorities failed to properly manage waste disposal sites and dumpsites.

Non-Settlement of Statutory Obligations

One hundred and ten (110) local authorities owed institutions K4,333,228,472.00 in statutory and supplier obligations.

Non-Settlement of Staff Obligations

One hundred (100) local authorities owed employees K401,588,140.00 in unpaid staff obligations.

Inadequate Fire Fighting Services

Twenty (20) local authorities had no firefighting services while twenty-eight (28) lacked adequate firefighting equipment.

Unspent Sector Grant Funds

All 116 local authorities had unspent sector grant balances amounting to K499,372,507.00.

Zambia Devolution Support Programme-Unspent Funds

Ninety-three (93) Town Councils had unspent Zambia Devolution Support Programme funds amounting to K232,519,948.00.

CROSS CUTTING ISSUES PER PROVINCE**SOUTHERN PROVINCE****MAZABUKA MUNICIPAL COUNCIL****Audit Opinion-Unqualified Opinion**

The Accounting Authority submitted that the financial statements had been verified and a favourable audit opinion was attained for the year under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K72,569,696.00, the Council received K55,136,561.00, resulting in a variance of K17,433,135.00 mainly due to non-receipt of funds from the Ministry of Local Government and Rural Development as well as reduced collections from local fees and charges.

Management further submitted that unspent funds amounting to K13,037,316.00 related to balances held in various accounts for Government programmes and activities. Management stated that K12,985,166.77 had since been utilised, leaving a balance of K52,149.29.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council underperformed in locally generated revenue by K1,487,645.00 mainly under Local Taxes, Fees and Charges, Levies and Commercial Ventures. Management further submitted that K2,553,222.00 had since been collected following intensified revenue collection measures.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that the Council failed to train 192 farmers under Veterinary Services due to late receipt of funds. Management further submitted that all the targeted 192 farmers had since been trained.

Failure to Collect Revenue-Rent

The Accounting Authority submitted that under-collection of K304,795.00 from rental income arose because tenants failed to pay shop rentals on time. Management further submitted that K192,214.00 had since been collected, leaving an outstanding balance of K112,581.00. Management also instituted court proceedings against the defaulters.

Failure to Use 5 Percent of Locally Generated Funds on Wards

The Accounting Authority submitted that failure to transfer the full statutory amount to wards arose due to competing operational needs faced by the Council during the year under review. Management further submitted that K236,046.00 had since been spent towards ward activities.

Properties without Title Deeds

The Accounting Authority submitted that sixteen Council properties had no title deeds due to lengthy processes previously associated with acquisition of titles before introduction of the Zamportal system. Management further submitted that one title deed had since been obtained, three offer letters secured, four properties surveyed and awaiting survey diagrams, while eight properties were yet to be surveyed by the Ministry of Lands and Natural Resources.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory and other obligations amounting to K65,080,844.00 remained unsettled due to limited financial resources. Management further submitted that K5,607,253.46 had since been paid, leaving an outstanding balance of K59,473,590.54.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K7,070,340.00 remained unsettled due to limited financial resources. Management further submitted that K1,047,479.96 had since been paid, leaving an outstanding balance of K6,023,205.29.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent Sector Grant funds amounting to K10,825,670.00 related to balances held on account for various sector programmes. Management further submitted that the Council had since utilised the funds under programmes relating to health, Cash for Work, sports, roads and livestock activities.

Management of Cash for Work Programme

The Accounting Authority submitted that the unspent balance of K8,496,106.00 under the Cash for Work Programme related to amounts held for ongoing programme activities. Management further submitted that K8,493,929.00 had since been utilised, leaving a balance of K2,177.00.

NAMWALA TOWN COUNCIL**Audit Opinion-Unqualified Opinion**

The Accounting Authority submitted that the financial statements had been verified and a favourable audit opinion was attained for the year under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K48,412,002.00, the Council received K34,275,780.00, resulting in a variance of K14,136,222.00 mainly due to non-receipt of grants. Management further submitted that unspent funds amounting to K5,871,605 related to balances held in various accounts for committed Government programmes and activities, including Market Capital Account, Sector Account and District Account balances.

Management further submitted that K3,698,019.08 had since been utilised, leaving a balance of K2,144,361.15 relating mainly to the Market Capital Account for ongoing works and commitments.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council underperformed in locally generated revenue by K978,102.00 mainly under Local Taxes, Licences, Levies and Permits. Management attributed the underperformance in Local Taxes to low compliance levels among rate payers, while underperformance in permits and licences was linked to economic hardships caused by the drought which affected business operations.

Management further submitted that K166,733.08 had since been collected as property rates arrears while K75,000.00 had been collected against Telecommunication Mast levy arrears as at 31st December 2025.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that planned projects relating to construction of a Butchery-Coldroom and Slaughter Slab as well as a Bus Station were not completed due to inadequate funding and an appeal during the procurement process. Management further

submitted that engagement had been undertaken with the Ministry of Local Government and Rural Development for financial assistance, while the Bus Station project had reached 80 percent completion.

Failure to Collect Revenue

The Accounting Authority submitted that under-collection of K424,323.00 under Rented Properties, Property Rates, Health Permits and Fire Certificates arose due to low compliance levels among rate payers, delayed payments by tenants and economic hardships caused by the drought.

Management further submitted that K166,733.08.00 had since been collected as property rates arrears while tenants had settled rental arrears amounting to K31,100.00 Management also intensified sensitisation of business houses regarding compliance requirements for permits and fire certificates.

Over Employment of Staff

The Accounting Authority submitted that twenty-three officers were over-employed because the staff had been received and placed on payroll following letters of appointment and transfer issued by the Local Government Service Commission. Management further submitted that the Council had since written to the Commission regarding the over-employment situation.

Properties without Title Deeds

The Accounting Authority submitted that seven Council properties had no title deeds due to bottlenecks in processing titles before opening the Zamportal Account. Management further submitted that the Council had since written to the Ministry of Lands and Natural Resources for opening of the Zamportal Account.

Non-Maintenance of Properties

The Accounting Authority submitted that the Council Guest House and Residential House had not been maintained due to limited resources during the year under review. The properties had deteriorated with blocked sewer systems, leaking roofs, peeled paint, cracked walls and broken window panes.

Management further submitted that provision for rehabilitation of the Guest House had since been included in the 2026 budget.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory and other obligations amounting to K14,403,045.00 remained unsettled due to adverse budget performance. Management further submitted that the Council had written to the Ministry of Local Government and Rural Development seeking financial assistance towards liquidation of the obligations.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K2,973,260.00 remained unsettled due to adverse budget performance. Management further submitted that K64,465.00 had since been paid towards terminal benefits and settling-in allowances, leaving an outstanding balance of K2,908,795.18.

Inadequate Fire Fighting Services

The Accounting Authority submitted that the Council lacked a fire station due to inadequate financial resources required for such a significant capital investment. Management further submitted that the Council had since written to the Ministry of Local Government and Rural Development for possible funding assistance.

Uninsured Fire Officers

The Accounting Authority submitted that fifteen Fire Officers were uninsured because the insurance cover had expired at the time of audit. Management further submitted that insurance cover had since been acquired for the affected officers.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent Sector Grant funds amounting to K1,686,742.00 related to committed sector programmes and activities under Primary Health Services, Roads, Community Sports, Veterinary Services and Cash for Work. Management further submitted that K1,625,438.00 had since been utilised in 2025, leaving a balance of K61,304.00.

Management of Cash for Work Programme

The Accounting Authority submitted that the balance of K112,153.00 under the Cash for Work Programme related to the administrative component of the programme. Management further submitted that the funds had since been fully utilised.

Payment to Beneficiaries from Other Programmes and Outside District Boundaries

The Accounting Authority submitted that 462 beneficiaries under the Cash for Work Programme also benefited from other social programmes due to limited access to beneficiary databases outside the district. Management further submitted that the District Social Welfare and Community Development Offices had been instructed to intensify sensitisation and adherence to programme guidelines.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K2,694,737.00 arose due to delayed receipt of funds. Management further submitted that K557,632.85 had since been paid towards planned activities, leaving a balance of K2,137,104.15.00.

LIVINGSTONE CITY COUNCIL

Failure to Utilise an Electronic Payment System for Revenue Collection

The Accounting Authority submitted that the delay in operationalising the electronic payment system procured at a contract sum of K293,300 was due to lack of an appropriate server recommended by the supplier. Although the system had been supplied, developed and handed over on 12th June 2024, implementation could not commence within the expected timeframe.

Management reported that the required server had since been acquired and engagements with the supplier were underway to facilitate installation and full operationalisation of the system.

Failure to Repair the Fire Tender

The Accounting Authority submitted that failure to repair the fire tender arose from the supplier's failure to undertake repair works within the contractual period despite being paid K100,000 as advance payment out of the contract sum of K135,153.

Management reported that legal proceedings had since been instituted against CLA Commercial Motors Limited under Cause Number 2023/HL/111. Management further submitted that an order of committal for contempt had been initiated and the Council was awaiting feedback from the Office of the Undersheriff regarding execution of the matter.

Delayed Construction of Ablution Block at Dambwa North

The Accounting Authority submitted that the delayed completion of the ablution block project at Dambwa North Market, contracted at K190,817, was due to the project being implemented in phases. At the time of audit, the project had only reached the first phase.

Management reported that the ablution block had since been completed and was available for audit verification. Further, the Council had discontinued phased implementation of projects in order to avoid delays in completion.

Failure to Utilise Equipment for Centralised Recyclable Collection Centre

The Accounting Authority submitted that the delay in utilising the Material Recovery Facility equipment valued at USD236,522 and related equipment donated under the UNIDO project resulted from delays by the initial operator, Waste Masters Zambia Limited, in constructing the shelter to house the equipment.

Management reported that the Memorandum of Understanding with Waste Masters Zambia Limited had since been terminated and a new operator, Environment Africa, had been engaged. Management further submitted that the structure to house the equipment had since been constructed and installation of the equipment was expected to commence.

Audit Opinion

The Accounting Authority submitted that the qualified audit opinion issued in previous years arose from the adverse opinion recorded in 2021 which subsequently affected the 2022 and 2023 financial statements. Management reported that the financial statements had since been restated resulting in issuance of a favourable audit opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that the budget variance arose mainly from non-compliance by some ratepayers and business entities in paying rates, fees and charges. Management further submitted that unspent funds amounting to K6,210,229.00 were held in various operational and programme accounts for committed Government programmes and activities.

The major balances related to the Salaries and Wages Account, Projects Account, Sector Grant Account and Operations Account. Management reported that all the unspent funds had since been utilised in line with approved Government programmes and activities.

Other Deliverable Targets and Outputs Not Achieved

The Accounting Authority submitted that failure to fully achieve certain programme outputs was due to inadequate funding, non-operational business entities, client-driven demand factors and low community participation in some health activities.

Management reported that K10,040,797.06 had since been paid towards debt liquidation under Management and Support Services. Further, the Council updated its business database and intensified spot checks on business premises.

Management also submitted that out of a target of six hundred and eighty-three (683) street lights, four hundred (400) had been installed at the time of audit while an additional two hundred and ninety-five (295) street lights had since been installed. Additionally, integrated outreach programmes and community sensitisation had been intensified to improve child immunisation coverage.

Failure to Collect Revenue

The Accounting Authority submitted that low compliance levels by property owners, particularly residential property owners, contributed to poor revenue collection performance.

Management reported that a total amount of K3,900,803.54 had since been collected and quarterly budget reviews had been introduced to strengthen revenue monitoring and performance.

Unaccounted for Fuel

The Accounting Authority submitted that the query on unaccounted for fuel arose due to delays in availing log books and supporting records during the audit process. Management reported that the disposal records and supporting documentation were now available for audit verification.

Delayed Confirmation of Officers on Probation

The Accounting Authority submitted that delayed confirmation of officers on probation was due to non-receipt of confirmation letters from the Local Government Service Commission.

Management reported that two officers had since been confirmed.

Properties without Title Deeds

The Accounting Authority submitted that delays in obtaining title deeds for Council properties arose from delayed processing by the Ministry of Lands.

Management reported that the process of securing certificates of title for the affected properties was underway and title deeds for properties situated in Eureka were already available for audit verification.

Unrepaired Movable Assets

The Accounting Authority submitted that failure to repair movable assets resulted from delays in obtaining authority from the Ministry of Local Government and Rural Development to dispose of obsolete and unserviceable assets.

Management reported that continuous follow ups with the Ministry were ongoing in order to secure authority for disposal.

Non-Disposal of Unserviceable Movable Assets

The Accounting Authority submitted that the Council had failed to dispose of twenty-six (26) unserviceable movable assets due to procedural delays.

Management reported that formal requests seeking authority to dispose of the assets had since been submitted to the Ministry of Local Government and Rural Development for approval.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that outstanding statutory obligations remained unsettled due to inadequate financial resources during the period under review.

Management reported that K8,944,440.00 had since been paid towards settlement of statutory obligations. Management further indicated that debt liquidation plans had been agreed with major creditors such as NAPSA, ZRA, LASF, ZULAWU and FIRESUZ while efforts to broaden the revenue base and improve revenue collection efficiency were ongoing.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that failure to fully settle staff obligations was due to inadequate funds at the time of audit.

Management reported that K1,096,357.06 had since been paid as at 31st January 2026 towards settlement of staff obligations.

Failure to Remit 50 Percent of Fire Revenue to Fire Services Account

The Accounting Authority submitted that failure to remit 50 per cent of fire certificate revenue collections into the Fire Services Account arose from competing financial needs faced by the Council.

Management reported that K715,000.00 had since been transferred into the Fire Services Account.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that the unspent balances under the Sector Grant Account represented amounts held for committed Government programmes and activities.

Management reported that all the funds had since been fully utilised in accordance with approved Government programmes.

Management of Cash for Work Programme

The Accounting Authority submitted that the balance remaining under the Cash for Work Programme represented funds committed to ongoing programme activities at year end.

Management reported that K551,610.00 had since been spent on programme implementation activities

MONZE TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the Financial Statements had been verified, resulting in an unqualified audit opinion for the year under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K56,492,509.00, the Council received K51,854,444.00, resulting in a variance of K4,638,065.00. Management further submitted that unspent funds amounting to K23,119,521.00 related to balances held in various accounts for committed Government programmes and activities, including Sector Grants, Constituency Development Fund activities, salaries and development programmes.

Management further submitted that the funds had since been spent in the first quarter of 2025.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that failure to achieve planned deliverable targets was due to under-disbursement of Roads Grant funding, where the Council only received K1,000,000.00 against the budgeted K3,200,000.00. Management further submitted that the one-kilometre stretch from Puma Filling Station to Mt Meru Filling Station had since been marked by the Road Development Agency.

Delayed Promotion of Officers

The Accounting Authority submitted that delayed promotion of three officers for periods ranging from eight to seventeen months arose due to non-receipt of promotion letters at the time of audit. Management further submitted that the officers had since been promoted following engagement with the Local Government Service Commission.

Properties without Title Deeds

The Accounting Authority submitted that twenty-four Council properties had no title deeds due to financial constraints in concluding the titling procedures. Management further submitted that the process of securing title deeds had commenced and supporting documents were available for audit verification.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory and other obligations amounting to K51,117,034.00 remained unsettled due to financial constraints experienced during the year under review. Management further submitted that K872,803.42 had since been paid towards the outstanding obligations.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K553,681.00 remained unsettled due to financial constraints. Management further submitted that

K235,942.91 had since been paid towards the outstanding obligations and that revenue enhancement measures, including leasing out BSKB and frontage of showgrounds, had been initiated.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that out of K25,482,983.00 received under the Sector Grant Account, K16,979,330.00 remained unspent because the funds had been released late and were committed towards sector programmes and activities. Management further submitted that the funds had since been fully utilised and supporting documents were available for verification.

Management of Cash for Work Programme

The Accounting Authority submitted that the balance of K14,791,879.00 under the Cash for Work Programme arose due to late release of funds and ongoing programme activities at the end of the financial year. Management further submitted that the funds had since been fully utilised and supporting documents were available for audit verification.

Payment to Beneficiaries from other Programmes and Outside District Boundaries

The Accounting Authority submitted that payments to 416 beneficiaries outside district boundaries and under other programmes arose due to restricted access to information relating to beneficiaries from outside the district. Management further submitted that engagement had since been undertaken with the Ministry of Community Development and Social Welfare and supporting correspondence was available for verification.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K1,672,618.00 arose due to delayed receipt of funds. Management further submitted that the funds had since been fully utilised and construction works had been concluded.

CHIKANKATA TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the observations of the Auditor General were acknowledged and that the Financial Statements had been audited, resulting in an unqualified audit opinion for the year under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K43,434,693.00, the Council received K39,872,770.00, resulting in a variance of K3,561,923.00 due mainly to non-receipt of Sector Grants. Management further submitted that unspent funds amounting to K15,815,134.00 related to balances held in various accounts for ongoing programmes and activities, including devolved functions, salaries, development activities, water and sanitation programmes and Cash for Work activities.

Management further submitted that all the funds amounting to K15,815,135.00 had since been fully utilised and no balances remained in the cited accounts.

Failure to Collect Revenue-Property Rates

The Accounting Authority submitted that under-collection of K1,752,410.00 from property rates arose because several properties contained in the Valuation Roll remained undeveloped, while others had been subdivided, cancelled or replanned without the Council being formally notified. Management further submitted that this situation made it difficult to trace property owners and enforce payment of rates.

Management further submitted that the Council had revised its revenue projections based on attainable targets and achieved a 99.99 percent collection performance in 2024, having collected K13,118,199.00 against a budget of K13,119,348.00. Management also stated that efforts to update the property register and strengthen land ownership verification processes were ongoing.

Failure to Fill Vacant Positions

The Accounting Authority submitted that five positions remained vacant because recruitment falls under the jurisdiction of the Local Government Service Commission. Management further submitted that engagement had been undertaken with the Commission and three of the five positions had since been filled.

Overemployment of Staff

The Accounting Authority submitted that the overemployment of two officers arose because the officers had been received and accommodated on the payroll in accordance with letters of employment issued by the Service Commission. Management further submitted that the matter had since been addressed through staff transfers and redesignations.

Delayed Confirmation of Officers on Probation

The Accounting Authority submitted that delayed confirmation of one officer on probation for thirteen months arose due to non-receipt of the confirmation letter from the Service Commission. Management further submitted that engagement with the Service Commission had since been undertaken regarding the outstanding confirmation letter.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K477,200.00 remained unsettled due to limited financial resources, particularly relating to NAPSA contributions. Management further submitted that personal emoluments were now being paid at gross in order to avoid further accumulation of arrears and that a plan had been developed to offset the historical NAPSA contributions.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K1,515,883.00 remained unsettled due to limited financial resources, particularly in relation to terminal benefits. Management further submitted that the Council had since settled K1,210,000.00 towards terminal benefits.

Lack of Fire Fighting Equipment-Lack of Dormitories

The Accounting Authority submitted that the lack of dormitories for fire officers arose due to limited financial resources and competing priorities within the Council budget.

Management further submitted that temporary accommodation arrangements had since been provided for the fire officers.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent funds amounting to K8,932,044.00 related to ongoing programmes and activities, particularly the Cash for Work Programme which was still at the initial stage of establishing implementation guidelines. Management further submitted that all the funds had since been fully expended in line with approved programme activities.

Management of Cash for Work Programme

The Accounting Authority submitted that the unspent balance under the Cash for Work Programme arose because the programme was still in the initial stage of establishing implementation guidelines, resulting in delayed expenditure. Management further submitted that all the funds had since been fully utilised in accordance with approved programme activities.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K2,694,737.00 arose due to late receipt of funds and delays in obtaining a “no objection” clearance from ZEMA before project implementation could commence. Management further submitted that all projects had since been completed and the funds fully utilised.

CHIRUNDU TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the Auditor General’s favourable audit opinion for both the 2023 and 2024 financial years had been acknowledged by Management.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K49,126,545.00, the Council received K44,260,260.00, resulting in a variance of K4,866,285.00 due to under collection and underfunding. Management further submitted that unspent funds amounting to K6,587,391.00 related to committed programmes and activities under Sector Grants, Zambia Devolution Support Programme and other funding sources.

Management further submitted that K5,283,416.10 had since been utilised, while the balance of K1,303,974.90 remained committed towards ongoing Zambia Devolution Support Programme projects.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council under-collected revenue by K6,086,005.00 mainly under Fees and Charges as well as Commercial Ventures and Other Receipts. Management attributed the underperformance in Fees and Charges to transporters changing entry routes due to increased charges on the Zimbabwean side, while Commercial Venture collections were affected by prolonged load shedding in the district. Management further submitted that by mid-2025, approximately 3,000 square metres of pavers had been produced and sold following improved power supply. Management also

stated that the Truck Park project had reached Phase III, with only lighting and water supply remaining outstanding.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that several planned outputs under Integrated Development Planning, Economic and Business Development, Public Health, Housing and Veterinary Services were either partially implemented or not implemented due to technical faults, delayed funding, inadequate equipment and incomplete infrastructure works.

Management further submitted that corrective measures had since been undertaken, including production of layout maps, official launch of the Integrated Development Plan in January 2025, procurement of a skip truck, installation of pavers and kerbstones on roads, completion of veterinary visits and vaccinations, and continuation of the Truck Park project.

Failure to Fill Vacant Positions

The Accounting Authority submitted that eighteen positions remained vacant because the Local Government Service Commission had not filled the positions during the period under review. Management further submitted that engagement with the Commission had resulted in nine positions being filled.

Overemployment of Staff

The Accounting Authority submitted that twenty-five positions were overstaffed due to officers having been employed under previous staff establishments prior to the introduction of the current establishment structure. Management further submitted that the Local Government Service Commission had since transferred two officers to other councils following engagement by Management.

Non-Maintenance of Properties

The Accounting Authority submitted that the ablution blocks at Yellow Jacket Market and Kaimona Bus Station had not been maintained due to inadequate funding. Management further submitted that the Yellow Jacket ablution block had since been closed and replaced with a new facility constructed using Constituency Development Fund resources, while the Kaimona Bus Station ablution block was scheduled for renovation in the first quarter of 2026.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K15,044,323.00 remained unsettled, relating mainly to Zambia Revenue Authority and NAPSA obligations. Management further submitted that K353,420.37.00 had since been paid, while deductions from the Equalisation Fund were being withheld at source to dismantle the NAPSA debt. Management also stated that a time-to-pay agreement had been entered into with ZRA.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K3,091,083.00 remained unsettled. Management further submitted that K602,070.40 had since been paid towards obligations relating to deceased officers and retirees. Management also stated that provision had been made in the 2026 budget amounting to K1,260,000.00 for deceased officer arrears and K740,000 for retirement packages.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent Sector Grant funds amounting to K3,174,138.00 arose due to ongoing Cash for Work activities and devolved functions at the end of the financial year. Management further submitted that K2,746,318.00 had since been disbursed to Cash for Work beneficiaries under Phases V and VI, while K427,820.00 had been utilised by devolved functions during the first quarter of 2025.

Management of Cash for Work Programme

The Accounting Authority submitted that the unspent balance of K2,746,318.00 under the Cash for Work Programme arose because beneficiaries were still undertaking ongoing works at year end. Management further submitted that the funds had since been fully disbursed to beneficiaries during implementation of Phases V and VI in 2025.

Payment to Beneficiaries from Other Programmes and Outside District Boundaries

The Accounting Authority submitted that forty-seven beneficiaries under the Cash for Work Programme had also benefited from Social Cash Transfer programmes because the Community Welfare Assistance Committee did not conduct a thorough screening process, resulting in double dipping. Management further submitted that consultations with the Social Welfare Department had confirmed the matter.

Management also stated that responsible officers under the Cash for Work Programme had since been assigned for training in preparation for implementation of an integrated automated screening system.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K2,694,737.00 arose due to delayed receipt of funds and changes in approved projects which required clearance from the funders before implementation. Management further submitted that the grading of a 1.3-kilometre road from 22 Corners to Geshom Church and construction of three vented drifts had since been completed, while construction of a fire station had reached 60 per cent completion. Management further submitted that K1,390,762.00 had already been spent, with the remaining balance committed towards ongoing projects and retention costs.

KAZUNGULA TOWN COUNCIL

Delayed Completion of Ablution Block at the Truck Yard

The Accounting Authority submitted that the delay in completing the ablution block at the Truck Yard arose due to contractor non-performance, as works did not progress in accordance with the approved programme despite partial payments having been made for certified works. Management further submitted that the contract had since been terminated and the Council had resolved to complete the remaining works under Force Account. Management further submitted that resources had been allocated and the outstanding works, which included glazing, painting, plastering and flooring, were underway and expected to be completed by 20th March 2026.

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the observations of the Auditor General had been acknowledged and that the Financial Statements were verified, resulting in an unqualified audit opinion for the year under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K46,633,699.00, the Council received K42,691,346.00, resulting in a variance of K3,942,353.00 mainly due to uncollected fees and charges. Management further submitted that unspent funds amounting to K14,286,696.00 related to committed Government programmes and activities held in various operational accounts, including Sector Grants, Capital Account, District Fund and other programme accounts.

Management further submitted that K13,918,648.00 had since been utilised towards planned activities, while the remaining balance of K368,274.00 related to retention funds for completed capital projects.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council underperformed in locally generated revenue by K7,193,595.00, mainly under Local Taxes, Fees and Charges and Permits. Management attributed the underperformance in Fees and Charges to delays in receipt of plot premium payments for 2024 plots, while some revenue streams performed above target, including Licences, Levies and Other Receipts.

Management further submitted that K6,795,230.00 had since been realised after audit through intensified collection efforts, leaving an adjusted variance of K398,365.00. Management also stated that a Task Force Team had been established to strengthen enforcement and improve revenue collection.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that several planned outputs under Constituency Development, Integrated Development Planning, Public Health, Housing and Public Order and Safety were either partially implemented or not implemented due to inadequate resources, delayed funding, resistance from communities, low response from developers and breakdown of equipment.

Management further submitted that corrective measures had since been undertaken, including procurement of street signages, sensitisation on dog registration, securing funds for procurement of a grader, compactor and water bowser, clarification of building scrutiny reports, intensification of development control activities and continued response to emergencies and fire rescue operations.

90.6 Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that White Books for fourteen motor vehicles had not been handed over because the vehicles were donated by cooperating partners or centrally procured without accompanying ownership documentation. Management further submitted that the Council had written to RTSA to regularise the status of the vehicles and obtain alternative documentation.

Properties without Title Deeds

The Accounting Authority submitted that nine Council properties valued at K10,247,000.00 had no title deeds due to delays in finalising title acquisition processes

with the Ministry of Lands and Natural Resources. Management further submitted that the Council had submitted the properties under the National Land Titling Programme and several properties were at different stages of processing, including awaiting invoices, survey diagrams and lease agreements.

Non-Maintenance of Properties

The Accounting Authority submitted that twenty-six Council properties, including dwelling houses and market ablution blocks, had not been adequately maintained due to financial constraints. Management further submitted that selected maintenance works had since been undertaken and additional funds had been allocated in the 2026 budget for the remaining properties.

Unrepaired Movable Assets

The Accounting Authority submitted that ten motor vehicles had remained unrepaired for periods ranging from one to ten years due to lack of mechanical personnel within the Engineering Department. Management further submitted that a mechanical staff member had since been employed and three motor vehicles had already been repaired while assessments on the remaining vehicles had been completed.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K12,684,572.00 remained unsettled due to historical unpaid contributions and penalties mainly relating to ZRA and NAPSA obligations. Management further submitted that K1,061,856.35.00 had since been paid towards the outstanding obligations, reducing the balance to K11,599,393.70. Management also stated that funds had been set aside in the 2026 budget to continue servicing the debt.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K144,492.00 related to unpaid leave days for former employees. Management further submitted that the obligations had since been fully settled and supporting documents were available for verification.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the fire hydrants at the Hospital, Civic Centre and Border Market were non-functional due to low water pressure. Management further submitted that engagement had been undertaken with Southern Water and Sewerage Company and technical specifications for compatible hydrants had already been submitted.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent Sector Grant funds amounting to K10,306,723.00 related mainly to Cash for Work activities, Roads Fund and Sports programmes that were still ongoing at year end. Management further submitted that K10,307,381.00 had since been spent on planned activities, leaving a negligible balance of K658.07.00.

Management of Cash for Work Programme

The Accounting Authority submitted that the balance of K8,407,599.00 under the Cash for Work Programme represented funds already committed towards ongoing programme activities. Management further submitted that the outstanding balance of K8,408,820 had since been fully utilised and supporting documents were available for verification.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K1,564,906.00 arose due to delays in the procurement process. Management further submitted that two projects, namely installation of street lights and construction of a market shelter, had since been completed and handed over, while the remaining balance related to retention amounts for the completed projects.

MUCHINGA PROVINCE LAVUSHIMANDA TOWN COUNCIL

Budget, Funding and Expenditure

The accounting authority submitted that the negative variance of K2,019,40.00 arose due to underfunding on the Zambia Devolution Support Programme against the approved budget and the slow uptake of plots during the period under review. The Accounting Authority further submitted that the unspent balance of K7,285,016 related to ongoing Government programmes and committed capital projects.

The Accounting Authority informed the Committee that out of the unspent balance, K6,037,148.23.00 had since been utilised, leaving a balance of K1,247,867.77 committed to ongoing projects.

Adverse Performance on Locally Generated Revenue

The accounting authority submitted that the under-performance in locally generated revenue amounting to K360,764.00 arose mainly due to the slow uptake of plots and the effects of drought experienced during the 2023/2024 farming season.

The Accounting Authority submitted that Management had introduced a flexible plot payment system through the Payroll Management and Establishment Control system and had digitised revenue collection in order to enhance local revenue mobilisation.

Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that Management failed to fully attain the planned output relating to reduction of indebtedness due to budgetary constraints and unforeseen increases in staffing levels.

The Accounting Authority submitted that K70,600.00 had since been paid towards reducing indebtedness and that strategies had been introduced to improve revenue collection and reduce debt levels.

Failure to Collect Revenue-Plot Premiums

The under-collection of K3,613,150.00 on plot premiums was due to the slow uptake of plots, as only 349 applications were received out of the 1,572 plots advertised. It was reported that Management had since collected K2,350,000 from plot premiums.

Failure to Fill Vacant Positions

The Accounting Authority submitted that staffing levels during the period under review were maintained in line with available budgetary provisions and operational requirements. The Accounting Authority further submitted that six vacant positions had since been filled.

Over Employment of Staff- Cost Implication K334,300.00

The Accounting Authority submitted that the over-employment position arose following the deployment of four officers who were accommodated on the payroll in accordance with their letters of appointment.

The Accounting Authority informed the Committee that the Local Government Service Commission had been engaged and that three out of the four cases had since been resolved.

Properties without Title Deeds

The Accounting Authority submitted that the Council failed to process title deeds due to budgetary constraints, although a corporate account had been opened on the Ministry of Lands portal.

It was reported that payments for processing title deeds had since been made.

Poor Management of Waste-Failure to Establish a Waste Dumpsite

The Accounting Authority submitted that failure to establish a waste disposal site was due to non-approval of the initially identified site by the Provincial Planning Authority.

The Accounting Authority submitted that an alternative site had since been identified and the Provincial Planner had been invited to validate the site.

Non-Settlement of Statutory and Other Obligations-K2,729,969.00

The Accounting Authority submitted that the Council failed to fully settle statutory obligations due to financial constraints.

It was reported that an arrangement had been entered into with the Zambia Revenue Authority under which the Council was remitting K20,000.00 monthly, and K200,000.00 had since been paid.

Non-Settlement of Staff Obligations-K1,774,031.00

The Accounting Authority submitted that the Council failed to fully settle terminal benefits due to financial constraints. It was reported that K70,600.00 had since been paid, reducing the balance to K1,703,431.00.

Unspent Funds-Sector Grant Account K3,793,897.00

The Accounting Authority submitted that the unspent balance related to committed activities under Cash for Work, Health Services, Vehicle Licensing, Community Sports, Veterinary Services and District Archives. It was reported that the Committee that the entire balance of K3,793,897.00 had since been utilised on the approved activities.

Management of Cash for Work Programme-K2,482,942.00

The Accounting Authority submitted that the funds remained unspent due to delays in putting in place logistical and administrative structures required for smooth implementation of the programme. It was reported that the funds had since been fully utilised.

Unspent Funds-Zambia Devolution Support Programme K2,623,102.00

The Accounting Authority submitted that the unspent balance arose due to changes in the scope of works of the approved project. It was reported that K1,375,234.23 had since been spent on the extension of the dry port, leaving a committed balance of K1,247,867.77.00.

KANCHIBIYA TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the Council would continue preparing financial statements in accordance with the Public Finance Management Act and the International Public Sector Accounting Standards framework.

Budget, Funding and Expenditure

The Accounting Authority submitted that the negative variance of K1,215,669.00 arose due to non-receipt of funds from the respective Ministries. The Accounting Authority further submitted that the unspent balance of K8,293,542.00 related to committed programmes and activities held in various Council accounts.

The Accounting Authority explained that the balances included K3,124,670.00 under the Capital Account, K3,156,578.00 under the Planning Account, K955,572 under the Sector Grant Account and K581,612.00 under Water and Sanitation.

The Accounting Authority informed the Committee that K6,394,848.42 had since been utilised in 2025, leaving a balance of K1,898,693.58. The remaining balance mainly related to ongoing capital and water projects.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council recorded an under-collection of K10,143.00 representing one percent of the approved revenue estimates.

The Accounting Authority explained that Local Taxes underperformed by K1,621.00, Levies by K85,195.00, Permits by K29,150.00 and Other Receipts by K159,400.00. However, Fees and Charges exceeded the approved target by K265,223.00. It was reported that Management had since collected K13,250 towards the outstanding revenue.

Non-Settlement of Statutory and Other Obligations- K3,704,844

The Accounting Authority submitted that the Council failed to settle statutory obligations due to an inadequate local revenue base and insufficient monthly inflows.

The Accounting Authority explained that the outstanding obligations comprised K393,152.81 owed to NAPSA and K3,311,691.00 owed to the Zambia Revenue Authority.

The Accounting Authority informed the Committee that K214,037.12 had since been paid towards the outstanding liabilities, reducing the balance to K3,490,806.69. The payments included K169,037.12 paid to NAPSA and K45,000 paid to ZRA.

Non-Settlement of Staff Obligations-K186,404.00

The Accounting Authority submitted that the Council failed to settle staff obligations due to inadequate inflows to meet outstanding commitments.

The Accounting Authority explained that the amount comprised terminal benefits amounting to K177,253.24 and settling-in allowances amounting to K9,150.76. It was reported that the entire outstanding amount of K186,404 had since been settled in 2025.

Unspent Funds-Sector Grant Account K955,572.00

The Accounting Authority submitted that the unspent balance of K955,572.00 related to committed sector activities across Health, Sports, Fisheries and Veterinary Services, Roads, Archives and Culture. The Accounting Authority explained that the Roads Sector accounted for the largest balance amounting to K842,090.33, while Sports accounted for K58,357.21 and Health accounted for K26,598.24. It was reported that the entire amount of K955,572.00 had since been utilised in 2025 on approved sector activities.

Unspent Funds-Zambia Devolution Support Programme K2,694,737.00

The Accounting Authority submitted that the delay in utilising the Zambia Devolution Support Programme funds arose due to delays in tendering the project following the absence of the Environmental and Social Management Plan required by cooperating partners and procurement procedures. It was reported that the Council had since commenced Phase One of the construction of the Skills Training Centre at Kasongo. The project commenced on 8th August 2025 and was expected to be completed on 8th April 2026.

The Accounting Authority further submitted that out of the K2,694,737 received, K1,195,032.79 had since been spent, leaving a balance of K1,499,704.21 committed to the ongoing project.

MPIKA TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements for the period under review were verified and an unqualified audit opinion was issued by the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that the variance arose mainly due to unanticipated receipts under the Cash for Work Programme amounting to K5,279,797.00.

The Accounting Authority explained that the unspent balance related to committed Government programmes and activities held in various accounts. Out of the total unspent balance, K7,015,495.00 related to pending payments for Cash for Work beneficiaries

whose payments could not be processed on time by the bank. Further, K2,694,737.00 related to the Zambia Devolution Support Programme project which only received clearance from the Zambia Environmental Management Agency on 30th January 2025, while K868,272.00 related to Local Government Equalisation Funds received on 31st December 2024 for payment of salaries.

It was reported that K11,466,637.17 had since been spent in 2025.

Other Deliverable Targets/Outputs not Achieved

Management Response

The Accounting Authority submitted that some programme targets were not fully attained during the period under review.

The Accounting Authority explained that under Local Governance, only five out of six Standing Committee Meetings were held, representing a variance of one meeting. Under Public Health and Environmental Protection, the Council collected 13,256 tonnes of solid waste against a target of 14,000 tonnes, resulting in a shortfall of 744 tonnes.

The Accounting Authority further submitted that under Public Order and Safety, only nineteen Football Association of Zambia Division II fixtures were fulfilled against a target of twenty-two fixtures, while under Integrated Development Planning, only twenty-three commercial plots were advertised against a target of fifty plots.

It was reported that measures had since been implemented to improve programme performance and ensure targets were met.

Failure to Collect Revenue-Property Rates

The Accounting Authority submitted that the under-collection of property rates amounting to K474,113.00 arose due to defaulting ratepayers.

It was reported that Management had invoked Section 24 of the Rating Act No. 21 of 2018 and introduced measures aimed at improving collection of outstanding rates in 2025.

Failure to Use e-GP System-K488,772.00

The Accounting Authority submitted that the Council procured goods and services amounting to K488,772.00 from fifty-nine suppliers outside the e-Government Procurement system due to the specialised nature of certain items procured during the year under review.

The Accounting Authority explained that Management relied on Section 191 of the Public Procurement Act No. 8 of 2020 and Statutory Instrument No. 30 of 2022, which permitted the use of running contracts for specified suppliers. It was reported that running contracts had since been signed with the affected suppliers.

Non-Settlement of Statutory and Other Obligations-K22,710,209.00

The Accounting Authority submitted that the Council failed to settle statutory obligations due to financial challenges and an inadequate financial position during the period under review.

The Accounting Authority informed the Committee that K765,649.00 had since been paid in 2025 towards liquidation of the outstanding statutory obligations. Management further submitted that efforts were underway to broaden the revenue base in order to dismantle the debt.

Non-Settlement of Staff Obligations-K3,367,477.00

The Accounting Authority submitted that the Council owed current and former employees K3,367,477.00 in terminal benefits and long service bonuses due to financial constraints.

The Accounting Authority informed the Committee that K1,678,203.00 had since been paid towards the outstanding staff obligations, reducing the balance to K1,689,275.00. Management further submitted that dismantling of staff debt remained a priority.

Unspent Funds-Sector Grant Account K7,789,252.00

The Accounting Authority submitted that the unspent balance of K7,789,252.00 remained across various sectors due to delays in implementation of planned activities.

It was reported that K7,786,663.00 had since been spent during the first quarter of 2025 on approved sector programmes and activities. Management further submitted that measures had been introduced to ensure timely facilitation of payments under sector grant accounts.

Management of Cash for Work Programme-K7,015,495.00

The Accounting Authority submitted that the unspent balance of K7,015,495.00 under the Cash for Work Programme accumulated due to delays experienced by the bank in processing payments into beneficiaries' mobile money accounts.

The Accounting Authority further explained that an additional grant amounting to K3,129,742.12 had been received on 31st December 2024.

It was reported that authority had since been obtained from the Ministry to open accounts with mobile money service providers and transfer the Sector Fund Account to ZANACO. Further, K7,013,970.00 had since been paid to beneficiaries by 28th February 2025.

Unspent Funds-Zambia Devolution Support Programme K2,694,737.00

The Accounting Authority submitted that the delay in implementing the approved Zambia Devolution Support Programme project arose due to requirements relating to the preparation of the Environmental and Social Management Plan and other procurement procedures.

The Accounting Authority explained that the Zambia Environmental Management Agency only cleared the project on 30th January 2025, after which the procurement process commenced.

It was reported that the project had since been completed and the funds spent, with only retention funds remaining under the defects liability period.

NAKONDE TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the the Financial Statements for the year under review were verified and an unqualified audit opinion was issued by the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that the the positive variance of K694,321.00 arose due to improved collection efficiency across various revenue streams during the financial year.

The Accounting Authority explained that Local Taxes, Licences, Levies and Commercial Ventures performed favourably due to enhanced digitalisation of revenue collection points, increased sensitisation of traders and improved service delivery at Council commercial facilities.

The Accounting Authority further submitted that the under-performance under Fees and Charges arose due to the transition to the Zambia Revenue Authority Single Window Platform, while the negative variance under Other Grants was attributed to delayed release of Zambia Devolution Support Programme funds.

It was reported that the unspent balance of K6,271,110.00 related to committed Government programmes and activities held in various Council accounts, including K2,365,179.00 under the Capital Account, K1,947,501.00 under the Land Development Fund Account and K1,166,361.00 under the Sector Grant Account.

It was further submitted that the entire unspent balance of K6,271,110.00 had since been utilised by 31st December 2025 on approved programmes and activities.

Delayed Confirmation of Officers on Probation

The Accounting Authority submitted that the delay in confirming three officers who had served on probation for seven months arose because the officers were deemed confirmed pending final determination by the Local Government Service Commission.

The Accounting Authority informed the Committee that the three officers had since been confirmed.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that failure to provide white books for seven movable assets arose because some donated and centrally procured assets were handed over without ownership documentation.

The Accounting Authority explained that the affected assets included a road roller, grader, Scania fire tender, tractor, BAW hearse, fire main tender and Gravia ambulance.

It was reported that two white books had since been secured, while engagements with the Road Transport and Safety Agency and the Ministry of Local Government and Rural Development were ongoing to facilitate issuance of the remaining documents.

Properties without Title Deeds-23 Properties Valued at K5,392,232.00

The Accounting Authority submitted that the the absence of title deeds for twenty-three Council properties valued at K5,392,232.00 arose due to historical acquisition of properties without formal title documentation and delays at the Ministry of Lands.

It was reported that Management had since initiated the process of obtaining title deeds, secured eight offer letters and engaged a land surveyor who had completed surveying all twenty-three properties pending production of survey diagrams.

Uninsured Assets-Fifteen Motor Vehicles

The Accounting Authority submitted that fifteen Council motor vehicles remained uninsured during the period under review due to lack of white books for some centrally procured and donated assets.

It was reported that the process of securing white books and obtaining comprehensive insurance cover for the affected vehicles had since commenced.

Non-Settlement of Statutory and Other Obligations-K5,051,801.00

The Accounting Authority submitted that outstanding statutory obligations amounting to K5,051,801.00 arose due to inadequate funding, competing financial priorities and cash flow challenges during the financial year.

The Accounting Authority explained that the liabilities comprised K2,304,619.43 owed to the Zambia Revenue Authority and K2,747,181.57 owed to NAPSA.

It was reported that K1,113,797.20 had since been paid towards the statutory obligations, reducing the outstanding balance to K3,938,003.80. The payments included K869,297.20 paid to NAPSA and K244,500.00 paid to the Zambia Revenue Authority.

Non-Settlement of Staff Obligations-K3,070,190

The Accounting Authority submitted that the outstanding staff obligations amounting to K3,070,190.00 arose due to cash flow challenges, inadequate funding and competing operational demands.

The Accounting Authority explained that the obligations comprised terminal benefits amounting to K2,188,474.99.00, gratuity amounting to K762,482.61 and settling-in allowances amounting to K119,233.74.

It was reported that K479,794.99.00 had since been paid towards the obligations, reducing the outstanding balance to K2,590,235.00.

Uninsured Fire Officers

The Accounting Authority submitted that twenty-two fire officers remained uninsured during the period under review because available insurance providers could not provide the required insurance cover.

It was reported that all affected fire officers had since been insured.

Unspent Funds-Sector Grant Account K1,166,361.00

The Accounting Authority submitted that the the unspent balance of K1,166,361 related to committed sector funds for Government programmes and activities.

It was reported that the funds had since been utilised in the subsequent financial period in accordance with grant guidelines and approved activities.

Unspent Funds-Zambia Devolution Support Programme K2,694,737.00

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K2,694,737.00 arose because the funds were received late in the last quarter of 2024 and due to changes in the project scope.

It was reported that K2,070,863.72 had since been utilised and supporting documents were available for audit verification.

SHIWANG'ANDU TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the Council continued to uphold the provisions of the *Public Finance Management Act No. 1 of 2018* and maintained continuous monitoring of financial processes and compliance systems during the period under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that the negative variance of K638,595.00 arose due to non-release of some anticipated national support funds and delayed approval of the valuation roll, which affected collection of projected local revenue.

The Accounting Authority further submitted that the unspent balance of K8,480,038.00 related to committed Government programmes and activities which had not been fully implemented by the end of the financial year.

The Accounting Authority explained that the balances included K2,651,537.00 under the Capital Account, K4,843,073.00 under the Devolved Sector Grant Account and K942,463.00 under the District Main Account.

It was reported that K5,337,158.11 had since been spent, leaving a balance of K3,142,877.89 relating mainly to ongoing road works and the bus station project.

101.3 Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council recorded an under-collection of K568,429.00, representing 28 per cent adverse performance against approved estimates.

The Accounting Authority explained that Local Taxes underperformed by K492,108.00 while Fees and Charges underperformed by K76,321.00. The underperformance was mainly attributed to delayed approval of the joint valuation roll with Chinsali Municipal Council, which only became operational during the second half of 2024.

The Accounting Authority further submitted that collection of parking fees was affected by maintenance works at the dry port during the year under review.

It was reported that K229,785.00 had since been collected from property rates following approval of the valuation roll, while K450,950.00 had been collected from parking fees after completion of maintenance works at the dry port.

Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the Council failed to attain some programme targets during the period under review due to operational limitations.

The Accounting Authority explained that under Housing and Community Amenities, the target to grade twelve kilometres of township roads was not achieved due to lack of operational earth-moving equipment such as graders, compactors and front-end loaders.

The Accounting Authority further submitted that under Public Order and Safety, only one hundred fire safety inspections were conducted against a target of two hundred due to inadequate transport facilities.

It was reported that a contractor had since been engaged to undertake road grading works, while the vehicle used for fire inspections had been repaired in order to improve operational coverage.

Failure to Fill Vacant Positions

The Accounting Authority submitted that the Council had three vacant positions against an approved establishment of seventy-six positions during the period under review.

The Accounting Authority explained that staffing levels remained adequate to support service delivery and quarterly staffing returns had since been submitted to the Local Government Service Commission.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that the Council failed to provide white books for seven movable assets because ownership documentation for some vehicles remained with project authorities, financing institutions and the Ministry of Local Government and Rural Development.

The Accounting Authority further explained that some of the affected vehicles were procured under loan facilities while others were linked to road projects and Constituency Development Fund activities.

It was reported that engagements had since been initiated with the Ministry of Local Government and Rural Development and Indo-Zambia Bank to facilitate transfer of ownership documentation to the Council.

Failure to Change Motor Vehicle Ownership Details

The Accounting Authority submitted that the Council failed to update ownership details for two motor vehicles due to delays in completion of formal handover procedures and submission of supporting documentation by previous owners and funders.

It was reported that Management had since engaged the Ministry of Local Government and Rural Development to facilitate updating of ownership records.

Properties without Title Deeds

The Accounting Authority submitted that the Council had not secured title deeds for two properties because survey diagrams had not yet been issued by the Office of the Surveyor General.

It was reported that follow-ups had since been made with the Office of the Surveyor General and Lands Office in order to facilitate issuance of the title deeds.

Non-Settlement of Statutory and Other Obligations-K7,273,276.00

The Accounting Authority submitted that the outstanding statutory obligations amounting to K7,273,276.00 arose due to limited cash flow during the financial year.

The Accounting Authority explained that the liabilities included K3,917,897 owed to the Zambia Revenue Authority, K1,822,892.00 owed to NAPSA, K206,460.00 owed to NHIMA and K166,261.00 owed to ZULAWU.

It was reported that K119,584.81 had since been paid towards the statutory obligations, reducing the outstanding balance to K6,168,183.31.

Non-Settlement of Staff Obligations-K691,776

The Accounting Authority submitted that the Council accumulated staff obligations amounting to K691,776.00 due to limited cash flow.

The Accounting Authority explained that the liabilities comprised K328,172.00 in settling-in allowances and K363,604.00 in salary arrears.

It was reported that K77,535.34 had since been paid, reducing the outstanding balance to K614,240.66.00

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the Council lacked a utility fire-fighting vehicle and dedicated ambulance due to inadequate financial resources and a limited revenue base.

It was reported that Management had since engaged the Ministry of Local Government and Rural Development for support towards procurement of the required emergency response equipment.

Uninsured Fire Officers

The Accounting Authority submitted that four fire fighters remained uninsured during the period under review due to resource constraints. It was reported that the process of securing insurance cover for the affected officers had since commenced in 2026.

Lack of Personal Protective Equipment

The Accounting Authority submitted that the Council lacked personal protective equipment due to financial constraints experienced during the period under review.

It was reported that Management had since engaged the Ministry of Local Government and Rural Development for support towards procurement of the required protective equipment.

Management of Cash for Work Programme

The Accounting Authority submitted that delays in payment under the Cash for Work Programme arose because many beneficiaries did not possess mobile money accounts registered in their own names.

The Accounting Authority explained that against a target of 9,193 beneficiaries, only 5,684 beneficiaries had initially been paid, leaving a variance of 3,509 beneficiaries and an unspent balance of K3,026,862 from the total amount received of K4,685,578.

The Accounting Authority informed the Committee that all pending payments had since been fully disbursed to beneficiaries.

Unspent Funds-Zambia Devolution Support Programme K2,651,538.00

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds arose due to late receipt of funds during the last quarter of 2024.

It was reported that K1,267,732.11 had since been spent towards construction of a modern bus station under a contract valued at K2,587,994.85.

NORTHERN PROVINCE

MPULUNGU TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the Financial Statements had been verified and an unqualified audit opinion had been attained for the year under review.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K29,645,966.00, the Council received K21,897,364.00, resulting in a negative variance of K7,748,602.00. Management attributed the variance to non-receipt of Sector Grants amounting to K4,992,34300., Grant in Lieu of Rates amounting to K1,020,108.00, and Local Government Equalisation Funds amounting to K886,472.00 which were received in January 2025. Management further submitted that local revenue underperformed by K846,679.00.

Management also submitted that unspent funds amounting to K3,302,135.00 related to committed Government programmes and operational activities, and that K3,191,758.00 had since been spent.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that several planned outputs under Local Governance, Economic and Business Development, Housing and Community Amenities, Education and Skills Development, Social Protection, Public Order and Safety, Management Support Services and Veterinary Services were partially implemented due to inadequate resources, unrealistic targets, adverse weather conditions and reduced economic activities linked to depletion of fish stocks in Lake Tanganyika.

Management further submitted that corrective measures had since been undertaken, including widening the revenue base through construction of a truck park, conducting sensitisation programmes on business diversification and Early Childhood Education,

introducing indoor sporting activities, reducing unrealistic forecasts and rehabilitating library services.

Failure to Fill Vacant Positions

The Accounting Authority submitted that the Council had twenty-nine vacant positions out of an establishment of 157 positions. Management, however, submitted that staffing levels during the year under review were sufficient to meet service delivery requirements within the approved budget. Management further submitted that vacant positions had been submitted to the Local Government Service Commission and eleven positions had since been filled.

Properties without Title Deeds

The Accounting Authority submitted that eleven Council properties had no title deeds due to inadequate resources to complete the processing of ownership documentation. Management further submitted that the process of titling the remaining properties had since commenced through reporting the matter to Council.

Non-Disposal of Unserviceable Movable Assets

The Accounting Authority submitted that disposal of four unserviceable movable assets had delayed due to prolonged disposal procedures. Management further submitted that the disposal process had commenced through submission of requests for disposal authority to the Provincial Administration.

Poor Management of Waste

The Accounting Authority submitted that failure to provide waste receptacles was due to inadequate resources. Management further submitted that two skip bins had since been procured using Zambia Devolution Support Programme funds and additional receptacles had been secured through the VOICES Project and placed in schools, churches, markets and other public places.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K17,769,406.00 remained unsettled due to inadequate resources. Management further submitted that partial payments had since been made towards NAPSA, NHIMA and other obligations.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent funds amounting to K556,202.00 arose largely due to delayed disbursement of District Health Grants, two of which were received on 13th December 2024 and 31st December 2024 respectively. Management further submitted that all the funds had since been spent on the intended activities.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent Zambia Devolution Support Programme funds amounting to K2,694,645.00 arose due to lengthy procurement procedures relating to acquisition of a skip bin truck and loader under the capital grant component. Management further submitted that the funds had since been utilised on approved projects and supporting documents were available for audit verification.

MPOROKOSO TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the observations of the Auditor General were acknowledged and that the Financial Statements for the year under review had been verified, resulting in an unqualified audit opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K22,596,747.00, the Council received K16,674,153.00, resulting in a funding variance of K5,922,594.00. Management attributed the variance to some funds being committed towards Government programmes and activities. Management further submitted that unspent funds amounting to K3,650,944.00 had since been utilised on committed programmes.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council under-collected locally generated revenue by K432,147.00 mainly because property owners resisted paying rates as they fell due. Management further submitted that K282,204.00 had since been collected from plot premiums and property rates.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that several planned outputs under Local Governance, Public Health and Environmental Protection, Recreation, Education and Veterinary Services were either partially implemented or not implemented due to inadequate funding, unrealistic targets and inadequate human resources.

Management further submitted that corrective measures had since been undertaken, including budgeting for the outstanding activities in subsequent financial years, assigning officers to superintend over cultural and archival activities, revising unrealistic targets and engaging relevant Ministries regarding veterinary staffing concerns.

Failure to Collect Revenue – Plot Premiums

The Accounting Authority submitted that under-collection of K470,425 from plot premiums arose due to low demand in the advertised area. Management further submitted that the amount had since been collected from plot premiums.

Failure to Use 5 per cent of Locally Generated Funds on Wards

The Accounting Authority submitted that failure to utilise K57,567.00 representing 5 per cent of locally generated revenue on ward activities arose due to competing financial needs during the period under review. Management further submitted that the funds would be utilised in consultation with Ward Councillors in 2026.

Failure to Fill Vacant Positions

The Accounting Authority submitted that the Council had twenty-six vacant positions due to inadequate financial resources. Management further submitted that requests had been made to the Local Government Service Commission to fill critical positions and six positions had since been filled, namely Systems Analyst, Council Advocate, Civil Engineer, Assistant Electrical Engineer and two Senior Legal Assistants.

Delayed Promotion of Officers

The Accounting Authority submitted that delayed promotion of one officer for a period of fifteen months arose due to non-receipt of promotion letters at the time of audit. Management further submitted that recommendations had been made to the Local Government Service Commission to substantively promote the Assistant Town Planner to the position of Town Planner and the Council was awaiting a response.

Failure to Inscribe Assets

The Accounting Authority submitted that seven assets valued at K46,500.00 had not been inscribed because no budgetary provision had been made for the exercise in 2024 and 2025. Management further submitted that provision had since been made in the 2026 budget and the exercise was scheduled for the third quarter of 2026.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that White Books for six movable assets had not been handed over at the point of delivery. Management further submitted that some White Books had since been received from the Ministry of Local Government and Rural Development.

Properties without Title Deeds

The Accounting Authority submitted that eleven Council properties had no title deeds due to inadequate resources for processing the documents. Management further submitted that fifteen properties had since been approved and submitted to the Ministry of Lands for titling, while six Invitations to Treaty had already been received awaiting payment.

Non-Maintenance of Properties

The Accounting Authority submitted that eleven Council properties, including staff houses and the Civic Centre, had not been maintained due to limited resources. Management further submitted that provisions would be made for maintenance works in future budgets.

Failure to Establish and Maintain Abattoir/Slaughterhouse

The Accounting Authority submitted that failure to establish an abattoir or slaughter slab was due to inadequate funding. Management further submitted that a plot had since been secured for the proposed slaughter slab and construction would commence once funds became available.

Poor Management of Waste

The Accounting Authority submitted that failure to fence the dumpsite and place warning signs was due to inadequate resources. Management further submitted that funding had since been secured under the Zambia Devolution Support Programme and clearance had been obtained from ZEMA.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K8,930,493.00 remained unsettled due to inadequate funds. Management further submitted that K90,000.00 had since been paid towards LASF obligations.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K5,420,534.00 remained unsettled due to inadequate funding. Management further submitted that K87,549.94 had since been paid towards staff obligations.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the Council lacked an ambulance, fire tender, marine rescue equipment and communication systems due to inadequate funding. Management further submitted that an ambulance had since been received through the Constituency Development Fund and that efforts were ongoing to lobby for support towards procurement of the remaining equipment.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that unspent funds amounting to K188,169 remained unutilised because part of the funds had been received towards the end of the year. Management further submitted that the funds had since been spent.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that unspent funds amounting to K2,276,667.00 remained unutilised because the funds were received towards the end of the year. Management further submitted that the funds had since been spent.

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

KASAMA TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the Financial Statements for the year under review had been verified and an unqualified audit opinion had been attained.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K46,137,532.00, the Council received K47,999,221.00, resulting in a positive variance of K1,861,689.00 due to enhanced revenue collection measures. Management further submitted that unspent funds amounting to K3,406,027.00 had been committed towards salaries, community sports, primary health services, veterinary services and road works, and had since been utilised.

Other Deliverable Targets and Outputs not Achieved

The Accounting Authority submitted that failure to fully achieve a number of planned outputs was mainly due to liquidity challenges, non-availability of documents during audit verification, demand-driven activities, lack of orientation for committees, staffing disruptions arising from officer transfers, and delayed approvals for by-laws and policy documents.

Management further submitted that corrective measures had since been undertaken, including budgeting for committee orientations and policy formulation, completion of pending reports and documentaries, rehabilitation of facilities, automation of revenue systems, continuation of sports and community programmes, and engagement with relevant institutions for implementation of outstanding activities.

Failure to Use 5 per cent of Locally Generated Funds on Wards

The Accounting Authority submitted that the failure to transfer 5 per cent of locally generated funds to Ward Development Committees arose because the WDC accounts had not yet been opened at the time of audit. Management further submitted that the accounts had since been opened and that K138,250.00 had been spent in support of ward operations and stakeholder meetings.

Failure to Obtain Clearance from ZRA before Payment

The Accounting Authority submitted that failure to obtain Zambia Revenue Authority clearance before effecting payments was due to inadequate staff capacity regarding payment procedures. Management further submitted that all payments were now being cleared with ZRA in line with requirements.

Failure to Fill Vacant Positions

The Accounting Authority submitted that out of an approved establishment of 402 positions, only 151 positions were filled, leaving 251 vacant positions. Management attributed the situation to financial constraints which limited recruitment to only critical positions within the approved salary budget.

Over Employment of Staff

The Accounting Authority submitted that the over-employment of six officers arose because the officers had been accommodated on payroll following their appointment and transfer letters. Management further submitted that the excess firefighters had since been transferred by the Local Government Service Commission.

Delayed Promotion of Officers

The Accounting Authority submitted that delayed promotion of officers was due to non-receipt of confirmation letters at the time of audit. Management further submitted that three officers had since been promoted, while others had either retired or been transferred.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that the White Books were not availed during audit verification. Management further submitted that it had engaged the Road Transport and Safety Agency to duplicate the missing White Books and had computerised the registry system to preserve both soft and hard copy records.

Unrepaired Movable Assets

The Accounting Authority submitted that the cited vehicles had remained unrepaired because they had been earmarked for disposal. Management further submitted that approval for disposal had since been obtained from the Council.

Non-Installation and Maintenance of Street Lights

The Accounting Authority submitted that non-functionality of street lights was caused by erratic electricity supply arising from load shedding. Management further submitted that it had commenced replacement of grid-powered street lights with solar-powered lights and had already installed twenty solar street lights covering one kilometre, while another contractor had been engaged for seventy additional installations.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K29,829,415.00 remained unsettled due to liquidity challenges. Management further

submitted that K382,001.93 had since been paid towards NAPSA and NHIMA obligations and that K5,136,000.00 had been budgeted towards debt liquidation in 2025.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K11,173,473.00 remained unsettled due to liquidity challenges. Management further submitted that K879,659.00 had since been paid towards terminal benefits, salary arrears and leave travel benefits.

Unspent Fund- Sector Grant Account

The Accounting Authority submitted that out of K5,898,450.00 received under the Sector Grant Account, K1,270,392.00 remained unspent because the grants had been received towards year end. Management further submitted that K1,287,268.71 had since been utilised on community sports, primary health services, veterinary services and road works before approval of the 2025 budget.

CHILUBI TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements for the year under review were verified and an unqualified audit opinion was issued by the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that the negative variance of K7,305,278.00 arose due to lower-than-anticipated funding and operational constraints during the year under review.

The Accounting Authority explained that the unspent balance of K4,732,710.00 related to committed Government programmes and activities held in various Council accounts, including K2,679,563.00 under the Capital Fund Account and K922,392.00 under the Sector Grant Account.

It was reported that K4,568,708.00 had since been spent, leaving a balance of K164,000.00 under the Capital Fund Account.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council recorded an under-collection of K530,400.00, representing 40 per cent adverse performance against approved revenue estimates.

The Accounting Authority explained that the underperformance arose because anticipated revenues from hiring out earth-moving equipment and issuance of plots were not realised due to low demand.

It was reported that the Council revised revenue targets in 2025 to align them with realistic collection trends. Revenue performance improved from 60 percent in 2024 to 84 percent in 2025.

Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the Council partially implemented eleven out of twenty-eight targeted activities while seventeen activities were not implemented due to inadequate funding, low revenue base, lack of equipment and operational challenges.

The Accounting Authority explained that the Council failed to hold all planned meetings, allocate all planned plots, procure a plotter, rehabilitate boreholes, stock SOMAP shops, maintain roads, install flood lights and develop all planned ICT systems.

The Accounting Authority further submitted that road rehabilitation improved after hiring earth-moving equipment, resulting in rehabilitation of forty-three kilometres of roads and maintenance of ninety-seven kilometres of roads after the audit period.

It was reported that the Council had also developed two policies, received two auditors from the Local Government Service Commission and identified an additional revenue source.

Failure to Collect Revenue-Plot Premiums

Management Response

The Accounting Authority submitted that the under-collection of plot premiums amounting to K52,000.00 arose because only five out of twelve successful applicants paid the required premiums.

It was reported that seven offer letters had since been revoked and the plots re-opened for allocation to other members of the public.

Failure to Use 5 Percent of Locally Generated Funds on Wards

The Accounting Authority submitted that the Council failed to transfer K40,188.00 to Ward Development Committees because the Ward Development Committees had not opened bank accounts during the period under review.

It was reported that a Ward Development Committee account had since been opened and the funds deposited.

Failure to Fill Vacant Positions

The Accounting Authority submitted that the Council had fifty-one vacant positions against an approved establishment of ninety-six positions due to a low revenue base.

It was reported that ten officers had since been deployed to the Council by the Local Government Service Commission.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that white books for six movable assets were not availed during the audit due to delays in documentation.

It was reported that all the white books had since been secured and were available for audit verification.

Properties without Title Deeds

The Accounting Authority submitted that the Council failed to secure title deeds for eight properties because the properties were not reflected in the Ministry of Lands system.

It was reported that the Department of Physical Planning in Kasama had since been engaged to re-plan Chilubi Island at an estimated cost of K156,934.49.00.

Non-Maintenance of Properties

The Accounting Authority submitted that four Council houses developed deep structural cracks due to inadequate funding for maintenance works.

It was reported that maintenance of Council properties had since been included in the 2026 annual budget.

Non-Settlement of Statutory and Other Obligations-K4,891,227.00

The Accounting Authority submitted that outstanding statutory obligations amounting to K4,891,227.00 arose due to a low revenue base.

The Accounting Authority explained that the liabilities included K2,326,780.00 owed to the Zambia Revenue Authority, K1,457,184.00 owed to NAPSA and K973,084.00 relating to staff obligations.

It was reported that K271,963.00 had since been paid towards dismantling the arrears and that an application for a special grant had been submitted.

Non-Settlement of Staff Obligations-K1,162,577

The Accounting Authority submitted that the Council failed to settle staff obligations amounting to K1,162,577.00 due to low locally generated revenue.

It was reported that K137,785.63.00 had since been paid towards the outstanding obligations.

Unspent Funds-Sector Grant Account K922,392.00

The Accounting Authority submitted that the unspent sector grant balance of K922,392.00 remained unutilised within the financial year due to implementation delays.

The Accounting Authority explained that the balance comprised K249,509.00 under the Health Grant and K672,882.00 under the Roads Grant.

It was reported that the entire amount of K922,392.00 had since been spent on approved Government programmes and activities.

Unspent Funds-Zambia Devolution Support Programme K2,679,563.00

The Accounting Authority submitted that the unspent Zambia Devolution Support Programme funds amounting to K2,679,563.00 arose because the Council was awaiting environmental clearance from the Zambia Environmental Management Agency. It was reported that the funds had since been utilised and the projects implemented.

MUNGWI TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements for the year under review were verified and an unqualified audit opinion was issued by the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K7,652,745.00 arose due to uncollected and unremitted funds during the period under review.

The Accounting Authority explained that the unspent balance of K5,424,853.00 related to committed Government programmes and activities that were still under implementation at the time of audit.

The Accounting Authority informed the Committee that Management had engaged relevant Ministries to facilitate release of outstanding funds and had directed departments to expedite expenditure on approved activities before closure of the financial year.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council recorded an under-collection of K588,649.00, representing twenty-eight percent adverse performance against approved estimates.

The Accounting Authority explained that low compliance in payment of property rates arose due to an expired valuation roll. Further, under-collection on fees and charges resulted from non-payment of plot premiums for earmarked smallholder plots whose allocation was affected by unresolved encroachment matters.

The Accounting Authority informed the Committee that Management had intensified collection efforts through issuance of demand notices, community radio sensitisation and public address announcements. Management further submitted that residential plots had since been advertised to the general public.

Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the Council partially implemented fifteen out of twenty-nine targeted activities while fourteen activities were not implemented due to inadequate financial resources, operational delays and staffing challenges.

The Accounting Authority explained that the Council failed to conduct a Special Council Meeting, procure Geographical Information System equipment, procure office and waste management equipment, undertake food sampling analysis, rehabilitate Council houses, establish a fire unit and conduct all planned management meetings and public sensitisation activities.

The Accounting Authority further submitted that road drainage desilting had since been completed, district monitoring activities had been undertaken, seven fire fighters had been deployed by the Local Government Service Commission and management meeting schedules had since been formalised.

The Accounting Authority informed the Committee that Management had revised the 2026 budget to align planned activities with realistic and achievable revenue projections.

Failure to Collect Revenue-K1,796,338.00

The Accounting Authority submitted that the under-collection of K1,796,338.00 arose mainly from non-payment of plot premiums for residential and special user plots at the Buffer Zone.

The Accounting Authority explained that K1,258,680 related to unpaid plot premiums, K33,823 related to unprocessed land conversion applications due to incomplete formalities from traditional leadership, while K503,835 related to payroll deductions not remitted to commercial ventures due to financial challenges.

It was reported that residential plots had since been advertised to the public and that the Council had stopped offering credit facilities to employees at Ilamfya Guest House.

Failure to Use 5 Percent of Locally Generated Funds on Wards

The Accounting Authority submitted that the Council failed to utilise K74,340.00 earmarked for Ward Development Committees due to delays in identification and approval of ward-level activities.

It was reported that the entire amount of K74,340.00 had since been utilised towards garbage collection in markets.

Failure to Provide Activity Reports-K161,384.00

The Accounting Authority submitted that activity reports for twelve transactions amounting to K161,384.00 were not attached to payment vouchers at the time of audit.

The Accounting Authority informed the Committee that all missing activity reports had since been attached to the respective payment vouchers and that internal controls had been strengthened to ensure proper filing of documentation.

Failure to Fill Vacant Positions

The Accounting Authority submitted that the Council had six vacant positions against an approved establishment of ninety positions during the period under review.

The Accounting Authority informed the Committee that the Council had engaged the Local Government Service Commission and three positions had since been filled.

Delayed Promotion of Officers

The Accounting Authority submitted that one officer remained unpromoted for thirteen months because confirmation by the Local Government Service Commission had not been concluded at the time of audit.

The Accounting Authority informed the Committee that follow-ups had since been made with the Local Government Service Commission regarding the promotion.

Properties without Title Deeds

The Accounting Authority submitted that fourteen Council properties had no title deeds because the titling process remained at offer letter stage at the time of audit.

It was reported that all statutory fees had since been paid and that the Council had opened a corporate account under the Zambia Integrated Land Administration System in order to process title deeds electronically.

Failure to Establish and Maintain an Abattoir/Slaughterhouse

The Accounting Authority submitted that the Council failed to establish and maintain an abattoir because the activity had not been budgeted for during the year under review.

The Accounting Authority informed the Committee that Management had since commenced engagements with cooperating partners in order to mobilise resources for construction of an abattoir.

Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that the Council failed to establish and maintain cemeteries because suitable land within township boundaries had not been identified.

The Accounting Authority informed the Committee that traditional leadership had since been engaged for allocation of land for cemetery development.

KAPUTA TOWN COUNCIL

Audit Opinion-Unqualified Opinion

The Accounting Authority submitted that the observations by the Auditor General were acknowledged and that the Financial Statements for the year under review had been verified and an unqualified audit opinion had been rendered on the Council.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K26,389,305.00, the Council received K20,343,510.00, resulting in a funding variance of K6,045,795.00. The Council further submitted that total funds available stood at K23,265,971.00, out of which K16,499,060.00 was spent, leaving unspent funds amounting to K6,766,911. Management attributed the variance to underfunding, while the unspent balance related to committed Government programmes and activities. Management further submitted that K3,691,485 had since been utilised towards the outstanding activities and programmes.

Other Deliverable Targets and Outputs Not Achieved

The Accounting Authority submitted that the Council failed to fully achieve a number of planned outputs under Integrated Development Planning, Public Health and Environmental Protection, Housing and Community Amenities, and Public Order and Safety. Out of nine targeted activities, three were partially implemented while six were not implemented. Management attributed the failure to factors such as inadequate resources, low compliance levels by dog owners, projects not meeting Zambia Devolution Support Programme guidelines, delayed relocation by Zambia National Service, and inadequate funding for updating the valuation roll.

Management further submitted that corrective measures had been undertaken, including incorporating dog registration into vaccination programmes, replacing non-compliant projects with eligible projects, requesting funding support from the Ministry of Local Government and Rural Development, and improving resource mobilisation.

Failure to Collect Revenue

The Accounting Authority submitted that the Council failed to collect K40,235 in projected billboard revenue because billboard owners had pulled down their billboards, thereby reducing the revenue base. Management stated that the billboard revenue budget for 2025 had since been revised downwards to K15,000 to reflect the prevailing situation.

Failure to Use e-GP System

The Accounting Authority submitted that the Council failed to utilise the Electronic Government Procurement system on procurements involving nineteen suppliers amounting to K202,431 due to limited capacity and poor network connectivity in the district. Management further submitted that a waiver to deviate from using the e-GP system had been granted by the Zambia Public Procurement Authority.

Failure to Fill Vacant Positions

The Accounting Authority submitted that out of an approved establishment of 115 positions, only 105 positions were filled, leaving ten vacant positions. Management, however, submitted that staffing levels were sufficient to sustain service delivery within the approved budgetary limits.

Delayed Confirmation of Officers on Probation

The Accounting Authority submitted that three officers remained unconfirmed on probation for periods ranging from five to eight months because confirmation letters had not yet been issued by the Local Government Service Commission. Management stated that the matter had since been engaged with the Commission.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that the Council had unsettled statutory obligations amounting to K8,706,002.35 relating to Zambia Revenue Authority, NAPSA and LASF contributions. Management attributed the failure to settle the obligations to inadequate funding arising from the narrow local revenue base. Management further submitted that an application for a special grant had been made to the Ministry of Local Government and Rural Development.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that the Council had unsettled staff obligations amounting to K6,460,643.75, relating to terminal benefits, long service benefits, leave days and salary arrears. Management attributed the situation to inadequate funding due to the narrow revenue base. Management further submitted that K459,615.64 had since been paid towards reducing the outstanding obligations.

Unspent Funds – Sector Grant Account

The Accounting Authority submitted that out of the K3,418,350.00 received under the Sector Grant Account, only K1,944,369.00 had been spent, leaving an unspent balance of K1,473,981.00 at year end. Management explained that the funds related to programmes which were still ongoing at the close of the financial year. Management further submitted that K288,299.20 had since been utilised, while the remaining funds had been committed towards drainage system works under implementation.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that the Council received K2,694,737 under the Zambia Devolution Support Programme but did not spend the funds during the year under review because of delays in obtaining a no objection from the Zambia Environmental Management Agency. Management further submitted that implementation of the projects had since commenced in 2025, with works underway on procurement of waste bins, water reticulation systems, boreholes, ablution blocks and construction of a mini-abattoir.

LUAPULA PROVINCE

MANSA MUNICIPAL COUNCIL

101.1 Audit Opinion

The Accounting Authority submitted that the Council received an unqualified audit opinion for the financial year ended 31st December 2024. Management stated that the financial statements were verified and subsequently received a favourable opinion from the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K45,611,599.00, the Council received K41,796,200.00 resulting in a variance of K3,815,399.00 mainly due to receipt of grant funds on 31st December 2024. Management further submitted that total funds available amounted to K45,038,098.00 after including brought forward funds of K3,241,898.00, out of which K41,418,533.00 was spent leaving unspent funds of K3,619,565.00 committed to various Government programmes and activities.

Management reported that K3,471,631.00 had since been utilised leaving a balance of K9,729. Management further indicated that measures had been instituted to ensure that funds were utilised strictly in accordance with approved Government programmes.

Other Deliverable Targets and Outputs Not Achieved

The Accounting Authority submitted that failure to achieve certain targets under Housing and Community Amenities arose mainly from financial constraints and mobility challenges. The Council failed to construct one planned building, register and monitor one youths and women development club and drill one borehole at the cemetery.

Management reported that partnerships had since been established with the Provincial Education Office while four monitoring visits had been conducted using transport under devolved functions. Further, funding for drilling the cemetery borehole had been secured through the Constituency Development Fund.

Failure to Collect Revenue

The Accounting Authority submitted that under-collection of revenue amounting to K1,052,818.00 from rates, mast levy, franchise and tipping fees was due to delayed implementation of the digital payment system. Against a budget of K2,616,021.00, the Council collected K1,563,203.00.

Management reported that the entire amount of K1,052,818.00 had since been collected following digitalisation of the payment system which enabled clients to make payments remotely and improved collection efficiency.

Non-Maintenance of Properties

The Accounting Authority submitted that four Council properties, including Mansa Civic Hotel, the Civic Centre and dwelling houses, had deteriorated due to financial constraints. The defects included damaged ceiling boards, leaking toilets, cracked walls, worn out paint, broken windowpanes and non-functional ablution facilities.

Management reported that an application for a special grant had since been submitted to the Ministry of Local Government and Rural Development for possible rehabilitation works. Management further submitted that efforts to secure partnerships for rehabilitation and possible reopening of the Civic Hotel were ongoing.

Failure to Establish and Maintain Abattoir/Slaughterhouse

The Accounting Authority submitted that failure to establish and maintain an abattoir or slaughterhouse was due to financial constraints faced by the Municipality.

Management reported that a suitable site for a slaughter slab had since been identified in order to reduce the capital costs associated with a fully-fledged abattoir. Management further indicated that engagements with the Department of Livestock and Fisheries were ongoing for possible support under devolved functions.

Failure to Service Plots

The Accounting Authority submitted that fifty-one (51) plots valued at K1,330,000.00 had not been serviced due to lack of earth moving equipment, resulting in failure to create access roads and undertake surveying and beaconing works.

Management reported that earth moving equipment had since been procured and access roads had already been created. Further, the Council undertook to ensure that plots were fully serviced before being offered to the public.

Poor Management of Waste

The Accounting Authority submitted that poor waste management resulted from relocation to a new dumpsite and lack of skip bins and a skip truck. The deficiencies included failure to fence the dumpsite and inadequate refuse disposal facilities.

Management reported that the dumpsite had since been fenced and skip bins had been provided in various locations within the Municipality. Management further stated that the new dumpsite would continuously be maintained to required standards.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory and other obligations amounting to K38,489,064.00 remained unsettled due to financial constraints experienced by the Municipality.

Management reported that K217,308.96.00 had since been paid towards NHIMA obligations reducing the outstanding balance to K38,271,755.04. Management further submitted that engagements with the Ministry of Local Government and Rural Development for a special grant to settle the outstanding obligations were ongoing.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K706,987 remained unsettled due to financial constraints faced by the Municipality. The obligations related mainly to terminal benefits and long service bonuses.

Management reported that K515,135.23 had since been paid leaving an outstanding balance of K191,851.77. Management further stated that digitalisation of the payment system had improved revenue efficiency and would assist in settling the outstanding obligations.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that out of K5,745,752 received under the Sector Grant Account, K4,750,291 was spent leaving unspent funds of K995,461 held for committed Government programmes and activities.

Management reported that K990,691 had since been utilised leaving a balance of K270. Management further indicated that all funds would continue to be utilised in line with approved Government programmes and activities.

MILENGE TOWN COUNCIL

Audit Opinion

The Accounting Authority submitted that the Council received an unqualified audit opinion for the financial year ended 31st December 2024, similar to the previous financial year. Management stated that the financial statements were duly verified and favourably assessed by the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K23,572,023, the Council only received K17,810,691.00, resulting in a funding variance of K5,761,332.00 mainly due to non-receipt of national support funding and failure of some planned commercial ventures to commence. Management further submitted that out of the total funds available amounting to K17,821,034.00, the Council spent K14,486,956.00 leaving unspent funds of K3,334,078.00 held for committed programmes and activities under various accounts, including Capital Account, Salaries Account and Sector Grant Account.

Management reported that K1,815,780.00 had since been utilised, leaving a balance of K1,518,298.00 mainly relating to ongoing projects and programmes. Management further

indicated that measures had been put in place to ensure timely utilisation of funds in line with Government programmes.

Failure to Collect Revenue

The Accounting Authority submitted that the Council budgeted to collect K112,317.00 from rentals and water charges but only collected K8,540, resulting in an under-collection of K103,777.00. Management attributed the shortfall to defaulting tenants.

Management submitted that K1,900.00 had since been collected on water charges and defaulters had been disconnected from water services in order to improve compliance.

Failure to Fill Vacant Positions

The Accounting Authority submitted that out of an establishment of eighty (80) positions, only seventy-four (74) were filled, leaving six (6) vacant positions at the time of audit. Management explained that the positions had not yet been filled during the period under review.

Management further submitted that the Local Government Service Commission had since been engaged on the matter and supporting documentation was available for verification.

Delayed Confirmation of Officers on Probation

The Accounting Authority submitted that three (3) officers remained on probation for a period exceeding eight months due to delays in receiving confirmation letters from the Commission.

Management reported that two (2) officers had since been confirmed while follow ups on the remaining officer were ongoing.

Non-Maintenance of Properties

The Accounting Authority submitted that three (3) Council properties, namely the office block, guest house and staff houses, had deteriorated due to limited resources during the period under review. The defects included collapsed ceiling boards, cracked walls, broken ablution facilities, damaged window panes and peeled floors.

Management reported that rehabilitation works had been budgeted for implementation in the 2026 financial year at a total estimated cost of K2,070,000.00, comprising K500,000.00 for the office block, K1,070,000.00 for the guest house and K500,000.00 for Council houses.

Unrepaired Movable Assets

The Accounting Authority submitted that one motor vehicle had remained unserviceable for twelve months due to the high cost of repairs and the condition of the vehicle being a non-runner.

Management stated that the vehicle had since been earmarked for repair by the end of the second quarter of 2026.

Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that the Council had failed to establish and maintain cemeteries due to unresolved township boundary disputes with traditional leadership.

Management submitted that engagements had since commenced with traditional leaders and the Ministry of Local Government and Rural Development in order to resolve the matter.

Non-Settlement of Statutory Obligations

The Accounting Authority submitted that statutory obligations amounting to K6,290,294.00 remained unsettled due to liquidity challenges facing the Council. The outstanding amounts related to NAPSA and ZRA obligations.

Management reported that K750,820.00 had since been paid towards NAPSA obligations, reducing the outstanding balance to K5,539,474.00. However, no payment had yet been made towards the ZRA liability amounting to K3,809,630.00. Management further submitted that efforts were ongoing to gradually liquidate the outstanding obligations as funds became available.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K569,092.00 relating to terminal benefits remained unsettled due to financial constraints arising from a weak local revenue base and a high wage bill.

Management reported that K134,228.00 had since been paid, leaving an outstanding balance of K434,864.00 as at 31st December 2025.

111.11 Inadequate Fire Fighting Services

The Accounting Authority submitted that the Council lacked a fire station due to financial limitations and was therefore unable to adequately provide firefighting services within the district.

Management reported that two (2) fire officers had since been deployed to the Council by the Local Government Service Commission to support sensitisation and basic fire prevention services. Management further indicated that procurement of fire extinguishers had been included in the 2026 Council budget pending construction of a fire station and procurement of a fire engine.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that out of K3,052,175.00 received under the Sector Grant Account, K2,996,193.00 was spent leaving K55,982.00 unutilised as at 31st December 2024. Management explained that part of the funds had been received on the last day of December 2024 while some devolved functions lacked personnel to implement the programmes.

Management reported that K39,891.00 had since been utilised in January 2025.

Unspent Funds-Zambia Devolution Support Programme (ZDSP)

The Accounting Authority submitted that the entire amount of K2,694,737.00 received under the Zambia Devolution Support Programme remained unspent as at 31st December 2024 because procurement processes for the intended projects were still underway following receipt of funds on 17th October 2024.

Management reported that a contract valued at K2,279,962.65 had since been awarded for the construction of a radio station, guard house, wall fence and water reticulation system. Further, K1,192,530.12 had been spent as at 31st January 2026, leaving a balance of K1,502,207.

NCHELENGE TOWN COUNCIL

Audit Opinion

The Accounting Authority submitted that the financial statements were fairly presented and subsequently received a favourable audit opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K29,293,521.00, the Council received K22,615,023.00 resulting in a funding variance of K6,678,498.00. Management further submitted that total funds available amounted to K44,729,523 after including brought forward funds of K22,114,500.00, out of which K36,547,589.00 was spent leaving unspent funds of K8,181,934 committed to various capital projects and activities.

Management reported that K6,515,790.00 had since been utilised, leaving a balance of K1,666,144.00 tied to ongoing capital projects. Management further indicated that measures had been instituted to ensure timely awarding of contracts in order to avoid implementation delays.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council budgeted to collect K4,830,155.00 in locally generated revenue but only realised K3,206,934.00, resulting in an underperformance of K1,623,221.00 or 34 per cent.

Management attributed the under-collection of local taxes amounting to K539,167.00 to the expiry of the valuation roll in 2021. It was submitted that a new Main Valuation Roll had since been prepared and approved in 2024.

Management further explained that the underperformance in fees and charges amounting to K1,131,454.00 was caused by the closure of the mine in the Democratic Republic of Congo which negatively affected operations at the truck parking bay, delays in completing the paving of the bus station and poor uptake in the sale of plots. To address the matter, the Council completed paving works at the bus station, introduced flexible payment arrangements for plot premiums and intensified advertisements through Facebook, the Council website and community radio stations. Additionally, the Council introduced Kazang machines and the Tingg platform to improve revenue collection efficiency.

On commercial ventures, management submitted that the underperformance of K237,480.00 resulted from rehabilitation works at the Mweru Lodge landing jetty, which had since been completed under phase one.

104.4 Other Deliverable Targets and Outputs Not Achieved

The Accounting Authority submitted that several planned outputs under Integrated Development Planning, Public Health, Housing and Community Amenities, Recreation and Transport Services were either partially implemented or not implemented due to over

budgeting, inadequate funding, delays in execution, lack of land, staffing gaps and financial constraints.

Management reported that a number of corrective measures had since been undertaken. These included reduction of unrealistic targets, completion of radio awareness programmes on planning permission, capacity building of Ward Development Committees, rehabilitation and gravelling of 5.8 kilometres of roads, replacement of twenty-six (26) streetlights, participation in ZALASA activities, promotion of community sports and manual dredging of canals to improve accessibility between the mainland and islands.

Management further submitted that the Council had engaged the Ministry of Lands on title deeds, awaited installation of the new Chief in Kambwali Chiefdom for land allocation matters and requested deployment of a Harbour Master from Samfya Town Council following the transfer of the previous officer.

Poor Management of Waste

The Accounting Authority submitted that the dumpsite remained unfenced and lacked warning signs, waste compaction and waste receptacles due to financial limitations and inadequate tariff collections.

Management reported that the Council had engaged the Ministry of Local Government and Rural Development through the Decentralisation Secretariat for possible support under the Zambia Devolution Support Programme. Additionally, youth and community cooperatives had been engaged to provide waste collection services while community sensitisation programmes on waste separation, reuse and recycling had commenced.

Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that failure to establish a cemetery was due to lack of land within the district.

Management reported that land had since been allocated by Chief Kambwali and engagements had commenced with the Ministry of Local Government and Rural Development through the Decentralisation Secretariat for possible financial support under the Zambia Devolution Support Programme.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K5,209,865.00 remained unsettled due to resource limitations, expansion of the workforce and accumulation of penalties on historical unpaid balances.

Management reported that K716,771.18 had since been paid towards obligations owed to ZRA, NAPSA, NHIMA, Madison and ZULAWU, reducing the outstanding balance to K4,493,123.82.00. The Council further submitted that it had continued settling current statutory obligations as they fell due in order to avoid further accumulation of arrears.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K354,881.00 remained unsettled due to financial resource constraints faced by the Council. The obligations related to terminal benefits, subsistence allowances, leave days and long service bonuses.

Management reported that a payment plan had been introduced and K115,016.19 had since been paid, leaving an outstanding balance of K239,864.81 as at 31st December 2025.

Inadequate Fire Fighting Services

The Accounting Authority submitted that the Council lacked a modern fire station due to inadequate funding.

Management reported that the existing fire office had since been renovated and was being utilised as a temporary fire station. Management further submitted that the Council had engaged the Ministry of Local Government and Rural Development through the Decentralisation Secretariat for financial support towards establishment of a modern fire station.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the Council lacked an ambulance, marine rescue equipment and communication services due to inadequate funding.

Management reported that the Council had engaged the Ministry of Local Government and Rural Development for possible support under the Zambia Devolution Support Programme and had continued collaborating with Marine Officers who possessed the necessary rescue equipment.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that out of K4,791,235.00 received under the Sector Grant Account, K2,967,166.00 was spent leaving unspent funds of K1,824,069.00 as at 31st December 2024. Management explained that the funds remained unspent due to delays by Sector Ministries in providing budget lines.

Management reported that the unspent funds had since been fully utilised and measures had been instituted to ensure timely awarding of contracts for community projects.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that the entire amount of K2,694,737.00 received under the Zambia Devolution Support Programme remained unspent as at 31st December 2024 due to late remittance of funds and lengthy procurement procedures.

Management reported that Star Agency Contractor and General Dealers had since been awarded a contract for paving of the bus station and K2,042,356.00 had already been spent, leaving a balance of K680,906.00. Management further indicated that efforts had been made to ensure contracts for projects were awarded promptly in order to avoid future delays in project implementation.

SAMFYA TOWN COUNCIL

Audit Opinion

The Accounting Authority submitted that the Council maintained an unqualified audit opinion for the financial year ended 31st December 2024. Management stated that the financial statements were duly verified and subsequently received a favourable opinion from the Auditor General.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K38,741,583.00, the Council received K21,396,882.00, resulting in a funding variance of K17,344,701.00 mainly due to under-collection of locally generated revenue. Management further submitted that total funds available amounted to K24,032,910.00 after including brought forward funds of K2,636,028.00, out of which K18,553,324.00 was spent leaving unspent funds of K5,479,586.00 committed to Government programmes and activities.

Management explained that the unspent balances were mainly held under the NRWSSP Capital Special Account, Sector Grant Account and Fire Station Account. Management further reported that K4,551,538.00 had since been utilised, leaving a balance of K927,948.00 relating mainly to ongoing NRWSSP activities.

Other Deliverable Targets and Outputs Not Achieved

The Accounting Authority submitted that the Council failed to achieve certain targets under Housing and Community Amenities due to financial constraints and late receipt of funds. The Council failed to construct one planned dry port while only four (4) out of one hundred (100) planned street lights were installed during the period under review.

Management reported that the dry port project had since been budgeted for implementation in the 2026 financial year. Management further submitted that ninety-six (96) street lights had since been installed following receipt of funds.

Failure to Fill Vacant Positions

The Accounting Authority submitted that although the Council had twenty-two (22) vacant positions out of an establishment of one hundred and forty-three (143), staffing levels during the period under review remained sufficient to support service delivery within the approved budget.

Management reported that nine (9) officers had since been recruited in critical departments including Legal, Engineering, Information Technology and Planning. The positions filled included Council Advocate, Civil Engineer, Architect, Electrical Engineer, Systems Analyst and Assistant Community Development Officer.

Delayed Promotion of Officers

The Accounting Authority submitted that delayed promotion of one officer for a period of nine months was due to non-receipt of promotion letters from the Local Government Service Commission.

Management reported that recommendations from the Human Resource Management Committee had since been submitted to the Commission for action.

Employment of Temporal Workers (Casualisation)

The Accounting Authority submitted that the engagement of eighteen (18) temporal workers at a cost of K255,180 arose from financial constraints which prevented the Council from employing the workers on permanent establishment.

Management reported that all temporal workers had since been engaged on one-year contractual terms pending improvement in the Council's financial position.

107.7 Non-Maintenance of Properties

The Accounting Authority submitted that two Council properties, namely the Civic Centre and the Market Ablution Block, had deteriorated due to financial constraints experienced during the period under review. The defects included peeling paint, broken window panes, leaking sewer lines, damaged cisterns and lack of running water.

Management reported that funds had since been secured in 2025 and maintenance works had commenced on the affected properties.

Poor Management of Waste

The Accounting Authority submitted that failure to fence and compact waste at the dumpsite, coupled with absence of warning signs, resulted from delayed receipt of Zambia Devolution Support Programme funds.

Management reported that waste management works were already in progress, including procurement of materials and implementation of planned activities.

Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that the Council failed to establish and maintain cemetery services due to non-receipt of funds during the period under review.

Management reported that cemetery services had since been budgeted for under the 2026 budget estimates.

Non-Settlement of Statutory and Other Obligations

The Accounting Authority submitted that statutory obligations amounting to K6,307,101 remained unsettled due to financial constraints faced by the Council. The outstanding obligations comprised K4,316,778.00 owed to the Zambia Revenue Authority, K1,904,123.00 owed to NAPSA and K86,200.00 owed to NHIMA.

Management reported that a payment plan had since been incorporated in the 2026 budget in order to liquidate the accrued debt. Management further submitted that NAPSA contributions had started being deducted at source effective June 2025.

Non-Settlement of Staff Obligations

The Accounting Authority submitted that staff obligations amounting to K810,644.00 relating to terminal benefits remained unsettled due to financial challenges experienced by the Council.

Management reported that a payment plan had since been included in the 2026 budget in order to gradually liquidate the outstanding obligations.

Inadequate Fire Fighting Services

The Accounting Authority submitted that although the Council had an established fire station staffed by six fire fighters providing basic fire prevention, sensitisation and rescue services, operations remained inadequate due to lack of a fire tender and modern firefighting equipment.

Management reported that the Ministry had since been engaged to assist with procurement of a fire engine and other firefighting equipment.

Unspent Funds-Sector Grant Account

The Accounting Authority submitted that out of K5,060,978.00 received under the Sector Grant Account, K2,883,951.00 was spent leaving unspent funds of K2,177,027.00 due to ongoing programmes and activities.

Management reported that the funds had since been fully utilised in 2025 on activities under the Health Grant, Roads Fund, Sports Fund, Veterinary Grant and Maritime and Waterways programmes. Major expenditures included K1,435,274 spent on roads activities and K473,912.00 spent under the Health Grant.

Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that the entire amount of K2,694,737.00 received under the Zambia Devolution Support Programme remained unspent as at 31st December 2024 due to late receipt of funds.

Management reported that K1,766,688.56 had since been spent in 2025 on solar street lighting, rehabilitation of the conference hall and construction of refuse bays and a dumpsite, leaving a balance of K927,948.08. The largest expenditure related to solar street lighting amounting to K1,264,043.20.

CENTRAL PROVINCE

CHIBOMBO TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements were verified and an unqualified audit opinion was rendered.

Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K16,255,486.00 arose from under-performance on Charges, while the unspent funds, amounting to K21,061,221.00 were held on account of committed programmes. The balances spread across the thirteen accounts stood at K23,843,906.00, inclusive of the Sector Grant Account, which held K17,375,356.00. It was further submitted that guidance on expenditure was sought and all funds were duly expended following clearance from the relevant authorities.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that against a budget of K29,216,662.00, the Council collected K20,058,977.00, leaving an under-performance of K9,157,685.00 (31 per cent). The affected revenue streams included Local Taxes; Fees and Charges; Levies; Permits; and Commercial Ventures. Additionally, it was submitted that a land audit revealed that there were old applicants who had not been allocated land, necessitating allocation of available plots which affected revenue projections.

The Accounting Authority submitted that the remaining plots were subsequently offloaded and outstanding funds collected. The plot premium component under Charges was removed from the 2026 budget to maintain realism.

Other Deliverable Targets Not Achieved

The Accounting Authority submitted that delays in preparation of planning reports; failure to gazette of the dumpsite; incomplete petroleum license inspections; limited immunisation outreach due to long distances and inadequate transport; and incomplete rabies vaccination contributed to the variances. In certain instances, incorrect target recording was identified.

The Accounting Authority submitted that all planning reports had since been completed; the dumpsite had been fenced and a contractor engaged in line with ZEMA requirements; all petroleum licences were issued; outreach motorbikes were hired leading to improved immunisation coverage; and additional dogs were vaccinated and correct output positions were recorded for veterinary inspections.

Under-Collection of Revenue-K2,397,319.00

The Accounting Authority submitted that resistance by clients to pay prescribed fees led to the under-collection of K2,397,319.00 from plots, property rates and ground rent. A 10 per cent discount had since been introduced for ratepayers with arrears, larger discounts were approved for deserving cases, and a revenue taskforce was formed. It was reported that outstanding fees had now been collected.

Failure to Fill 82 Vacant Positions

The Accounting Authority submitted that the eighty-two vacancies resulted from a new establishment and staff resignations. Existing staff levels were proportionate to the budget. It was reported that critical positions such as committee clerk; electrical engineer; architect; civil engineer; pro; chief procurement officer; and senior legal assistant were filled following engagement with the Local Government Service Commission.

Over-Employment of 76 Positions-Cost Implication K1,221,552.00

The Accounting Authority submitted that officers were placed on the payroll in accordance with their appointment letters. Engagement with the Local Government Service Commission was undertaken and redeployment of excess staff was being awaited.

Non-Maintenance of Properties-13 Dilapidated Houses

The Accounting Authority submitted that Mukuni House was beyond rehabilitation, while institutional houses had undergone partial renovation but many remained unattended by audit time. However, a phased maintenance approach had since been adopted.

Non-Settlement of Statutory and Other Obligations-K43,421,494.00

The Accounting Authority submitted that the arrears arose from historical debt owed to ZRA (K3,339,771.00); LASF (K1,263,104.00); NAPSA (K37,882,658.00); NHIMA (K359,834.00); Madison Funeral Scheme (K389,829.00); and ZULAWU (K186,299.00). Debit liquidation agreements were entered into and repayments had commenced. NAPSA and LASF deductions were now made at source.

Non-Settlement of Staff Obligations-K5,400,722.00

The Accounting Authority submitted that the amount related to historical obligations which included Settling-in Allowances (K191,174.00); Long Service Bonus (K1,111,629.00); Terminal Benefits (K2,523,314.00); and Leave Travel Benefits (K1,574,605.00). A vigorous payment plan was implemented, resulting in a reduction of the outstanding balance.

Lack of Personal Protective Equipment

The Accounting Authority submitted that PPE wore out faster than anticipated due to increased waste generation at 10 Miles and 15 Miles. It was further submitted that necessary PPE was procured, with documentation available for verification.

Unspent Funds-Sector Grant Account (K17,375,356.00)

The Accounting Authority submitted that delayed or absent funding instructions from sector ministries led to unspent balances amounting to K17,375,356.00 across Health Services (K266,202.01.00); RTSA (K1,458,614.83.00); Sports (K149,877.21.00); Veterinary Services (K16,387.90.00); Archives (K6,413.79); Cultural Affairs (K11,629.30); and Cash for Work (K15,466,230.96). The Accounting Authority submitted that the funds were subsequently spent.

Management of Cash for Work Programme-Unspent Funds K15,466,230.00

The Accounting Authority submitted that delayed spending guidelines and recruitment of excess beneficiaries by Ward Development Committees led to the unspent balance.

Unspent Funds-Zambia Devolution Support Programme-K2,694,737.00

The Accounting Authority submitted that delays were caused by stringent funding requirements and ZEMA screening. A contractor for the Modern Bus Station was engaged. Payments of K567,461.69 (25 per cent advance) and K517,000.00 were made, leaving a balance of K1,613,286.31. It was stated that continuous engagement with the World Bank would be maintained to expedite screening processes.

CHISAMBA TOWN COUNCIL

CROSS CUTTING ISSUES

Audit Opinion-Unqualified

The Accounting Authority attributed the unqualified opinion to strengthened efforts in maintaining accurate financial records consistent with IPSAS requirements.

Budget, Funding and Expenditure

The Accounting Authority submitted that the Council received excess Government Support of K4,725,759.00 above the budgeted K32,368,607.00, largely due to additional Cash-for-Work funding. Receipts totaled K13,463,763.00, against the annual Cash-for-Work budget of K8,738,004.00, representing an over-funding variance of K4,725,759.00. The Council further submitted that unspent funds, amounting to K12,066,018.00 arose primarily from:

- i. beneficiary data validation under the Cash-for-Work Programme;
- ii. funding received late in the year; and
- iii. on-going projects awaiting Interim Payment Certificates before payment could be effected.

The Accounting Authority submitted that the funds were utilised in 2025, following verification of beneficiaries and submission of contractor IPCs.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that against an approved budget of K10,867,532.00, the Council collected K7,058,255.00, leaving an adverse variance of K3,809,277.00.

It was reported that:

- i. K3,211,904.00 in plot premiums remained uncollected due to protests in Chipilele and a court injunction in Kamaila;
- ii. permits collections stood at K364,239.00 out of K504,051.00, reflecting a 28 per cent variance caused by inadequate enforcement due to the lack of a revenue vehicle; and
- iii. income from commercial ventures declined due to closure of the restaurant and cocktail bar, which were being used as offices.

The Accounting Authority further submitted that outstanding receipts for permits and other income, were collected in 2025, with performance improving significantly.

Other Deliverable Targets Not Achieved

The Accounting Authority submitted that the failure to grade the targeted 15 km of township roads (actual 11 km, variance 4 km, 73 per cent achievement) resulted from competing needs for tipper trucks that were simultaneously deployed in Mulungushi Ward. It was submitted that the outstanding 4 km were graded under the 2025 allocation.

Failure to Fill 116 Vacant Positions

The Accounting Authority submitted that the vacancies resulted from the mandate of the Local Government Service Commission over key positions and limited fiscal space. It was submitted that engagements with the Commission led to the filling of selected critical positions, with gradual recruitment planned as resources improve.

Over Employment of Four Officers-Cost Implication K364,519.00

The Accounting Authority submitted that the recruitment of the four officers was undertaken by the LGSC. It was reported that staff returns were submitted to the LGSC to regularise the matter.

Unauthorised Positions-Eight Officers with Cost Implication K900,356.00

The Accounting Authority submitted that the positions became unauthorised during the transition from the old to the new staff structure and lacked supporting letters from the LGSC. It was further submitted that supporting letters were now secured.

Delayed Confirmation of Eight Officers on Probation

The Accounting Authority submitted that confirmation delays of six to seven months resulted from factors under the jurisdiction of the LGSC. Some officers were later confirmed following engagement with the Commission.

Poor Management of Waste-Failure to Establish Dumpsite and Waste Bays

The Accounting Authority submitted that a joint dumpsite with Chibombo Town Council had been delayed due to funding concerns, while waste bays along T2 were disrupted by dual carriageway construction works. It was further reported that a fully approved and operational dumpsite was established. Temporary waste collection points were set up and procurement of a tractor for intensified waste collection had commenced.

Non-Settlement of Statutory and Other Obligations-K16,275,100.00

The Accounting Authority submitted that non-remittance was due to a low revenue base. It was stated that deductions towards NAPSA and LASF were initiated at source through the MLGRD. Further, K1,054,777.80 was paid for NAPSA current obligations (May-December 2024). A repayment plan of K30,000.00 per month for arrears was agreed. No payment was made towards PAYE owing to financial constraints.

Inadequate Fire-Fighting Services-Lack of a Fire Station

The Accounting Authority submitted that the cost of constructing a fire station could not be supported by local revenue. However, temporary office space was allocated to the Fire Section.

Lack of Fire-Fighting Equipment

The Accounting Authority submitted that the Council could not procure a fire tender or communication systems due to financial limitations.

Six Uninsured Fire Officers

The Accounting Authority submitted that failure to insure officers resulted from omission of the insurance budget line. The six fire officers were subsequently insured.

Lack of Personal Protective Equipment for Fire Officers

The Accounting Authority submitted that procurement of PPE was delayed due to budget constraints and competing priorities. However, two full combat uniforms were procured and received, with phased procurement planned for the remaining officers.

Failure to Remit 50 per cent of Fire Revenue-K85,399.00

The Accounting Authority submitted that non-remittance resulted from the absence of a Fire Services Account, since revenue collected was used to meet salaries and operational costs. It was further reported that a Fire Services Account was opened and remittances would commence.

Unspent Funds-Sector Grant Account (K7,866,550.00)

The Accounting Authority submitted that the unspent balance comprised:

- i. cash for work-K6,798,571.00 (verification delays and payment failures);
- ii. roads grant-K731,462.00 (pending completion of street lighting works);
- iii. veterinary services-K3,345.00;
- iv. community Sports-K104,203.00;
- v. district archives-K3,612.00; and
- vi. district health-K225,357.00 (funds received on the final day of the year).

It was submitted that all funds were disbursed in 2025.

Management of Cash-for-Work Programme

The Accounting Authority submitted that out of a total target of 22,440.00 beneficiaries (10,347 male; 12,093 female); only 11,403.00 beneficiaries were paid, leaving 11,037.00 unserved. The Council received K13,463,763.00, paid K8,232,126.00, and retained a balance of K5,231,637.00. It was further submitted that K1,600,320.00 included in the paid amount, represented bounced mobile payments affecting 2,669 beneficiaries, creating discrepancies with audit figures. It was further submitted that payment modes through MTN, Airtel and Zamtel were adopted, and reconciliation of payments was undertaken.

Unspent Funds-Zambia Devolution Support Programme (K2,691,978.00)

The Accounting Authority submitted that initial project applications were rejected by the MLGRD, leading to delays. The revised submission was later approved. It was reported that two projects, namely; street lighting (100 per cent) and an ablution block (90 per cent) were implemented and funded from the K2,694,737.00 allocation.

KABWE MUNICIPAL COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Council noted the Auditor General's Unqualified Opinion on the 2023 and 2024 financial statements. It was further submitted that the Council would continue to comply with financial reporting requirements and ensure that all future statements were prepared in accordance with the IPSAS.

Appendix 2: Budget, Funding and Expenditure-Unspent Funds (K6,895,063.00)

The Accounting Authority submitted that the positive variance of K6,895,063.00 arose from ECZ funding for the Lukanga Ward by-election; course fees for the fire training school; and CDF loan repayments. It was submitted that these funds were committed to various programmes and had since been utilised in 2025.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the under-performance in fees and charges, licences, levies and commercial ventures was attributed to delayed commencement of collections at the Lukanga Bus Station, which had been budgeted for in 2024 but only became operational in 2025.

Appendix 18: Failure to Fill 173 Vacant Positions

The Accounting Authority submitted that the current staffing levels were adequate for service delivery within the available budget. Quarterly staff returns and vacancy reports had been submitted to the LGSC, and the Council awaited guidance to regularise departments experiencing understaffing.

Appendix 19: Over-Employment of Fifteen Members of Staff-Cost Implication K2,697,991.00

The Accounting Authority submitted that the staff in question were duly appointed during the review period. Quarterly staff returns and vacancy reports had been forwarded to the LGSC, and the Council awaited further direction.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K132,547,055.00

The Accounting Authority submitted that failure to settle statutory obligations was due to financial constraints. The Council had continued to liquidate these arrears through payment plans and the Ministry had initiated deductions at source. A total of K4,708,611.36 had been paid.

Appendix 42: Non-Settlement of Staff Obligations-K23,084,136.00

The Accounting Authority submitted that the non-settlement of staff obligations resulted from financial challenges. The Council reported that K911,740.45.00, had been paid between 1st January and 31st December 2025.

Appendix 48: Unspent Funds-Sector Grant Account (K3,026,111.00)

The Accounting Authority submitted that the unspent balance of K3,026,111.00, related to committed activities under devolved functions and the cash-for-work programme. It was submitted that the funds had since been fully utilised and supporting documents were available for audit verification.

Appendix 49: Management of Cash-for-Work Programme

The Accounting Authority submitted that the variance of K2,074.00 on targeted beneficiaries was due to ongoing works and incomplete recruitment processes at year-end, which resulted in a balance of K1,666,709.00 under the programme. The Council reported that recruitment was concluded and payments were made to all beneficiaries in 2025.

CHITAMBO TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified, resulting in an unqualified audit opinion.

Unspent Funds-Budget, Funding and Expenditure (K7,425,711.00)

The Accounting Authority submitted that unspent funds, amounting to K7,425,711.00 arose because several programmes were still ongoing at year-end. The variances and unspent balances were as follows:

- i. Zambia Devolution Programme: Variance K698,110.00; Unspent K2,430,626.00;
- ii. Cash for Work: Variance K5,913,391.00; Unspent K3,401,016.00;
- iii. Devolved Functions: Variance K3,617,953.00; Unspent K1,411,143.00; and
- iv. District Fund Operations: Unspent K182,926.00

It was further submitted that K5,593,798.94 had been spent in 2025, fully exhausting allocations for Cash for Work; Devolved Functions and District Fund Operations, while leaving a balance of K1,831,912.06 under the Devolution Programme for the construction of a truck parking bay, which stood at 50 per cent completion as at 10th January 2026, against a scheduled completion date of February 2026.

Adverse Performance on Locally Generated Revenue (Under-collection K74,953.00)

The Accounting Authority submitted that the 4 per cent adverse variance (K74,953.00), was due to poor performance in business levies, licences and permits, as many businesses were unable to renew their permits between October and December owing to reduced

economic activity caused by the drought. It was further submitted that the outstanding K74,953.00 was fully collected in 2025 and evidence was available for audit verification.

Other Deliverable Targets and Outputs Not Achieved

The Accounting Authority submitted that the revenue target was not aligned with revised budget figures, resulting in a 40 per cent achievement against the 60 per cent target. The Council subsequently adjusted the target to reflect the approved budget.

Under Veterinary Services:

- i. only 300 animals were vaccinated against a target of 2,333, as the District had maintained low infection rates following ongoing sensitisation since 2013;
- ii. farmer training achieved 50 percent (12 out of 24) due to inaccessible areas; however, 852 farmers were trained in 2025 using cluster methods;
- iii. only 110 samples were collected against a target of 240, owing to impassable terrain; the Council adopted improved sample handling and storage for onward transmission; and
- iv. only 270 dogs were vaccinated against a target of 500, due to owner apathy arising from the K30 charge; vaccinations continued in 2025, reaching 210 dogs, with billing deferred.

Failure to Use 5 per cent of Locally Generated Funds on Wards-K80,443.00

The Accounting Authority submitted that the 5 per cent allocation was not transferred owing to competing needs during the year. The amount had been provided for in the 2026 budget for payment as arrears. It was further submitted that the Council was consulting the MLGRD on the possibility of removing the 5 per cent requirement, given the increased CDF allocations.

Failure to Fill 86 Vacant Positions

The Accounting Authority submitted that the filling of positions was the responsibility of the LGSC. However, key positions had been recommended to the Commission, which subsequently filled them.

Seven Unauthorised Positions-Cost Implication K586,830.00

The Accounting Authority submitted that the affected positions (District AIDS Coordinator, Debtors Entry Operator and Inspector) had existed in the old structure but were phased out in the new establishment without supporting authority from the LGSC. It was submitted that recommendations to regrade the officers to authorised positions had been made to the Commission.

Non-Disposal of Two Unserviceable Movable Assets

The Accounting Authority submitted that the two motor vehicles were not disposed of at the close of 2024 because disposal procedures were still underway. It was further submitted that valuation quotations had been received from the Department of Valuation and Property Management and the process awaited finalisation.

Poor Management of Waste-Failure to Fence Dumpsite

The Accounting Authority submitted that the dumpsite was not fenced because the area in use was a borrow pit. It was further submitted that a new site had been secured and

approved by ZEMA as the old site had been closed and buried, and dumping was now taking place at the designated location.

Non-Settlement of Statutory and Other Obligations-K7,405,303.00

The Accounting Authority submitted that delays in settling K7,405,303.00 in statutory obligations arose from limited liquidity and competing operational demands.

It further submitted that a debt liquidation provision had been included in the 2026 budget, and engagements with the Ministry were ongoing for increased Equalisation Fund and Grant in Lieu of Rates.

Non-Settlement of Staff Obligations-K1,453,009.00

The Accounting Authority submitted that the delay in settling K1,453,009.00 in staff obligations arose from liquidity challenges.

It was further submitted that revenue enhancing measures such as construction of a truck park and a fee-paying ablution block at Mukando Market had been included in the 2026 budget to boost own-source revenue.

Lack of Fire-Fighting Equipment

The Accounting Authority submitted that the Council lacked a fire tender and communication systems due to the high capital expenditure required. It was further submitted that it had entered an agreement with Serenje Town Council to provide fire services to Chitambo District.

Unspent Funds-Sector Grant Account (K4,812,159.00)

The Accounting Authority submitted that the unspent balance of K4,812,159.00, resulted from ongoing programmes. It was reported that the full amount had been spent in 2025, leaving no outstanding balance, as at 13th January 2026.

Management of Cash-for-Work Programme

The Accounting Authority submitted that the variance of 5,066 beneficiaries and unspent funds of K3,401,016.00 arose because the programme was still running at year-end. The programme had a target of 18,743 beneficiaries (10,309 male; 8,434 female) but only 13,677 were paid (7,561 male; 6,116 female). It was further submitted that the entire balance of K3,401,016.00 had since been paid, clearing the beneficiary variance.

Unspent Funds-Zambia Devolution Support Programme (K2,430,626.00)

The Accounting Authority submitted that K2,430,626.00 remained unspent at year-end because the truck park project under the ZDSP was undergoing procurement. A contract was signed with Robucon Construction Ltd on 27th August 2025 for a five-month period. It was further submitted that K598,713.94 had been paid as an advance and works stood at 50 per cent progress as at 10th January 2026.

KAPIRI MPOSHI TOWN COUNCIL

Qualified Audit Opinion-Qualified

The Accounting Authority submitted that the qualified audit opinion arose from three matters, namely; the non-delivery of desks valued at K1,459,090.00 (CDF) by initially engaged suppliers; failure to account for K796,341.00 (CDF), which was under active investigation by Government investigative wings; and undelivered goods and services for operations amounting to K2,046,387.00, also under investigation. It was further submitted that contracts for desks were terminated, new contractors engaged, and all desks procured. Further, matters relating to the unaccounted-for funds and undelivered procurements were

referred to law-enforcement agencies, and the Council awaited the outcomes from the investigations.

Budget, Funding and Expenditure-Unspent Funds (K13,124,766.00)

The Accounting Authority submitted that the budget for 2024 stood at K101,544,429.00, against which K58,681,158.00 was received, leaving an adverse variance of K42,863,271.00. Total available funds, including K3,208,461 brought forward, totalled K61,889,619.00, of which K48,764,853.00 was expended, resulting in unspent funds amounting to K13,124,766.00.

Under-Collection (K42,863,271.00)

The Accounting Authority submitted that the under-collection on locally generated revenue amounting to K7,966,683.00, was attributed largely to TAZARA's failure to settle its obligations owing to liquidity challenges, low compliance levels among traders for licences and levies, and over-budgeting for the commercial lodge. On national support, the shortfall of K34,394,325.00 arose from the non-release in full of the Equalisation Grant and CDF allocations by the MLGRD.

It was further submitted that sensitisation activities were undertaken to encourage compliance, flexible payment plans were instituted, and demand notices issued.

Unspent Funds-K13,124,766.00

The Accounting Authority submitted that the unspent amount arose primarily from the CashforWork Grant (K9,702,144.00) received late in the year, which was expended in early 2025, and the Devolution Support Grant (K2,769,735.00), which awaited procurement processes before implementation in 2025.

It was further submitted that K12,583,119.19 had since been utilised across various bank accounts, as per verified records. Balances and expenditures were accounted for, with the Sector Grant absorbing K9,702,144.00, and other accounts such as Capital and Salaries Accounts reflecting full expenditure.

Adverse Performance on Locally Generated Revenue-Under-Performance-(K7,966,683.00)

The Accounting Authority submitted that the adverse performance was attributable to low compliance from property ratepayers and traders, over-budgeting in certain revenue lines, and weak performance of commercial ventures. It was further submitted that collections achieved to date reflected K7,416,123.00.

Non-Achievement of Certain Deliverables

The Accounting Authority submitted that the Council did achieve deliverables as and reported higher completion rates in activities such as special council meetings (100 per cent), local area plan approvals (100 per cent), and road grading (200 per cent). It was stated that performance was aligned to revised annual work plans.

Failure to Collect Revenue-K22,416,968.00

The Accounting Authority submitted that the uncollected revenue was largely due to the failure by TAZARA (K19,375,072.00) and Lunsemfwa Hydro Power (K2,504,565.00) to liquidate longstanding debts.

It was further submitted that demand notices were issued, and structured payment arrangements agreed with Lunsemfwa Hydro Power. Defaulters on mast levies and rentals were pursued. It was reported that collections to date stood at K961,700.00.

Unaccounted-for Stores-K143,617.00

The Accounting Authority submitted that disposal details for inventory valued at K143,617.00 were unavailable because stores ledgers had been seized by the Anti-Corruption Commission during a fraud investigation.

Failure to Fill Vacant Position-Council Advocate

The Accounting Authority submitted that the position of Council Advocate remained vacant during and after the audit period. A request for recruitment was submitted to the LGSC, which responded that the matter was under consideration.

Failure to Recover Salary Advances-K26,665.00

The Accounting Authority submitted that outstanding salary advances affecting six officers had not been fully recovered at the time of audit. Recoveries were effected for four officers amounting to K7,664.99.00, while advances for the remaining officers were yet to be recovered.

Failure to Inscribe Eight Assets-K16,000.00

The Accounting Authority submitted that the lapse arose from the Council's lack of an inscribing machine, relying instead on periodic assistance from Smart Zambia Institute. It was further reported that previously uninscribed assets had since been inscribed.

Non-Registration of Moveable Assets (Tractor)

The Accounting Authority submitted that failure to register the tractor was caused by missing ownership documents for the old equipment. It was reported that the Council had written to the Controller of Government Transport for assistance, and awaited the physical inspection of the asset.

Poor Waste Management-Absence of Approved Dumpsite and Waste Bays

The Accounting Authority submitted that inadequate land availability hindered the establishment of a designated dumpsite and waste bays.

Non-Settlement of Statutory and Other Obligations-K233,195,404.00

The Accounting Authority submitted that the Council's inability to dismantle historical arrears comprising PAYE; NAPSA; NHIMA; LASF; Madison insurance; and union contributions was due to severe financial distress, though current obligations were being honoured.

Non-Settlement of Staff Obligations-K6,323,332.00

The Accounting Authority submitted that non-settlement of staff obligations was a result of financial constraints making it difficult for the Council to remit significant amounts to the statutory bodies.

MKUSHI TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the auditors' findings were acknowledged and reported that the audit opinions for 2023 and 2024 were unqualified, as verified by the Office of the Auditor General.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K1,415,261.00, arose from the Council receiving more funds than budgeted. The unspent funds amounting to K9,828,344.00 comprised allocations for the Cash for Work Programme; the Devolution Support Programme; and the Equalisation Grant, all of which were received towards the end of the year and were committed to ongoing activities.

It was further submitted that out of the committed funds, K7,801,531.42.00 had been spent, leaving a balance of K2,033,886.70, which remained committed to the construction of the bus station under the ZDSP. The project was expected to be completed by March 2026.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that under collection on various sources of income was due to various reasons as outlined below.

- i. **Local Taxes-Variance (K899,989.00)**
This was due to the use of a draft valuation roll for budgeting, as the previous valuation roll had expired. The new valuation roll was approved on 30th December 2024, after which billing commenced using the approved roll.
- ii. **Fees and Charges-Variance (K763,669.00)**
It was submitted that the variance arose from delays in the plot numbering process. Once completed, the Council realised K2,010,047.64 from the sale of plots.
- iii. **Levies-Variance (K1,109,741.00)**
It was submitted that adverse climatic conditions severely affected crop yields during the 2023/2024 farming season, thus reducing levy collections. Owing to improved climatic conditions in the 2024/2025 season, total levy collections increased to K5,972,266.38.00, of which K4,301,833.24 was grain levy. It was reported that the grain levy had remained stagnant at K0.90 per 50kg bag for 12 years, disadvantaging the Council.
- iv. **Commercial Venture-Variance (K52,084.00)**
Management submitted that the shortfall was caused by the temporary non-operation of upgraded rooms at the Council motel. The works had since been completed and the rooms were operational.

Appendix 4: Other Deliverable Targets Not Achieved

The Accounting Authority submitted that that performance of the 2024 deliverables were as a result of various reasons as outlined below.

- i. **Ward Development Committees**
The Accounting Authority submitted that 22 meetings were held in 2025 due to improved cross-sectoral coordination.
- ii. **Boreholes**
Management reported that the outstanding borehole had since been rehabilitated.
- iii. **Market Shelters**

Management submitted that rehabilitation works in Itala and New Market were completed, including provision of running water.

iv. **Road Grading**

The remaining 40 kilometres were completed, and a new grader was procured.

Appendix 5: Failure to Collect Revenue-Under-Collection on Levies (K37,000.00)

i. **Pole Levy**

The Accounting Authority submitted that ZESCO had not settled the levy despite several demand notices. Legal demand notices had now been issued.

ii. **Sand Levy**

The Accounting Authority submitted that difficulties were as a result of the scattered nature of sand mining sites. Memoranda of Understanding were signed with Ward Development Committees to establish checkpoints for improved collection.

Appendix 18: Failure to Fill Fifty-Eight Vacant Positions

The Accounting Authority submitted that 18 of the 58 posts had been filled. The Council, however, continued to face challenges meeting net salary payments, affecting recruitment capacity. However, Management continuously notified the LGSC through quarterly submissions whenever vacancies arose.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K14,692,351.00

The Accounting Authority submitted that the statutory debt was historic and difficult to liquidate due to limited revenue sources. Grain levy, the mainstay of Council revenue, had remained at 90 ngwee per 50kg bag for over 12 years. Significant penalties from statutory bodies further compounded the debt.

It was reported that the Council had remained current with ongoing contributions and had paid K1,105,518.10 towards the outstanding arrears since audit verification, while

Appendix 42: Non-Settlement of Staff Obligations-K3,950,503.00

The Accounting Authority submitted that slow liquidation of staff obligations resulted from dependence on grain levy and other traditional revenue sources. It was reported that K131,446.32 had been paid towards the outstanding staff obligations and efforts were ongoing to broaden the revenue base.

Appendix 48: Unspent Funds-Sector Grant Account (K5,856,594.00)

The Accounting Authority submitted that the unspent funds were committed to ongoing Cash for Work activities and other devolved departmental functions. It was reported that the committed funds had since been utilised.

Appendix 49: Management of Cash for Work Programme-K4,685,020

The Accounting Authority submitted that at the time of audit, 1,346 beneficiaries had not yet completed their scope of works and therefore had not been paid. It was reported that all beneficiaries had since been paid, with K4,658,020.00 disbursed.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K2,694,737)

The Accounting Authority submitted that the unspent funds were due to delayed approval from ZEMA for the construction of the new bus station, a requirement under World Bank

funding rules. It was reported that K649,457.51 had been spent to date, with the remaining balance committed to ongoing works.

LUANO TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements for the period under review had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority acknowledged the Auditor General's observation regarding a variance of K5,574,806.00 and unspent funds amounting to K7,813,193.00. It was stated that the variance arose from funds not received, notably K4,410,418.00 under the Sector Account for Cash for Work and part of the Roads Grant. The unspent funds were distributed across six bank accounts, including the Main Council Account; Development Fund; Capital Fund; Salaries Account; Sector Account; and Salaries Revolving Account.

It was further submitted that the unspent funds had since been utilised, except for the component relating to the Devolution Support Programme, for which the contract had only recently been awarded.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority acknowledged the underperformance of K67,994.00, representing a negative variance of 2 per cent. This arose mainly from low collections on property rates during the year under review.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that the shortfalls arose from unrealistic target setting; financial constraints; delayed land acquisition; failure by developers to meet planning standards; and resource limitations. Key issues included:

- i. only 3 out of 4 Ordinary Council Meetings held;
- ii. all 3 Market Committee Elections held despite the earlier variance;
- iii. only 55 per cent compliance to planning standards against an 80 per cent target;
- iv. failure to procure 20 solid waste bins due to financial constraints, although two refuse bays were constructed;
- v. failure to construct the planned Bus Station due to late ZEMA clearance (now obtained);
- vi. only 44 km of the targeted 45 km roads were maintained;
- vii. shortfalls in HRMC and management meetings due to poor planning;
- viii. only 1 of 3 planned computer software systems procured due to low revenue base; and.
- ix. no feasibility studies conducted under Veterinary Services due to unrealistic targets.

The Accounting Authority submitted that several remedial actions were underway, including ZEMA clearance for the Bus Station; construction of refuse bays; and improved planning. Management committed to setting more realistic and implementable targets going forward.

Appendix 30: Seventeen Properties without Title Deeds-K2,912,611.00

The Accounting Authority submitted that the lack of title deeds resulted from the late creation of the Local Authority's Corporate Account by the Ministry of Lands and Natural Resources.

It was further submitted that six out of the seventeen properties had since been successfully submitted for online lease and title registration. The remaining properties awaited MLNR updates.

Appendix 32: Non-Maintenance of Three Properties (Houses; cracked walls, paint peeled off, leakages, broken windowpanes, lack of doors, lack of toilet)

The Accounting Authority submitted that the properties could not be rehabilitated because the structures were old, built with substandard materials, and would require full demolition to align with future development plans.

It was reported that an Integrated Development Plan had been developed, and the Council was sourcing funding for implementation.

Appendix 38: Poor Management of Waste-Lack of Waste Receptacles

The Accounting Authority submitted that financial constraints prevented the procurement of waste bins during the period under review. However, a refuse collection bay had since been constructed, and refuse bins provided.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K3,563,949.00

The Accounting Authority submitted that outstanding statutory obligations were driven by financial difficulties and an increased wage bill. As at 31st December 2024, outstanding balances totalled K3,563,949.00, comprising obligations to ZRA and NAPSA.

It was reported that a budget provision of K230,000 for 2026 had been made to reduce the arrears. The NAPSA MoU had been executed, with the principal cleared and a 75 per cent penalty waiver obtained.

Appendix 42: Non-Settlement of Staff Obligations-K395,379.00

The Accounting Authority submitted that staff-related obligations had accumulated due to severe financial constraints. It was reported that a budget provision of K100,000.00 had been allocated in the 2026 Budget towards settlement.

33.10 Appendix 44: Lack of Firefighting Equipment

The Accounting Authority submitted that the non-procurement of a fire truck, utility vehicle and marine rescue equipment resulted from a low revenue base. It was reported

that efforts were being made to seek support from cooperating partners, including the Zambia Devolution Support Programme.

34.0 MUMBWA TOWN COUNCIL

CROSS CUTTING ISSUES

34.1 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been reviewed and issued with a favourable unqualified opinion.

34.2 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K23,698,712.00 between the budgeted amount and funds received arose from the late receipt of sector grant funds. The unspent balance of K28,311,561.00 represented funds committed to ongoing programmes.

It was reported that of the K71,172,431.00 available funds, K42,860,870.00 was spent across activities such as Cash-for-Work; Archives; Tourism; Transport; Veterinary Services; Youth and Sports; District Operations; Salaries; and ZDSP. A balance of K2,062,235.83 remained, largely reflecting commitments under the Bus Station construction, which was still in progress and expected to be completed by April 2026.

34.3 Appendix 4: Targets/Outputs Not Achieved

The Accounting Authority submitted that the non-achievement of certain deliverables resulted from the 2023-2024 drought, which negatively affected business activity and internal revenue. It was reported that the budget was adjusted downward by K7,500,000.00, with MLGRD approval, and reconciled the 2024 Output-Based Budget to initial targets.

34.4 Appendix 30: Three Properties Without Title Deeds (K896,271.00)

The Accounting Authority submitted that delays in securing title were caused by operational challenges in the ZAMPORTAL system between June 2024 and February 2025.

It was further stated that of the 13 Council properties submitted for titling, 10 had since been processed, leaving 3 outstanding.

34.5 Appendix 34: Non-Disposal of Seven Unserviceable Movable Assets

The Accounting Authority submitted that disposal was delayed because no valuation report was available at the time of audit. It was reported that the Council has since obtained the valuation report and written to the MLRD seeking authority to dispose of the assets

34.6 Appendix 38: Poor Waste Management-Unfenced Dumpsite and Lack of Compaction

The Accounting Authority submitted that failure to fence the dumpsite was due to a land dispute with the traditional leadership, and the Council lacked a compactor at the time, instead using a backhoe loader. It was reported that a temporary fence has been erected and the Council has acquired a roller compactor, and engagements with traditional

leadership on township boundary expansion were ongoing. Further, the land dispute was still in courts of law.

34.7 Appendix 41: Non-Settlement of Statutory Obligations (K21,714,068.00)

The Accounting Authority submitted that statutory arrears accumulated due to low revenue collection stemming from the drought.

It was reported that payments amounting to K777,012.74 were made, including full liquidation of ZRA (K9,846,634.00) and Madison (K374,151.00). Balances remain with NAPSA (K9,826,259.50); LASF (K872,522.98); and NHIMA (K17,487.78), totalling K20,937,055.26. NAPSA was now deducting at source to prevent further debt accumulation.

34.8 Appendix 42: Non-Settlement of Staff Obligations (K4,467,315.00)

The Accounting Authority submitted that financial constraints hindered full settlement of staff obligations. It was reported that payments of K373,016.34 were made towards terminal benefits, reducing the balance to K3,700,988.66. There was still an outstanding long-service bonus balance of K393,310.00. A total balance of K4,094,298.66 was carried forward, with allocations included in the 2026 budget.

34.9 Appendix 44: Lack of Fire-Fighting Utility Vehicle

The Accounting Authority submitted that procurement could not proceed as the 2024 budget did not support the expenditure. It was reported that provision was made in the 2026 budget, and the vehicle will be procured in that year.

34.10 Appendix 46: Lack of Personal Protective Equipment (PPE)

The Accounting Authority submitted that PPE had not been procured due to budget limitations. It was reported that a provision was included in the 2026 budget. Meanwhile, the Council expanded revenue generation through a trucking bay, bus station, and guest house renovation, and established a Revenue Task Force to enhance collection efficiency.

34.11 Appendix 48: Unspent Sector Grant Funds (K23,922,392.00)

The Accounting Authority submitted that the unspent balance resulted from receiving funds late in the calendar year. These funds had been committed to programme activities.

It was reported that the funds were fully utilised in the subsequent financial year, with only K14,222.75 remaining after expenditure on Cash-for-Work; Tourism; Transport; Hospitality Services; Veterinary Services; and Youth and Sports.

34.12 Appendix 49: Cash-for-Work Programme-Variance in Beneficiary Numbers

The Accounting Authority submitted that the programme funds totalling K23,841,828.88 were received on 10th October, 8th November and 17th December 2024. As K18,835,809.00 remained unspent at year-end, the engagement of beneficiaries and subsequent payments to beneficiaries were delayed. It was reported that the Council has since completed all activities and all funds have been fully expended.

34.13 Appendix 53: Unspent ZDSP Funds (K2,694,737.00)

The Accounting Authority submitted that delayed funding and guidelines requiring environmental and social safeguards delayed utilisation. It was reported that the project commenced and was at superstructure level.

GABWE TOWN COUNCIL

35.3 Appendix 1: Audit Opinions-Qualified Opinion

The Accounting Authority submitted that the qualification on the Financial Statements arose from bank balances held with Invest Trust. It was reported that corrective measures were taken and the Council applied to the Office of the Auditor General for a restatement of the 2024 Financial Statements.

35.4 Appendix 2: Budget, Income and Expenditure

The Accounting Authority submitted that the variance of K12,860,303.00 resulted from an over-collection of plot premiums, while the unspent amount of K23,256,340.00 comprised committed funds. It was reported that the committed funds were utilised in the 2025 Financial Year on programmes such as community projects; empowerment loans; grants; secondary school boarding support; and skills development.

35.5 Output and Achievements

The Accounting Authority submitted that the variances in programme outputs were due to factors such as the absence of unplanned settlements; the 2023-2024 drought; lack of training of new officers; and funding constraints. It was reported that key actions taken included community sensitisation; procurement of trees; training of the gender focal point person; operationalisation of Lufubu Lodge for revenue generation; budgetary provisions for unfunded activities; and intensified sensitisation on public health services.

35.6 Appendix 16: Failure to Fill Five Vacant Positions

The Accounting Authority submitted that staffing levels at the time were considered adequate for service delivery within the attainable budget. Three of the five positions had since been filled, with the remaining two awaiting appointment by the LGSC.

35.7 Poor Management of Waste-Lack of a Designated Dumpsite

The Accounting Authority submitted that ineffective waste management arose from lack of requisite equipment. It was reported that a tractor and trailer to support solid waste management operations had since been secured.

35.8 Appendix 28: Outstanding Statutory Obligations-K11,398,356.00

The Accounting Authority submitted that the statutory debt comprised K6,056,773.51 owed to NAPSA and K5,601,183.11 owed to ZRA, totalling K11,398,356.00 as at 1st January 2024.

It was reported that K241,368.96 was paid towards NAPSA, reducing its balance to K5,555,803.93.00, while the ZRA balance remained unchanged at K5,601,183.11, leaving a total closing balance of K11,156,987.04.

35.9 Appendix 29: Staff Obligations-K5,699,104.00

The Accounting Authority submitted that terminal benefits amounted to K3,686,815.89 at the start of the year, with an additional K2,012,288.11 accrued in 2024, bringing the total

obligation to K5,699,104.00. It was reported that K250,000.00 was paid, reducing the outstanding balance to K5,449,104.00 as at 31st December 2024.

35.10 Appendix 44: Lack of Firefighting Equipment

The Accounting Authority submitted that the lack of firefighting equipment was due to its capital nature, which could not be financed from local revenue. It was reported that Management had commenced lobbying the MLGRD for procurement of a fire engine with the required technical specifications.

35.11 Appendix 45: Four Uninsured Fire Officers

The Accounting Authority submitted that the officers remained uninsured due to lack of funds. It was reported that Management had since provided budgetary allocation for the 2026 financial year.

35.12 Appendix 48: Unspent Funds-Sector Grant (K3,381,179.00)

The Accounting Authority submitted that the sector funds were received late in the last quarter of 2024, while activities were still ongoing. It was reported that Management had since utilised the funds as committed and undertook to ensure timely utilisation of grants going forward.

35.13 Appendix 49: Management of Cash-for-Work Programme-Balance K2,517,130.00

The Accounting Authority submitted that delays in implementation were due to late receipt of funds in the last quarter of 2024. It was reported that Management had since utilised the funds as planned.

35.14 Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the delay arose from ZEMA's late issuance of project clearance. It was reported that Management had since spent K637,579.69.00, with the remaining works expected to be completed by 28th March 2026.

36.0 SERENJE TOWN COUNCIL

36.1 Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified by the Office of the Auditor General, resulting in an unqualified audit opinion.

36.2 Budget, Funding and Expenditure-Variances (15,749,079.00) and Unspent Funds of (K10,816,156.00)

The Accounting Authority submitted that the reported variance of K15,749,079.00 arose from revenue underperformance, while the K10,816,156.00 in unspent funds related to ongoing and committed programmes across eleven accounts.

The Authority further reported that K8,584,679.34 had since been utilised, leaving a balance of K2,231,475.37.00, largely attributable to the Capital Projects Account.

36.3 Adverse Performance on Locally Generated Revenue-Variance of K605,162.00 (-6 Per Cent)

The Accounting Authority submitted that adverse performance was mainly attributed to low collections under Local Taxes; Licences Permits; and Commercial Ventures. Local Taxes underperformed by K353,416.00, Licences by K56,430.00, Permits by K241,400.00, and Commercial Ventures by K69,346.00. However, Fees and Charges, Levies and Other Income exceeded budget.

It was reported that the 2024 and 2025 budgets incorporated more realistic projections, and performance as of December 2024 and December 2025 showed improved revenue trends across most streams.

36.4 Other Deliverable Targets Not Achieved

The Accounting Authority submitted that several planned outputs were not achieved due to financial constraints, equipment breakdowns, low community demand and transport limitations.

Only 1 of 2 special committee meetings was held; waste collection reached 2,500 tons against a target of 5,000 tons; pest eradication exercises reached 79 out of 80, and only 142 of 600 routine inspections were conducted.

It was reported that vehicles were repaired, solid waste equipment procured, and community sensitization was intensified.

36.5 Failure to Collect Revenue-Under-collection of K3,318,043.00

The Accounting Authority submitted that under-collection arose mainly from Fees and Charges, where uncollected amounts totalled K1,839,250.00, and Commercial Ventures, which recorded a deficit of K1,478,793.50. It was reported that K2,450,000.00 had since been collected as at 15th January 2026.

36.6 Unaccounted-for Stores-K83,173.00

The Accounting Authority submitted that goods received notes and payment receipts were not availed during audit due to filing delays. It was reported that all documentation had since been traced and correctly filed.

36.7 Unaccounted-for Fuel-K297,446.00

The Accounting Authority submitted that disposal documents were in the stores section but were not produced during audit. It was reported that the documents had since been retrieved and properly filed.

36.8 Failure to Fill Thirty-Five Vacant Positions

The Accounting Authority submitted that staffing levels were aligned to service delivery needs and budget provisions. It further submitted that 19 of the 141 vacant positions had been filled to support operations.

36.9 Over-Employment of Twenty-One Officers-Cost Implication K1,066,572.00

The Accounting Authority submitted that the officers were placed on the payroll based on appointment letters, although the new establishment had reduced approved positions. It was reported that quarterly staff returns were subsequently rendered to the LGSC.

36.10 Non-Disposal of Three Unserviceable Assets

The Accounting Authority submitted that disposal was delayed pending technical assessments. It was reported that a request for disposal authority had been lodged with the MLGRD and that management awaited ministerial approval.

36.11 Non-Settlement of Statutory and Other Obligations-K35,540,876.00

The Accounting Authority submitted that the outstanding obligations comprised arrears to ZRA (K9,047,789.00); LASF (K2,443,478.00); NAPSA (K23,641,893.00; NHIMA (K167,009.00; Madison (K134,906); and Union Contributions (K105,885.00).It was reported that K1,579,095.97 had been paid, leaving a balance of K33,961,863.57.

36.12 Non-Settlement of Staff Obligations-K5,012,960

The Accounting Authority submitted that outstanding staff obligations related to long service bonus; leave travel benefits; salaries; settling-in allowances; and terminal benefits. It was reported that K379,549.80 had since been paid, leaving K4,633,410.47 outstanding.

36.13 Lack of Firefighting Equipment / Personal Protective Equipment

The Accounting Authority submitted that procurement of firefighting Personal Protective Equipment could not be undertaken due to financial constraints. It was reported that procurement was now being implemented in phases.

36.14 Unspent Funds-Sector Grant Account (K6,892,376.00)

The Accounting Authority submitted that the unspent funds comprised balances under Cash for Work (K5,309,137.28); the Health Grant (K310,233.37); Road Funds (K1,123,297.64); Sport Fund (K101,233.99); Veterinary Grant (K7,485.66); Tourism and Culture (K3,612.06); National Archives (K14,431.03); and Other Grants (K22,945.22).It was further reported that all unspent funds had since been utilised, and supporting schedules were available for audit verification.

37.0 SHIBUYUNJI TOWN COUNCIL

37.1 Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified, resulting in an unqualified opinion in accordance with the *Public Finance Management Act No 1, 2018*.

37.2 Budget, Funding and Expenditure

The Accounting Authority submitted that variances arose from revenue shortfalls and delayed releases, which affected implementation of planned activities. It was reported that corrective measures had been instituted to strengthen budget execution and financial controls.

37.3 Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the variance resulted from under-collection of K149,081.00 from one major client. Additionally, it was submitted that the client had settled the outstanding amount as at 31st March 2025. It was reported that that enhanced revenue strategies were being implemented to improve performance.

37.4 Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that some planned outputs were not achieved due to inadequate funding, logistical challenges and delayed stakeholder participation. It was

reported that measures had been taken to realign activities and improve future performance.

37.5 Failure to Collect Revenue

The Accounting Authority submitted that under-performance arose from delayed payment by a major client. It was further submitted that the client had cleared the arrears as at 31st March 2025 and that a monthly payment plan had been signed to ensure consistency in remittances.

37.6 Failure to Use 5 per cent of Locally Generated Funds on Wards

The Accounting Authority submitted that the 5 per cent allocation to the Ward Development Fund was not transferred due to inadequate resources and an increased wage bill. It was further reported that the allocation had been budgeted for in the 2026 financial year.

37.7 Unaccountedfor Fuel

The Accounting Authority submitted that fuel records were incomplete because disposal documents had been withheld by the Anti-Corruption Commission as part of ongoing investigations. It was stated that the matter remained under investigation.

37.8 Failure to Fill Vacant Positions

The Accounting Authority submitted that vacancies could not be filled due to budgetary constraints. It was further submitted that quarterly staff returns had been rendered to the LGSC. As at 31st December 2025; a total of thirteen (13) officers had been recruited; eight (8) by the Commission and five (5) by the District Human Resource Management Committee.

37.9 Non-Maintenance of Properties

The Accounting Authority submitted that failure to maintain properties was due to inadequate funds. It was reported that major defects had since been attended to.

37.10 Four Unrepaired Movable Assets

The Accounting Authority submitted that repairs could not be undertaken at the time of audit due to lack of funds. It was reported that two vehicles had since been repaired; disposal of obsolete assets had commenced; and that disposal authority had been granted by the Council.

37.11 Non-Settlement of Statutory and Other Obligations-K6,264,667.00

The Accounting Authority submitted that statutory obligations could not be fully settled owing to financial constraints. It was stated that K337,099.00 had since been remitted, reducing the balance to K6,027,567.00 as at 31st December 2025.

37.12 Non-Settlement of Staff Obligations-K2,807,344.00

The Accounting Authority submitted that staff obligations remained outstanding due to insufficient funds. It was reported that K545,000.00 had been paid, leaving an outstanding balance of K2,262,906.00 as at 31st December 2025.

37.13 Inadequate Firefighting Services-Lack of a Fire Station

The Accounting Authority submitted that the Local Authority could not establish a fire station due to financial limitations. It was reported that land had since been secured for its construction.

37.14 Lack of Firefighting Equipment-Lack of Fire Truck, Marine Rescue Equipment, Ambulance and Utility Vehicle

The Accounting Authority submitted that firefighting equipment could not be procured due to inadequate funds. It was reported that Konkola Copper Mines Plc had been engaged under its Corporate Social Responsibility programme to support the procurement of a fire tender and that budgetary provisions for firefighting equipment had been included in the 2026 budget. As an interim measure, the Water Bowser had been reserved for minor fire incidents.

37.15 Unspent Funds-Sector Grant Account (K2,574,220.00)

The Accounting Authority submitted that the unspent funds related to the Cash-for-Work Programme, which could not be implemented before issuance of guidelines by the Ministry. It reported that the entire amount had been spent as at 31st March 2025.

37.16 Management of the Cash-for-Work Programme

The Accounting Authority submitted that the Local Authority did not meet the targeted number of beneficiaries owing to limited funds disbursed. It reported that an additional 3,970 beneficiaries, amounting to K2,382,000.00, had been paid as at 31st March 2025.

37.17 Unspent Funds-Zambia Devolution Support Programme

The Accounting Authority submitted that funds were unspent due to delayed procurement processes and pending ZEMA clearance for construction of refuse bays. It was reported that K2,487,221.00 had been spent, as at 31st December 2025, leaving a balance of K207,516.00 earmarked for completion of the refuse bays.

COPPERBELT

CHILILABOMBWE MUNICIPAL COUNCIL

17.3 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K5,361,190.00 arose from unremitted funds from ZRA amounting to K1,592,653.70, KCM amounting to K3,297,549.30 and LGEF amounting to K470,987.00. It was further submitted that K2,018,549.00 was received from ZRA on 6th January 2025 and K3,297,549.30 from KCM on 7th April 2025, totalling K5,316,098.30.

On the unspent balance of K7,274,714.00, the Accounting Authority explained that the funds related to on-going projects as at year end. It was reported that K3,895,393.64 was applied to the Sector Grant Account, K3,249,960.00 towards the purchase of a Higer bus, and K132,070.00 for the supply of electrical materials on Independence Road, bringing total utilisation to K7,277,423.64.

17.4 Appendix 3: Adverse Performance on Locally Generated Revenue The Accounting Authority submitted that the outstanding sum of K5,316,098.30 relating to ZRA and KCM remittances had since been collected, as evidenced by receipts dated 6th January 2025 and 7th April 2025.

17.5 Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that certain programme targets were not achieved due to operational and planning challenges.

Under Public Health and Environment, three (3) boreholes were reported as work in progress as at 31st December 2024 but had since been completed and were operational. All twenty-six (26) unclaimed bodies were disposed of, representing 100 per cent performance, although the performance indicator had initially been incorrectly crafted. Targets for inspection of premises were not met due to inadequate motor vehicles; however, a vehicle had since been repaired and allocated. The recycling plant was not implemented owing to financial constraints but had been budgeted for implementation in 2026.

Under Education and Skills Development, only fifteen (15) adults were enrolled against a target of twenty-five (25), although enrolment had subsequently improved under the devolution programme. Seventy (70) books were procured against a target of ninety (90), with the shortfall later received from the Ministry of Education.

Under Housing and Community Amenities, the construction of bus stations was phased into two stages, with Phase I completed in 2024 and Phase II commenced in 2025. Rehabilitation of one Council structure had also been completed. Stakeholder engagements on housing development were delayed due to management transitions by a major stakeholder but were subsequently held.

17.6 Appendix 5: Failure to Collect Revenue-K23,625,578.00

The Accounting Authority submitted that the uncollected revenue of K23,625,578.00 arose from accumulated historical debtors and low compliance among ratepayers. It was reported that overall budget performance reflected a 95 per cent collection efficiency. Through engagement of court bailiffs, K9,132,951.18 was collected. Additionally, a 50 per cent rebate on property rate arrears was introduced to enhance compliance.

17.7 Appendix 18: Failure to Fill Seven Vacant Positions

The Accounting Authority submitted that the delay in filling seven (7) vacant positions arose because the Council was awaiting response from the LGSC. It was reported that the positions had since been recommended for appointment.

17.8 Appendix 21: Delayed Confirmation of Five Officers on Probation

The Accounting Authority submitted that five (5) employees had not been confirmed within the stipulated nine (9) to seventeen (17) months due to awaiting guidance from the LGSC. Four (4) officers had since been confirmed and substantively promoted, while one (1) officer had been recommended for promotion and was awaiting response.

17.9 Appendix 32: Non-Maintenance of Properties

The Accounting Authority submitted that the dilapidation of two (2) properties namely the mourners' shelter and ablution block at Kakoso Cemetery resulted from inadequate financial resources at the time of audit. It was reported that the mourners' shelter had since

been rehabilitated, while construction of the ablution block was scheduled for 2026 under the approved budget.

17.10 Appendix 33: Six Unrepaired Movable Assets

The Accounting Authority submitted that six (6) movable assets, comprising five (5) motor vehicles and one (1) heavy-duty equipment had remained unrepaired for periods ranging from nine (9) to twenty-two (22) months due to ongoing repair works. It was reported that five (5) assets had since been repaired and were operational, while the front-end loader had become obsolete and had been approved for disposal.

17.11 Appendix 41: Non-Settlement of Statutory and Other Obligations-K34,950,380.00

The Accounting Authority submitted that the outstanding statutory obligations amounting to K34,950,380.00 arose from historical debt and financial constraints. It was reported that K20,008,970.30 had since been paid in 2025 towards the outstanding obligations.

17.12 Appendix 42: Non-Settlement of Staff Obligations-K1,896,553.00

The Accounting Authority submitted that the outstanding staff obligations of K1,896,553.00 were due to historical debt and financial constraints. It was reported that the full amount had since been settled.

17.13 Appendix 48: Unspent Funds-Sector Grant Account (K3,889,130.00)

The Accounting Authority submitted that the unspent Sector Grant amounting to K3,889,130.00 (noted as K3,895,130.00 in the audit heading) related to on-going activities spilling over into 2025. It was reported that the funds had since been fully utilised.

17.14 Appendix 49: Management of Cash for Work Programme-Balance (K2,807,816.00)

The Accounting Authority submitted that the unspent Cash for Work funds amounting to K2,807,816.00 were attributable to on-going programme activities extending into 2025. It was reported that the entire balance had since been utilised.

CHINGOLA MUNICIPAL COUNCIL

18.3 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Council maintained effective financial management systems, internal controls and compliance with applicable laws and regulations, which resulted in the obtaining of an unqualified audit opinion for the financial years 2023 and 2024.

18.4 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the Council had a budget of K140,826,421.00 against which K138,555,479.00 was received, resulting in a variance of K2,270,942.00. When brought forward funds of K2,435,036.00 were included, total funds available amounted to K140,990,515.00. Of this amount, K120,774,768.00 was expended, leaving unspent funds of K20,215,747.00 as at 31st December 2024.

Regarding the variance of K2,270,942.00 the Accounting Authority explained that it arose from funding shortfalls during the financial year and that Management prioritised critical expenditures to ensure continuity of essential services.

On the unspent balance of K20,215,747.00 the Accounting Authority submitted that the funds largely related to revenue collected between October and December 2024, being the licensing period for the subsequent year, as well as funds committed to on-going projects and programmes. It was reported that K10,234,842.85 was applied to personal emoluments and statutory obligations; K2,185,108.00 under Cash for Work (funds received in December 20?? and paid in January 20??); K2,180,767.00 for sector grant operational costs and devolved functions; and K5,608,934.95 towards operations and capital projects, totalling K20,209,652.50.

18.5 Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that certain planned outputs were not achieved by 31st December 2024 due to operational, environmental and funding challenges.

In respect of construction of hand pumps, hydro-powered boreholes and solar water schemes, the targets were not met due to unavailability of water caused by soil formations in Maiteneke and Kabungo mining areas. It was reported that boreholes were subsequently drilled and water schemes installed at Ipafu C Rural Health Centre, Kawama Primary School; Kawama Community; Boso Market; Muchinshi Community; Chikola Complex; Chikola Police; Ipafu C Primary School; and Mwaiseni Bus Station.

Regarding rehabilitation of waterborne facilities, the target was not fully achieved because two facilities were found to be non-defective. However, rehabilitation works were completed at Chiwempala Stadium and Nchanga Skills Development Centre ablution blocks.

On tree planting, the Accounting Authority submitted that adverse climate conditions delayed planting in early 2024. A total of 612 trees were subsequently planted at Town Centre Cemetery; Musenga Cemetery; Kapisha Cemetery; Kabundi Combined School; Lubambe Combined School; and Pushi Community School.

The installation of twenty (20) solar street lights was delayed due to late disbursement of the road sector grant. It was reported that forty (40) street lights were later installed along Kitwe Road from Don Bosco to the “Welcome to Chingola” roundabout by May 2025.

The maintenance of parks and gardens did not attain the 30 per cent target because two cooperating partners withdrew. Management subsequently partnered with other stakeholders, including Barloworld, to continue maintenance works.

On sensitisation for acquisition of business licences, the shortfall arose due to closure of some trading premises. The Council updated its database and enhanced radio sensitisation programmes.

18.6 Appendix 5: Failure to Collect Revenue-K448,465.00

The Accounting Authority submitted that the undercollection of K448,465 arose from non-payment of mast levy by IHS Zambia Limited. It was reported that K377,763.27 had since been collected as part payment and that a demand notice for the outstanding balance of K70,701.73 had been issued.

18.7 Appendix 32: Non-Maintenance of Three Properties

The Accounting Authority submitted that the Engineering Workshop, Banda Market ablution block and the Abattoir were not maintained during the period under review as they were not included in the planned maintenance schedule for 2024. It was reported that Banda Market had since been rehabilitated; the Abattoir had been funded for a comprehensive overhaul under the Zambia Devolution Support Programme for 2026; and the Engineering Workshop had been budgeted for rehabilitation in 2026.

18.8 Appendix 33: Two Unrepaired Movable Assets

The Accounting Authority submitted that the two vehicles remained unrepaired due to scarcity of spare parts as they were old models. It was reported that the vehicles had since been repaired and were operational.

18.9 Appendix 34: Non-Disposal of Three Unserviceable Movable Assets

The Accounting Authority submitted that disposal of three motor vehicles had not been effected because the Council was awaiting approval from the Ministry of Finance and National Planning. It was reported that Council resolved on 27th September 2024 to dispose of the assets, a valuation report was undertaken by the Government Valuation Department, and formal communication had been made through the Ministry of LGRD seeking approval.

18.10 Appendix 41: Non-Settlement of Statutory and Other Obligations-K32,852,643.00

The Accounting Authority submitted that the outstanding statutory and other obligations of K32,852,643.00 related to historic debt accumulated over time. It was reported that the principal debt to NAPSA amounting to K7,030,789.00 had been cleared and that efforts were ongoing to settle outstanding balances of K20,414,485.00 to the Zambia Revenue Authority and K4,220,083.00 to Mulonga Water and Sewage Company.

18.11 Appendix 42: Non-Settlement of Staff Obligations-K485,464.00

The Accounting Authority submitted that the outstanding staff obligations of K485,464.00 related to terminal benefits for three retirees who retired in November and December, 2024

KITWE CITY COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Council had continued to receive an unqualified audit opinion. Management further stated that measures had been maintained to preserve sound financial reporting and compliance standards so as to sustain the unqualified status.

19.4 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the said funds amounting to K22,718,031.00 which had been committed to various activities, remained unspent as at 31st December 2024 had subsequently been expended on the respective projects and activities for which they had been committed.

19.5 Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that, through Minute No. C/165/12/24, the 2024 budget had been varied. However, the Council regrettably did not revise the corresponding key outputs and performance targets to reflect the reduced budgetary allocation.

Management explained that the reallocation of funds affected the implementation of certain planned outputs, resulting in non-achievement of the cited targets.

19.6 Appendix 5: Failure to Collect Revenue-K68,293,193.00

The Accounting Authority submitted that a total of K40,772,174.31 had since been collected, leaving an outstanding balance of K27,521,018.22.

Further, the Council had instituted litigation against defaulting billboard clients and engaged court-certified bailiffs to recover outstanding property rates and other arrears.

In effect, recovery efforts had reduced the arrears by more than half, although a substantial balance remained outstanding.

19.7 Appendix 32: Non-Maintenance of Properties

The Accounting Authority submitted that three (3) cemeteries lacked mourners' shelters, sanitary facilities and water reticulation systems at the time of audit, as upgrades had not been budgeted for during the year under review.

Management submitted that K864,000.00 had been allocated in the 2026 budget for the construction of modern mourners' shelters incorporating sanitary facilities, boreholes for water reticulation and offices for staff. In the interim, overgrown grass at the cemeteries had been cleared.

19.8 Appendix 42: Non-Settlement of Staff Obligations-K3,192,348.00

The Accounting Authority submitted that staff obligations amounting to K3,192,348.00 had not been settled at the time of audit due to cash flow constraints.

Management reported that K4,800,000.00 had been provided for in the 2026 budget to clear outstanding obligations relating to 2024 retirees.

19.9 Appendix 48: Unspent Funds-Sector Grant Account (K2,320,996.00)

The Accounting Authority submitted that K2,320,996.00 remained unspent as at 31st December 2024. It was submitted that the funds had been received in December 2024, leaving insufficient time for utilisation within the same financial year.

Management reported that the funds had since been expended in 2025 on the projects and activities for which they were earmarked.

19.10 Appendix 49: Management of Cash for Work Programme-Unspent Funds

The Accounting Authority submitted that unspent funds amounting to K5,338,495.00 formed part of the November 2024 Cash for Work allocation of K7,123,281.00 which had been received on 23rd December 2024. The Council was unable to exhaust the funds before year-end as field works were still ongoing.

Management submitted that the funds had been fully utilised in the first quarter of 2025.

19.11 Appendix 51: Payment to Beneficiaries from Other Programmes and Outside District Boundaries-K395,200.00

Management acknowledged the Auditor General's finding that payments amounting to K395,200.00 had been made to beneficiaries from other programmes and outside district boundaries.

Management submitted that the Council had no access to integrated Government databases to prevent duplication of benefits ("double dipping"). To address the matter,

letters had been issued to all Ward Development Committees (WDCs) directing them to undertake due diligence on beneficiaries to prevent recurrence.

19.12 Beneficiaries Sharing National Registration Numbers-Excess K34,200.00

The Accounting Authority submitted that fifty-seven (57) beneficiaries shared duplicate National Registration Card (NRC) numbers, resulting in excess payments amounting to K34,200.00. It was submitted that some beneficiaries had used relatives' NRC numbers, leading to duplication.

Management reported that the affected WDCs had been instructed to verify records and collect correct NRC copies from the cited beneficiaries for rectification.

19.13 Beneficiaries Using Same Phone Numbers

The Accounting Authority submitted that 135 beneficiaries under the Cash for Work programme had used shared phone numbers for payment purposes because they did not possess individually registered mobile numbers.

Management submitted that all the 135 beneficiaries had since been advised to acquire their own mobile phones and registered numbers to ensure proper identification and accountability in future programme cycles.

20.0 LUANSHYA MUNICIPAL COUNCIL

20.1 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Council received an unqualified audit opinion for the year under review and undertook to maintain the status quo. The Accounting Authority further submitted that the Financial Statements had been prepared in accordance with the Local Authorities Accounting Policy, International Public Sector Accounting Standards (IPSAS) and other applicable regulations.

20.2 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the adverse variance of K14,401,086.00 arose from partial release of sector grants for devolved functions and the Cash for Work programme.

Further, the adverse expenditure variance of K5,155,071.00 as at 31st December 2024 comprised outstanding payments of K2,803,636.00 for Cash for Work, K799,252.00 for devolved functions and K1,552,183.00 for personal emoluments.

The Accounting Authority reported that the total amount of K5,155,071.00 had subsequently been expended towards the respective programmes, thereby regularising the variance.

20.3 Appendix 3: Adverse Performance on Locally Generated Revenue-K2,317,093.00

The Accounting Authority submitted that the negative variance of K2,317,093.00 in locally generated revenue arose from low compliance levels among ratepayers and other clients in respect of local taxes, fees and charges.

To improve revenue performance, the Council constituted a revenue task force drawn from various departments; commenced installation of CCTV equipment at Baluba Truck Park; automated revenue collection systems; introduced cashless payment platforms including mobile money and web-based payments; procured an Integrated Financial Management System (Paperless Express) integrated with Access Bank; and developed and launched the Luanshya Municipal Council mobile application.

20.4 Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that performance variances arose in selected programme areas. Under Local Governance, only one (1) special Council meeting was held against a target of two (2) as no urgent matters necessitated an additional sitting. One (1) records survey targeted for the year was not conducted due to lack of orientation from the Provincial Archives Office.

Under Education and Skills Development, the target of preserving 100 per cent of district records was not achieved due to similar lack of orientation.

The Accounting Authority reported that, in 2025, the Council budgeted for only one attainable special meeting; the records survey was conducted in the second quarter of 2025; and preservation of records had since commenced, achieving 100 per cent preservation.

20.5 Appendix 5: Failure to Collect Revenue-K14,728,685.00

The Accounting Authority submitted that failure to collect revenue amounting to K14,728,685.00 was attributed to the uprooting of billboards during township road construction and the non-operational status or receivership of certain companies.

The Accounting Authority reported that K5,935,208.42 had since been collected. Additional recovery measures included issuance of demand notices, commencement of legal proceedings, structured payment arrangements with defaulters and remission of 50 per cent on residential and 20 per cent on commercial property rate arrears.

20.6 Appendix 9: Failure to Use 5 Per Cent of Locally Generated Funds on Wards – K2,467,131.00

The Accounting Authority submitted that the failure to apply K2,467,131.00 representing five per cent of locally generated revenue to wards, was due to financial challenges during the year under review.

The Council reported that service delivery in wards was supported through the Cash for Work and Constituency Development Fund programmes, including installation of street lights, solid waste management and desilting of drainages. Measures to enhance revenue mobilisation were also intensified through automation, enforcement and structured debt recovery mechanisms.

20.7 Appendix 30: Thirty-Six (36) Properties without Title Deeds

The Accounting Authority submitted that acquisition of title deeds for thirty-six (36) Council properties had not been concluded due to absence of survey diagrams and letters of offer from the Ministry of Lands and Natural Resources.

The Commissioner of Lands and the Surveyor General were engaged to issue letters of offer and conduct surveys, which had since been undertaken. Approval of survey diagrams was pending. Further, on 19th December 2024, the Council submitted a list of properties

without title deeds in compliance with Circular No. MLGRD/71/27/7 dated 13th December 2024.

20.8 Appendix 32: Non-Maintenance of Properties-Cemeteries

The Accounting Authority submitted that cemeteries lacked sanitary facilities, water reticulation systems and mourners' shelters, and that cisterns and taps had been vandalised.

The Council allocated K1,489,447.00 towards cemetery and funeral services and commenced engagement with Ward Development Committees for construction of ablution blocks and mourners' shelters.

20.9 Appendix 41: Non-Settlement of Statutory and Other Obligations-K141,706,415.00

The Accounting Authority submitted that the outstanding statutory and other obligations amounting to K141,706,415.00 were historical and attributable to financial constraints.

To address the matter, the Council signed a Memorandum of Understanding with the Zambia Revenue Authority for monthly payments of K250,000.00; an agreement with LASF for K70,000.00 monthly deductions at source from the Local Government Equalisation Fund; and a consent judgement with NAPSA for K150,000.00 monthly payments. Applications for waiver of penalties and interest on PAYE and NAPSA were also made.

The Council reported payments of K2,750,000.00 to ZRA, K3,981,023.64 to NAPSA, K1,463,618.93 to LASF, K54,206.00 to NHIMA and K371,104.81 to ZULAAWU. Further, K8,672,039.00 was allocated in the 2026 budget towards debt settlement.

20.10 Appendix 42: Non-Settlement of Staff Obligations-K13,918,045.00

The Accounting Authority submitted that outstanding staff obligations amounting to K13,918,045.00 were due to financial challenges.

The Council reported that K1,922,288.90 had since been paid towards the outstanding obligations.

20.11 Appendix 48: Unspent Funds-Sector Grant Account (K799,252.00)

The Accounting Authority submitted that the unspent amount of K799,252.00 resulted from late release of funds for devolved functions and timing differences at year-end.

The Council reported that K799,292.00 representing 100 per cent utilisation, had subsequently been expended.

20.12 Appendix 49: Management of Cash for Work Programme-K2,803,636.00

The Accounting Authority submitted that the unspent amount of K2,803,636.00 arose from delayed release of funds and timing differences.

The Council reported that K2,803,686.00 representing 100 per cent utilisation, had since been spent. Additionally, a focal point person had been appointed and a technical working group constituted to ensure timely processing and implementation of programme

94.0 LUFWANYAMA TOWN COUNCIL

94.1 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Council had continued to produce unqualified Financial Statements from 2017 to 2024. The Accounting Authority further

submitted that the Council had adhered to the Cash Basis International Public Sector Accounting Standards (IPSAS), *the Local Government Act No. 2 of 2019*, *the Public Finance Management Act No. 1 of 2018* and the Local Authorities Accounting Policies (LAAPs) of 2019, and would endeavour to maintain compliance.

94.2 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance arose from over-collection of K2,031,393.00 attributed to advance payments of rates for the first half of 2025, and failure to fully utilise 2024 funding, resulting in an adverse variance of K11,017,264.00 as at 31st December 2024.

The Accounting Authority reported that K10,605,661.00 had since been utilised from the unspent funds, leaving a balance of K411,602.00 which related to outstanding works on the construction of Chikabuke Market and Bus Stop.

94.3 Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that certain outputs were not achieved within the period under review due to implementation and funding constraints. Management indicated that corrective planning measures had been instituted to align future outputs with realistic funding levels.

94.4 Appendix 18: Failure to Fill Fifty-Five (55) Vacant Positions

The Accounting Authority submitted that the mandate to recruit staff rested with the LGSC.

The Council reported that all critical vacant positions had been budgeted for in the 2026 Budget and that the unfilled positions would be formally communicated to the LGSC for action.

94.5 Appendix 19: Over Employment of Staff-Cost Implication K555,178.00

The Accounting Authority submitted that the two officers cited were duly appointed by the LGSC and were accommodated within the Council's establishment.

Management further submitted that the approved staffing structure for Town Councils provided for two (2) Administrative Officers (LGSS/10) under the Department of Human Resource and Administration, thereby regularising the positions.

94.6 Appendix 22: Delayed Promotion of Four Officers

The Accounting Authority submitted that the promotion of officers was within the mandate of the LGSC and that the four officers had not been promoted for a period ranging from nine (9) to twelve (12) months.

Management reported that the officers had since been appraised and the Human Resource Management Committee had resolved to confirm them.

94.7 Appendix 24: Failure to Recover Salary Advances-K12,000.00

The Accounting Authority submitted that the non-recovery of K12,000.00 arose after an officer who had received a salary advance was transferred before recovery was effected.

Management reported that the full amount had since been recovered.

94.8 Appendix 38: Poor Management of Waste-Failure to Compact Waste

The Accounting Authority submitted that the failure to compact waste was due to lack of appropriate equipment.

Management reported that provision had been made under the Zambia Devolution Support Programme (ZDSP) for construction of an engineered dumpsite and procurement of waste management machinery.

94.9 Appendix 40: Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that the Council had faced challenges in identifying suitable land as most land within the District was under customary tenure administered by traditional authorities.

Management reported that Her Royal Highness Chieftainess Shimukunami had been engaged and had expressed willingness to allocate approximately 20 hectares of land for establishment of a formal public cemetery.

94.10 Appendix 41: Non-Settlement of Statutory and Other Obligations-K5,061,604.00

The Accounting Authority submitted that outstanding statutory obligations amounting to K5,061,604.00 comprised K2,372,332.00 owed to NAPSA and K2,689,272.00 owed to ZRA (PAYE), and arose from financial constraints.

Management reported that the debt had reduced from K12 million in 2023 to K5 million in 2024. The Council had entered into a payment plan with NAPSA and engaged ZRA for a similar arrangement. Further, K2 million had been provided in the 2026 Budget for debt servicing.

94.11 Appendix 48: Unspent Funds-Sector Grant Account (K5,435,534.00)

The Accounting Authority submitted that the unspent amount of K5,435,534.00 resulted from ongoing programmes under the Sector Grant Account, including Cash for Work, leading to an adverse variance as at 31st December 2024.

Management reported that the full balance of K5,435,534.00 had subsequently been utilised in implementing 2024 programme activities.

94.12 Appendix 49: Management of Cash for Work Programme-K5,386,755.00

The Accounting Authority submitted that the unspent balance of K5,386,755.00 arose from the recruitment process for Cash for Work beneficiaries extending into 2025.

Management reported that the entire amount of K5,386,755.00 had since been utilised in implementing the 2024 Cash for Work Programme.

94.13 Appendix 50: Failure to Adhere to Age Limits-Cost Implication K11,400.00

The Accounting Authority submitted that the payment of K11,400.00 to beneficiaries outside the prescribed age limits resulted from non-adherence to programme guidelines.

Management reported that Ward Development Committees had been re-sensitised on eligibility criteria; a central verification mechanism had been introduced at Council level

for screening beneficiary lists, including verification of NRCs; and political and traditional leaders had been engaged to reinforce compliance.

94.14 Eight Beneficiaries Sharing National Registration Numbers-Cost Implication K4,800.00

The Accounting Authority submitted that the query arose from beneficiaries sharing National Registration Card (NRC) details, with a cost implication of K4,800.00.

Management reported that verification established that, although similar NRC details were used during registration, payments were made to individual beneficiaries' mobile phone numbers and no duplicate payments were effected. Compliance controls had since been strengthened through centralised verification and re-sensitisation of Ward Development Committees.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K1,281,594.00)

The Accounting Authority submitted that failure to utilise K1,281,594.00 under the Zambia Devolution Support Programme arose from strict adherence to programme guidelines and prolonged clearance and approval processes.

Management reported that K869,991.00 had since been expended on construction of a market and bus stop shelter at Chikabuke Market, leaving a balance of K411,602.00 attributable to remaining works at the same site.

MASAITI TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been prepared in accordance with the applicable financial regulations and standards in order to ensure transparency, accountability and consistency, which resulted in the financial statements for the period under review being issued with an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the Council had an approved budget of K46,967,674.00, against which K42,976,402.00 was received, resulting in a negative variance of K3,991,272.00. Together with brought forward funds of K4,277,155.00, the total funds available amounted to K47,253,557.00, out of which K33,403,570.00 was spent, leaving unspent funds of K13,849,987.00 at the close of the financial year.

The Accounting Authority explained that the unspent balances were mainly attributed to funds received late in the financial year and projects that were still undergoing procurement processes. It was further indicated that K3,525,594.01 held under the Capital Account remained partly unspent due to ongoing capital projects, of which K2,328,084.07 had since been utilised, leaving a balance of K1,197,509.94.

Further, balances recorded under other accounts included K1,980,562.94 for salaries; K589,556.98 for town operations; K749,362.92 under local revenue; K55,869.74 under the Development Fund Account; and K6,924,821.88 under the Sector Account mainly for Cash-for-Work and Roads Grants, which were received towards the end of the year. Additional balances included K2,484.98 for fire prevention and K21,731.01 for water and sanitation activities, which had since been applied to their intended purposes such as

salaries, operations, commercial venture stocks, the Cash-for-Work programme, road rehabilitation, and training of D-WASHE committee members.

Appendix 3: Adverse Performance on Locally Generated Revenue-Negative Variance (K7,391,121.00)

The Accounting Authority submitted that the Council had projected to collect K23,289,264.00 in locally generated revenue but realised K15,898,143.00, resulting in a negative variance of K7,391,121.00, representing 32 per cent underperformance.

The Accounting Authority attributed the shortfall largely to reduced business activity in the district arising from prolonged electricity load-shedding linked to the drought experienced during the period under review. As a result, the Council only collected K1,368,498.00 against a projection of K8,921,600.00 from fees and charges; K2,610.00 against a target of K4,650.00 from liquor licences; and K130,700.00 against K362,424.00 projected from permits. In addition, commercial ventures yielded K21,626.00 instead of the anticipated K84,000.00, mainly due to rehabilitation works at Nsandabunga Guest House.

The Accounting Authority further indicated that Management had since reviewed its revenue projections and prepared more realistic budgets for the 2026 financial year, while continuing to sensitise the business community on the importance of complying with revenue obligations to the Council.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that several planned outputs were not achieved mainly due to inadequate financial resources, procurement delays, logistical challenges and over-estimated targets.

The Accounting Authority explained that only 6 out of 17 planned staff trainings were conducted due to funding constraints. In the engineering section, 150 desks were procured against a target of 240 owing to delays by the contractor constructing the 1x3 classroom block, while the remaining 90 desks had since been delivered. Further, the procurement of three motorbikes for chief retainers was delayed as the process was handled centrally by the Ministry of Local Government and Rural Development, although the motorbikes had since been delivered to the respective chiefdoms.

Additionally, planned projects such as three ablution blocks, borehole disinfection, and community sensitisation programmes were affected by resource limitations. Some targets were also overstated, including the rehabilitation of 400 kilometres of roads, which was later corrected to 40 kilometres, and the installation of 90 solar lights, which should have been nine.

In the Planning Department, certain activities such as the preparation of Local Area Plans could not be implemented due to disputes in Mushili Chiefdom and boundary issues involving the Lonshi border area between Zambia and the Democratic Republic of Congo. The Council also experienced delays in printing 671 property rate bills due to the migration to a new billing system, which was later replaced and operationalised in 2025.

The Accounting Authority indicated that the Council had since re-planned the affected activities and adjusted targets in the 2026 budget to ensure that they were achievable.

Appendix 5: Failure to Collect Revenue-K996,018.00

The Accounting Authority submitted that the Council had failed to collect K996,018.00, comprising K921,018.00 in residential property rates and K75,000.00 in mast levy. It was reported that the outstanding property rates had since been recovered, while the balance relating to mast levy owed by Infratel remained outstanding. The Accounting Authority indicated that supporting documentation relating to the recoveries was available for audit verification.

Appendix 16: Unaccounted for Stores-K30,853.00

The Accounting Authority submitted that the documents relating to stores valued at K30,853.00 were in the custody of officers under the newly devolved health functions who had maintained records outside the Council's standard filing system.

Management reported that it had since designated an officer from the devolved function to operate from the Civic Centre, where all supporting documents would be kept to ensure proper record management.

Appendix 17: Unaccounted for Fuel-K30,853.00

The Accounting Authority submitted that the supporting documents relating to fuel valued at K30,853.00 were similarly held by officers under the devolved health function and were filed outside the Council's established record management system.

The Authority stated that an officer had since been stationed at the Civic Centre to ensure that all relevant documentation was properly maintained and readily accessible.

Appendix 19: Over-Employment of Three Members of Staff-K251,728.00

The Accounting Authority submitted that the Council had engaged three officers in excess of the approved establishment in the positions of accounts officer, town sergeant and administrative officer, resulting in a cost implication of K251,728.00.

The Accounting Authority explained that the matter had been referred to the LGSC for guidance. Subsequently, one town sergeant had been transferred to Luangwa Town Council, while the overstaffing in the position of accounts officer had been addressed through the appointment of one officer as assistant commercial manager at Masaiti Town Council. The case relating to the administrative officer remained under consideration.

Appendix 30: Four Properties without Title Deeds

The Accounting Authority submitted that the four Council properties had not been issued with title deeds due to delays at the Ministry of Lands and Natural Resources.

The Authority indicated that applications for survey and titling had since been submitted and the required survey fees paid, and that the Council was awaiting the issuance of title deeds by the Ministry.

Appendix 33: Five Unrepaired Movable Assets

The Accounting Authority submitted that five vehicles remained non-operational for periods ranging from one to twenty-four months mainly due to financial constraints. The Authority reported that three vehicles had since been repaired, while the remaining two vehicles had been scheduled for repair in the 2026 financial year.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K28,239,929.00

The Accounting Authority submitted that the outstanding statutory obligations amounted to K28,239,929.00, comprising K21,593,711.83 owed to NAPSA; K6,124,220.17 to ZRA; K93,495.83 to Madison; K98,242.03 to NHIMA; and K6,326.65 in union dues.

It was reported that K167,801.55 had been paid to NAPSA, leaving a balance of K21,425,910.28, while K158,868.38 had been paid to ZRA, leaving K5,965,356.79 outstanding. Payments to Madison had exceeded the outstanding balance by K24,491.15, while K80,243.24 had been paid to NHIMA, leaving K17,998.79. Union dues had since been fully settled.

The Accounting Authority further explained that NAPSA contributions were now being deducted at source, while the Council continued to settle the remaining obligations as resources permitted and in accordance with court judgments.

Appendix 48: Unspent Sector Grant Funds-K1,677,669.00

The Accounting Authority submitted that unspent funds amounting to K1,677,669.00 related to Roads Grant (K1,247,615.53), Health (K413,305.53) and Archives (K16,747.94).

The Accounting Authority explained that the funds remained unutilised mainly because the grants were received late in the financial year and procurement processes had not yet commenced. It was reported that K1,187,538.93 from the Roads Grant had since been utilised upon completion of the projects, leaving K60,076.60 retained as retention money. The funds under the Health and Archives components had also since been utilised.

Appendix 49: Management of Cash-for-Work Programme

The Accounting Authority submitted that under the Cash-for-Work Programme, a total of 8,672 beneficiaries had been targeted in Masaiti Constituency, of which 8,647 beneficiaries were paid, leaving 25 unpaid beneficiaries. In Kafulafuta Constituency, 4,523 beneficiaries were targeted and 4,469 were paid, leaving 54 unpaid beneficiaries.

The Accounting Authority explained that the unpaid beneficiaries were due to delays in the submission of payment schedules by the data entry clerk at the time of the audit. Management reported that the responsible officers had since been directed to promptly submit payment details to avoid similar delays.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (ZDSP) – K2,694,737.00

The Accounting Authority submitted that funds amounting to K2,694,737 under the Zambia Devolution Support Programme remained unspent due to delays in obtaining environmental approval from ZEMA, which consequently delayed the commencement of procurement processes.

It was reported that two projects had since been completed, while three projects were under implementation and were expected to be completed by 28th February 2026.

MUFULIRA MUNICIPAL COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements for the period under review were examined and verified, and an unqualified audit opinion was issued. It was

reported that no corrective action was required as the opinion confirmed that the financial statements fairly represented the financial position of the Council.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the Auditor General reported a negative variance of K5,232,316.00 between the approved budget and the funds received. It was reported that the variance arose mainly from deductions made at source from the Equalisation Fund.

The Accounting Authority further stated that the unspent balance of K9,664,986.00 at the end of the financial year related to funds already committed to ongoing programmes and activities which were still under implementation at the close of the year. The Accounting Authority reported that the funds had since been applied to the intended programmes and activities.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council recorded a negative variance of K1,885,040.00 in locally generated revenue. The Authority explained that the shortfall arose mainly from underperformance in local taxes, licences, levies and permits.

The Accounting Authority reported that the outstanding amount of K1,885,040.00 had since been collected.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that some planned outputs were not fully achieved because targets were set on the basis of previous performance levels and, in some cases, due to low compliance from members of the public and operational limitations.

The Accounting Authority explained that in the Housing and Community Services programme, the Council had planned to attend to 100 clients and issue club guidelines, although performance fell below the projected level. Under Legal Services, the Council had planned to prepare 100 occupancy licences, which were later issued after sensitisation of property owners. In addition, 162 change-of-ownership transactions were processed following community engagement programmes encouraging property owners to regularise ownership records.

It was also submitted that only four out of twelve premises were visited for familiarisation tours within the year. With regard to fleet management, the Council had planned to repair twenty-five vehicles and machinery, although only seven repairs were undertaken during the period.

The Accounting Authority stated that Management had since reviewed the targets and adjusted them in 2025 planning frameworks, with emphasis on setting realistic and attainable performance targets.

Appendix 5: Failure to Collect Revenue-K27,844,304.00

The Accounting Authority submitted that the Council undertook a reconciliation of the revenue budget lines identified in the audit query. The review revealed that under-collection mainly arose from revenue streams such as billboards, sale of survey diagrams, plan scrutiny fees, consolidation of land and regularisation of farm plots.

The Accounting Authority explained that against a projected K2,709,800.00, the Council collected K2,548,848.00, leaving an under-collection of K160,952.00.

The Accounting Authority reported that the Council had commenced the process of introducing a paperless revenue collection system aimed at strengthening revenue administration and improving collection efficiency.

Appendix 18: Failure to Fill Three Hundred and Seventy-Four Vacant Positions

The Accounting Authority submitted that although the audit noted 374 vacant positions, the Council considered the current staffing levels adequate to sustain the services provided within the available budget.

It was reported that the Council continued to submit quarterly staff establishment returns and had been engaging the LGSC to fill critical positions when the need arose.

Appendix 19: Over-Employment of Ninety-Three Members of Staff-K9,130,971

The Accounting Authority submitted that the Council had ninety-three officers in excess of the approved establishment with a staff cost implication of K9,130,971.00. The Accounting Authority explained that twenty-four officers were engaged as revenue collectors to strengthen revenue collection at various points, while sixty-nine officers arose from staffing adjustments made by the LGSC in preparation for the revised organisational structure.

The Accounting Authority reported that sixty-four positions had since been normalised under the approved structure, leaving twenty-nine officers still above the establishment.

Appendix 21: Delayed Confirmation of Eight Officers on Probation

The Accounting Authority submitted that the confirmation of eight officers on probation had been delayed by the LGSC at the time the audit query was raised.

It was reported that two officers had since been confirmed, while the remaining six officers were still awaiting confirmation by the Commission.

Appendix 26: Failure to Inscribe Two Assets Valued at K33,120.00

The Accounting Authority submitted that the two desktop computers, valued at K33,120.00 had not been inscribed because the Council was awaiting officers from the Ministry of Transport and Logistics, who were responsible for asset inscription.

It was reported that the two assets had since been inscribed.

Appendix 28: Non-Registration of Four Movable Assets

The Accounting Authority submitted that four movable assets had not been registered at the time the audit was conducted.

It was reported that two assets had since been registered, while the remaining two were still undergoing the registration process.

Appendix 34: Non-Disposal of Eighteen Unserviceable Movable Assets

The Accounting Authority submitted that although a Disposal Committee had been constituted and had recommended the disposal of eighteen unserviceable movable assets, authority from the MLGRD had not been granted at the time of the audit.

It was reported that the Council had maintained the disposal committee and was awaiting the involvement of the Department of Valuation and Property Management to proceed with the process.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K92,759,521.00

The Accounting Authority submitted that the Council had outstanding statutory obligations amounting to K92,759,521.00, mainly arising from financial challenges experienced by the local authority.

It was reported that the Council had begun settling the obligations, with K114,990.82 paid directly by the Council and K7,586,771.52 recovered through deductions at source.

Appendix 42: Non-Settlement of Staff Obligations-K4,943,434.00

The Accounting Authority submitted that staff obligations amounting to K4,943,434.00 had remained unsettled mainly due to financial constraints faced by the Council.

It was reported that the Council had commenced the process of settling the outstanding amounts and had so far paid K351,531.73.

Appendix 48: Unspent Funds-Sector Grant Account (K2,299,875)

The Accounting Authority submitted that the K2,299,875.00 reported as unspent funds related mainly to transfers received in the fourth quarter of 2024, leaving insufficient time for implementation of the planned activities within the financial year.

It was reported that the funds were utilised during the first quarter of 2025.

Appendix 49: Management of Cash-for-Work Programme-Unpaid Amount (K6,091,866.00)

The Accounting Authority submitted that the payment process faced challenges because most beneficiaries did not possess bank accounts, while programme guidelines did not permit cash payments.

The Accounting Authority reported that the matter had since been addressed and the full amount of K6,091,866.00 was paid to beneficiaries through mobile money using internet banking, covering all the constituencies under the programme.

MPONGWE TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements for the financial years 2023 and 2024, were issued with unqualified audit opinions and the Council would continue preparing financial statements that present a fair view of the affairs of the Council in line with established public financial management standards.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the audit reported unspent funds amounting to K13,500,828.58, as of 31st December 2024. The balances were mainly held across several accounts, including the Main Account (K800,068.00); Capital Account (K2,694,856.05); Land Development Account (K785,159.59); Sector Grant Account (K8,631,138.94); Rural Water Account (K16,739.00); General Purpose Account (K21,794.00); and Pontoon Account (K551,073.00).

It was reported that the Council had since utilised K11,471,853.19, leaving K2,029,150.00 committed to the Capital Bus Station Project, which remained under implementation.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that some planned activities were not implemented during the period under review because targets were not revised following the approval of a supplementary budget, which resulted in variations in planned outputs.

It was reported that the Council had continued engaging residents in order to obtain information on prevailing social and economic conditions and to guide appropriate interventions. In addition, the rehabilitation of feeder and township roads had since been completed. The Accounting Authority further indicated that approval had been obtained from the MLGRD for the appointment of a surveyor to update the valuation roll, and the process was underway.

Appendix 5: Failure to Collect Revenue-K7,082,122.00

The Accounting Authority submitted that the under-collection related to several revenue streams including property rates (K1,950,017.00); rentals (K19,230.00); mast levy (K135,000.00); refuse disposal (K87,777.00); plot premiums (K4,271,550.00); and water bills (K618,549.00).

It was reported that the Council had since recovered K1,110,783.18 from the outstanding amounts. Part of the recovery included K878,565.18 from property rates; K9,500.00 from rentals; K135,000.00 from mast levy; and K87,718.00 from water bills. The Accounting Authority further indicated that the refuse disposal contract had been terminated and Invitations to Treat for the affected plots had been revoked to address the outstanding plot premiums.

Appendix 9: Failure to Utilise Five Percent of Locally Generated Revenue on Wards-K559,121.00

The Accounting Authority submitted that funds amounting to K559,121.00, representing five per cent of locally generated revenue earmarked for ward development, were not utilised for ward-based activities during the year under review. The Accounting Authority explained that the Council faced financial constraints which made it difficult to allocate the funds for ward development activities.

It was further stated that the Council instead relied on the enhanced CDF to implement infrastructure development projects across the wards. The Council had since developed strategies to strengthen local revenue collection and planned to engage ward representatives in identifying development projects to be financed from the five percent allocation.

Appendix 19: Over-Employment of Staff-K729,416.00

The Accounting Authority submitted that the audit noted excess staffing in several positions, resulting in a cost implication of K729,416.00. The Authority explained that the officers had been appointed and deployed by the Local Government Service Commission to the Council.

The Authority reported that the matter had been referred to the Commission and several corrective measures had been taken. One officer had been promoted to the position of chief administrative officer, another had been recommended for promotion and transfer, one

officer had been transferred to another station, while two officers had since resigned, thereby reducing the staffing imbalance.

Appendix 21: Delayed Confirmation of Two Officers on Probation

The Accounting Authority submitted that the confirmation process was handled by the LGSC

It was reported that one officer had since been confirmed, while the confirmation of the remaining officer was still pending before the Commission.

Appendix 30: Twenty-Seven Properties without Title Deeds

The Accounting Authority submitted that the Council had commenced the process of securing titles for all its properties.

The Authority further reported that the Ministry of Lands and Natural Resources had issued offer letters for eleven properties, and the Council was continuing to process the remaining ones.

Appendix 31: Three Uninsured Assets

The Accounting Authority submitted that one vehicle had expired insurance which required renewal, another required major repairs before it could be insured, while a tractor had been assessed by the insurance company and deemed not insurable due to diminished economic value.

It was reported that insurance cover had since been renewed for two vehicles, while the tractor remained uninsured following the insurer's assessment.

Appendix 32: Non-Maintenance of Properties

The Accounting Authority submitted that some Council properties including the Civic Centre and staff houses had fallen into disrepair, with defects such as leaking toilets, faulty water systems and damaged sewer pipes. The Authority explained that the situation arose due to inadequate funding experienced during the period under review.

It was reported that the Council had since commenced routine maintenance works, prioritising critical structures within the limits of the available financial resources.

Appendix 34: Non-Disposal of Three Unserviceable Movable Assets

The Accounting Authority submitted that the Council had since constituted a Disposal Committee in accordance with *Section 44 of the Public Finance Management Act No. 1 of 2018*. The Accounting Authority further stated that the Department of Government Valuation had been requested to undertake valuation of the assets in readiness for disposal.

Appendix 37: Failure to Service Plots-Lack of Access Roads

The Accounting Authority submitted that the Council had not created access roads for the Riverview plots mainly due to low revenue generated from the subscription of the plots. It was reported that the Council had since constructed some access roads in the area in order to facilitate development of the plots.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K10,519,358.00

The Accounting Authority submitted that statutory obligations amounting to K10,519,358.00 had not been settled during the period under review due to insufficient funding experienced by the Council.

It was reported that the Council had since paid K1,135,266.00 towards the outstanding obligations. The Authority also indicated that some contributions, including NAPSA, were currently being recovered at source by the MLGRD, while NAPSA had granted the Council a waiver of penalties amounting to K2,650,477.00 following an application by the Council.

Appendix 42: Non-Settlement of Staff Obligations-K1,550,085.00

The Accounting Authority submitted that staff obligations amounting to K1,550,085.00, mainly relating to unpaid settling-in allowances for newly appointed and transferred staff, had not been settled by 31st December 2024 due to financial constraints.

It was reported that the Council had begun settling the outstanding obligations and had so far paid K71,011.63.

Appendix 43: Inadequate Fire Fighting Services-Lack of Fire Station

The Accounting Authority submitted that the acquisition of firefighting equipment required substantial financial resources and that the Council had sought support from the MLGRD. As an interim arrangement, the Council had secured office space at the former District Administration offices where firefighters were currently operating from while providing basic fire and rescue services.

Appendix 46: Lack of Personal Protective Equipment

The Accounting Authority submitted that firefighters did not have adequate Personal Protective Equipment (PPE) at the time of the audit as some equipment required replacement.

It was reported that the Council had since procured some protective equipment including life-saving jackets and was continuing to procure additional equipment to improve firefighter safety.

Appendix 47: Failure to Remit Fifty Percent of Fire Revenue to Fire Services Account-K28,080.00

The Accounting Authority submitted that the Council had not remitted 50 per cent of fire revenue amounting to K28,080.00 to the Fire Services Account because the account had not yet been opened and operationalised. Fire-related expenditures had, therefore, been met from the General-Purpose Account.

It was reported that the Council had commenced the process of opening a dedicated Fire Services bank account where the required portion of fire revenue would be deposited.

Appendix 48: Unspent Funds-Sector Grant Account (K8,631,138.00)

The Accounting Authority submitted that sector grant funds amounting to K8,631,138.00 remained unspent as of 31st December 2024. The balances related mainly to programmes such as Cash for Work; District Health; Vehicle Licensing; Sports; National Archives; Veterinary Services; and Pontoon Services.

The Authority reported that K8,616,705.66 had since been utilised across the respective programmes following implementation of the activities.

Appendix 50: Failure to Adhere to Age Limits-K1,521,600.00

The Accounting Authority submitted that the audit query arose because copies of National Registration Cards (NRCs) were not attached to payment vouchers for programme beneficiaries in order to verify their age eligibility.

It was reported that Management had taken note of the observation and would ensure that copies of NRCs were attached to all payment vouchers to confirm compliance with the required age limits.

Appendix 52: Failure to Pay Beneficiaries under Cash for Work-K62,400.00

The Accounting Authority submitted that 104 beneficiaries had not been paid amounts totalling K62,400.00 at the time of the audit due to technical failures on the bank payment platform, which were beyond the control of the Council.

It was reported that the affected beneficiaries had since been fully paid.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that funds amounting to K2,694,737.00 meant for the construction of a modern bus station had not been utilised by 31st December 2024 because the project was still undergoing procurement procedures.

The Authority reported that the procurement process had since been completed and the contract awarded to a contractor who had moved on site and commenced works. An advance payment of K665,406.06 had been made, while the remaining K2,029,331.00 would be paid progressively as the works advanced.

NDOLA CITY COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the audit opinion for the 2023 financial statements, which had initially been qualified due to unreconciled opening balances dating back to 2018, was later regularised. The Authority stated that approval was sought from the Office of the Auditor General to review the corrected statements, after which the financial statements were restated and an unqualified opinion was rendered.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the budget performance variance of K4,435,930.00 arose mainly from the non-release of sector funds for the District Hospital. The Authority further stated that the unspent balance of K7,326,395.00 represented funds held for committed programmes and activities at year end. It was reported that the funds had since been utilised on the intended programmes.

Appendix 3: Adverse Performance on Locally Generated Revenue-K6,762,894.00

The Accounting Authority submitted that the underperformance of K6,762,894.00 was attributed mainly to lower collections from levies, particularly during the reconciliation process between the Council and ZESCO to verify the number of both wooden and steel poles. The Authority added that overperformance recorded under other receipts arose from income realised through the disposal of motor vehicles.

The Accounting Authority further reported that implementation of revenue enhancement measures had resulted in an average increase of 18.5 per cent in own-source revenue over the 2024 and 2025 financial years, showing an upward trend in collections.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that a number of outputs were not fully achieved due mainly to liquidity challenges; demand-driven activities; delayed availability of critical reports; competing priorities; and inadequate alignment of targets with available resources. It was submitted that under City Planning, research on prevailing socio-economic conditions could not be undertaken within the planned period because the critical report required for the exercise was only released in 2025, although preparatory works had commenced. Some water and sanitation outputs also fell below target because certain activities were demand-driven, while others were affected by funding limitations. It was reported that the remaining boreholes had since been drilled with support from a donor.

The Accounting Authority further submitted that a number of fire brigade and engineering targets were affected by financial constraints, leading the Council to prioritise the procurement of an operations vehicle for firefighters instead of some planned tools, equipment and office furniture. In addition, some planned solar street lighting, electrical maintenance, pothole patching and road marking works could not be fully undertaken because a number of the roads initially earmarked for those interventions had later been selected for construction works. The Council instead installed street lights on Kalewa and Ndibu Roads, patched about 210 square metres of roads, undertook 5 kilometres of road markings, and constructed twelve access bridges against the target of twenty.

The Accounting Authority also reported that several outputs under Public Health, Housing and Social Services were affected by low funding, demand-driven service uptake and low public response. These included the maintenance of ablution blocks; markets and bus stations; rehabilitation of selected public facilities; enrolment in adult literacy; preparation of local area plans; issuance of occupancy licences and title deeds; and facilitation of change of ownership. Management stated that in many cases, progress had since been made, including the updating of registers; procurement of uniforms and protective wear; preparation of layout plans; continued public sensitisation; and implementation of some outstanding projects in 2025. The Accounting Authority added that future targets would be aligned to available resources and past performance trends.

Appendix 5: Failure to Collect Revenue-K223,561,191.00

The Accounting Authority submitted that the failure to collect K223,561,191.00 was caused mainly by non-payment of property rates on Government properties, abandoned buildings whose owners had either relocated or ceased operations, and generally low compliance on residential property rates.

It was reported that the Council had continued engaging the MLGRD regarding payment of grant in lieu of rates on Government properties. The Council had also issued demand notices and engaged bailiffs to improve compliance. In addition, Management had resolved to identify and list abandoned buildings with a view to recovering outstanding property rates from such properties where owners could not readily be traced.

Appendix 14: Failure to Obtain Clearance from ZRA before Payment-K2,423,848.00

The Accounting Authority submitted that the Council acknowledged the payments amounting to K2,423,848.00 made without obtaining prior clearance from ZRA.

It was reported that the Council had since notified ZRA and submitted details of the affected suppliers and contractors, together with the relevant transaction dates, to facilitate recovery by the Authority.

Appendix 16: Unaccounted for Stores-K213,012.00

The Accounting Authority submitted that the query arose because the Council had relied on goods received notes and goods requisition notes in the absence of stores bin cards. It was reported that bin cards had since been introduced into the stores management

Appendix 18: Failure to Fill Vacant Positions

The Accounting Authority submitted that the current staffing levels were considered to be consistent with the available budget and the service delivery requirements of the Council. It was reported that staff returns were being submitted quarterly to the LGSC.

Appendix 19: Over-Employment of Seventy-Three Members of Staff -K10,519,751.00

The Accounting Authority submitted that the excess staffing of seventy-three officers, with a cost implication of K10,519,751.00, arose because the Council had received officers who were duly appointed and deployed by the LGSC and accommodated them on the payroll in line with their letters of appointment.

The Accounting Authority stated that the staff returns continued to be submitted on a quarterly basis for consideration by the relevant authorities.

Appendix 24: Failure to Recover Salary Advances-K31,000.00

The Accounting Authority submitted that the failure to recover salary advances amounting to K31,000.00 arose following the transfer of the officers concerned.

The Authority reported that the advances had since been fully recovered.

Appendix 33: Thirteen Unrepaired Movable Assets

The Accounting Authority submitted that the thirteen unrepaired movable assets had remained unattended to because they had already been earmarked for disposal.

It was reported that a Disposal Committee had since been constituted and had identified the assets for disposal. The processes for valuation and eventual disposal were underway.

Appendix 37: Failure to Service Plots-Failure to Create Access Roads

The Accounting Authority submitted that the failure to service 1,036 plots was due to delays in resolving a land claim involving a traditional leader and the need to accommodate some squatters occupying the area.

It was reported that the Council had entered into discussions with the traditional leader in order to clarify the boundaries and was also addressing the issue of squatters. Further, the Office of the Surveyor General had been requested to assist with surveying the land.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K162,382,471.00

The Accounting Authority submitted that statutory and other obligations, amounting to K162,382,471.00 remained unsettled due to liquidity challenges faced by the Council. The Authority reported that deductions at source had commenced in respect of NAPSA contributions and that the Council had continued paying at least K400,000.00 per month towards statutory obligations. In total, the Council had paid K12,531,189.91.

Appendix 42: Non-Settlement of Staff Obligations-K41,667,414.00

The Accounting Authority submitted that staff obligations amounting to K41,667,414.00 remained outstanding owing to financial constraints experienced by the Council.

The Authority stated that a payment plan had been put in place under which at least K300,000.00 per month was being paid towards the obligations. It was reported that the Council had paid K1,953,108.46 during 2025.

Appendix 48: Unspent Funds- Sector Grant Account-K1,733,288.00

The Accounting Authority submitted that the unspent balance of K1,733,288.00 arose due to the late disbursement of funds.

The Authority reported that the funds had since been fully utilised.

Appendix 49: Management of Cash for Work Programme-K3,140,889.00

The Accounting Authority submitted that the balance of K3,140,889.00 under the Cash for Work Programme related to payments awaiting completion of the last two weeks' shift for December 2025, as beneficiaries were only paid after completion of the assigned work.

KALULUSHI MUNICIPAL COUNCIL

44.1 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Council obtained an unqualified audit opinion for the financial year 2024 after all errors identified during the audit were corrected, thereby enabling the financial statements to present a true and fair view.

Appendix 2: Budget, Funding and Expenditure-Unspent Funds (K17,205,762.00) and Variance (K10,717,012.00)

The Accounting Authority submitted that the variances in revenue performance arose from a number of factors across revenue streams. Under-collection on local taxes occurred because the Council had court cases involving one company, while another was under care and maintenance. Variations in fees and charges resulted from the repossession and disposal of plots which generated revenue above the budget. Licences and permits recorded over-collections due to the effectiveness of the Council's revenue taskforce. Conversely, levies underperformed, as companies trading in timber experienced reduced operations due to ZESCO load management, while others made only part payments.

With regard to Local Government Equalisation Funds, the variance resulted from deductions at source for obligations such as NAPSA; fire truck insurance; ZULAWU Headquarters; and FIRESUZ, which were remitted directly by the MLGRD. The variance under sector and other grants arose from funds received from the Ministry of Finance and National Planning.

The Accounting Authority further submitted that revenue performance had since improved, with collections exceeding targets by K4,216,746.30, as at 31st December 2025. The Council had also introduced measures aimed at strengthening revenue mobilisation, including the use of mobile money platforms on MTN; Airtel; and Zamtel; internet banking; bulk messaging systems; point-of-sale machines; and the implementation of the Financial Accounting and Billing System (FABS) to minimise revenue leakages. Additionally, the previously unspent funds amounting to K17,205,762.00 had since been utilised by 31st December 2025.

Appendix 3: Adverse Performance on Locally Generated Revenue-Negative Variance (K12,311,548.00)

The Accounting Authority submitted that the negative variance in locally generated revenue, was mainly attributed to under-collection under local taxes and levies, arising from pending court cases involving one company and reduced activity in the timber industry due to ZESCO load management, while some taxpayers made partial payments. In contrast, fees and charges, licences, and permits exceeded projections following the repossession and disposal of plots as well as intensified revenue collection by the Council's taskforce.

The Accounting Authority further reported that the Council had since improved revenue performance and had collected K2,622,210.30 above the target as at 31st December 2025. Additional measures implemented included a 50 per cent property rates promotion, strengthening the internal audit function, staff training, and the commencement of the process to update the valuation roll in order to enhance revenue collection.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that several programme outputs under the Council's work plan were partially implemented mainly due to operational challenges. Under Integrated Development Planning, only one sensitisation meeting on household registration in unplanned settlements was conducted during the period under review, although the remaining sensitisation activities had since been concluded. Delays in the preparation of occupancy licences were attributed to the need to conduct a headcount to verify authentic settlers, which exercise had since been completed. With regard to change of ownership, it was reported that relevant applications had been presented to the Council and offer letters subsequently issued, with supporting minutes available for verification. On alternative dispute resolution, the Council explained that some matters could not be settled out of court because certain parties were unwilling to consent to mediation, resulting in the matters reverting to court proceedings. The Council's advocates had, however, continued pursuing out-of-court settlements where possible.

Under recreation, culture and religion, the number of marriages solemnised fell below projections due to low public turnout for marriage registration. The Council had since undertaken sensitisation campaigns to encourage residents to formalise marriages. Regarding Human Resource Management Committee meetings, fewer meetings were held because only a limited number of cases required deliberation during the period. In addition, the proportion of fire incidents attended to, was below the target due to the relatively low number of fire incidents recorded during the year. Management reported that it had intensified public sensitisation on fire prevention and mitigation.

Appendix 5: Failure to Collect Revenue-K14,313,616.00

The Accounting Authority submitted that the failure to collect revenue from property rates, fees and charges, amounting to K14,313,616.00, against a budget of K20,580,943.00 with actual collections of K6,267,327.00, resulted from resistance by some property owners and traders to pay the applicable charges. The Council had since intensified public sensitisation through radio programmes, ward meetings with Ward Development Committees and public address systems to encourage compliance. As a result, the Council had recovered K10,198,455.69, leaving an outstanding balance of K4,115,161.31 as at 8th January 2026.

Appendix 16: Unaccounted for Stores-K713,691.00

The Accounting Authority submitted that stores, valued at K713,691.00, were initially reported as unaccounted for because the material distribution lists (stock cards) in various departments lacked sufficient details such as transaction identification numbers and item

descriptions. It was reported that the missing information had since been inserted and the stores had now been properly accounted for.

Appendix 21: Delayed Confirmation of Three Officers on Probation (27–53 Months)

The Accounting Authority submitted that the delays in confirming three officers on probation were due to various administrative and qualification-related issues. In the case of Mulenga Elizabeth, Revenue Collector (LGSS/18), confirmation was initially withheld because she did not possess a full Grade 12 Certificate, as required for the position. She subsequently obtained the qualification in October 2025 and was confirmed in November 2025.

Regarding Richard Musonda, Electrician (LGSS/14), confirmation was delayed because he had not obtained the required Grade 12 Certificate despite being granted time to upgrade. The matter had since been referred to the Human Resource Management Committee for determination.

In the case of Chansa Kolala, Fire Fighter (LGSS/14), the delay arose because the officer's personal file had not yet been transferred to Kalulushi Municipal Council, following his redeployment in June 2024, and he was unable to provide a copy of his confirmation letter. The matter had also been referred to the Human Resource Management Committee for appropriate action.

Appendix 26: Failure to Inscribe Eleven Assets Valued at K667,423.00

The Accounting Authority submitted that the failure to inscribe eleven assets valued at K667,423.00, arose due to inadequate budget provision in the 2024 budget to cater for the inscription exercise and related allowances for officers from the Smart Zambia Office in Ndola who were engaged to carry out the work. It was reported that the activity was subsequently budgeted for in 2025 and the inscription of the assets had since been completed.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K12,808,050.00

The Accounting Authority submitted that the outstanding statutory obligations arose because the Council had entered into time-to-pay agreements with NAPSA and ZRA, under which it was servicing current obligations, while gradually clearing the arrears. The Council had since remitted K11,863,457.64, leaving an outstanding balance of K10,230,178.71 as at 8th January 2026.

Appendix 48: Unspent Funds-Sector Grant Account (K3,826,552.00)

The Accounting Authority submitted that the unspent funds of K3,826,552.00 arose due to the delayed release of funds from the Ministry of Finance and National Planning. The Council had since utilised K3,789,480.00, leaving a balance of K37,072.00 as at 8th January 2026.

Appendix 49: Management of Cash for Work Programme-Balance (K2,419,483.00)

The Accounting Authority submitted that the unspent balance under the Cash for Work Programme, resulted from the delayed disbursement of funds from the Ministry of Finance and National Planning, as well as the inadequacy of the funds received to cater for the remaining 7,296 beneficiaries as at 31st December 2024. The Authority reported that the

Council had since utilised the entire K2,419,483.00, leaving no balance as at 8th January 2026.

LUSAKA

LUSAKA CITY COUNCIL

29.4 Audit Opinion-Unqualified

The Accounting Authority acknowledged the observations of the Auditor General that the financial statements had been verified, resulting in an unqualified audit opinion.

29.5 Budget, Funding and Expenditure-Negative Variance K21,787,335.00 and Unspent Funds K51,195,344.00

The Accounting Authority submitted that the under-collection of funds against the approved budget arose from lower-than-expected collections in licences; permits; parking fees; and outdoor advertising, resulting in a negative variance of K21,787,335. The Accounting Authority further submitted that the unspent funds, amounting to K51,195,344 represented committed funds reserved for operational and capital obligations. The funds had since been fully expended on salaries, wages, statutory obligations for January to March 2025, and capital projects.

29.6 Non-Achievement of Targets

The Accounting Authority submitted that financial constraints had affected the implementation of several deliverables across programme areas as outlined below:

- i. **Ward Development Fund:** Only 34 of the targeted 38 wards were funded due to financial constraints.
- ii. **Local Area Plans:** Of the eight targeted plans, four had been completed.
- iii. **Street Lighting:** Out of 301 planned poles, 228 were erected, with 73 completed during the year.
- iv. **Road Maintenance:** Of the targeted 100 km, 56 km were completed.
- v. **Fire Certificates:** Although the target was 100 per cent, issuance reached 52 per cent, with 29,503 certificates issued.
- vi. **Tokyo Way Bus Station:** The project remained pending; a request for funding had been submitted to the Ministry.
- vii. **Unplanned Settlements (Garden Park and Madimba–Lilanda):** Numbering, registration, and issuance of occupancy certificates were underway.
- viii. **Library Renovations:** Renovations commenced at Chilenje Library.
- ix. **Football Grounds:** Chibolya and Kaunda Square Grounds were rehabilitated.
- x. **Council Police Training:** 55 officers were trained against a target of 65.
- xi. **Mini Civic Centres:** Two of the four targeted centres were fully equipped and operational.

- xii. **Business Levies:** Despite power outages, 36,370 permits were issued, exceeding the prior year's 14,216.
- xiii. **Health Permits:** Following introduction of the permit in 2023, 13,000 were issued out of a planned 100 per cent.

Failure to Fill Forty-Six Vacant Positions

The Accounting Authority submitted that the vacancies arose from the absence of an approved staff establishment. A proposed structure was formulated, validated, costed, and submitted to Cabinet Office for approval, where it awaited consideration.

Over-Employment of Twenty-Eight Staff-Cost K365,922.00

The Accounting Authority submitted that the affected appointments were undertaken by the LGSC and the matter had been formally brought to the Commission's attention.

Non-Registration of Twenty Moveable Assets

The Accounting Authority submitted that the delays arose from slow processing by the respective ministries. Engagements had been undertaken through the MLGRD to facilitate registration of the twenty heavy-duty vehicles with the Ministry of Transport and Logistics.

One Hundred and Six Properties Without Title Deeds

The Accounting Authority submitted that delays at the Ministry of Lands and Natural Resources in operationalising the Council's Zamportal Corporate Account, hindered title processing. The account had since been opened, and 30 of the 106 titles were processed.

Uninsured Assets-22 Motor Vehicles

The Accounting Authority submitted that seven vehicles were donated and their insurance was being handled by the MLGRD, while thirteen were obsolete and earmarked for disposal. Two vehicles had since been insured, the Ministry was being engaged to conclude insurance for the seven donated vehicles, and formal disposal procedures for the thirteen obsolete vehicles had commenced.

Non-Maintenance of Five Council Properties

The Accounting Authority submitted that budget constraints hindered maintenance of the Lusaka City Council Workshop; Matero Market Office; and Kabwata Ablution Block. Rehabilitation had been included in the 2026 budget for execution in the first quarter of 2026.

Poor Management of Waste

The Accounting Authority submitted that illegal dumping at Chawama's Patuka area, could not be regularised. Challenges stemmed from inadequate containment infrastructure and illegal waste disposal. The Accounting Authority further submitted that procurement of thirteen skip bins was at an advanced stage.

Failure to Utilise Three Market Shelters

The Accounting Authority submitted that shelters at Nyumba-Yanga; New Soweto; and City Market, were underutilised. Engagements with market committees and sensitisation of traders had been conducted to facilitate allocation and occupation.

Non-Settlement of Statutory and Other Obligations-K369,189,152.89

The Accounting Authority submitted that liquidity constraints resulted in the accumulation of outstanding obligations. Payments totalling K48,854,792.10 had been made, reducing the liability to K320,334,360.79.

Non-Settlement of Staff Obligations-K14,305,559.00

The Accounting Authority submitted that liquidity constraints hindered settlement of staff obligations. Payments amounting to K5,652,208.32 were made, leaving a balance of K8,653,350.68.

Lack of Fire-Fighting Equipment

The Accounting Authority submitted that procurement of a fire tender and ambulance had been incorporated into the 2026 budget, while the utility vehicle procured from Toyota Zambia was scheduled for delivery in February 2026.

One Hundred and Fifty-Nine Uninsured Fire Officers

The Accounting Authority submitted that liquidity constraints limited the Council's ability to insure the affected officers. The Fire Unit had since been insured.

Lack of Personal Protective Equipment

The Accounting Authority submitted that PPE procurement was delayed due to budgetary constraints. The required PPE had since been procured.

Unspent Sector Grant Funds-K1,403,384.78

The Accounting Authority submitted that reconciliations confirmed a Sector Grant Account balance of K1,403,384.78, as at 31st December 2024, in agreement with the cash book; bank reconciliation; and bank statement.

Cash-for-Work Programme-Over-Expenditure K3,822,257.00

The Accounting Authority submitted that the over-expenditure resulted from bank overcharges. The MLGRD was engaged, and the bank refunded the overcharged amount.

Failure to Adhere to Age Limits-Ten Beneficiaries, Cost K5,800.00

The Accounting Authority submitted that six beneficiaries were above 59 years and four were below 18 years due to verification gaps during screening by CWACs; SDMCs; and WDCs. Selection and verification processes had since been strengthened through stakeholder sensitisation.

Beneficiary Payments to Persons from Other Programmes and Outside Districts-K770,800.00

The Accounting Authority submitted that the lapse resulted from limited real-time data sharing across social protection programmes. Coordination had since been strengthened through sensitisation and orientation of stakeholders on the Cash-for-Work Guidelines.

KAFUE TOWN COUNCIL**Audit Opinion-Unqualified**

The Accounting Authority submitted that the financial statements had been verified by the Auditor General, who issued an unqualified opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K859,695.00 arose from over-performance in revenue, while the unspent balance of K8,263,886.00 represented funds committed to cash-for-work activities and ongoing projects. The Authority submitted that K6,792,949.00 had since been utilised.

Adverse Performance on Locally Generated Revenue-K820,592.00

The Accounting Authority submitted that the shortfall of K820,592.00 resulted from under-performance in local taxes, fees and charges due to non-compliance by clients. Task forces were formed to enforce collections, and a court sheriff was engaged for property rate recovery. As a result, K730,009 was collected, leaving a balance of K90,583.00.

Non-Achievement of Deliverable Targets

The Accounting Authority submitted that across several programmes, including Local Governance; Integrated Development Planning; Housing and Community Amenities; Public Health; Recreation and Culture; multiple output targets were not achieved. It was submitted that causes included limited funding, delayed ZEMA clearances, suspension of land agency functions; delayed valuation approvals; and reduced World Bank funding eligibility. In many instances, only partial implementation occurred, or activities were deferred to later periods.

The Accounting Authority further submitted that this was due to the specific constraints. Actions taken included intensified revenue mobilisation; follow-ups with Ministries; approval of the main valuation roll in 2025; prioritisation of ward development; ongoing implementation of infrastructure works; and rescheduling of activities under the 2025; and 2026 programmes.

Failure to Collect Revenue-K2,868,549.00

The Accounting Authority submitted that the uncollected property rates arose from non-compliance by leaseholders in Chiawa, following ministerial directives restricting levies in Game Management Areas. The Accounting Authority further submitted that continued engagements had resulted in K1,009,504.27 being collected, leaving K1,859,044.73 outstanding.

Over-Employment of Thirty-Two Members of Staff -K3,654,234.00

The Accounting Authority submitted that the officers had been deployed and placed on the payroll, in accordance with appointment letters issued by the LGSC.

Non-Maintenance of Twelve Properties

The Accounting Authority submitted that the failure to maintain the civic centre; fire station; swimming pool; council houses; youth centre; and other properties was due to significant capital requirements beyond the capacity of the annual budget. It was further submitted that engagements had been made with the Ministry of Local Government and Rural Development for a special rehabilitation grant, routine maintenance was ongoing at selected facilities, and the 2026 budget included provisions for minor works. Consideration had also been given to PPP arrangements to sustain the properties.

Unrepaired Movable Assets

The Accounting Authority submitted that the vehicle had remained unrepaired for six years owing to the unavailability of spare parts. The vehicle had since been earmarked for disposal.

Poor Management of Waste

The Accounting Authority submitted that fencing, waste sorting and proper waste-handling infrastructure, were planned under the 2025 Devolution Support Programme, whose funds had not been received at the time of audit. Construction of dumpsite facilities had commenced using local resources.

Non-Settlement of Statutory and Other Obligations-K121,841,647.00

The Accounting Authority submitted that statutory obligations totaling K121,841,647.00 were outstanding. A sum of K4,048,089.75 had been remitted, leaving K117,793,557.00 unpaid. Deductions at source were being implemented by the MLGRD for both LASF and NAPSA arrears and current contributions. The Authority submitted that payments would continue as resources permitted.

Non-Settlement of Staff Obligations-K13,853,803.00

The Accounting Authority submitted that staff-related arrears were due to inadequate resources. Payments, amounting to K1,185,229.00 had been made, leaving K12,668,574.00 outstanding, which would be settled progressively as funds became available.

Unspent Funds-Sector Grant Account (K3,745,357.00)

The Accounting Authority submitted that the unspent K3,745,357.00 related to committed activities. Of this amount, K3,739,319.00 had since been expended.

Management of Cash-for-Work Programme

The Accounting Authority submitted that the variance resulted from ongoing works at the time of audit. The balance of K2,708,523.00 had been committed to beneficiaries and K2,707,080 had since been paid.

Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the unspent K2,694,737.00 resulted from lengthy ZEMA clearance processes and the late receipt of funds in the last quarter of 2024. A total of K1,412,942.54 had since been spent, leaving K1,281,794.46 for projects under implementation.

CHONGWE MUNICIPAL COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified by Office of the Auditor General, resulting in the issuance of an unqualified opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the adverse variance, amounting to K32,601,338.00 was attributable to economic challenges arising from drought conditions. The unspent balance of K3,681,925.00 comprised committed funds for capital projects and

operational costs held in the account at year end. Management reported that the funds had subsequently been expended.

Appendix 3: Adverse Performance on Locally Generated Revenue-K50,578,132.00

The Accounting Authority submitted that the underperformance in local taxes, fees and charges, licences and permits amounting to K50,578,132.00 was due to the adverse economic impact of drought experienced in 2024.

It was further reported that the Legal Department had re-issued demand notices for outstanding arrears and that a Task Force had been constituted to enhance revenue performance. Documentation was stated to be available for audit verification.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that failure to establish a cadastral database and conduct sensitisation on the reviewed gender workplace policy under Integrated Development Planning, was due to inadequate funding. Partial achievement of compliance inspections and stakeholder engagements under Economic and Business Development was attributed to limited operational resources. Failure to avail inspected building sites under Public Order and Safety and the failure to construct a refuse bay under Public Health and Environment were also attributed to budgetary constraints.

Management reported that the 2026 budget had been realigned to prioritise attainable activities within the financial year and that compliance inspections and stakeholder engagements were continuing within available resources.

Appendix 5: Failure to Collect Revenue-K916,734.00

The Accounting Authority submitted that the shortfall was largely due to Government institutions, namely Zambia Police and the Post Office; occupying Council office space; and the removal of certain billboards, with some owners remitting fees to the Road Development Agency.

The Accounting Authority further submitted that the billboard database had been updated, thirty-five billboards invoiced and K127,546.90 collected. Demand notices had been issued for rentals, and partial payments of K57,600.00 had been received from Zambia Police.

Appendix 16: Unaccounted for Stores-K162,888.00

The Accounting Authority submitted that the unaccounted stores valued at K162,888.00 arose from devolved veterinary services functions, where supporting documents had been filed separately and were not availed during the audit.

It was further submitted that the relevant documents had since been attached to the vouchers and were available for verification.

Appendix 17: Unaccounted for Fuel-K24,582.00

The Accounting Authority submitted that the unaccounted fuel, amounting to K24,582 was due to unreconciled balances relating to rabies vaccination activities. It was further reported that fuel records had since been reviewed and reconciled.

Appendix 20: Sixteen Unauthorised Positions-K1,863,593.00

The Accounting Authority submitted the Council maintained sixteen positions with a cost implication of K1,863,593.00, including the Town Clerk; Senior Administrative Officer;

Administrative Officer; Committee Clerk; Sub Officer; Leading Fire Fighter; and Cleansing Superintendent.

However, it was reported that the officers were duly appointed in accordance with letters issued by the LGSC and were accommodated on the payroll accordingly. Management reported that the matter had been taken up with the Commission.

Appendix 21: Delayed Confirmation of Two Officers on Probation

The Accounting Authority submitted that the delay arose because the officers had not received letters of confirmation at the time of audit. Management reported that the matter had been referred to the LGSC

Appendix 30: Forty-One Properties without Title Deeds-K24,358,882.00

The Accounting Authority submitted that the absence of title deeds for forty-one properties, valued at K24,358,882.00, was due to delays in processing applications at the Lands and Deeds Registry.

It was reported that a corporate account had been created to facilitate online submissions to the Ministry of Lands and Natural Resources and that ground rent invoices, digital mark-off invoices and receipts had been generated. Management further undertook to ensure prompt processing of new property acquisitions and to implement a tracking system for title registration.

Appendix 32: Non-Maintenance of Twenty-Three Properties

The Accounting Authority submitted that failure to maintain twenty-three properties, including residential houses and a play park, was due to budgetary constraints affecting routine maintenance.

The Accounting Authority further submitted that provision for maintenance had been included in the 2026 budget.

Appendix 38: Poor Management of Waste

The Accounting Authority submitted that failure to fence and properly manage the dumpsite was due to inadequate funding.

Management reported that provision for fencing had been included in the 2026 budget and that the dumpsite had since been cleared and compacted.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K95,177,869.00

The Accounting Authority submitted that the outstanding statutory obligations, amounting to K95,177,869.00, were largely due to unpaid principal contributions and penalties to NAPSA and ZRA.

Management reported that K4,837,269.84 had been remitted to NAPSA, leaving a balance of K90,340,599.16 as at 17th January 2026, and that a waiver application had been lodged.

Appendix 42: Non-Settlement of Staff Obligations-K5,985,089.00

The Accounting Authority submitted that failure to settle staff obligations amounting to K5,985,089.00 was due to inadequate funding arising from low revenue collections and competing operational demands.

Management reported that K1,055,199.00 had been paid, leaving an outstanding balance of K4,929,890.00, as at 17th January 2026.

Appendix 47: Failure to Remit 50 Per Cent of Fire Revenue-K1,865,348.00

The Accounting Authority submitted that the failure to remit K1,865,348.00 to the Fire Services Account, arose because the account had not been operational during the period under review.

Management reported that the account had since been opened and that K1,059,412.24 had been expended to facilitate operations of the fire services unit.

Appendix 48: Unspent Funds-Sector Grant Account (K1,888,469.00)

The Accounting Authority submitted that the unspent funds amounting to K1,888,469.00 related to various sector activities.

Management reported that the funds had subsequently been fully utilised.

Appendix 49: Management of Cash for Work Programme

The Accounting Authority submitted that the variance 30 beneficiaries, who were not paid and unspent balance totaling K764,720.00, were due to ongoing works at the close of the financial year.

Management reported that the funds had since been utilised and supporting documentation was available for verification.

Appendix 51: Payment to Beneficiaries from Other Programmes and Outside District Boundaries-K4,800.00

The Accounting Authority submitted that payments amounting to K4,800.00 were made to beneficiaries from other programmes and outside district boundaries due to the absence of a comprehensive beneficiary database.

Management reported that the Department of Social Welfare had been engaged to provide an updated database in order to prevent duplication and irregular payments in future.

CHILANGA TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the 2024 financial statements were verified by the Auditor General, resulting in the issuance of an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K5,940,397.00 arose from lower-than-anticipated collections from local taxes; licences; permits and outdoor levies. The unspent balance of K15,058,094.00 represented funds held on account for various Government programmes. Management reported that K9,060,488.31 had since been spent, leaving K5,997,303.07, of which K2,687,257.22 was mopped up and K3,266,298.28 constituted committed funds.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that K673,399.00 had been collected from outstanding property rates of K3,699,888.00 as at 31st January 2026. Management further indicated that a review of the 2024 performance against budget had resulted in downward adjustment of unrealistic targets. It was also submitted that the increase in local taxes from K9,279,525.00 to K24,759,846.00, was attributable to the implementation of the 2022 main valuation roll effective 1st January 2025.

Appendix 5: Failure to Collect Revenue-K16,061,167.00

The Accounting Authority submitted that the uncollected revenue totalled K16,061,167.00, comprising K15,536,402.00 in property rates, K120,734.00 in billboard fees and K404,030.00 in rentals.

The Accounting Authority further submitted that debt management strategies had been implemented, including debt swaps and amnesty for ratepayers. As at 31st December 2025, K833,846.00 had been collected. A debt swap with Scirocco Enterprise Limited in the sum of K3,992,976.64 was undertaken, while amnesty measures yielded K70,580.73. After collections and adjustments, the outstanding balance stood at K11,163,759.00, broken down as K10,779,455.00 for property rates; K21,969.00 for billboards; and K342,345.00 for rentals.

Appendix 16: Unaccounted for Stores-K90,000.00

The Accounting Authority submitted that the unaccounted for stores valued at K90,000.00 arose from a lapse in records maintenance during a period when only one stores officer was in place and had proceeded on leave. An officer acting in that capacity failed to reconcile fuel disposal records, resulting in unreconciled balances at the time of audit. Management reported that reconciliations had since been completed and fuel statements attached to payment vouchers. Further, two additional officers were deployed to the Stores Section on 10th and 11th March 2025 to strengthen the unit.

Appendix 18: Failure to Fill 112 Vacant Positions

The Accounting Authority submitted that quarterly staff returns were submitted to the LGSC and the MLGRD. Management reported that only critical positions were filled due to financial constraints.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K6,778,317.00

The Accounting Authority submitted that the outstanding statutory obligations amounting to K6,778,317.00 arose due to inadequate financial resources.

Management reported that it was current with monthly NAPSA contributions to prevent further accumulation of arrears. Historical arrears owed to NAPSA and ZRA were planned to be addressed in 2026 through a budget provision of 15 per cent, amounting to K2,160,000.00, of the total debt. Management further indicated that revenue enhancement strategies had been implemented, including client sensitisation, formation of a revenue task force, inspections, enforcement measures and database digitalisation.

Appendix 42: Non-Settlement of Staff Obligations-K1,481,783.00

The Accounting Authority submitted that the failure to settle staff obligations totalling K1,481,783.00 was due to inadequate financial resources.

Management reported that K338,180.54 had since been paid, leaving a balance of K1,143,602.46, as at 31st January 2026. The outstanding balance largely related to

terminal benefits of K1,143,602.46, while long service benefits of K45,000.00 had been fully settled.

Appendix 48: Unspent Funds-Sector Grant Account

The Accounting Authority submitted that the unspent balances were due to delayed disbursement of funds from the Ministry of Finance and National Planning and that the amounts were held for specific sector programmes. Management reported that K7,178,654.00 had since been expended as at 31st January 2026, leaving a balance of K43,748.00 relating to other receipts.

Appendix 49: Management of Cash for Work Programme-Balance K4,741,601.00

The Accounting Authority submitted that the unspent balance of K4,741,601 under the Cash for Work Programme arose from delayed receipt of funds from the Ministry of Finance and National Planning.

Management reported that the entire amount of K4,741,601.00 had been expended, as at 31st January 2026.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K2,694,737.00

The Accounting Authority submitted that the unspent Zambia Devolution Support Programme funds amounting to K2,694,737.00 were due to prolonged project identification and approval processes.

Management reported that procurement processes had since been concluded, a contract for construction of a community hall had been signed, and the contractor had taken possession of the site.

LUANGWA TOWN COUNCIL

28.3 Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K4,762,822.00 and unspent funds of K3,351,006.00 arose due to delayed funding, ongoing road projects under the Road Fund, and locally generated revenue collected towards the close of the financial year and expended in 2025.

Management reported that the funds had since been fully utilised.

28.4 Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that the Council failed to fully implement four out of eleven targeted activities during the year under review, with seven partially implemented and four not implemented.

Under Local Governance, certain Full Council, Standing Committee and DDCC meetings were held in the subsequent financial year due to calendar scheduling, while only one Special Full Council Meeting was held owing to over-budgeting for four meetings.

Under Housing and Community Amenities, three kilometres of road maintenance and installation of ten street lights were not undertaken during the year due to funding constraints, but were subsequently completed.

In Public Order and Safety, two Council Police Officers were not trained within the year but were trained in the following financial year. Fire and safety sensitisation was also deferred but later implemented.

Under Management and Support Services, Integrity Committee meetings were not all held as planned, and a projects audit was not undertaken during the year but was later conducted in collaboration with the monitoring team.

Under Revenue Mobilisation, the 2023-2027 Valuation Roll was not prepared; however, management reported that a reminder had since been issued to the MLGRD.

Appendix 10: Unsupported Payments-K357,457.00

The Accounting Authority submitted that unsupported payments amounting to K357,457.00 were due to failure to attach supporting documents at the time of audit. Management reported that all supporting documentation had since been attached.

Appendix 18: Failure to Fill 125 Vacant Positions

The Accounting Authority submitted that the Council had failed to fill 125 vacant positions in accordance with the approved establishment.

Management reported that, through the LGSC, key positions had since been filled, including Legal Counsel; two Assistant Legal Officers; a Valuation Officer; Chief Accountant; Civil Engineer; Architect; and an Electrician.

Appendix 21: Delayed Confirmation of Eight Officers on Probation

The Accounting Authority submitted that the delay in confirming eight officers arose from failure to effect confirmations during the year under review.

Management reported that the officers had since been confirmed through the LGSC

Appendix 25: Failure to Deduct NAPSA Contributions-K10,194.00

The Accounting Authority submitted that non-deduction of NAPSA contributions amounting to K10,194 occurred during the year under review.

Management reported that the process of registering the affected officers had commenced.

Appendix 28: Non-Registration of Two Moveable Assets

The Accounting Authority submitted that the delay in registering two moveable assets was attributable to suppliers. Management reported that the two motorbikes and a water bowser had since been registered through the suppliers.

Appendix 34: Non-Disposal of Seven Unserviceable Movable Assets

The Accounting Authority submitted that the Council had failed to dispose of seven unserviceable assets within the year under review.

Management reported that authority to dispose of the assets had been obtained from the Secretary to the Treasury and that the Council was awaiting guidance from the MLGRD regarding the auctioneer.

Appendix 35: Non-Installation and Maintenance of Seven Street Lights

The Accounting Authority submitted that failure to replace worn-out light fittings resulted in seven street lights not being installed or maintained.

Management reported that the affected street lights had since been repaired and that an Electrical Engineer had been deployed to enhance maintenance.

Appendix 38: Poor Management of Waste

The Accounting Authority submitted that the operation of the dumpsite without a ZEMA licence; absence of warning signs; failure to fence; and failure to dispose of waste at three waste bays, arose from failure to secure a licence; interference by elephants which damaged the fence; vandalism of warning signs; and a broken-down tractor.

Management reported that warning signs had been replaced, waste disposed of and the fallen fence reinstated.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K23,601,357.00

The Accounting Authority submitted that outstanding statutory obligations amounting to K23,601,357.00 were due to financial challenges.

Management reported that K1,532,198.35 had been paid, leaving a balance of K22,069,159.66.

Appendix 42: Non-Settlement of Staff Obligations-K2,028,950.00

The Accounting Authority submitted that failure to settle staff obligations totalling K2,028,950.00 was attributable to financial constraints.

Management reported that K183,975.29 had been paid, leaving a balance of K1,844,974.71.

Appendix 44: Lack of Fire Fighting Equipment

The Accounting Authority submitted that lack of an ambulance, utility vehicle, marine rescue equipment and communication systems was due to financial constraints.

Management reported that an ambulance had since been procured through the MLGRD, a vehicle repaired and attached to the Fire Section, the Council boat repaired, and SIM cards procured to improve communication.

Appendix 45: Uninsured Fire Officers

The Accounting Authority submitted that thirteen fire fighters were uninsured due to failure to secure insurance cover during the year under review.

Management reported that the process to insure the officers had commenced.

Appendix 46: Lack of Personal Protective Equipment

The Accounting Authority submitted that failure to procure personal protective equipment led to the query.

Management reported that the protective clothing had since been procured.

Appendix 47: Failure to Remit 50 Per Cent of Fire Revenue-K35,660.00

The Accounting Authority submitted that failure to remit K35,660.00, representing 50 per cent of fire revenue, was due to non-compliance during the year under review.

Management reported that a Fire Services Account had since been opened.

Appendix 48: Unspent Funds-Sector Grant Account

The Accounting Authority submitted K7,489,081 was received under sector grants and spent K4,371,832, leaving unspent funds of K3,117,249.00. The Accounting Authority

submitted that the unspent balance of K4,435,088.00 was due to delayed funding, ongoing projects and committed funds.

Management reported that the funds had since been utilised.

Appendix 49: Management of Cash for Work Programme

The Accounting Authority submitted that unspent funds amounting to K1,626,135.00 were due to ongoing ward-based works and delayed funding, while variance in targeted beneficiaries resulted from partial funding of the approved budget.

Management reported that the funds had since been utilised and that the Cash for Work Programme had been extended into 2025 and 2026.

RUFUNSA TOWN COUNCIL

18.1 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements were verified by the Auditor General, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the positive variance of K2,978,230.00 arose from Cash for Work funding, which had not been budgeted for. The unspent funds of K7,875,479.00 represented committed balances held on account.

Management reported that K7,081,786.82 had since been expended, leaving K793,693.18 under the Zambia Devolution Support Programme (ZDSP), where projects were still ongoing.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that several planned outputs were either partially implemented or not implemented due to funding and operational constraints.

Under Integrated Development Planning, 400 trees were targeted but 250 were planted, leaving a variance of 150 due to resource limitations. Procurement of a Differential GPS and preparation of a Council Strategic Plan were not undertaken owing to non-receipt of ZDSP funds and administrative delays, although a draft strategic plan was prepared following training in March 2025.

Under Economic and Business Development, construction of a trucking bay and rehabilitation of Luangwa Bridge Guest House and Shikabeta Guest House were not implemented due to project ineligibility under ZDSP and inadequate funding.

In Public Health and Environment, 157 health permits were targeted but only 90 issued, largely due to inadequate transport. A vehicle was later allocated to improve performance.

Under Housing and Community Amenities, nine road signs were not installed due to non-disbursement of Road Fund resources, while title deeds for green spaces were delayed pending layout numbering completed in August 2025.

In Transport Services, none of the planned 60 km of feeder roads and 20 km of township roads were undertaken during the year owing to funding constraints. However, 70.4 km of feeder roads and 10 km of township roads were constructed in 2025. Additionally, 35 street lights, initially not installed due to late funding received in November 2024, were installed in 2025.

In Fisheries and Livestock Services, 18,403 out of 25,000 animals were vaccinated due to late receipt of Foot and Mouth Disease vaccines;. However, 32,070 cattle had been vaccinated by February 2025. Similarly, 1,492 out of 2,000 dogs were vaccinated against rabies due to transport challenges and understaffing.

Appendix 5: Failure to Collect Revenue-K333,316.00

The Accounting Authority submitted that plot premiums amounting to K333,316.00 were not collected due to unresponsive applicants and partial settlement of premiums. Management reported that K990,147.30 had since been collected in plot fees.

Appendix 9: Failure to Utilise 5 per cent of Locally Generated Funds on Wards-K283,324.00

The Accounting Authority submitted that the 5 per cent allocation towards ward development, amounting to K283,324.00, was not utilised due to financial constraints.

Management reported that the 5 per cent allocation had been provided for in the 2026 budget.

Appendix 30: Twenty-Six Properties without Title Deeds

The Accounting Authority submitted that title deeds for twenty-six properties were not obtained because plots had not been numbered or surveyed, and some remained under customary tenure.

Management reported that Council houses; Rufunsa Restaurant; Bar; and Lodge were numbered in August 2025 and recommendations for issuance of title deeds had been submitted. Site plans for Luangwa Bridge Guest House; Shikabeta Guest House; and low-cost houses were also submitted to the Ministry of Lands and Natural Resources and were awaiting approval.

Appendix 32: Non-Maintenance of Properties

The Accounting Authority submitted that non-maintenance of Council Houses and Luangwa Bridge Guest House, characterised by damaged roofs; broken windows and doors; falling ceiling boards; worn roofs; faded paint and lack of running water was due to inadequate funding.

Management reported that provision for maintenance had been included in the 2026 budget.

Appendix 38: Poor Management of Waste

The Accounting Authority submitted that failure to fence and compact the dumpsite was due to inadequate locally generated funds.

Management reported that K108,400.00 had been provided for in the 2026 budget to construct a perimeter fence.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K15,982,586.00

The Accounting Authority submitted that statutory arrears amounting to K15,982,586 arose due to financial constraints. This comprised K8,224,404.52 owed to NAPSA and K7,758,181.48 owed to ZRA.

Management reported that K774,755.38 had been paid towards NAPSA, leaving a total outstanding balance of K15,207,830.62, of which K7,449,649.14 related to NAPSA and K7,758,181.48 to ZRA. It was further reported that current NAPSA contributions were being deducted at source by the MLGRD to prevent further accumulation.

Appendix 42: Non-Settlement of Staff Obligations-K1,526,506.00

The Accounting Authority submitted that staff obligations amounting to K1,526,506.00 remained unpaid due to financial challenges.

Management reported that K275,135.18 had been paid, leaving a balance of K1,251,370.82.

Appendix 48: Unspent Funds-Sector Grant Account-K3,861,795.00

The Accounting Authority submitted that the unspent funds of K3,861,795 were largely due to delayed funding of K2,924,761.00 received towards the end of the financial year, as well as ongoing projects and committed funds.

Management reported that the full amount of K3,861,795.00 had since been expended.

Appendix 49: Management of Cash for Work Programme-Unspent Funds K2,184,062.00

The Accounting Authority submitted that unspent funds of K2,184,062 were due to delayed disbursement and partial funding, which affected targeted beneficiary numbers. Management reported that the funds were fully expended in the 2025 financial year.

Appendix 51: Payment to Beneficiaries from Other Programmes and Outside District Boundaries- K1,766,400.00

The Accounting Authority submitted that payments amounting to K1,766,400.00 were made due to screening lapses by Community Welfare Assistance Committees and Ward Development Committees.

Management reported that beneficiary screening had been strengthened through reconciliation of Cash for Work lists with Social Cash Transfer and Emergency Cash Transfer databases in collaboration with newly constituted CWACs.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K2,342,314.00

The Accounting Authority submitted that unspent ZDSP funds amounting to K2,342,314.00 were due to delayed receipt of funds in the last quarter of the year on 21st October 2024.

Management reported that K1,548,620.82 had since been expended, leaving a balance of K793,693.18 for ongoing projects under the Programme.

EASTERN PROVINCE**CHADIZA TOWN COUNCIL****Appendix 1: Audit Opinion-Unqualified**

The Accounting Authority submitted that the Council was issued with an unqualified audit opinion by the Office of the Auditor General and that the financial statements for 2024 presented a true and fair view of the Council's operations, having been prepared in accordance with the applicable accounting standards.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K769,532.00 arose from favourable budget performance, while unspent funds amounting to K6,760,545.00 as at 31st December 2024 related to committed programmes and activities. It was further submitted that, by 31st December 2025, the Council had utilised K5,625,040.04, leaving a balance of K1,135,504.96. Of this balance, K1,105,375.58 remained in the Capital Fund Account and K30,129.38 in the Sector Grant Account, while the balances on the District Fund, Salaries, O&M, Fire, Land and Investment Accounts had been fully cleared. The Accounting Authority further submitted that a task force had been constituted to enhance compliance in the collection of own source revenue and that the Council had commenced more realistic budgeting based on trend analysis.

Appendix 19: Over Employment of Staff with Cost Implication-K130,718.00

The Accounting Authority submitted that the over-employment related to one officer and that the LGSC had since transferred the officer concerned.

Appendix 41: Non-Settlement of Statutory and Other Obligations K11,238,491.00

The Accounting Authority submitted that the Council had acknowledged the outstanding statutory and other obligations amounting to K11,238,491.00. It was reported that the Council had since paid K1,480,326.49. However, further obligations amounting to K2,362,700.12 had accrued, resulting in an outstanding balance of K12,120,885.31 as at 31stDecember 2025.

Appendix 42: Non-Settlement of Staff Obligations-K323,526.00

The Accounting Authority submitted that, out of the outstanding staff obligations of K323,526.00, the Council had paid K155,000.00, leaving a balance of K168,526.00 as at 31st December 2025.

Appendix 48: Unspent Funds-Sector Grant Account-K3,115,903.00

The Accounting Authority submitted that the unspent funds in the Sector Grant Account had largely been utilised. Out of K3,115,903.18, the Council had spent K3,085,773.80, leaving a balance of K30,129.38. The remaining balance comprised K948.17 under Veterinary, K9,895.29 under Archives, and K19,285.92 under the Road Grant, while the allocations for Health, Community Sport and Cash for Work had been fully exhausted.

Appendix 49: Management of Cash for Work Programme-K1,499,510.00

The Accounting Authority submitted that the funds remained unspent at the close of 2024 because beneficiaries had worked up to 31st December 2024 during the final phase of the programme, and payments were only effected in 2025. It was reported that the funds amounting to K1,499,510.00 had since been fully spent.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K2,694,737.00

The Accounting Authority submitted that the unspent balance under the Zambia Devolution Support Programme arose from late disbursement of funds and delays by the ZEMA in issuing the required No Objection. It was reported that K1,590,009.42 had since

been spent on projects, leaving K1,105,375.58, which had been committed to an ongoing project that had reached 80 per cent completion.

KASENENGWA TOWN COUNCIL

Appendix 1: Audit Opinion -Unqualified

The Accounting Authority submitted that the financial statements for the period under review had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the Council had budgeted for K23,300,151.00 and received K29,242,099.00, resulting in a favourable variance of K5,941,948. When brought forward funds of K4,820,190.00 were taken into account, total funds available stood at K34,062,289.00, against which expenditure of K15,847,833.00 was recorded, leaving unspent funds of K18,214,456.00 at the close of the year. It was further submitted that, of the unspent amount, K16,704,474.27 had since been spent, leaving a balance of K1,509,981.73. The major balances related to the Capital Account, where K3,982,986.00 had remained unspent due to delayed approvals for ZDSP-funded works, of which K2,581,567.81 had since been spent, leaving K1,401,417.87 committed to a water reticulation system approved in January 2026. In the District Fund Account, K888,963.00 had remained unspent because LGEF funds were only received on 12th December 2024, but K888,775.02 had since been utilised, leaving K187.98.00. It was also reported that the balances on the Bus Account (K3,848.24), WASHE Account (K107,615.69), Development Account (K914.88), Salaries Account (K638.15) and Sector Account (K103.12) arose from operational or programme-related timing differences, and most of these funds had since been applied to council operations and related activities.

Appendix 3: Adverse Performance on Locally Generated Revenue-Negative Variance (K1,162,835.00)

The Accounting Authority submitted that the adverse revenue performance arose mainly from under-collection under Fees and Charges and Other Receipts. It was reported that Local Taxes had recorded a favourable variance of K15,735.00 due to improved personal levy collection following the enhancement of the workers' database. However, Fees and Charges recorded a negative variance of K1,152,106.00 owing to non-collection of plot premiums and other land-related charges arising from unresolved compensation claims by the community. Other Receipts also recorded a negative variance of K26,464.00, largely due to under-collection, although Chipata City Council had started dismantling the debt owed to Kasenengwa Town Council. The Accounting Authority further submitted that engagements had been held with Royal Highnesses, village headmen and communities, and that efforts to improve revenue collection were continuing.

Appendix 5: Failure to Collect Revenue-K1,382,699.00

The Accounting Authority submitted that the failure to collect revenue comprised K33,120.00 in market fees and K1,349,579.00 in plot premiums. It was explained that market fee collections had been affected by the seasonal nature of trading in the district, as many traders were farmers who had been in the fields, while plot premiums had not been collected due to unresolved land disputes. The Accounting Authority further submitted

that a compensation plan had been put in place to resolve the disputes and secure access to the land, while a revenue collector and cleaner had been deployed to improve market fee collections. It was added that the Council would endeavour to prepare more realistic budgets and continue sensitising the community on the need to support the local authority.

Appendix 8: Missing Receipt Book

The Accounting Authority submitted that the missing receipt book covering serial numbers 11912401 to 11912800 had not been returned to the Council. It was reported that the matter had immediately been reported to the Zambia Police and that the officer involved remained at large, while management continued working with the police and the family in efforts to locate the officer.

Non-Disposal of One Unserviceable Movable Asset

The Accounting Authority submitted that the disposal of the unserviceable asset had not been undertaken at the time of audit because appointments to the Disposal Committee had not yet been concluded. It was reported that a valuer had since been appointed to assess the vehicle and that authority to dispose of it was being processed.

Poor Management of Waste-No Designated Dumpsite

The Accounting Authority submitted that the designated dumpsite had been inaccessible due to disputes with the local community at the time of audit. It was reported that a compensation plan had since been put in place to resolve the disputes and enable the Council to regain access to the dumpsite. The MLGRD had also been engaged to support negotiations in the second chiefdom.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K30,322.00

The Accounting Authority submitted that the outstanding amount of K30,322.00 related to tax on settling-in allowances paid to three officers. It was reported that the amount had since been paid to the Zambia Revenue Authority.

Appendix 42: Non-Settlement of Staff Obligations-K244,718.00

The Accounting Authority submitted that the outstanding staff obligations related to terminal benefits amounting to K244,718.00. It was reported that the Council had been making monthly payments of K12,500.00, and that a total of K150,000.00 had since been paid, leaving a balance of K94,718.00, which was expected to be cleared in 2026.

Appendix 48: Unspent Funds-Sector Grant Account-K11,723,621.00

The Accounting Authority submitted that the unspent funds in the Sector Account amounted to K11,723,621.00, comprising K11,215,079.00 for Cash for Work and K508,542.00 for devolved ministry grants. It was reported that the Sector Account was maintained as an operations account for devolved functions and the Cash for Work Programme. The Accounting Authority further submitted that the K11,215,079.00 for Cash for Work had since been utilised, while the K508,542.00 balance had been utilised in 2025 on various devolved function operations.

Appendix 49: Management of Cash for Work Programme-K11,215,079.00

The Accounting Authority submitted that the unspent amount of K11,215,079.00 had related to the Cash for Work Programme at the time of audit. It was reported that once programme implementation commenced, Management continued making payments to beneficiaries and for related programme requirements. Payments were made between 2nd January and 3rd February 2025 to beneficiaries in Mpunza, Ng'ongwe, Chingazi,

Chiparamba, Mboza, Mkowe, Kwenje Ward, Makungwa and Mpunga, as well as for data clerks, stationery, fuel and wheelbarrows. These disbursements reduced the balance to K191,239.00 carried forward.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K1,776,025.00

The Accounting Authority submitted that the Council had since implemented the approved project under the Zambia Devolution Support Programme. It was reported that works at the parking bay were ongoing, while the water reticulation project was still under procurement. Out of the brought forward amount of K1,776,025.00, payments of K325,021.21, K175,364.25 and K420,000.00 had been made to Mitcho Technical Works for works done, while K20,950.78 had been paid through a ZRA garnishment. This left a committed balance of K834,688.76 for the water reticulation project.

LUMEZI TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the 2024 Financial Statements had been verified and were issued with an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the unspent funds related mainly to committed balances held in various accounts, including the Capital Fund Account, Sector Grant Account, Salaries Account, Rural Water Account, Land Development Account, Local Revenue Account, Business Venture Account and the Lumezi District Council Account. The total unspent amount came to K5,573,475.00. Management reported that K4,386,220.98 had since been spent, leaving a balance of K1,187,254.04, most of which related to the Capital Fund Account for ongoing activities.

Appendix 3: Adverse Performance on Locally Generated Revenue-Negative Variance (K183,800.00)

The Accounting Authority submitted that the Council acknowledged the adverse performance on locally generated revenue, which resulted in a negative variance of K183,800.00. Management stated that the variance had been analysed and that, in response, the Council had developed a revenue database and had also resolved to use more realistic and achievable estimates during the budget preparation process.

Appendix 4: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that only one out of four Ordinary Council Meetings was held during the year owing to inadequate funding for meeting logistics, although the fourth quarter meeting was later held in January. Of the sixteen Standing Committee Meetings initially budgeted for, only four were reflected as held, which Management attributed to an overstatement of the target at planning stage, while indicating that meetings had in fact been conducted in line with the approved calendar.

The Accounting Authority further submitted that only fifty out of three hundred and fifty planned inspections of premises were conducted due to inadequate transport and fuel.

Public health safety and enforcement activities stood at four against a target of twelve because of logistical challenges and weak inter-departmental support, although eight enforcement operations had since been undertaken on critical public health matters. Carcass inspections stood at fifteen against a target of sixty-five due to low slaughter activity in some periods and lack of transport for veterinary officers.

Management also submitted that the planned construction of one Council office building had not commenced due to resource constraints, but the project had since been included under 2026 ZDSP funding. Patrols under public order and safety stood at four against a target of twelve owing to fuel shortages and limited resources. Sensitisation meetings stood at two against a target of four because of resource constraints. In Management and Support Services, records management improvement stood at twenty per cent against a target of eighty per cent due to limited ICT equipment, inadequate storage space and insufficient trained personnel, although some officers had since been trained in ICT and records management. Management indicated that future compliance would be improved through better budget prioritisation, advance scheduling, improved fuel allocation, stronger coordination and continued capacity building.

Appendix 18: Failure to Fill Sixteen Vacant Positions

The Accounting Authority submitted that the staffing levels had been considered sufficient for the service delivery demands of the district and were within the available budget provision during the period under review. Management further submitted that all sixteen vacant key positions had since been filled.

Appendix 27: Failure to Provide White Books for Six Movable Assets

The Accounting Authority submitted that the Council acknowledged the audit finding and stated that the Ministry of Transport and Logistics had been engaged to facilitate the issuance of white books for the six movable assets, although the documents had not been availed by the time of audit closure. Management further submitted that a formal request had since been channelled through the MLGRD together with the Ministry of Transport and Logistics.

Appendix 30: Properties without Title Deeds

The Accounting Authority submitted that the Council acknowledged the audit observation relating to one property without a title deed and explained that the process of obtaining title had reached the numbering stage. Management further submitted that the details of all properties not yet on title had since been submitted to the MLGRD and the Ministry of Lands and Natural Resources for further action.

Appendix 34: Non-Disposal of One Unserviceable Movable Asset

The Accounting Authority submitted that one unserviceable movable asset had not been disposed of because ownership documentation was not available. Management further submitted that a request for disposal had since been made through the MLGRD.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K4,138,450.00

The Accounting Authority submitted that payments had been made towards the arrears, comprising K188,086.20 to NAPSA and K30,000.00 to ZRA, leaving an outstanding balance of K3,920,363.80.

Appendix 43: Inadequate Fire Fighting Services-Lack of Fire Station

The Accounting Authority submitted that the absence of a fire station was due to the high capital outlay required, which could not be supported within the approved budget. Management further submitted that the Council had entered into a collaborative arrangement with Lundazi Town Council for the provision of firefighting services in cases of emergency.

Appendix 48: Sector Grant Account Unspent Funds-K2,213,100.00

The Accounting Authority submitted that the unspent balance of K2,213,100.00 in the Sector Grant Account at year end related to Cash for Work activities which were still ongoing at the time. Management further submitted that the full amount of K2,213,100.00 had since been spent in January 2025 on the said activities, leaving a nil balance.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K2,123,325.00

The Accounting Authority submitted that the unspent balance, reported at K2,123,325.00, related to the construction of the Lumezi Skills Centre and Ablution Block, and that the delay had arisen from late disbursement of project funds. Management further submitted that K1,609,704.75 had since been spent on the two projects, leaving a balance of K1,085,532.09 for ongoing works.

LUNDAZI TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the audit opinions on the Financial Statements for the yearended 31st December 2024 were unqualified. The Accounting Authority further submitted that Management would continue adhering to financial guidelines and other relevant policy guidance in the utilisation of public resources.

Appendix 2: Budget Performance

The Accounting Authority submitted that the variance of K7,756,693.00 arose mainly from Cash for Work funds which had not been budgeted for in 2024, together with other revenue lines that performed above target. The Accounting Authority further submitted that the unspent funds of K5,853,016.00 were held for committed programmes and activities.

Management explained that the largest balances were held in the Capital Fund Account at K3,307,096.00, the Salaries Account at K1,068,243.00 and the Sector Account at K1,361,779.00, with smaller balances spread across the General Fund, Bus Station, Fire, Grant, ECZ, Investment, Rest House, Tigone Motel and Planning Accounts.

The Accounting Authority submitted that, out of the unspent funds of K5,853,016.00, an amount of K3,802,513.75 had since been spent, leaving K2,050,502.25. It was further submitted that most of the outstanding balance related to the on-going rehabilitation of Tigone Motel and the construction of a Community Hall at the same Motel under the Zambia Devolution Support Project, which was expected to be completed by 9th February 2026. The balance remaining under the Sector Account was scheduled to be spent in 2026 after guidance was received on the appointment of a Desk Officer for district archives activities.

Appendix 3: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the performance gaps on selected 2024 deliverables arose from competing activities, funding constraints, changes in policy direction, weak demand for some services and unrealistic targets in a few areas.

With regard to Local Governance, the Accounting Authority submitted that only one out of four full Council Meetings was reflected during the period under review because the fourth meeting was delayed by competing assignments such as Cash for Work activities and preparations for the 2025 Budget. That meeting was later held in the first quarter of 2025. On Special Council Meetings, Management explained that provision had been made for two meetings, one for the budget and another in case of a special item requiring full Council, but only one meeting was eventually held in December 2024 for adoption of the 2025 Budget.

Under Integrated Development Planning, the Accounting Authority submitted that only two out of three Environmental Project Briefs were formulated because the construction of the library was not implemented after the 2024 ZDSP allocation was reduced. Management stated that the outstanding brief had been earmarked for the first quarter of 2026. On plans scrutinised, the Council achieved thirty-nine against a target of eighty because the number of submissions received was below the annual average anticipated. On plots beaconed, the Council achieved thirty-three against a target of fifty because it did not realise sufficient funds from plot sales to support numbering and surveying of additional plots, although thirty-three more plots had since been created, numbered and beaconed in 2025.

On Public Health and Environmental Protection, the Accounting Authority submitted that the shortfall in clean-up exercises was linked to changes in guidance, which shifted from weekly to monthly and later back to weekly cleaning schedules. Tonnage of waste collected also fell below target because the estimate had been based on annual averages rather than actual volumes. Dog registration stood at 276 against a target of 300 due to weak appreciation by the community of the benefits of registration, though management later conducted sensitisation and mass registration in 2025, during which seventy-five dogs were registered. Awareness meetings also fell below target due to limited resources.

Under Housing and Community Amenities, the Accounting Authority submitted that the forty planned street lights were not installed in 2024 because the procurement process only concluded in 2025, and forty-five solar street lights were later installed within the CBD in 2025. The play park was not constructed because the 2023 ZDSP allocation had been reduced from K3.2 million to K2.6 million, and the project was later budgeted for under the 2026 ZDSP allocation. On Council properties, one property was maintained against a target of seven because of limited resources, though maintenance of the block of shops had since been provided for in the 2026 Budget.

On Public Order and Safety, the Accounting Authority submitted that training of fire and rescue personnel fell short because the target of twenty-six officers had been too ambitious for one financial year. Management had since introduced a training plan under which three to five officers would be sponsored annually for short courses.

Under Resource Mobilisation and Management, the Accounting Authority submitted that the Valuation Roll was not implemented owing to misunderstandings and resistance from key stakeholders, which in turn arose from inadequate community sensitisation. Management stated that additional stakeholder engagements had been carried out and a

new valuation surveyor had been appointed and approved by the MLGRD, with field inspections expected to begin in the first quarter of 2026.

Under Veterinary Services, the Accounting Authority submitted that routine vaccination activities and branding of animals fell below target due to inadequate resources and the demand-driven nature of branding services. Management stated that vaccination activities were budgeted for and carried out in 2025, while sensitisation had also been undertaken to improve awareness on animal registration and branding.

Appendix 18: Failure to Fill One Vacant Position

The Accounting Authority submitted that the position of Systems Analyst fell vacant after the incumbent was transferred to Kitwe City Council in 2024. It was further submitted that the LGSC had been informed and had recruited a replacement, but the person recruited did not report for duty. Management stated that the Commission had been informed accordingly and follow-ups had continued so that the vacancy could be filled.

Appendix 23: Employment of Temporal Workers (Casualisation)-K111,028.00

The Accounting Authority submitted that the Council had engaged eight employees in positions such as Council police, security guard and cook, which were permanent in nature, due to immediate operational needs and limited fiscal space to place all of them on permanent terms at once. The Accounting Authority further submitted that Management had since started the process of absorbing and normalising the employment status of all eight contractual workers to permanent and pensionable conditions.

Appendix 26: Failure to Inscribe Six Assets-Cost Implication K41,100.00

The Accounting Authority submitted that six procured solar batteries installed at the Fire Station had not been inscribed at the time of audit due to an administrative lapse. Management further submitted that the Ministry of Transport and Logistics had since been engaged and the assets had been inscribed.

Appendix 33: One Unrepaired Movable Asset

The Accounting Authority submitted that the Truck Loader Backhoe remained unrepaired at the time of audit due to limited resources. Management further submitted that servicing of the TLB had since been planned and budgeted for under the 2026 Budget.

Appendix 34: Non-Disposal of Four Unserviceable Movable Assets

The Accounting Authority submitted that four unserviceable Council vehicles, namely: Mitsubishi Pajero registration number ABD 4033; Mitsubishi Canter registration number GRZ 426 CB; Champion Grader-720 with unknown registration details; and Yujin Tipper Truck registration number GRZ 899 BR, had not been disposed of due to lengthy procedures for disposal of obsolete public assets. Management further submitted that the matter was being handled by the Provincial Administration for Eastern Province, which had already conducted pre-inspection of the assets, and that the Council was awaiting facilitation of valuation and auctioning.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K10,207,099.00

The Accounting Authority submitted that the outstanding statutory and other obligations remained unpaid due to inadequate cash flow. It was further submitted that the Council had since made payments amounting to K1,147,718.70, reducing the outstanding balance from K10,207,099.00 to K9,059,380.30.

Management explained that the largest balances related to ZRA, which stood at K3,523,684.00 after a payment of K19,908.00; NAPSA, which stood at K4,200,143.30 after a payment of K803,742.70; LASF, which stood at K631,528.00 after a payment of K302,000.00; and NHIMA, which remained at K556,272.00 with no payment made. Funeral Scheme arrears of K18,568.00 had been fully cleared, while supplier arrears were reduced from K151,253.00 to K147,753.00 after a payment of K3,500.00.

Appendix 42: Non-Settlement of Staff Obligations-K3,761,813.00

The Accounting Authority submitted that delays in settling staff obligations were due to cash flow challenges arising from the Council's narrow revenue base. Management further submitted that payments amounting to K284,829.35 had since been made, reducing the balance from K3,761,812.83 to K3,476,983.48.

Management explained that long service bonus arrears stood at K412,792.85 after payment of K12,655.22; terminal benefits stood at K2,720,843.99 after payment of K173,000.00; leave travel benefits stood at K3,100.00 after payment of K3,000.00; settling-in allowance stood at K340,246.64 after payment of K19,463.13; while Councillors' allowances amounting to K76,711.00 had been fully settled. The Accounting Authority further submitted that a liquidation plan had been incorporated in the 2026 annual budget.

Appendix 48: Unspent Funds- Sector Grant Account-K1,361,780.00

The Accounting Authority submitted that the unspent balance of K1,361,780.00 arose because some projects extended into the following year. It was further submitted that part of the balance for archives activities would only be spent in 2026 following guidance on the appointment of a Desk Officer.

Management stated that by the time of response, K1,347,349.00 had been spent, leaving a balance of K14,431.00. The funds already utilised included K389,273.00 on Cash for Work, K461,026.00 on Health Grant activities, K341,585.00 on roads, K86,472.00 on sport funds, K63,811.00 on veterinary grant and K5,182.00 on cultural services. The balance of K14,431.00 related to district archives.

Appendix 49: Management of Cash for Work Programme-K389,273.00

The Accounting Authority submitted that the unspent amount of K389,273.00 remained outstanding at year end because the funds were only remitted to the Council in December 2024, leaving little time for expenditure before closure of the financial year. Management further submitted that the full amount had since been spent in January 2025.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme -K2,694,737.00

The Accounting Authority submitted that the unspent amount of K2,694,737.00 remained at the time of audit because the procurement process for the approved capital project under the Zambia Devolution Support Programme was still under way. Management further submitted that the Council was implementing the construction of the Community Hall under the ZDSP and had since spent K825,319.00, leaving a balance of K1,869,418.00.

LUSANGAZI TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the 2024 Financial Statements were verified and the Council received an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the favourable variance of K3,806,403.00 arose from cash-for-work funds received as drought emergency support. It was further submitted that the unspent balance of K11,817,984.00 as at 31st December 2024 related to ongoing programmes and projects under devolved functions, including Health, Livestock, Community Sports, Roads, Education, WASH, Capital Grant and Salaries. The Accounting Authority added that, expenditure amounting to K9,931,054.73 had been incurred, leaving a balance of K1,886,920.27. The remaining balances were mainly under Education and Archives (K11,101.54), WASH (K84,881.64) and Capital Grant (K1,790,937.09), while the other balances had been fully cleared.

Appendix 3: Adverse Performance on Locally Generated Revenue-Negative Variance K624,668.00

The Accounting Authority submitted that the Council had budgeted to collect K1,333,856.00, but only realised K709,188.00, resulting in a negative variance of K624,668.00, representing 47 per cent underperformance. It was explained that Local Taxes, Fees and Charges, Licences, Levies and Permits underperformed largely because the drought weakened economic activity and led to the closure of many small businesses. Specifically, Local Taxes underperformed by K38,016.00 due to an expired valuation roll; Fees and Charges by K504,214.00 due to low turnout of plot applicants; Licences by K15,890.00; Levies by K96,744.00; and Permits by K30,040.00, all due to reduced economic activity. It was further submitted that “Other” revenue overperformed by K60,036.00 due to drought relief funds received from UNICEF. The Accounting Authority stated that the Council had since trimmed its budget, re-advertised plots, and invested in a block-making venture to broaden the revenue base. It was also submitted that Management intended to commence the valuation process in 2026 using grant in lieu of rates and would continue to diversify revenue sources and intensify publicity for plots.

Appendix 4: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that some programme targets were not met during the year for various operational and funding reasons. Under Local Governance, only 2 out of 4 Ordinary Council Meetings were held and 6 out of 12 Standing Committee Meetings were held because key officers, including the Council Secretary and Director of Finance, had been transferred. It was, however, stated that officers had since been posted to Lusangazi Town Council and an Ordinary Council Meeting had been held. Under Public Health and Environmental Protection, the target to collect 200 tonnes of solid waste was not achieved, as no waste was collected in the manner planned, while only 20 out of 40 trading and public premises were inspected because some premises were not operational at the time of audit.

Management reported that all premises had since been inspected and waste was now being treated on site to reduce accumulation at collection points. Under Public Order and Safety, only 1 out of 10 security patrols was reflected at audit stage because not all activity reports had been availed, although six patrols had since been conducted. Under Housing and Community Amenities, no crossing points were rehabilitated against a target of 5 and no bridge was constructed against a target of 1, owing to inadequate financial resources.

The Accounting Authority submitted that works on two crossing points were underway and that available funds had instead been applied to those works and the grading of selected feeder roads. It was further stated that Management would henceforth adhere to

the calendar of meetings, strengthen inspections and patrols, and endeavour to implement projects within the financial year.

Appendix 13: Irregular Cash Withdrawals-K238,232.00

The Accounting Authority submitted that the irregular cash withdrawal of K238,232.00 had been made at the request of a beneficiary who had running loans with the bank. It was further submitted that all payments were now being made through individual bank accounts.

Appendix 15: Failure to Use e-GP System

The Accounting Authority submitted that the Council engaged 12 suppliers outside the e-GP system involving K42,240.00 because local suppliers had limited knowledge of how to use the platform. It was stated that, with support from USAID under Local Impact, induction training had since been conducted for local suppliers, although some suppliers remained unresponsive to the training.

Appendix 18: Failure to Fill Five Vacant Positions

The Accounting Authority submitted that the delay in filling the five vacant positions arose from an administrative oversight in commencing recruitment for the Office Assistants and Assistant Committee Clerk positions. It was further stated that the regrading of the Public Relations Officer position had also created a temporary gap in the approved structure. The Accounting Authority added that all the affected positions had since been filled and appointment documents were available for audit verification.

Appendix 19: Over Employment of One Member of Staff-Cost Implication K72,000.00

The Accounting Authority submitted that the anomaly arose after an additional officer was received into a position that was already filled and was placed on the payroll in line with the appointment letter. It was stated that the matter had since been resolved and supporting documentation was available for verification.

Appendix 30: Six Properties without Title Deeds-K3,350,000.00

The Accounting Authority submitted that the six properties valued at K3,350,000.00 did not have title deeds because the numbering process was still underway at the time of audit before submission to the Provincial Planning Authority. It was further submitted that Management had since facilitated the preparation of a verification report.

Appendix 32: Non-Maintenance of Two Properties

The Accounting Authority submitted that the failure to maintain the Council Chamber, Planning Office, Human Resource Office and ICT Office, where leakages in the ceiling boards had been observed, was due to inadequate resources. It was stated that the works on the affected properties had since been carried out.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K4,544,305.00

The Accounting Authority submitted that the outstanding statutory and other obligations stood at K4,544,305.00 because the Council had been liquidating the arrears only as funds became available. It was explained that intervention by the MLGRD to deduct some obligations at source had helped to contain further accumulation. It was further submitted that K45,416.00 had since been paid, reducing the audited balance of K4,395,817.00 to K4,350,401.00. The payments comprised K30,000.00 to ZRA and K15,416.00 to NHIMA, while the NAPSA balance of K66,059.00 remained unpaid. The outstanding balances thereafter were K66,059.00 for NAPSA and K4,284,342.00 for ZRA.

Appendix 42: Non-Settlement of Staff Obligations-K419,651.00

The Accounting Authority submitted that the staff obligations amounting to K419,651.00 remained unsettled due to inadequate budgetary provision arising from the limited own-source revenue base. It was stated that Management had started liquidating the amounts and had paid K270,000.00 towards the terminal benefits of Bester Banda, reducing his balance from K296,718.40 to K26,718.40. The amount due to Zaliwe Phiri, being K122,932.60, remained unpaid. As a result, the total outstanding balance had reduced to K149,651.00. The Accounting Authority added that the Council would continue settling the dues through the payroll and by monthly instalments for officers not on the payroll.

Appendix 48: Unspent Funds-Sector Grant Account K7,909,859.00

The Accounting Authority submitted that the unspent sector grant funds arose because the balances related to ongoing activities, particularly cash-for-work and devolved departmental programmes. It was stated that, out of K7,880,600.17 outstanding as at 31st December 2024, expenditure amounting to K7,784,616.99 had since been incurred, leaving a balance of K95,983.18. The balances under Health, Livestock, Community Sports, Roads, Cash for Work and Administration Expenses had been fully utilised. The remaining balances were K11,101.54 under Education and Archives and K84,881.64 under WASH. The Accounting Authority submitted that the Council would ensure timely utilisation of funds as they were received.

Appendix 49: Management of Cash for Work Programme-K5,801,188.00

The Accounting Authority submitted that the observed balance of K5,801,188.00 under the Cash for Work Programme arose because the Council was still screening and recruiting beneficiaries at the time of audit. It was stated that, in Musanzala Constituency, the programme had targeted 15,595 beneficiaries, comprising 9,357 and 6,238 under the respective categories, but only 6,191 beneficiaries had been engaged, leaving a variance of 9,404. Out of K9,668,079.00 received, K3,866,891.00 had been paid by the time of audit, leaving the balance cited. The Accounting Authority added that the beneficiaries had since been identified and paid.

MAMBWE TOWN COUNCIL**Appendix 1: Audit Opinion-Unqualified**

The Accounting Authority submitted that the 2024 Financial Statements had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K29,654,458.00, the Council had received K31,323,604.00, giving a positive variance of K1,669,146.00, mainly on account of unbudgeted receipts under the Cash for Work Programme. Together with brought forward funds of K2,075,448.00, total funds available stood at K33,399,052.00, of which K25,024,726.00 had been spent, leaving unspent funds of K8,374,326.00 as at 31st December 2024. The Accounting Authority explained that the unspent balance related to ongoing projects and programmes at the close of the year. It was further submitted that

the full amount had since been utilised, comprising District Fund Account K12,419.00, Salaries Account K856,584.00, Capital Account K2,704,187.00, Guest House Account K22,163.00, CMU K4,074.00, Land Development Account K821 and Sector Account K4,774,079.00. Management added that it would in future ensure that carried forward funds were applied only to committed programmes and activities.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council had recorded an adverse variance of K680,210.00 in locally generated revenue at the time of audit. It explained that, since then, collections had improved and revenue amounting to K974,320.00 had been realised, resulting in an overall positive balance of K294,109.00. The gains arose mainly from fees and charges, licences and permits, although under-performance remained in commercial ventures and other receipts. Management stated that supporting documents had been availed.

Appendix 4: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the shortfalls noted by the Auditor General had largely arisen from delayed reporting, budget constraints, equipment breakdowns, limited accessibility, demand-driven activities and low participation in some programmes. It explained that although 60 Ward Development Committee meetings had been targeted, only 30 had been reflected at audit because minutes had not been submitted to Council in time, though all meetings had in fact been held and the minutes were later shared. On tourism sites, only one application had been received against a target of six because the process was demand driven, and the application received had been recommended. The Strategic Plan had not been separately prepared because reliance had been placed on the Integrated Development Plan, which continued to guide implementation. Anti-AIDS clubs had not been active at the time of audit but had since been revived.

The Accounting Authority further submitted that one tourism potential had since been identified under Economic and Business Development after earlier constraints due to inadequate funding. In Public Health and Environment Protection, the five outstanding health promotion programmes had since been conducted; ten meat inspections which had not been done at the time of audit had been undertaken; one pest control and spraying exercise had also been conducted; and the earlier shortfall in waste collection, where only 260 tonnes had been collected against a target of 350 tonnes, had been addressed through procurement of a tipper truck following breakdown of the tractor previously used for garbage collection.

Under Housing and Community Amenities, the remaining three Council houses had been rehabilitated in 2025 after initial delays caused by insufficient funds. In Education and Skills Development, the shortfall of 18 bursary beneficiaries had arisen because some selected students did not report to their institutions, but other students had since been sponsored.

In Public Order and Safety, the Council had initially conducted only one sensitisation against a target of four, but all four had since been completed. In Veterinary Services, dog registration had improved from 48 to 88 dogs, while animal movement control remained dependent on demand. In Transport Services, the balance of 5 kilometres of roads not maintained at the time of audit had since been worked on after repair challenges involving the motor grader were addressed. Management stated that it would strengthen implementation, monitoring and timely execution of planned activities.

Appendix 5: Failure to Collect Revenue-K11,500.00

The Accounting Authority submitted that the Council had failed to collect K11,500.00 in billboard fees because of non-compliance and closure of some businesses in the District. It was reported that public notices had since been issued and non-compliant billboards removed. As a result, K2,000.00 had been collected from four companies, leaving an outstanding balance of K9,500.00.

Appendix 18: Failure to Fill Thirty-Nine Vacant Positions

The Accounting Authority submitted that, at the time of audit, 39 positions out of an establishment of 61 had remained vacant, with only 22 positions filled. It explained that the Council had been submitting staff returns and recommendations to the LGSC for authority to fill the vacant posts. It added that some positions had since been filled, subject to availability of funds and budgetary provision.

Appendix 19: Over Employment of Eight Members of Staff

The Accounting Authority submitted that the over-employment of eight officers had arisen because the affected positions had not appeared in the 2023 Approved Final Restructuring Report for Town Councils. It was reported Council had since referred the matter to the Human Resource Management Committee and taken corrective administrative action. Major Mwanza had been appointed Revenue Collector; Banda Moses had been appointed Cashier; Satulo Catherine had been appointed Assistant Community Development Officer; Zimba Joseph and Mutambo Adams had both been appointed Assistant Accountants; Dorica Mbewe had been transferred to Chasefu Town Council; Dalitso Daka had been retained following guidance from the Local Government Service Commission to maintain District AIDS Coordination Advisors; and Simpokolwe Lemba had been assigned to operate the tipper truck.

Delayed Promotion of Officers

The Accounting Authority submitted that two officers had remained unpromoted for a period ranging from nine to eleven months after becoming eligible. It was further reported that recommendations for promotion had since been made and one officer, Bridget Daka, had been promoted from Assistant Human Resource Officer to Committee Clerk. The second officer, Marriot Lusengu, had been recommended for promotion to Assistant Director Engineering, and the Council was awaiting feedback from the Local Government Service Commission.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K7,182,556.00

The Accounting Authority submitted that statutory and other obligations amounting to K7,182,556.00 had remained unsettled due to financial constraints. It stated that payments totalling K1,401,998.05 had since been made, reducing the balance to K5,787,547.58. The outstanding balances comprised ZRA K4,042,612.64, NAPSA K1,166,776.05, Funeral/MLife K123,216.54, Suppliers K19,585.22, Legal Fees K435,312.46 and ZULAWU K44.67, while LASF and NHIMA had been cleared in full.

Appendix 42: Non-Settlement of Staff Obligations-K4,412,859.00

The Accounting Authority submitted that staff obligations amounting to K4,412,859.00 had not been settled as at the time of audit due to financial challenges. It was reported that payments had since been made towards long service benefits and terminal benefits, thereby reducing the balance to K4,267,859.38. The remaining obligations comprised Long Service Awards K319,259.96, Terminal Benefits K3,113,417.59, Settling-in Allowance

K365,682.19, Salary Arrears K394,259.96, Councillors' Arrears K5,900.00 and Unpaid Subsistence Allowances K69,339.68.

Appendix 44: Lack of Fire Fighting Equipment

The Accounting Authority submitted that the Council had lacked a fire engine, utility vehicle, ambulance and communication systems owing to budget constraints during the period under review. It stated that the Council had since engaged the Ministry of Local Government and Rural Development for assistance in procuring the required fire-fighting equipment.

Appendix 45: Three Uninsured Fire Officers

The Accounting Authority submitted that three fire officers had not been insured at the time of audit. It stated that the officers had since been insured.

Appendix 46: Lack of Personal Protective Equipment

The Accounting Authority submitted that personal protective equipment for fire-fighting officers had not been procured at the time of audit. However, it was reported that the required protective equipment had since been procured for all fire officers.

Appendix 48: Unspent Funds-Sector Grant Account-K4,776,079.00

The Accounting Authority submitted that unspent funds under the Sector Grant Account had amounted to K4,774,079.06 at the time of audit. The balances related to Cash for Work K3,133,327.60, Community Sports K70,303.21, District Health Services K405,870.95, Transport Services K1,146,642.55, District Archives K11,472.60 and Livestock and Fisheries K6,462.15. It was reported that these funds had not been spent by the time of audit, largely because some funds had been received late, including Cash for Work funds received on 17th December 2024. The Accounting Authority submitted that all the amounts had since been spent.

Appendix 49: Management of Cash for Work Programme-K3,252,158.00

The Accounting Authority submitted that the Council had held a balance of K3,252,158.00 under the Cash for Work Programme as at 31st December 2024 because the funds had only been received on 17th December 2024. It was reported that the full amount had since been paid to beneficiaries in Malambo Constituency, leaving no balance outstanding.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K2,694,737.00

The Accounting Authority submitted that the Council had not spent K2,694,737.00 under the ZDSP by 31st December 2024 because the No Objection from ZEMA had only been granted on 16th December 2024. It was reported that the full amount had since been utilised on planned procurements, namely a tipper truck K2,425,000.00, insurance K76,387.50, waste collection bins K180,000.00, branding and truck-related costs K12,630.00, and bank charges K719.50, thereby exhausting the allocation.

NYIMBA TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements were duly verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the negative revenue variance of K766,738.00 arose mainly due to the expiry of the valuation roll and the adverse effects of drought. The unspent funds amounting to K2,800,000.00 were held for committed programmes, including Cash for Work, Zambia Devolution Support Programme (ZDSP) capital projects, and other operational activities.

It was further submitted that K2,798,855.00 had since been expended, leaving a minimal balance of K1,225.00. In addition, revenue collection efforts had yielded K229,418.00 towards the outstanding variance.

Appendix 3: Adverse Performance on Locally Generated Revenue (K1,248,978.00)

The Accounting Authority submitted that the Council failed to collect K1,248,978.00 from key revenue streams, including local taxes, levies, permits, commercial ventures, and other receipts.

It was reported that K229,418.00 had since been recovered, leaving an outstanding balance of K1,019,561.00, with significant shortfalls recorded under local taxes (K546,327.00) and permits (K436,839.00), among others.

Appendix 4: Non-Achievement of Programme Outputs

The Accounting Authority submitted that variances in programme implementation were largely due to financial constraints, operational delays, and logistical challenges.

Key issues included delayed completion of infrastructure projects, reduced performance in waste management and dog registration due to ongoing activities and limited resources, and underperformance in inspections and capital projects due to transport and funding limitations.

Management indicated that corrective actions had been undertaken, including increased sensitisation programmes, allocation of transport for inspections, and mobilisation of resources through the Constituency Development Fund.

Appendix 18: Failure to Fill 109 Vacant Positions

The Accounting Authority submitted that although **109 positions** remained vacant out of an establishment of 224, the existing staffing levels were considered adequate within the available budget.

Management had continued submitting quarterly staff returns to the LGSC and indicated that efforts would be made to fill critical positions.

Appendix 27: Failure to Provide White Books for Seven Assets

The Accounting Authority submitted that the absence of white books for seven (7) assets had since been secured following engagement with relevant authorities.

Appendix 29: Failure to Change Ownership Details for Motor Vehicles

The Accounting Authority submitted that the affected motor vehicles were received from the MLGRD still registered in the contractors' names.

Management had since written to the Ministry to facilitate the transfer of ownership to the Council.

Appendix 30: Properties without Title Deeds

The Accounting Authority submitted that six (6) properties lacked title deeds. Applications had been submitted to the Ministry of Lands and Natural Resources, and the Council had since obtained title deeds and leases for the affected properties.

Appendix 33: Unrepaired Movable Asset

The Accounting Authority submitted that the grader remained unrepaired due to its obsolete and unserviceable condition. Management indicated that measures would be taken to ensure timely maintenance and disposal of obsolete equipment.

Poor Management of Waste (Unfenced Dumpsite)

The Accounting Authority submitted that the dumpsite was not fenced due to financial constraints and vandalism of the initial fencing materials. Management had since provided for the construction of a wall fence under the 2026 ZDSP budget.

Appendix 41: Non-Settlement of Statutory and Other Obligations (K10,514,736.00)

The Accounting Authority submitted that outstanding statutory obligations amounting to K10,514,736.00 were due to inadequate financial resources. Payments had been made towards various institutions, including ZRA (K10,000.00), NAPSA (K960,888.70), and LASF (K161,860.77), reducing the outstanding balance to K9,389,650.88 as at 31st December 2025.

Management had engaged the respective institutions on payment plans to liquidate the arrears.

Appendix 42: Non-Settlement of Staff Obligations (K1,235,260.00)

The Accounting Authority submitted that staff obligations amounting to K1,235,260.00 remained outstanding due to financial constraints. Payments totalling K379,557.87 had been made, reducing the balance to K855,702.67, with notable progress in settling councillors' arrears, which had been fully cleared.

Appendix 48: Unspent Funds-Sector Grant Account (K1,791,067.00)

The Accounting Authority submitted that the unspent balance of K1,791,067.00 had since been fully utilised by 31st December 2025.

Appendix 49: Management of Cash for Work Programme (K1,654,500.00)

The Accounting Authority submitted that the unspent funds amounting to K1,654,500.00 had been fully expended by 31st December 2025.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K39,188.00)

The Accounting Authority submitted that the unspent balance of K39,188.00.00 under ZDSP had since been fully utilised.

CHAMA TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the favourable variance of K6,989,937.00 arose from unbudgeted receipts under the Cash for Work programme, while the unspent balance of K13,976,108.00 represented committed funds for ongoing Government programmes and activities held in the Council's accounts. Management further submitted that the funds had since been utilised in line with programme requirements.

Appendix 6: Failure to Prepare Valuation Roll

The Accounting Authority submitted that the failure to prepare the valuation roll had been due to the high cost associated with the exercise. Management had since facilitated the nomination of an officer from the Department of Valuation and Property Management through a Council resolution, and the matter had been communicated to the MLGRD

Appendix 23: Employment of Eighteen Temporal Workers-K313,455.00

The Accounting Authority submitted that the engagement of eighteen temporal workers at a cost of K313,455.00 had been necessitated by financial constraints which precluded the employment of permanent staff. Management reported that it had since discontinued short-term engagements and transitioned to long-term contracts for general workers, in order to provide better conditions of service and ensure operational continuity.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K8,158,492.00

The Accounting Authority submitted that the failure to settle statutory obligations was due to inadequate financial resources, high staffing levels and the accumulation of penalties. Management reported that progress had been made through the implementation of deduction-at-source arrangements for statutory bodies such as NAPSA, LASF and ZULAWU, with supporting schedules availed for audit verification.

Appendix 42: Non-Settlement of Staff Obligations-K3,192,545.00

The Accounting Authority submitted that the outstanding staff obligations had been due to inadequate financial resources. Management indicated that reconciliations had been undertaken and partial payments effected, including settlement of salary arrears, settling-in allowances and councillors' arrears.

Appendix 44: Lack of Fire Fighting Equipment

The Accounting Authority submitted that the absence of critical firefighting infrastructure, including a fire tender, rescue vehicle, ambulance, hydrants and communication systems, had been due to insufficient funding. Management reported that it had engaged the MLGRD to facilitate the release of a Hino fire truck and had further applied to Airtel Zambia for a toll-free emergency communication line.

Appendix 48: Unspent Funds-Sector Grant Account

The Accounting Authority submitted that the unspent funds, including K11,006,112.00 under Chama Town Council and K499,372,507.00 overall, had arisen mainly from Cash for Work funds disbursed late in the year (from August 2024), as the Council was establishing appropriate modalities for disbursement. Management reported that the funds had since been reconciled and utilised in accordance with guidance, as evidenced by the 2024 audited financial statements and supporting records.

Appendix 49: Management of Cash for Work Programme-K8,593,017.00

The Accounting Authority submitted that delays in payments to beneficiaries had been due to limitations in banking infrastructure at NATSAVE and challenges with incorrect

beneficiary mobile account details. Management reported that it had engaged ZANACO Bank and Kazang service providers, and that beneficiaries had since been paid.

SINDA TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the Financial Statements had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K7,574,816.00 had arisen from challenges such as the absence of an endorsed township boundary, closure of SMEs due to erratic power supply, breakdown of the block-making machine and restrictive financial policies. It was further submitted that unspent funds amounting to K8,635,779.00 related to committed programme funds, largely under the Sector Grant (K5,617,564.00) and Capital Account (K1,960,249.00), among others.

Management reported that K7,322,020.50 had since been spent, leaving a balance of K1,313,755.50, mainly earmarked for completion of Zambia Devolution Support Programme (ZDSP) projects.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that revenue performance was below target, with K1,869,269.00 collected against a budget of K5,292,275.00, resulting in a shortfall of K3,423,006.00 (65 per cent). This was attributed to the absence of an endorsed township boundary affecting local taxes, closure of SMEs due to power outages affecting permits, breakdown of the block-making machine affecting commercial ventures, and restrictive financial policies affecting other receipts.

Management reported that engagements had been undertaken with the MLGRD and traditional leaders, power supply had stabilised, and new equipment including a generator and block-making machine had been procured.

Appendix 4: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the underperformance in programme outputs had been due to factors such as lengthy procedures, delayed endorsement of the township boundary, lack of trained staff and financial constraints. Management reported that corrective measures included implementation of Council resolutions, engagement with stakeholders, placement of staff and initiation of capacity-building efforts.

Appendix 27: Failure to Provide White Books for Three Movable Assets

The Accounting Authority submitted that the Council had not availed white books at the time of audit as the assets had been received as donations from the MLGRD and parent Councils. Management reported that it had since written to the Ministry of Local Government and Rural Development requesting the issuance of the White Books.

Appendix 32: Non-Maintenance of Properties

The Accounting Authority submitted that the failure to maintain the abattoir, particularly the absence of a septic tank and soak-away system, had been due to inadequate land within the premises to support such infrastructure. Management reported that traditional leadership had since provided additional land and that preparations for construction of sewer ponds had been initiated.

Appendix 34: Non-Disposal of Unserviceable Movable Assets

The Accounting Authority submitted that delays in disposal had been due to lengthy disposal procedures. Management reported that the unserviceable vehicles had since been marked for disposal by the Office of the Controller of Government Transport.

Appendix 35: Non-Installation and Maintenance of Street Lights

The Accounting Authority submitted that failure to maintain and install street lights had been due to lack of budgetary provision following vandalism. Management reported that the vandalised street lights had since been replaced.

Appendix 38: Poor Management of Waste

The Accounting Authority submitted that delays in fencing the dumpsite and providing a refuse bay had been due to delays in obtaining approval from ZEMA and challenges in securing land. Management reported that approval had since been obtained and works had commenced.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K8,259,208.00

The Accounting Authority submitted that the outstanding statutory obligations had been due to historical debts, penalties and interest, compounded by inadequate funding and a low revenue base dependent on seasonal agricultural activities. Management reported that a payment plan had been instituted, with K115,564.70 paid towards NAPSA, NHIMA and Madison Insurance, and that current statutory obligations were now being deducted at source.

Appendix 48: Unspent Funds-Sector Grant Account(K5,617,564.00)

The Accounting Authority submitted that the unspent funds had been due to delayed funding. Management reported that the funds had since been fully utilised and supporting documentation was available for audit verification.

Appendix 49: Management of Cash for Work Programme-K11,054,866.00

The Accounting Authority submitted that the funds had not been disbursed during the period under review as works were still ongoing. Management reported that the beneficiaries had since been paid following guidance from the Ministry on the use of mobile money platforms.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K1,960,250.00)

The Accounting Authority submitted that the unspent funds related to ongoing projects, including a community hall, library and market rehabilitation, which had been delayed due to challenges with the electronic Government Procurement system and ZEMA approvals. Management reported that the projects were ongoing, with cumulative payments of K1,679,970.80 made to date against total project commitments, leaving outstanding balances on the respective contracts.

PETAUKE TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that Petauke Town Council had received an unqualified audit opinion for the financial year ended 31st December 2024.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K9,519,355.00 had arisen mainly from receipts under the Cash for Work programme, Continuous Voter Registration under the Electoral Commission of Zambia and over-performance in levies, commercial ventures and permits. It was further submitted that unspent funds amounting to K19,502,116.00 were held in Council accounts, largely under the Grant Sector (K15,628,828.00), Zambia Devolution Support Programme (K2,694,737.00) and other operational balances, and were committed to ongoing programmes received towards the close of the year.

Management reported that K18,215,488.48 had since been utilised, leaving a balance of K1,286,627.52, with major expenditures directed towards Cash for Work beneficiaries, market construction under ZDSP, salaries under the Local Government Equalisation Fund and routine Council operations.

Appendix 4: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that the failure to meet certain programme targets had been due to low demand for services, inadequate funding, delayed approvals, drought conditions and administrative delays. It was reported that only three out of ten targeted activities had been partially implemented, while seven had not been implemented.

Management further reported that remedial measures included enhanced sensitisation, engagement with stakeholders, utilisation of limited funds on priority activities such as road patching, completion of the market, and continued provision of essential services such as meat inspections and water quality monitoring.

Appendix 5: Failure to Collect Revenue (Plot Premium-K744,400.00)

The Accounting Authority submitted that the under-collection of plot premiums had been due to applicants awaiting formal offer letters from the Commissioner of Lands in line with Land Circular No. 1 of 1985.

Management reported that collections had since improved from K260,000.00 to K478,214.90, reducing the variance to K526,185.10, while continuing to adhere to the provisions of the Circular.

Appendix 18: Failure to Fill Sixty-Four Vacant Positions

The Accounting Authority submitted that staffing levels had been maintained in line with available resources to ensure operational balance.

Management reported that engagements had been made with the Local Government Service Commission to fill critical positions, while internal staff development and upgrading had been undertaken to address capacity gaps.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K20,142,503.00

The Accounting Authority submitted that the outstanding statutory obligations had been due to deficits in the Local Government Equalisation Fund, which could not meet the wage bill at gross.

Management reported that payment plans had been agreed with statutory bodies, with K748,593.57 paid, reducing the balance to K19,393,909.43. It was further submitted that deductions at source had been instituted for obligations such as NAPSA, and that eight percent of Own Source Revenue had been allocated towards debt reduction, alongside implementation of a revenue enhancement plan.

Appendix 42: Non-Settlement of Staff Obligations-K6,160,614.00

The Accounting Authority submitted that the outstanding staff obligations had been due to inadequate funding under the Local Government Equalisation Fund.

Management reported that payments amounting to K148,314.33 had been made, reducing the balance to K6,012,300.04, with continued efforts to liquidate the debt through phased payments and debt-swapping arrangements.

Appendix 48: Unspent Funds-Sector Grant Account (K15,628,827.00)

The Accounting Authority submitted that unspent funds had largely been due to timing issues, including late disbursement of funds in December 2024, ongoing Cash for Work activities, stalled road works due to the rainy season and absence of operational guidelines for certain grants.

Management reported that the entire balance of K15,529,515.97 had since been utilised across sectors, including payment of Cash for Work beneficiaries, road maintenance, health operations, sports activities and administrative functions.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the funds had remained unutilised at year-end due to delays in obtaining approvals from regulatory bodies such as the ZEMA

Management reported that a market had since been constructed at a cost of K1,999,874.98 and that a supplementary budget had been prepared to utilise the remaining balance on rehabilitation of the Council abattoir, pending approval from the MLGRD.

VUBWI TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the that the financial statements had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K23,467,650.00, the Council received K22,532,908.00, resulting in a negative variance of K934,742.00. Total funds available amounted to K23,809,957.00, out of which K18,797,447.00 was spent, leaving unspent funds of K5,012,510.00.

The variance was attributed mainly to underperformance in commercial ventures (K280,133.00) and hospital-related funds (K654,609.00). The unspent funds were largely

held in accounts such as Devolution Support (K2,697,748.00) and sector (hospital) funds (K2,050,845.00).

It was further submitted that K4,865,705.01 (97 per cent) of the unspent funds had since been utilised, leaving a balance of K146,804.99 relating to street lighting works, for which authority had been sought to exhaust the funds and extend the contract.

Appendix 3: Adverse Performance on Locally Generated Revenue-Negative Variance (K323,857.00)

The Accounting Authority submitted that the shortfall arose from failure to meet revenue targets, particularly under commercial ventures. Management had since appointed a Senior Legal Assistant to act as Commercial Manager, resulting in improved collections of K93,000.00 as at September 2025.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that certain outputs under the Integrated Development Plan were not achieved due to lack of specialised staff, inadequate funding, and weak record-keeping.

Measures taken included conducting cultural inventories, undertaking records surveys following staff orientation, completing outstanding community patrols, securing a fire officer, and procuring ICT equipment. Further, revenue mobilisation had been strengthened through inspections, while a valuation officer had since been appointed to address gaps in asset valuation.

Appendix 18: Failure to Fill Seven Vacant Positions

The Accounting Authority submitted that despite seven vacant positions out of an establishment of fifty-six, staffing levels were considered adequate within the available budget. The position of Internal Auditor had since been filled, while the remaining vacancies had been submitted to the LGSC for consideration.

Appendix 19: Over Employment of One Member of Staff-Cost Implication(K213,887.00)

The Accounting Authority submitted that the over-employment arose from the elevation of the Assistant Director of Engineering Services during the suspension of the substantive Director for approximately two years. Following engagement with the LGSC, the suspension was lifted and the Acting Director transferred to Lumezi Town Council, thereby resolving the matter.

Appendix 22: Delayed Promotion of Three Officers

The Accounting Authority submitted that promotions fall under the mandate of the LGSC, although the Council had submitted appraisals in a timely manner. Two officers had since been promoted, while the third had been transferred to Lumezi Town Council.

Appendix 27: Failure to Provide White Books for Eight Movable Assets

The Accounting Authority submitted that the eight motor vehicles were donated by the MLGRD and that the corresponding white books remained with the Ministry. The Council had since engaged the Ministry and was awaiting their release.

Appendix 33: Unrepaired Movable Assets

The Accounting Authority submitted that two motor vehicles had remained unserviceable for two to three years due to inadequate funds. One vehicle (Toyota Hilux GRZ162BV) had since been repaired, while disposal of the Nissan Patrol GRZ493CM had been recommended.

Appendix 34: Non-Disposal of Unserviceable Movable Assets

The Accounting Authority submitted that one Ford Ranger (ABC 2488) had been earmarked for disposal. A disposal committee had been constituted and a valuation officer engaged, with the Council awaiting the valuation report to proceed.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K2,467,116.00

The Accounting Authority submitted that the outstanding amount related to unpaid PAYE obligations to the Zambia Revenue Authority due to limited resources. A payment plan had been developed, and K31,151.00 had been paid towards the arrears.

Appendix 42: Non-Settlement of Staff Obligations-K233,882.00

The Accounting Authority submitted that the outstanding amount related to terminal benefits. A payment plan had been prepared, and the affected officer remained on the payroll. The Council had also sought a grant in lieu of rates and committed to prioritising settlement of the arrears.

Appendix 48: Unspent Funds-Sector Grant Account (K2,050,845.00)

The Accounting Authority submitted that the unspent funds related to sectors such as archives (K1,073,216.90), cash-for-work (K557,979), agriculture (K197,328.22), sports, health and livestock. The funds had since been utilised on drainage construction, road rehabilitation, and capacity building in records management.

Appendix 49: Management of Cash-for-Work Programme

The Accounting Authority submitted that out of K2,966,904.00 received, K2,408,925.00 had been paid, leaving a balance of K557,979.00 due to incomplete works by some beneficiaries. It was reported that all affected beneficiaries had since been paid, and measures had been instituted to ensure timely completion of works going forward.

CHIPANGALI TOWN COUNCIL

79.1 Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the findings of the Auditor General were acknowledged and that the financial statements had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that the adverse variance of K17,658,021.00 was due to non-receipt of devolved sector grants and other anticipated grants. Unspent funds amounting to K8,898,747.00 were reported as committed funds held in various accounts, notably the Sector Account (K5,327,098) and Capital Fund Account (K2,721,922.00). It was further submitted that K8,404,163.83 of the unspent funds had since been utilised, leaving a balance of K494,583.17.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that the failure to meet certain targets was attributed to over-ambitious planning, delayed funding, and inadequate resources.

Public health inspections fell short due to overestimated targets, while infrastructure outputs such as bridge construction (K2,134,000 project at 95 per cent completion) and billboard installation were affected by delayed or insufficient funding. Community capacity-building achieved 300 out of 400 targeted beneficiaries due to low turnout.

In management and support services, only two out of six creditors were settled due to funding constraints, although a payment plan had since been instituted. Measures taken included revising targets, progressing stalled projects, and strengthening debt settlement arrangements.

Appendix 18: Failure to Fill Thirty-Nine Vacant Positions

The Accounting Authority submitted that, despite having thirty-nine vacant positions out of an establishment of one hundred and seven, staffing levels were considered adequate within the available budget. The Council had continued engaging the Local Government Service Commission through submission of quarterly staff returns.

Appendix 26: Failure to Inscribe Six Assets Valued at K126,282.00

The Accounting Authority submitted that the lapse arose from fading of previously inscribed markings. The Council had since engaged the Ministry of Works and Supply to re-inscribe the assets using standard materials.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K8,182,443.00

The Accounting Authority submitted that the outstanding obligations comprised K3,765,008.12 owed to the Zambia Revenue Authority, K3,300,857.48 to the National Pension Scheme Authority, and K1,116,577.40 in terminal benefits, largely due to inadequate resources.

It was reported that K305,078.14 had been paid, leaving a balance of K7,977,364.50. The Council had implemented a payment plan, including deductions at source for NAPSA obligations.

Appendix 48: Unspent Funds-Sector Grant Account (K5,327,097.00)

The Accounting Authority submitted that the unspent funds were due to ongoing works and late receipt of funds for the Cash-for-Work programme in December 2024. The funds had since been utilised on the intended programmes and activities.

Appendix 49: Management of Cash-for-Work Programme (K5,327,097.00)

The Accounting Authority submitted that the balance arose from ongoing works at the close of the financial year. It was reported that the funds had since been fully expended.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the unspent funds were attributable to late disbursement in October 2024 and delayed approval by ZEMA in November 2024.

It was reported that projects funded under this programme, including Chilowa Bridge (K2,134,000, 95 per cent complete), Lumumba East Deep Tank (90 per cent complete),

and Chilimbika Deep Tank (90 per cent complete), were near completion with substantial amounts already paid.

CHASEFU TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified, resulting in an unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K22,314,383.00, the Council received K24,967,099.00, resulting in a positive variance of K2,652,716.00. Total funds available amounted to K27,751,654.00, of which K19,625,513.00 was spent, leaving unspent funds of K8,126,141.00.

The unspent funds were mainly attributed to Cash-for-Work (K2,877,184.00), Zambia Devolution Support Programme (K2,694,737.00), Roads Fund (K1,154,840.00), operations (K467,280.00), devolved functions (K444,308.00), Council Chamber (K293,994.00), and Emusa Bwandila Ablution Block (K193,794.00).

It was further submitted that significant progress had been made in utilising the funds, with K2,877,184.00 disbursed to beneficiaries upon completion of works, K2,551,517.81 spent on solar street lighting under ZDSP, K849,629.60 disbursed under Roads Fund, and K467,280.00 spent on operations. Balances remained under ongoing projects, including K143,219.19 (ZDSP retention), K305,210.40 (Roads Fund), K18,097.39 (devolved functions), and K20,711.00 (ablution block), while the Council Chamber project remained under implementation.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that the Council realised K603,500.00 against a budget of K1,113,783.00, resulting in a negative variance of K510,283.00 (46 per cent), largely due to non-compliant businesses in remote areas and transport challenges.

It was further submitted that following budget adjustment, the revised target stood at K661,281, reducing the variance to K57,781.00 (8.7 per cent).

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that performance gaps were mainly due to equipment breakdowns, land disputes, staff shortages, and resource constraints.

Waste collection targets were affected by breakdown of a tractor, while infrastructure projects such as the refuse site were stalled due to unresolved land disputes. Cultural outputs were not achieved due to the absence of a cultural officer, and livestock vaccination targets fell short due to unavailability of vaccines.

Measures taken included use of alternative equipment for waste collection, reallocation of funds towards solar systems, continued engagement for staff replacement, and government-supported vaccination programmes.

Appendix 5: Failure to Collect Revenue-K377,270.00

The Accounting Authority submitted that the failure to collect plot premium revenue arose from land disputes between the Council and the Emusa Village community. Engagements had been initiated with the community, which had demanded compensation, and the Council had submitted a response while awaiting resolution.

Appendix 9: Failure to Utilise 5 Per Cent of Locally Generated Funds on Wards-K30,175.00

The Accounting Authority submitted that the lapse was due to cash flow constraints and competing priorities such as waste management and salary obligations. It was reported that the Council had since taken steps to support wards through various interventions.

Appendix 10: Unsupported Payments-K131,120.00

The Accounting Authority submitted that the anomaly arose from supporting documents being filed separately. The documents had since been retrieved and attached for audit verification.

Appendix 16: Unaccounted for Stores-K238,842.00

The Accounting Authority submitted that the lapse resulted from failure to use bin cards in stores management during the period under review. It was reported that bin cards had since been introduced with the support of newly recruited stores officers.

Appendix 17: Unaccounted for Fuel-K378,416.00

The Accounting Authority submitted that one ambulance logbook was not available during the audit as the vehicle had been taken for repairs in Chipata following an accident. The logbook had since been retrieved and made available for verification.

Appendix 18: Failure to Fill Twenty-Eight Vacant Positions

The Accounting Authority submitted that this was due to budgetary constraints and that recruitment falls under the LGSC. It was reported that key positions, including engineers and legal officers, had since been filled, with further requests submitted for critical staff.

Appendix 26: Failure to Inscribe Five Assets-K64,282.00

The Accounting Authority submitted that the assets had not been inscribed, particularly non-fixed assets and surveillance equipment. The Council had engaged the Provincial Office to undertake the inscription.

Appendix 27: Failure to Provide White Books for Fifteen Movable Assets

The Accounting Authority submitted that the vehicles were received as donations without white books. The Council had since requested the documents from the donors.

Appendix 29: Failure to Change Ownership Details for Five Motor Vehicles

The Accounting Authority submitted that the delay arose from the vehicles being donated. The process of transferring ownership had since commenced.

Appendix 30: Two Properties without Title Deeds

The Accounting Authority submitted that delays were due to late issuance of offer letters from the Ministry of Lands and Natural Resources. It was reported that one offer letter had since been obtained and the process of acquiring the title deed had commenced.

Appendix 36: Failure to Establish and Maintain Abattoir/Slaughterhouse

The Accounting Authority submitted that the failure arose from unresolved land disputes in Emusa Village and the absence of a Chief to facilitate land allocation. The matter was reported to be before the courts, and the Council awaited judgement.

Appendix 38: Poor Management of Waste

The Accounting Authority submitted that the absence of a dumpsite, holding bay, and waste sorting facilities was due to land disputes and low funding, compounded by the absence of traditional authority. The matter remained before the courts.

Appendix 40: Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that the failure was due to lack of land and the absence of a Chief to facilitate land allocation. The matter was reported to be before the courts, and the Council awaited judgement.

Appendix 41: Non-Settlement of Statutory and Other Obligations-K4,586,089.00

The Accounting Authority submitted that the outstanding obligations were due to a low revenue base. Efforts had been made to secure funding, including requests for a grant in lieu of rates, while some statutory obligations such as NAPSA and union contributions were now being deducted at source.

Appendix 42: Non-Settlement of Staff Obligations-K51,776.00

The Accounting Authority submitted that the arrears were due to limited revenue. The Council had continued to seek funding support and had written to the Ministry for assistance.

Appendix 45: Uninsured Fire Officers

The Accounting Authority submitted that the failure to insure fire officers was due to inadequate resources. The Council had initiated engagement with the Zambia State Insurance Corporation to formalise insurance arrangements.

Appendix 46: Lack of Personal Protective Equipment

The Accounting Authority submitted that the failure to procure personal protective equipment was due to low revenue. It was reported that provision had been planned under the 2026 budget.

Appendix 48: Unspent Funds -Sector Grant Account -K4,471,150.00

The Accounting Authority submitted that the unspent funds related to Cash-for-Work (K2,877,183.00), Roads Fund (K1,154,840.00), and devolved functions (K439,127.00), largely due to incomplete works and delayed procurement.

It was reported that K4,165,941.60 had since been spent, with remaining balances tied to ongoing works.

Appendix 49: Management of Cash-for-Work Programme-K2,877,183.00

The Accounting Authority submitted that the funds remained unspent at year-end due to ongoing works. It was reported that the full amount of K2,877,183.00 had since been disbursed, leaving a nil balance.

Appendix 51: Payment to Beneficiaries from Other Programmes-K451,200.00

The Accounting Authority submitted that the anomaly arose from lack of access to the Social Cash Transfer database, which limited verification of beneficiaries. Management had since been oriented on revised procedures to eliminate duplication.

Appendix 53: Unspent Funds-Zambia Devolution Support Programme-K2,694,737.00

The Accounting Authority submitted that the delay was due to late approval by the ZEMA. It was reported that K2,551,517.56 had since been spent, leaving a retention balance of K143,219.19.

WESTERN PROVINCE

KAOMA TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified, resulting in an unqualified audit opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that out of the approved budget of K38,452,302.00, a total of K29,013,248.00 was received, resulting in a negative variance of K9,439,054.00 due to non-receipt of some sector funds. Total funds available stood at K33,487,031.00, inclusive of brought forward funds amounting to K4,473,783.00, against which K22,196,475.00 was expended, leaving unspent balances of K11,290,556.00.

The Accounting Authority further submitted that the unspent funds comprised K5,575,861.00 under Sector Grants, K2,694,736.00 under the Zambia Devolution Support Programme (ZDSP), and K3,019,951.00 under Cash for Work, all relating to ongoing capital projects and operational commitments. It was reported that the entire amount of K11,290,556.00 had since been fully utilised.

Adverse Performance on Locally Generated Revenue-Negative Variance (K3,732,085.00)

The Accounting Authority submitted that the underperformance in locally generated revenue was attributed to low compliance by ratepayers due to the absence of a valuation roll from 2011 to 2022, delays in the re-planning process affecting plot-related fees, and reduced demand for licences such as firearms and liquor licences.

The Accounting Authority further submitted that measures had been undertaken, including entering into payment plans with ratepayers, issuing demand notices, and conducting sensitisation programmes, resulting in improved collections and enhanced compliance.

Other Deliverable Targets Not Achieved

The Accounting Authority submitted that failure to meet certain planned outputs was mainly due to delayed funding, liquidity challenges, delayed contract processes, and coordination issues with cooperating partners.

The Accounting Authority further submitted that notable progress had been made, including completion of borehole works, rehabilitation of council infrastructure, maintenance of public amenities, and advancement of the Falkland conference facility to 95 per cent completion. Outstanding works, including street lighting and sports infrastructure, were being implemented or awaited funding.

Failure to Fill Twenty-Two Vacant Positions

The Accounting Authority submitted that although twenty-two (22) positions remained vacant out of an establishment of 111, the current staffing levels were considered adequate to sustain service delivery within the available budget.

The Accounting Authority further submitted that the vacancies had been reported to the Local Government Service Commission for appropriate action.

Delayed Promotion of Two Officers

The Accounting Authority submitted that the delay, ranging from thirteen (13) to fourteen (14) months, was due to pending confirmations from the Local Government Service Commission.

The Accounting Authority further submitted that the matter had been escalated to the Human Resource Management Committee and that one officer had since been confirmed.

Uninsured Assets

The Accounting Authority submitted that failure to insure five (5) assets was due to financial constraints, with two vehicles being non-runners.

The Accounting Authority further submitted that three vehicles had since been insured, while the remaining two were not operational.

Non-Maintenance of Properties

The Accounting Authority submitted that failure to maintain certain properties was due to structural weaknesses requiring demolition, vandalism of public infrastructure, ongoing projects, and terminated borehole contracts affecting sanitation facilities.

The Accounting Authority further submitted that remedial measures had been undertaken, including installation of septic lids, rehabilitation of buildings, provision of water supply through Western Water, and planned borehole works for 2025/2026.

Unrepaired Movable Assets

The Accounting Authority submitted that failure to repair certain assets was because they were non-functional and earmarked for disposal.

The Accounting Authority further submitted that approval for disposal had since been obtained from the Ministry of Finance and National Planning.

Poor Management of Waste

The Accounting Authority submitted that the absence of an approved integrated waste management plan, indiscriminate waste disposal, and vandalism of refuse infrastructure contributed to the observed weaknesses.

The Accounting Authority further submitted that the waste management plan had since been submitted to ZEMA for approval, while community sensitisation programmes and proposals for acquisition of waste management equipment under ZDSP were underway.

Failure to Utilise Market Shelters

The Accounting Authority submitted that the underutilisation of market shelters was due to low fish trading activities, as the facilities had been designated for fish traders.

The Accounting Authority further submitted that sensitisation efforts were ongoing to encourage utilisation of the facilities.

Non-Settlement of Statutory and Other Obligations-K14,796,743.00

The Accounting Authority submitted that failure to settle statutory obligations was due to financial constraints.

The Accounting Authority further submitted that a debt management plan had been developed, and support had been sought from the MLGRD with a commitment to liquidate the outstanding amounts progressively.

Non-Settlement of Staff Obligations-K1,729,434.00

The Accounting Authority submitted that the outstanding staff obligations were due to financial incapacity.

The Accounting Authority further submitted that a debt management strategy had been put in place, with efforts underway to clear the arrears as resources permit.

Inadequate Fire Fighting Services

The Accounting Authority submitted that absence of a fire station was due to limited financial capacity.

The Accounting Authority further submitted that fire officers had since been accommodated at the Civic Centre as an interim measure.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the failure to procure a fire engine was due to financial limitations faced by the Local Authority.

Unspent Funds-Sector Grant (K5,575,868.00)

The Accounting Authority submitted that the unspent funds related to ongoing capital projects and operational commitments at the time of audit and had since been fully expended.

Management of Cash for Work Programme-K3,638,549.00

The Accounting Authority submitted that the unspent balances were due to incomplete works by beneficiaries at the time of audit.

The Accounting Authority further submitted that the funds had since been fully utilised.

Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the unspent funds were received late on 17th October 2024, making it difficult to exhaust them before year-end.

The Accounting Authority further submitted that the funds had since been fully expended.

KALABO TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements were verified, resulting in an unqualified audit opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that against an approved budget of K30,417,768.00, a total of K34,158,406.00 was received, resulting in a positive variance of K3,740,638.00. Total funds available amounted to K35,573,013.00, inclusive of brought forward funds of K1,414,607.00, out of which K23,873,408.00 was expended, leaving unspent balances of K11,699,605.00.

The Accounting Authority further submitted that the unspent funds related to committed programmes, including Cash for Work (K5,391,805.00), Devolved Functions (K2,248,783.00), LGEF (K1,364,280.00), and ZDSP (K2,694,737.00). It was reported that K10,181,683.07 had since been utilised, leaving a balance of K1,517,921.93 mainly under ZDSP.

Other Deliverable Targets Not Achieved

The Accounting Authority submitted that the failure to implement certain planned outputs was largely due to limited funding, particularly under the ZDSP capital grant, as well as delays in implementation.

The Accounting Authority further submitted that some projects had progressed, including completion of council offices, installation of water reticulation systems, and engagement of contractors for checkpoint barriers. Other projects, such as bus stations, conference halls, and fencing of the civic centre, had been deferred or reprogrammed, with some at 40 per cent completion and others scheduled for future financing.

Failure to Prepare Valuation Roll

The Accounting Authority submitted that the delay in preparing the valuation roll was due to prolonged processes arising from properties not captured in the initial draft.

The Accounting Authority further submitted that the valuation officer had been engaged and was expected to present the report to the Council in the first quarter of 2026.

Failure to Fill One Hundred and Eighteen Vacant Positions

The Accounting Authority submitted that although 118 positions remained vacant, the staffing levels during the period under review were adequate to meet service delivery requirements within the available budget.

The Accounting Authority further submitted that the LGSC had been engaged through submission of returns to facilitate recruitment.

Delayed Confirmation of Officers

The Accounting Authority submitted that the delay in confirming four officers on probation was due to delays by the LGSC.

The Accounting Authority further submitted that two officers had since been confirmed.

Properties without Title Deeds

The Accounting Authority submitted that eight properties, including the fish market, civic centre, council house, and commercial buildings, lacked title deeds due to transition to the Zambia Integrated Land Administration System (ZILAS).

The Accounting Authority further submitted that most properties were at various stages of processing, including awaiting survey diagrams, numbering, and issuance of title deeds.

Non-Maintenance of Properties

The Accounting Authority submitted that failure to maintain two properties, namely the civic centre and market ablution facilities, was due to competing needs against limited resources.

The Accounting Authority further submitted that all identified defects had since been attended to.

Unrepaired Movable Assets

The Accounting Authority submitted that two movable assets remained unrepaired due to competing priorities within a limited resource envelope.

The Accounting Authority further submitted that the assets had been earmarked for disposal through auction.

Failure to Establish Abattoir/Slaughterhouse

The Accounting Authority submitted that failure to establish an abattoir was due to inadequate own source revenue.

The Accounting Authority further submitted that support had been sought from cooperating partners to facilitate implementation of the project.

Poor Management of Waste

The Accounting Authority submitted that the absence of adequate waste infrastructure, including refuse bays, fenced dump sites, and waste compaction systems, was due to limited financial resources.

The Accounting Authority further submitted that support had been sought from partners to improve waste management systems.

Failure to Utilise Market Shelters

The Accounting Authority submitted that underutilisation of the market shelter at Kashitu Market was due to resistance by traders to occupy the facility.

The Accounting Authority further submitted that enforcement measures had been instituted, including issuance of final demand notices, with legal action contemplated against non-compliant traders.

Non-Settlement of Statutory Obligations-K124,294.00

The Accounting Authority submitted that the outstanding statutory obligation of K124,294.00, relating to ZULAWU contributions, was due to limited financial resources. The Accounting Authority further submitted that a liquidation plan had been implemented, with K30,914.48 paid, leaving a balance of K93,379.52.

Non-Settlement of Staff Obligations-K2,233,370.00

The Accounting Authority submitted that staff obligations comprising terminal benefits (K1,884,901.77) and salary arrears (K348,468.23) remained unpaid due to liquidity challenges.

The Accounting Authority further submitted that K141,500.45 had been settled, leaving an outstanding balance of K2,091,869.55.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the absence of a fire tender, rescue vehicle, ambulance, and communication system was due to limited own source revenue.

The Accounting Authority further submitted that support had been sought from cooperating partners to procure the required equipment.

Unspent Funds-Sector Grant (K7,542,008.00)

The Accounting Authority submitted that the unspent funds related to ongoing sector programmes, including Cash for Work (K5,391,805.00) and devolved functions (K2,150,203.00).

The Accounting Authority further submitted that the funds had since been fully utilised for the intended purposes.

Management of Cash for Work Programme-K5,391,805.00

The Accounting Authority submitted that the funds remained unspent at the time of audit due to ongoing projects.

The Accounting Authority further submitted that beneficiaries had since been paid through procurement interventions, including acquisition of Kazang machines.

Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the unspent funds were due to delayed disbursement, which affected procurement and approval processes.

The Accounting Authority further submitted that approvals had since been secured and the project had progressed to approximately 40 per cent completion.

LUAMPA TOWN COUNCIL

Audit Opinion-Unqualified

The Accounting Authority submitted that the financial statements had been verified, resulting in an unqualified audit opinion.

Budget, Funding and Expenditure

The Accounting Authority submitted that the variance of K6,192,241.00 was attributed to additional funds received during the period under review, comprising K3,721,206.00 under the Cash for Work Programme and K2,451,035.00 under the Zambia Devolution Support Programme (ZDSP).

The Accounting Authority further submitted that K5,517,803.45 had since been expended, leaving a balance of K674,437.55 earmarked for the construction of the bus station.

Adverse Performance on Locally Generated Revenue-Negative Variance (K893,759.00)

The Accounting Authority submitted that the underperformance in revenue collection was due to low uptake of fees and charges, particularly from the sale of plots.

The Accounting Authority further submitted that the Council had since collected the full amount of K893,759.00, thereby resolving the matter.

Other Deliverable Targets Not Achieved

The Accounting Authority submitted that the failure to achieve certain outputs was due to delayed implementation, lack of equipment, and initial non-execution of planned activities.

The Accounting Authority further submitted that progress had since been made, including formulation of the HIV and Wellness Policy, commencement of borehole rehabilitation, ongoing construction of the bus station, procurement of earth-moving equipment leading to partial opening of roads and drainage systems, and implementation of outstanding works.

Failure to Collect Revenue-K8,583.00

The Accounting Authority submitted that the under-collection arose from lease arrangements relating to Council transport.

The Accounting Authority further submitted that the full amount of K8,583.00 had since been collected.

Unretired Accountable Imprest-K685,596.00

The Accounting Authority submitted that the unretired imprest arose from direct bank transfers made to Councillors and officers in line with the Public Finance Management framework.

The Accounting Authority further submitted that such transactions continued to be processed through the banking system for onward disbursement to beneficiaries.

Failure to Use e-GP System -K307,051.00

The Accounting Authority submitted the failure to fully utilise the e-Government Procurement system was due to poor network connectivity within the district.

The Accounting Authority further submitted that Starlink internet facilities had since been procured to improve connectivity.

Failure to Fill One Hundred and Twenty-Four Vacant Positions

The Accounting Authority submitted that the high number of vacant positions was due to the absence of budgetary provision, although existing staff were sufficient to sustain service delivery.

The Accounting Authority further submitted that returns for critical vacancies continued to be submitted to the Local Government Service Commission.

Delayed Confirmation of Officers

The Accounting Authority submitted that the delay in confirming officers on probation was due to pending action by the Local Government Service Commission.

The Accounting Authority further submitted that five out of six officers had since been confirmed, with one remaining outstanding.

Failure to Recover Salary Advances-K23,000.00

The Accounting Authority submitted that the outstanding amount of K23,000.00 had not been recovered at the time of audit.

The Accounting Authority further submitted that the full amount had since been recovered and supporting documentation was available for verification.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that the absence of white books for thirteen assets was due to the documents being held by the Ministry of Transport and Logistics.

The Accounting Authority further submitted that a formal request had been made to the Ministry to facilitate their release.

Properties without Title Deeds

The Accounting Authority submitted that two properties lacked title deeds at the time of audit.

The Accounting Authority further submitted that documentation had been submitted to the Ministry of Lands and Natural Resources, with offer letters issued and processes underway for issuance of title deeds upon completion of survey requirements.

Non-Maintenance of Properties

The Accounting Authority submitted that the poor condition of sanitation facilities at Luampa Main Market was due to non-usage by traders and resistance to pay user fees.

The Accounting Authority further submitted that sensitisation had been undertaken and the facilities were now in use.

Unrepaired Movable Assets

The Accounting Authority submitted that the failure to repair motor bikes was due to limited financial resources.

The Accounting Authority further submitted that two motor bikes had since been repaired, with the remaining unit budgeted for under the 2026 financial year.

Poor Management of Waste

The Accounting Authority submitted that failure to fence the dumpsite and manage waste effectively was due to vandalism of fencing materials by members of the community.

The Accounting Authority further submitted that interim measures had been taken to secure the dumpsite using available materials.

Non-Settlement of Statutory Obligations-K3,394,968.00

The Accounting Authority submitted that the outstanding statutory obligations were due to limited financial resources.

The Accounting Authority further submitted that engagement with the Zambia Revenue Authority had resulted in a payment plan of K20,000.00 per month towards liquidation of the debt.

Non-Settlement of Staff Obligations-K425,000.00

The Accounting Authority submitted that staff obligations amounting to K425,000.00 remained unsettled at the time of audit.

The Accounting Authority further submitted that K176,676.55 had since been paid, leaving a balance of K248,323.45 as at 31st December 2025.

Inadequate Fire Fighting Services

The Accounting Authority submitted that the absence of a fire station was due to the inability of the Council to accommodate such capital expenditure within its budget.

The Accounting Authority further submitted that the Ministry of MLGRD had been engaged to support establishment of the required infrastructure.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the absence of a fire tender and related equipment was due to financial limitations.

The Accounting Authority further submitted that support had been sought from the Ministry to facilitate procurement.

Unspent Funds-Sector Grant (K2,618,429.00)

The Accounting Authority submitted that the funds remained unspent at the time of audit. The Accounting Authority further submitted that the funds had since been fully utilised in 2025 for intended programme activities.

Management of Cash for Work Programme-K2,415,921.00

The Accounting Authority submitted that the unspent funds were due to ongoing works at the time of audit.

The Accounting Authority further submitted that the funds had been fully utilised by 31st March 2025.

Unspent Funds-Zambia Devolution Support Programme (K2,451,035.00)

The Accounting Authority submitted that the unspent funds were due to delays in approvals.

The Accounting Authority further submitted that K2,020,299.45 had since been expended on the bus station project, leaving a balance of K674,437.55, with implementation ongoing.

SHANGOMBO TOWN COUNCIL

Budget, Funding and Expenditure

The Accounting Authority submitted that unspent funds amounting to K4,215,978.00 were recorded across various accounts, with a cumulative variance of K850,785.00. The balances were largely held under the Capital Account (K2,702,150.00), Sector Grant Account (K871,009.00), District Fund Account (K504,764.00), and other minor accounts.

The Accounting Authority further submitted that these funds were committed to ongoing programmes and had since been utilised in 2025. It was noted that K504,764.00 under the District Fund Account, K14,600.00 under Salaries, and K871,009.00 under Sector Grants had been fully expended, while K587,612.50 had been applied from the Capital Account, leaving a balance of K2,114,537.50. Smaller balances remained under Community Access (K46,914.00), Rural Water (K37,361.21), and other minor accounts.

Other Deliverable Targets Not Achieved

The Accounting Authority submitted that the failure to meet certain targets was due to funding limitations, delayed processes under the ZDSP, lack of equipment, and weak record management.

The Accounting Authority further submitted that progress had been recorded, including awarding of the contract for construction of a community hall, testing of eighty-seven (87) water samples against a target of sixty (60), engagement of operators leading to ongoing road works, and retrieval of previously missing reports. However, some outputs such as construction of commercial buildings and deployment of fire services remained incomplete.

Failure to Prepare Valuation Roll

The Accounting Authority submitted that the failure to prepare a valuation roll was due to the absence of a valuation officer and lack of funds to engage an external expert.

The Accounting Authority further submitted that steps had been taken to fill the position through submission of vacancy reports to the Local Government Service Commission.

Failure to Fill Fourteen Vacant Positions

The Accounting Authority submitted that the vacancies arose mainly due to staff transfers to other local authorities.

The Accounting Authority further submitted that key positions, including Director Human Resource and Administration and Director Finance, had since been filled, while other positions such as Chief Accountant, Assistant Internal Auditor, and technical roles remained vacant. Engagements with the Local Government Service Commission and the Ministry were ongoing to fill the remaining positions.

Delayed Confirmation of Officers on Probation

The Accounting Authority submitted that the delay in confirming fifteen officers was due to non-validation of academic and professional qualifications with the Zambia Qualifications Authority (ZAQA).

The Accounting Authority further submitted that affected officers had been instructed to validate their qualifications to facilitate confirmation.

Failure to Inscribe Assets-K266,174.00

The Accounting Authority submitted that nineteen assets valued at K266,174.00 were not inscribed due to delayed engagement with the Ministry of Works and Supply arising from financial constraints.

The Accounting Authority further submitted that the Ministry had since been engaged to undertake the inscription of the assets.

Failure to Provide White Books for Movable Assets

The Accounting Authority submitted that the absence of white books for four assets was due to misfiling of records and non-provision by suppliers.

The Accounting Authority further submitted that white books for two assets had since been traced, while follow-ups had been made with the Ministry for the remaining two assets.

Non-Registration of Movable Asset

The Accounting Authority submitted that failure to register one asset was due to inability to obtain a tax clearance certificate arising from outstanding obligations to the Zambia Revenue Authority.

The Accounting Authority further submitted that engagements had been initiated with the Zambia Revenue Authority to resolve the matter.

Properties without Title Deeds

The Accounting Authority submitted that twenty-five (25) Council properties lacked title deeds at the time of audit.

The Accounting Authority further submitted that efforts were underway to regularise ownership through acquisition of offer letters, preparation of survey diagrams, and opening of a corporate account with the Ministry of Lands and Natural Resources to facilitate title processing.

Non-Settlement of Statutory and Other Obligations-K2,783,349.00

The Accounting Authority submitted that the outstanding statutory obligations were due to limited financial capacity.

The Accounting Authority further submitted that payments totalling K1,533,373.00 had been made towards obligations owed to institutions such as the ZRA, NAPSA, NHIMA, and Madison Insurance, leaving an outstanding balance of K3,334,353.00 as at 31st December 2025 after additional liabilities.

Inadequate Fire Fighting Services

The Accounting Authority submitted that the lack of a fire station was due to non-deployment of fire officers by the relevant authorities.

The Accounting Authority further submitted that staff returns continued to be submitted to the Local Government Service Commission to facilitate deployment.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the absence of fire-fighting equipment was due to reliance on support from the Ministry of Local Government and Rural Development.

The Accounting Authority further submitted that interim measures had been undertaken, including placement of fire extinguishers within Council premises, while efforts to secure full equipment were ongoing.

Unspent Funds-Sector Grant (K871,008.00)

The Accounting Authority submitted that the unspent balance arose from delays in processing payments for Cash for Work beneficiaries and implementation challenges under road and street lighting projects.

The Accounting Authority further submitted that the funds had since been fully utilised in the first quarter of 2025.

Management of Cash for Work Programme-K642,161.00

The Accounting Authority submitted that the unspent funds were due to challenges in paying beneficiaries who provided incorrect contact details.

The Accounting Authority further submitted that the funds had since been fully utilised after resolving the discrepancies.

Failure to Pay Cash for Work Beneficiaries-K83,400.00

The Accounting Authority submitted that the failure to pay beneficiaries was due to incorrect mobile details provided by beneficiaries.

The Accounting Authority further submitted that all affected beneficiaries had since been paid after correction of their details.

Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the unspent funds were due to late disbursement in September 2024 and delays in completing prerequisite processes, including approval of the Environmental and Social Management Plan by the Zambia Environmental Management Agency.

The Accounting Authority further submitted that the required processes had since been completed, a contractor engaged, and implementation of the project had commenced.

MITETE TOWN COUNCIL

Performance Appendices-Audit Opinion

The Accounting Authority submitted that the Council received unqualified audit opinions and measures had been instituted to ensure that financial statements were prepared in accordance with applicable accounting standards and policies.

Budget, Funding and Expenditure Variances

The Accounting Authority submitted that against a budget of K24,685,583.00, the Council received K22,831,529.00, resulting in a funding variance of K1,854,054.00. This was attributed to the non-operation of the bus and light truck and the non-receipt of full national support funds. The light truck had since been repaired and a tractor procured under the Zambia Devolution Support Programme to enhance revenue generation.

On expenditure, the Accounting Authority submitted that out of the budget of K24,685,583.00, only K15,286,913.00 was spent, leaving a variance of K9,398,670.00. This was due to challenges in paying Cash for Work beneficiaries through mobile money owing to poor network connectivity, as well as late receipt of the Local Government Equalisation Fund. Management had since obtained authority to use banking channels through Cash in Transit and all beneficiaries had been paid, with the funds fully expended, while the LGEF was utilised in the subsequent year.

Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that adverse revenue performance was recorded across several streams. Fees and charges underperformed by K1,815,872.00; licences by K4,246.00; levies by K107,965.00; and permits by K6,500.00, largely due to low economic activity in the district.

The Accounting Authority further submitted that remedial measures included repair of the light truck to improve revenue collection, procurement of a tractor under the Zambia Devolution Support Programme, and intensified community sensitisation to enhance compliance.

Failure to Achieve Planned Outputs

The Accounting Authority submitted that out of ten (10) planned outputs, only two (2) were achieved while eight (8) were not implemented. The failure to achieve outputs was attributed to various factors, including guidance from the Ministry halting the formulation of the Strategic Plan; non-availability of key documents at the time of audit; lack of funds; absence of key personnel such as a Buildings Officer and Health Inspector; and competing commitments by Provincial Surveyors.

The Accounting Authority further submitted that the Integrated Development Plan had since been developed; the HIV work plan and meeting minutes were now available; land had been surveyed; and a Health Inspector deployed. In addition, a market shelter had been budgeted for, and vacant positions had been reported to the Local Government Service Commission.

Failure to Fill Forty-Two (42) Vacant Positions

The Accounting Authority submitted that failure to fill forty-two vacant positions was due to delays by the LGSC in deploying staff. Management had continued submitting reports on key vacant positions for consideration.

Delayed Confirmation of Fourteen (14) Officers on Probation

The Accounting Authority submitted that the delay in confirming fourteen officers on probation had already been forwarded to the LFSC for consideration.

Failure to Provide White Books for Five (5) Movable Assets

The Accounting Authority submitted that the failure to avail white books for five movable assets had been due to their non-availability at the time of audit. However, three white books for the Isuzu KB 300 (BAJ 8409); Tata Truck (BCB 1943); and Tata Bus (BCC 5056 ZM) were now available for verification.

Two Unrepaired Movable Assets

The Accounting Authority submitted that the failure to repair two movable assets had been due to lack of funds. An inventory had since been conducted, the Toyota Hilux (BAE 8509) had been repaired, while the Tata Bus remained prioritised for repair.

Non-Settlement of Statutory and Other Obligations-K2,590,307.00

The Accounting Authority submitted that measures had been put in place to ensure that statutory and other obligations amounting to K2,590,307.00 were honoured in future.

Non-Settlement of Staff Obligations-K1,029,050.00

The Accounting Authority submitted that steps would be taken to ensure that outstanding staff obligations, amounting to K1,029,050.00 were settled.

Lack of Fire Fighting Equipment

The Accounting Authority submitted that the lack of firefighting equipment, including an ambulance; fire tender; marine rescue equipment; and communication systems, had been due to limited finances and absence of fire fighters at the institution. An ambulance had since been procured under the Constituency Development Fund Presidential directive.

Unspent Funds-Sector Grant Account (K5,325,540.00)

The Accounting Authority submitted that out of K6,733,886.40 received, only K1,408,346.07 had been spent, leaving K5,325,540.33 unspent. The bulk of the unspent funds related to Cash for Work (K3,456,075.65); Transport Services (K1,538,977.45); and other programmes.

The Accounting Authority further submitted that this had arisen from challenges in paying beneficiaries through mobile money due to poor network coverage. Authority had since been obtained to use banking channels, and all beneficiaries had been paid, with the full amount subsequently expended in 2025.

Management of Cash for Work Programme-K3,456,076.00

The Accounting Authority submitted that against a target of 5,544 beneficiaries, only 3,670 were paid, leaving a variance of 1,520, while K3,775,540.00 was received and only K319,464.00 paid, resulting in a balance of K3,456,076.00.

The Accounting Authority further submitted that the variance had been due to challenges with mobile money payments arising from network constraints. Approval had since been obtained to use banking channels, and all beneficiaries had been paid, with the funds fully utilised.

Unspent Funds-Zambia Devolution Support Programme (K2,694,737.00)

The Accounting Authority submitted that the unspent funds amounting to K2,694,737.00 had been due to late disbursement, as the funds were only received on 17th October 2024. The projects had since been implemented and the funds fully spent.

SIOMA TOWN COUNCIL

Appendix 1: Audit Opinion-Unqualified

The Accounting Authority submitted that the findings of the Auditor had been acknowledged and that the financial statements had been verified, in turn resulting in a favourable unqualified audit opinion.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K27,599,510.00, the Council had received K27,519,301.00, resulting in a variance of K80,209.00. It was further submitted that when the brought forward balance of K3,034,624.00 was taken into account, total funds available amounted to K30,553,925.00, out of which K19,255,049.00 had been expended, leaving unspent funds of K11,298,876.00.

Management submitted that the unspent funds related to committed Government programmes. It was further submitted that an amount of K8,295,216.93 had since been utilised, leaving a balance of K3,003,660.00 committed mainly to programme accounts such as the Capital Account, which retained K2,994,737.00, while smaller balances remained under the Water Account.

Appendix 4: Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that out of twenty-six (26) planned activities, eleven (11) had been partially implemented while fifteen (15) had not been implemented.

It was submitted that the variances arose from a number of factors, including delayed delivery of centrally procured items such as ambulances and motorbikes; limited community participation in some programmes; transport challenges; and changes in project scope. Management further submitted that several activities had since been completed, including delivery of procured items, attainment of road rehabilitation targets, and conduct of training programmes. In addition, remedial measures had been instituted, including continued community sensitisation; improved planning; and alignment of activities with available resources.

Appendix 10: Unsupported Payments-K227,928.00

The Accounting Authority submitted that the unsupported payments had arisen due to weaknesses in online payment platforms, particularly in the issuance of receipts, as well as poor filing systems at the conclusion of programmes.

Management submitted that the supporting documents had since been made available for audit verification and that internal controls would be strengthened through monthly reviews.

Appendix 18: Failure to Fill Vacant Positions

The Accounting Authority submitted that out of an establishment of sixty-seven (67) positions, fifty-eight (58) had been filled, leaving nine (9) vacant positions.

Management submitted that staffing levels had been considered adequate within the available budget and service delivery requirements. It was further submitted that quarterly staff returns had been submitted to the Local Government Service Commission and one (1) position had since been filled.

Appendix 23: Employment of Temporal Workers (Casualisation)-K305,329.00

The Accounting Authority submitted that the engagement of temporal workers had been due to inadequate resources to employ staff on permanent establishment.

Management submitted that two (2) officers had since been employed on permanent establishment and that recruitment would continue in phases, subject to availability of resources.

Appendix 26: Failure to Inscribe Assets-K40,800.00

The Accounting Authority submitted that the failure to inscribe assets had arisen due to delays in engaging officers from the Ministry of Works and Supply.

Management submitted that one (1) of the assets had since been inscribed.

Appendix 40: Failure to Establish and Maintain Cemeteries

The Accounting Authority submitted that the failure to establish and maintain cemeteries had been due to inaccessibility of the site.

Management submitted that the access road to the cemetery had since been cleared.

Appendix 41: Non-Settlement of Statutory Obligations-K3,019,481.00

The Accounting Authority submitted that the non-settlement of statutory obligations had arisen due to a low revenue base, which had affected the Council's ability to clear historical debt.

Management submitted that ministerial support had been sought in the form of a special grant to liquidate the debt and that current obligations were being settled as they fell due to avoid further accumulation.

Additional Statutory Obligations-K3,945,054.00

The Accounting Authority submitted that an additional liability amounting to K3,945,054.00 had also remained unsettled due to the limited revenue base.

Management submitted that support had been sought from the Ministry and that an amount of K100,000.00 had since been received and paid towards the outstanding obligations, with efforts ongoing to clear the remaining balances.

Appendix 48: Unspent Funds-Sector Grant Account-K6,299,803.00

The Accounting Authority submitted that the unspent funds had arisen due to ongoing sector programmes during the period under review. Management submitted that the funds had since been utilised and that measures had been put in place to ensure that funds are applied to committed Government programmes in a timely manner.

Appendix 49: Management of Cash for Work Programme-K4,176,596.00

The Accounting Authority submitted that against a target of 25,155 beneficiaries, only 18,872 beneficiaries had been reached, leaving a variance of K6,283.00. It was further submitted that out of K6,427,993.00 received, K2,251,397.00 had been paid, leaving a balance of K4,176,596.00.

Management submitted that the variance had arisen due to late receipt of funds towards the end of the financial year and that the funds had since been utilised.

Appendix 52: Failure to Pay Beneficiaries under Cash for Work-K45,600.00

The Accounting Authority submitted that the failure to pay beneficiaries had arisen due to mismatched beneficiary details. Management submitted that all affected beneficiaries had since been paid.

**Appendix 53: Unspent Funds-Zambia Devolution Support Programme
K2,694,737.00**

The Accounting Authority submitted that the unspent funds had arisen due to late receipt of funds and a change in project scope.

Management submitted that the project had since been re-tendered.

LIMUNUNGA TOWN COUNCIL**Appendix 1: Audit Opinion-Unqualified**

The Accounting Authority submitted that the Council received an unqualified audit opinion on the Financial Statement for the years ended 31st December 2024.

Appendix 2: Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K27,262,450.00, the Council received K26,234,500.00, resulting in a negative variance of K1,027,950.00. When brought forward funds of K2,528,391.00 were considered, total funds available stood at K28,762,891.00, of which K14,279,848.00 was spent, leaving unspent funds of K14,483,043.00.

Management explained that the unspent balance of K14,483,043.00 was held across various operational accounts, largely under sector devolved funds amounting to K8,054,797.00, capital projects of K4,142,084.00 and other smaller balances. It was further submitted that, as at 31st December 2025, K12,191,793.43 had been utilised, leaving a balance of K1,554,850.57.

Appendix 4: Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that several planned outputs were not fully achieved mainly due to funding constraints, competing priorities and low uptake in some programmes.

It was reported that the Skills Development bursary programme achieved 91 per cent utilisation due to low uptake, while classroom construction targets were not met as only nine (9) 1x3 classroom blocks were constructed under CDF 2025. No maternity wing was completed during the period, although construction had commenced at Sitoya Health Centre.

Further, staff housing targets were partially met, with a semi-detached staff house completed and additional units under construction scheduled for completion in the first quarter of 2026. Borehole rehabilitation was not undertaken due to inadequate funds, although twenty-six (26) small water schemes were constructed.

The motel project reached 85 per cent completion while the conference facility stood at 40 per cent, both affected by funding gaps. Road maintenance covered only 20 km against a target of 30 km due to funding limitations, with plans to rehabilitate 10 km under CDF in 2026.

No sports infrastructure was rehabilitated due to lack of funds. Only one special DDCC meeting and two Ward Development Committee meetings were held against planned targets due to logistical challenges. The drilling rig was not procured as funds were reallocated, although water schemes were implemented. Motorbikes were eventually procured and delivered after delays linked to central procurement processes.

Management indicated that efforts were underway to enhance sensitisation, improve planning and mobilise resources to ensure better performance in subsequent periods.

Appendix 14: Failure to Obtain Clearance from ZRA-K202,109.00

The Accounting Authority submitted that failure to obtain clearance from the Zambia Revenue Authority before payments amounting to K202,109.00, was due to delays in the clearance process and challenges faced by suppliers in adapting to the Smart Invoice system.

Management reported that sensitisation meetings were conducted with suppliers and the Smart Invoice system had since been adopted, resulting in improved compliance, with clearances being obtained prior to payments in 2025.

Appendix 15: Failure to Use e-GP System-K144,113.00

The Accounting Authority submitted that the non-use of the e-GP system for transactions amounting to K144,113.00 was due to the limited number of local suppliers registered on the platform, which necessitated use of the manual system to sustain operations.

Management reported that a waiver was sought from ZPPA and a list of unregistered suppliers was submitted, leading to their registration and training on 29th November 2024. The Council had since attained full compliance with the e-GP system.

Appendix 16: Unaccounted for Stores-K50,091.00

The Accounting Authority submitted that stores valued at K50,091.00 were initially unaccounted for due to misplaced supporting documentation and delayed records from a fuel station whose system was down.

Management reported that the documents were subsequently traced, reconciliations completed and all disposal details attached to the relevant payment vouchers.

Unrepaired Movable Assets

The Accounting Authority submitted that delays in repairing two motorbikes and one tractor arose from financial constraints.

Management reported that the tractor and one motorbike had since been repaired and returned to service, while the remaining motorbike had been prioritised for repair in the 2026 financial year.

Non-Installation and Maintenance of Street Lights

The Accounting Authority submitted that the failure to maintain and install streetlights was due to vandalism and liquidity challenges.

Management reported that measures had been taken to engage a service provider for installation of new units with anti-climbing features, alongside community sensitisation and strengthened policing. Procurement using Road Grant funds was underway.

Non-Settlement of Statutory Obligations-K1,586,632.00

The Accounting Authority submitted that outstanding statutory obligations of K1,586,632.00 arose from inadequate cash flow.

Management reported that K647,771.27 had been paid, reducing the balance to K938,860.73, comprising K481,004.10 owed to the Zambia Revenue Authority and K457,856.11 to National Pension Scheme Authority. An agreement had been entered into to liquidate penalties through monthly payments of K27,000.00, while current obligations were being settled to avoid further penalties.

Non-Settlement of Staff Obligations-K1,262,433.00

The Accounting Authority submitted that outstanding staff obligations of K1,262,433.00 were due to cash flow challenges linked to a narrow revenue base.

Management reported that K546,937.10 had been paid, leaving a balance of K715,495.90. A liquidation plan had been incorporated in the 2026 budget to facilitate clearance of the outstanding obligations.

Appendix 48: Unspent Funds-Sector Grant Account-K8,054,797.00

The Accounting Authority submitted that unspent funds of K8,054,797.00 arose from ongoing projects extending into the subsequent financial year and late disbursement of funds in December 2024.

Management reported that K7,270,633.82 had since been utilised on programmes such as Cash for Work, health, roads and other sector activities, leaving a balance of K784,163.18.

Management of Cash for Work Programme-K5,650,206.00

The Accounting Authority submitted that the query arose from a reporting error where payments were recorded as K342,845.00 instead of K11,178,600.00. It was further reported that delays in payments were caused by late submission of documentation and inactive mobile numbers, as well as system limitations restricted to Airtel network users. Management reported that all outstanding payments had since been effected after re-orientation of stakeholders and engagement of financial service providers. A partnership with Kazang enabled payments across all mobile networks.

Unspent Funds-Zambia Devolution Support Programme : K2,694,737.00

The Accounting Authority submitted that unspent funds of K2,694,737.00 were due to lengthy approval processes, including stakeholder consultations, compliance with guidelines, environmental clearances and procurement procedures.

Management reported that a contractor was engaged and nine (9) Small Water Schemes were successfully implemented, with funds fully utilised in line with approved project guidelines.**MULOBEZI TOWN COUNCIL**

Appendix 1: Audit Opinion Unqualified

The Accounting Authority submitted that the Council obtained an unqualified audit opinion on the Financial Statements for the years ended 31st December 2024.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K22,838,656.00, the Council received K22,458,690.00, resulting in a variance of K379,966.00. With brought forward funds of K464,726.00, total funds available stood at K22,923,416.00, of which K15,425,293.00 was spent, leaving unspent funds of K7,498,123.00.

Management explained that the variance arose from unbudgeted Cash for Work funds and overperformance in some revenue lines. It was further submitted that K7,190,136.05, representing 96 per cent of the unspent funds, had since been utilised, leaving a balance of K307,986.95 tied to ongoing programmes.

Appendix 3: Adverse Performance on Locally Generated Revenue

The Accounting Authority submitted that underperformance was recorded in several revenue streams, including local taxes (K5,135.00); fees and charges (K466,875.00); licences (K5,097.00); levies (K108,783.00); and commercial ventures (K49,536.00), largely due to low compliance, reduced economic activity and low demand for plots. An overperformance of K45,518.00 was recorded under permits due to effective sensitisation and enforcement.

Management reported that measures such as intensified sensitisation, re-advertisement of plots, enforcement of compliance and engagement with stakeholders had been undertaken to improve revenue collection.

Other Deliverable Targets/Outputs not Achieved

The Accounting Authority submitted that failure to meet planned outputs was mainly due to funding constraints and competing priorities, with Management undertaking measures to progressively implement targets as resources were mobilised.

Failure to Fill Fourteen Vacant Positions

The Accounting Authority submitted that the failure to fill fourteen vacant positions was due to budgetary limitations which could not accommodate the full staff establishment. Management reported that a request had been made to the Local Government Service Commission for deployment of staff.

Five Unrepaired Movable Assets

The Accounting Authority submitted that failure to repair assets was due to financial constraints. Management reported that motorbikes had been repaired and disposal processes for two motor vehicles had commenced.

Non-Settlement of Statutory Obligations-K5,064,708.00

The Accounting Authority submitted that outstanding statutory obligations of K5,064,708.00 arose from cash flow challenges, comprising K4,072,127.00 owed to Zambia Revenue Authority and K992,581.00 to National Pension Scheme Authority.

Management reported that K822,391.52 had been paid, leaving a balance of K4,242,316.48.

Non-Settlement of Staff Obligations-K1,201,391.00

The Accounting Authority submitted that outstanding staff obligations of K1,201,391.00 arose from cash flow challenges linked to a narrow revenue base. Management reported that K229,021.31 had been paid, leaving a balance of K972,369.69, with a liquidation plan included in the 2026 budget.

Inadequate Fire Fighting Services

The Accounting Authority submitted that lack of a fire station was due to limited financial and infrastructural resources. Management reported that a request for funding had been submitted to the Ministry of Local Government and Rural Development.

Unspent Funds-Sector Grant Account-K4,161,914.00

The Accounting Authority submitted that unspent funds of K4,161,914.00 related to various sector programmes, mainly Cash for Work (K3,498,663.91); health; roads; sports and veterinary services.

Management reported that K4,118,970.05 had been utilised, leaving a balance of K42,943.95 relating to retention and administrative components.

Management of Cash for Work Programme-K3,498,663.00

The Accounting Authority submitted that unspent funds of K3,498,663.00 were due to low uptake caused by challenges in accessing banking services. Management reported that K3,483,857.00 had since been utilised, leaving a balance of K14,806.91.

Unspent Funds-Zambia Devolution Support Programme – K1,947,806.00

The Accounting Authority submitted that unspent funds of K1,947,806.00 arose from delayed approvals by the Zambia Environmental Management Agency. Management reported that K1,947,805.95 had been disbursed, leaving K307,986.95 mainly for retention.

NALOLO TOWN COUNCIL

Audit Opinion -Unqualified

The Accounting Authority submitted that the financial statements were verified and received a favorable audit opinion as indicated.

Budget, Funding and Expenditure

The Accounting Authority submitted that against a budget of K30,160,918.00, the Council received K24,059,673.00, resulting in a variance of K6,101,245.00. With brought forward funds of K1,420,117.00, total funds available stood at K25,479,790.00, of which K20,031,046.00 was expended, leaving unspent funds of K5,448,744.00.

The Accounting Authority explained that the variance arose from non-receipt of some grants and local revenue. The unspent funds related to committed programmes and were fully utilised subsequently, amounting to K5,448,746.00, mainly on Cash for Work (K2,161,622.00); Roads (K1,658,490.00); Health (K440,299.00); and other operational activities including installation of solar street lights; payment of salaries; maintenance of infrastructure; and general service delivery expenditures.

Other Deliverable Targets/Outputs Not Achieved

The Accounting Authority submitted that the failure to achieve certain targets was largely attributed to challenges in acquiring land under traditional ownership; non-availability of equipment; and operational constraints.

It was reported that the construction of a trucking bay and a filling station could not proceed due to lack of land along the road. However, alternative land located nine kilometres from the Civic Centre, had been secured and the projects were re-scoped to an abattoir, which was at procurement stage. Road grading targets were not achieved due to failure to procure earth-moving equipment under the CDF, although requests had been resubmitted for the 2026 budget.

Further, sponsorship of football teams was not undertaken due to policy restrictions relating to FAZ-registered teams, but twelve ward-level tournaments were successfully held. Building inspections were constrained by access to traditional land, although engagements with traditional leaders were ongoing, and basic firefighting equipment had been procured. In addition, expenditure on pontoon operations could not be effected due to its non-functional state, but the Ministry of Transport and Logistics had since been engaged to undertake repairs.

Failure to Fill Vacant Positions

The Accounting Authority submitted that out of an establishment of seventy-five (75) positions, sixty-six (66) were filled, leaving nine (9) vacant positions. It was stated that staffing levels during the period under review were considered adequate to sustain service delivery, and that quarterly staff returns were consistently submitted to the Local Government Service Commission.

Unspent Funds-Sector Grant Account (K4,347,148.00)

The Accounting Authority submitted that the unspent funds related to committed government programmes and were subsequently fully utilised. The funds, amounting to K4,347,149.00, were expended on Cash for Work (K2,161,622.00); Roads (K1,658,490.00); Health (K440,299.00); Sports (K47,357.00); Veterinary services (K29,356.00); and District Archives (K10,025.00), leaving a nil balance.

Management of Cash for Work Programme (K2,161,622.00)

The Accounting Authority submitted that the query arose due to payments relating to December 2024 beneficiaries being effected in January 2025. It was reported that the funds had since been fully utilised.

Unspent Funds-Zambia Devolution Support Programme

(K2,694,737.00)

The Accounting Authority submitted that the unspent funds were due to late receipt, having been received on 22nd September 2025. It was further reported that the funds were being utilised towards the construction of an abattoir, which was at procurement stage.

60.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON CROSS CUTTING ISSUES FOR ALL COUNCILS SITED IN THE AUDITOR GENERALS REPORT

Appendix 1. AUDIT OPINIONS

Query: Qualified and Adverse Audit Opinions

The Committee recommends that Local Authorities with qualified and adverse audit opinions strengthen financial management systems, ensure timely bank reconciliations, maintain accurate accounting records and enhance the operations of Internal Audit Units. The Committee further urges the Ministry of Local Government and Rural Development to institute quarterly monitoring mechanisms for Councils with recurring audit qualifications.

Appendix 2. BUDGET, FUNDING AND EXPENDITURE

Query: Unspent Funds

Recommendation: The Committee recommends that Councils ensure that funds released for specific programmes are utilised within the approved implementation period in order to avoid delayed service delivery. The Committee further urges controlling officers to strengthen expenditure planning and cash flow management.

Query: Budget Variances

Committee's Observations and Recommendations

The Committee recommends that Local Authorities prepare realistic budgets based on actual revenue projections and expenditure priorities. The Committee further urges Councils to strengthen budget monitoring systems in order to minimise material variances.

Appendix 3. OTHER DELIVERABLE TARGETS/OUTPUTS NOT ACHIEVED

Query: Failure to Achieve Planned Outputs

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen project implementation and monitoring systems in order to ensure that annual targets are achieved within the planned period. The Committee further urges management to prioritise key developmental projects and improve supervision of works.

Query: Failure to Hold Statutory Meetings

Committee's Observations and Recommendations

The Committee recommends that Councils adhere to statutory requirements relating to Council and Committee meetings as these are critical for governance, accountability and policy oversight.

Query: Failure to Procure ICT Equipment

Committee's Observations and Recommendations

The Committee recommends that Councils prioritise the procurement of ICT equipment in order to improve revenue collection, financial reporting and service delivery.

Appendix 4. FAILURE TO COLLECT REVENUE

Query: Under-Collection of Revenue

The Committee recommends that Councils strengthen revenue collection mechanisms through enhanced billing systems, regular inspections and enforcement measures against defaulters. The Committee further urges Local Authorities to diversify revenue sources and update valuation rolls.

Query: Failure to Collect Plot Premiums and Regularisation Fees

Committee's Observations and Recommendations

The Committee recommends that Councils intensify sensitisation programmes on land regularisation and enforce payment compliance before land allocations are approved.

Appendix 5. FAILURE TO REMIT REVENUE

Query: Failure to Bank Revenue Intact

Committee's Observations and Recommendations

The Committee recommends that all revenue collected be banked promptly and intact in accordance with the *Public Finance Management Act No. 1 of 2018*. The Committee further urges management to strengthen supervision over revenue collectors.

Appendix 6. UNSUPPORTED PAYMENTS

Query: Unsupported Expenditure

Committee's Observations and Recommendations

The Committee recommends that all payments be supported by relevant documentation such as receipts, invoices, payment vouchers and authority approvals before disbursements are made. The Committee further urges Controlling Officers to enforce disciplinary action against erring officers.

Appendix 7 MISAPPLICATION OF FUNDS

Query: Diversion of Funds

Committee's Observations and Recommendations

The Committee strongly recommends that Councils desist from diverting funds from intended activities without prior authority. The Committee further urges management to strictly adhere to approved budgets and funding conditions.

Appendix 8 UNACCOUNTED FOR REVENUE

Query: Missing Revenue Records

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen revenue accountability systems through automation, daily reconciliations and regular supervisory checks.

Appendix 9. IRREGULAR PROCUREMENT OF GOODS AND SERVICES

Query: Procurement Irregularities

Committee's Observations and Recommendations

The Committee recommends that all procurements be conducted in accordance with the Public Procurement Act No. 8 of 2020. The Committee further urges management to ensure that procurement plans are approved before commencement of procurement activities.

Query: Single Sourcing Without Authority

Committee's Observations and Recommendations

The Committee recommends that single sourcing only be undertaken under exceptional circumstances and with approval from the Zambia Public Procurement Authority.

Appendix 10. STORES IRREGULARITIES

Query: Failure to Maintain Stores Records

Committee's Observations and Recommendations

The Committee recommends that Councils maintain updated stores ledgers and conduct regular stock-taking exercises in order to safeguard public assets.

Query: Missing Stores Items

Committee's Observations and Recommendations

The Committee recommends that management institute investigations into missing stores items and recover losses from responsible officers where negligence is established.

Appendix 11. UNRETIRED IMPREST

Query

Failure to Retire Imprest

Committee's Observations and Recommendations

The Committee recommends that all imprest be retired within the prescribed period and that no further imprest be issued to officers with outstanding retirements.

Appendix 12. IRREGULAR PAYMENT OF ALLOWANCES

Query: Payment of Unsupported Allowances

Committee's Observations and Recommendations

The Committee recommends that all allowances be paid in accordance with approved conditions of service and supported by attendance records and authority approvals.

Appendix 13. IRREGULAR PAYMENT OF SALARIES

Query: Payment of Salaries to Ineligible Officers

Committee's Observations and Recommendations

The Committee recommends that Councils undertake periodic payroll audits and strengthen payroll controls in order to eliminate irregular salary payments.

Appendix 14. IRREGULAR ENGAGEMENT OF CASUAL WORKERS

Query: Engagement Without Authority

Committee's Observations and Recommendations

The Committee recommends that Councils obtain necessary approvals before engaging casual workers and ensure that engagements are within approved establishment positions.

Appendix 15. FAILURE TO RECOVER SALARY ADVANCES AND LOANS

Query: Outstanding Salary Advances

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen debt recovery systems and ensure that all salary advances are recovered promptly through payroll deductions.

Appendix 16. WEAKNESSES IN PAYROLL MANAGEMENT

Query: Payroll Control Weaknesses

Committee's Observations and Recommendations

The Committee recommends that Councils segregate payroll duties, conduct monthly payroll reconciliations and restrict payroll access to authorised officers only.

Appendix 17. IRREGULAR LAND ALLOCATIONS

Query: Allocation of Land Without Documentation

Committee's Observations and Recommendations

The Committee recommends that all land allocations be supported by approved Council resolutions, offer letters and payment records.

Query: Encroachment on Public Land

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen physical planning systems and conduct regular inspections in order to prevent illegal settlements and encroachments.

Appendix 18. FAILURE TO INSURE COUNCIL ASSETS

Query: Uninsured Assets

Committee's Observations and Recommendations

The Committee recommends that Councils insure all critical movable and immovable assets in order to minimise exposure to financial losses.

Appendix 19. FAILURE TO INSCRIBE GOVERNMENT ASSETS

Query: Unmarked Assets

Committee's Observations and Recommendations

The Committee recommends that all Government assets be clearly inscribed and recorded in asset registers in order to strengthen accountability and prevent theft.

Appendix 20. LACK OF TITLE DEEDS

Query: Properties Without Title Deeds

Committee's Observations and Recommendations

The Committee recommends that Councils expedite the acquisition of title deeds for all Council properties in order to safeguard public assets.

Appendix 21. STALLED PROJECTS

Query: Delayed Completion of Projects

Committee's Observations and Recommendations

The Committee recommends that Councils only commence projects after securing adequate funding and ensure that contractors adhere to contractual timelines.

Query: Abandoned Projects

Committee's Observations and Recommendations

The Committee recommends that management enforce contract conditions and blacklist non-performing contractors where appropriate.

Appendix 22. SUBSTANDARD WORKS

Query: Poor Quality Infrastructure

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen supervision of projects and engage qualified technical personnel in order to ensure quality works.

Appendix 23. FAILURE TO MONITOR PROJECTS

Query: Weak Project Monitoring

Committee's Observations and Recommendations

The Committee recommends that Councils conduct routine monitoring visits and maintain project inspection reports for all ongoing projects.

Appendix 24. FAILURE TO UTILISE PROJECTS

Query: Idle Infrastructure

Committee's Observations and Recommendations

The Committee recommends that all completed projects be operationalised immediately upon completion in order to maximise public benefit.

Appendix 25. IRREGULAR CONTRACT MANAGEMENT

Query: Failure to Enforce Contract Terms

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen contract management and ensure that liquidated damages are imposed on delayed works.

Appendix 26. FAILURE TO MAINTAIN PUBLIC INFRASTRUCTURE

Query: Dilapidated Markets and Bus Stations

Committee's Observations and Recommendations

The Committee recommends that Councils prioritise routine maintenance of markets, bus stations and public infrastructure in order to improve sanitation and public safety.

Query: Non-Functional Ablution Blocks

Committee's Observations and Recommendations

The Committee recommends that Councils ensure constant water supply and maintenance of ablution facilities in all public places.

Appendix 27 FAILURE TO MAINTAIN WATER AND SANITATION FACILITIES

Query: Non-Operational Water Systems

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen maintenance of water infrastructure and allocate adequate resources towards sanitation services.

Appendix 28. NON-REGISTRATION OF MOVABLE ASSETS

Query: Unregistered Motor Vehicles and Equipment

Committee's Observations and Recommendations

The Committee recommends that all movable assets be registered immediately upon acquisition or donation in order to strengthen accountability and ownership tracking.

Appendix 29. FAILURE TO UPDATE ASSET REGISTERS

Query: Incomplete Asset Registers

Committee's Observations and Recommendations

The Committee recommends that Councils maintain updated and comprehensive asset registers capturing acquisition details, location and condition of assets.

Appendix 30. FAILURE TO CONDUCT BOARD OF SURVEY

Query: Non-Conduct of Asset Verification

Committee's Observations and Recommendations

The Committee recommends that Councils conduct annual Board of Survey exercises in accordance with financial regulations.

Appendix 31. IRREGULAR DISPOSAL OF ASSETS

Query: Disposal Without Authority

Committee's Observations and Recommendations

The Committee recommends that all disposals of public assets comply with disposal procedures prescribed under the Public Procurement Act.

Appendix 33. IDLE EQUIPMENT

Query: Non-Operational Equipment

Committee's Observations and Recommendations

The Committee recommends that Councils ensure that procured equipment is utilised promptly and that officers are trained in its operation.

Appendix 34. UNREPAIRED MOVABLE ASSETS

Query: Broken Down Vehicles and Equipment

Committee's Observations and Recommendations

The Committee recommends that Councils prioritise preventive maintenance and timely repair of vehicles and heavy-duty equipment in order to improve service delivery.

Appendix 35. FAILURE TO PROCURE FIRE FIGHTING EQUIPMENT

Query: Inadequate Firefighting Capacity

Committee's Observations and Recommendations

The Committee recommends that Councils prioritise procurement of firefighting equipment and establish fully operational fire stations.

Appendix 36. NON-INSTALLATION AND MAINTENANCE OF STREET LIGHTS

Query: Non-Functional Street Lights

Committee's Observations and Recommendations

The Committee recommends that Councils ensure installation and maintenance of street lights in public places in order to improve public security and road safety.

Appendix 37. FAILURE TO MAINTAIN ROADS

Query: Poor State of Roads

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen road maintenance programmes and ensure timely rehabilitation of feeder roads.

Appendix 38. FAILURE TO CONTROL ILLEGAL DUMPING

Query: Illegal Waste Disposal

Committee's Observations and Recommendations

The Committee recommends that Councils intensify waste management sensitisation and enforce by-laws against illegal dumping.

Appendix 38. POOR MANAGEMENT OF WASTE

Query: Unfenced Dumpsites and Poor Waste Management

Committee's Observations and Recommendations

The Committee recommends that Councils prioritise fencing and proper management of dumpsites in order to improve environmental and public health standards.

Appendix 39 FAILURE TO MAINTAIN CEMETERIES

Query: Poor Cemetery Management

Committee's Observations and Recommendations

The Committee recommends that Councils improve cemetery management systems and allocate adequate resources towards maintenance and security.

Appendix 40. FAILURE TO PROVIDE SOCIAL SERVICES

Query: Weak Community Service Delivery

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen social service delivery programmes particularly in health, sanitation and community welfare.

Appendix 40. NON-SETTLEMENT OF STATUTORY AND OTHER OBLIGATIONS

Query: Outstanding Statutory Arrears

Committee's Observations and Recommendations

The Committee strongly urges Councils to prioritise the settlement of statutory obligations such as NAPSA, ZRA and NHIMA in order to avoid penalties and legal action. The Committee further recommends that the Ministry of Finance consider structured bailout mechanisms for heavily indebted Councils.

Appendix 41. NON-SETTLEMENT OF STAFF OBLIGATIONS

Query: Outstanding Staff Benefits

Committee's Observations and Recommendations

The Committee recommends that Councils prioritise payment of staff obligations including salaries, leave travel benefits, terminal benefits and settling-in allowances in order to improve staff morale and operational efficiency.

Appendix 42. FAILURE TO REMIT THIRD PARTY CONTRIBUTIONS

Query: Non-Remittance of Deductions

Committee's Observations and Recommendations

The Committee recommends that Councils promptly remit all third-party deductions in order to avoid exposing employees to financial prejudice.

Appendix 43. FAILURE TO PAY UTILITIES

Query: Outstanding Utility Bills

Committee's Observations and Recommendations

The Committee recommends that Councils implement expenditure controls and prioritise settlement of utility bills in order to avoid service disruptions.

Appendix 44 FAILURE TO PROVIDE FIRE SERVICES

Query: Inadequate Fire Services

Recommendation: The Committee recommends that Councils strengthen fire preparedness through procurement of fire tenders, training of officers and provision of adequate operational funding.

Appendix 45. LACK OF PERSONAL PROTECTIVE EQUIPMENT

Query: Failure to Procure PPE

Committee's Observations and Recommendations

The Committee recommends that Councils ensure that all officers operating in hazardous environments are provided with adequate Personal Protective Equipment in order to enhance safety and compliance with occupational standards.

Appendix 46. FAILURE TO IMPLEMENT DEVOLUTION PROGRAMMES

Query: Delayed Implementation of Programmes

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen implementation and monitoring of decentralisation programmes funded under the Zambia Devolution Support Programme.

Appendix 47. UNSPENT FUNDS – SECTOR GRANT ACCOUNT

Query: Delayed Utilisation of Sector Grants

Committee's Observations and Recommendations

The Committee recommends that Councils ensure timely implementation of sector programmes and strengthen planning in order to avoid accumulation of unspent balances.

Appendix 48. MANAGEMENT OF CASH FOR WORK PROGRAMME

Query: Delayed Payments to Beneficiaries

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen verification systems for beneficiaries and fully utilise digital platforms developed under SMART Zambia in order to improve efficiency and reduce delays.

Query: Inaccurate Beneficiary Data

Committee's Observations and Recommendations

The Committee recommends that Ward Development Committees ensure accurate and timely submission of beneficiary data in order to minimise payment irregularities.

Appendix 50. FAILURE TO IMPLEMENT COMMUNITY PROJECTS

Query: Incomplete Community Projects

Committee's Observations and Recommendations

The Committee recommends that Councils improve supervision of community projects and ensure that contractors are paid promptly once certified works are completed.

Appendix 51. WEAK INTERNAL CONTROLS

Query: Lack of Oversight Mechanisms

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen internal audit functions and ensure that Audit Committees meet regularly to review audit findings.

Appendix 52. FAILURE TO ENFORCE COUNCIL BY-LAWS

Query: Weak Enforcement Systems

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen enforcement units and sensitise members of the public on compliance with Council by-laws.

Appendix 53. WEAK RECORDS MANAGEMENT

Query: Missing and Incomplete Records

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen records management systems through digitisation and secure storage of financial and administrative records.

Appendix 54. FAILURE TO IMPLEMENT AUDIT RECOMMENDATIONS

Query: Recurring Audit Findings

Committee's Observations and Recommendations

The Committee strongly urges Councils to implement audit recommendations promptly and submit periodic progress reports to the Ministry of Local Government and Rural Development.

Appendix 55. GENERAL GOVERNANCE WEAKNESSES

Query: Weak Institutional Governance

Committee's Observations and Recommendations

The Committee recommends that Councils strengthen governance structures, improve management accountability and ensure strict adherence to the Public Finance Management Act No. 1 of 2018 and other applicable laws.

GENERAL RESOLUTION

The Committee resolves to await a progress report on the implementation of the foregoing recommendations and further urges the Ministry of Local Government and Rural Development to strengthen monitoring, supervision and technical support to Local Authorities across the country.

70.0 CONCLUSION

We have the honour to be, Madam Speaker, the Committee on Local Governance, Housing and Chiefs' Affairs Accounts to consider the Report of the Office of the Auditor

General on the Audit of Accounts of Local Authorities for the Financial Year Ended 31st December, 2024.



Mr Twaambo E Mutinta, MP
CHAIRPERSON

May, 2026
LUSAKA

1. Mr Charles Haambote, Director (SC)
2. Mrs Chitalu K Mumba, Deputy Director (SC)
3. Mr Charles Chishimba, Senior Committee Clerk (FC1)
4. Mr Darius Kunda, Senior Committee Clerk (SC 1)
5. Mr Emmanuel Bwalya, Committee Clerk
6. Mr Timothy Lumba, Committee Clerk
7. Mr Ronald Semani, Acting Committee Clerk
8. Ms Vivian Macho, Administrative Assistant
9. Mrs Charity K Muyunda, Administrative Assistant II
10. Mr Muyembi S Kantumoya, Committee Assistant
11. Ms Beverly Nzala, Intern
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