

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON OUTSTANDING ISSUES AS CONTAINED IN THE REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER 2004 FOR THE FIRST SESSION OF THE TENTH NATIONAL ASSEMBLY APPOINTED BY THE RESOLUTION OF THE HOUSE ON 10<sup>TH</sup> NOVEMBER 2006**

*Consisting of:*

Mr C L Milupi, MP (Chairperson); Mrs E M Banda, MP; Mr E M Hachipuka, MP; Mr V Mwale, MP; Mr L M Mwenya, MP; Mr B Y Mwila, MP; Mr M Ndalamei, MP; Mr P Sichamba, MP and Mr D M Syakalima, MP.

The composition of your Committee changed slightly following the appointment of Mr M Ndalamei, MP as Deputy Minister.

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

Sir,

Your Committee have the honour to present their Report on Outstanding Issues as contained in the Report of the Auditor-General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2004. Your previous Committee for the Fifth Session of the Ninth National Assembly were not able to consider outstanding issues due to lack of time as a result of tripartite elections that took place in 2006.

**Functions of the Committee**

The functions of your Committee are to examine the accounts showing the appropriation of sums granted by the National Assembly to meet the public expenditure, the Report of the Auditor-General on these accounts and such other accounts, and to exercise the powers that may be conferred on them under Article 117(5) of the Constitution Chapter 1 of the Laws of Zambia.

**Meetings of the Committee**

Your Committee held eight (8) meetings.

**Procedure adopted by the Committee**

The procedure adopted to consider outstanding issues was such that a Sub-Committee of two Members comprising; Mr E M Hachipuka, MP and Mr V Mwale, MP was appointed to consider the outstanding issues and treasury minutes. The sub-Committee was assisted by the Committee of Officials headed by the Accountant-General. The Sub-Committee upon completing their deliberations, submitted their report to your main Committee containing suggested recommendations for further consideration and adoption.

The Sub-Committee had recommended that there were outstanding issues that needed the Secretary to the Treasury to give updates on and state the way forward. These were on:

- 1994 and 1995 issues on maize and fertilizer marketing;
- Sale of Nanga Farm shares; and
- Operations of the Zambia National Oil Company (now in liquidation).

The Secretary to the Treasury appeared before your Committee and gave the updates.

This Report contains your Committee's general observations on treasury minutes and recommendations on the outstanding issues.

## PART I

---

### CONSIDERATION OF TREASURY MINUTES

---

#### 1.0 FINDINGS ON TREASURY MINUTES

##### 1.1 Treasury Minutes on the Public Accounts Committee Report on the Auditor-General's Report on the Accounts for the Financial Year ended 31<sup>st</sup> December 2003.

There were 77 paragraphs containing recommendations in the Public Accounts Committee Report for 2003. 29 (38 percent) paragraphs were addressed. 48 paragraphs remain outstanding.

With respect to recommendations, your previous Committee made 303 recommendations on specific issues out of which 183 (60 percent) were addressed. 120 (40 percent) recommendations remain outstanding.

##### 1.2 Treasury Minute on the Public Accounts Committee Report on the Auditor-General's Report on the Accounts for the Financial Year ended 31 December 2004

There were 35 paragraphs in the Public Accounts Committee Report, and only 3 (8.6 percent) paragraphs were addressed in full. 32 paragraphs remain outstanding.

Your Committee made 196 recommendations of which 28 (14 percent) were addressed in full. 168 (86 percent) recommendations remain outstanding

##### 1.3 Treasury Minute on the Public Accounts Committee Report on the Auditor-General's Report on the Accounts of Parastatal Bodies for 2004

Six institutions were audited. From these audits 115 recommendations were made. 37 (32 percent) recommendations were addressed in full. 78 (68 percent) remain outstanding.

#### Observations and Recommendations

Your Committee observe that the number of outstanding issues remains high. The reasons that the Sub-Committee recognise as leading to this are:

- (i) some cases are before investigative wings and courts;
- (ii) delays by controlling officers to take action and report progress;

- (iii) the Auditor-General is unable to make verifications because documents in a number of cases are not in order due to poor record keeping in government institutions; and
- (iv) poor record keeping resulting in the failure to locate missing supporting documents for payments and to assist with investigations.

Your Committee, therefore, recommend that the Secretary to the Treasury should ensure that audit committees in ministries are in place and operational so that they can make follow-ups on recommendations. To enhance the process of follow-up and for ease of monitoring, they further recommend that controlling officers should charge the responsibility of follow ups to specific accounting officers.

Controlling officers that fail to report progress on recommendations either positive or negative should be disciplined.

**PART II**

---

**CONSIDERATION OF OUTSTANDING ISSUES ON MINISTRIES, PROVINCES AND OTHER SPENDING AGENCIES**

---

STATISTICS

<b>Number of Paragraphs</b>	<b>Recommended for Closure</b>	<b>Outstanding</b>
<b>138</b>	<b>87 (63%)</b>	<b>51 (37%)</b>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING	15 (20) 2000	<p><b>Revenue Collections</b></p> <p>Systems Zambia was hired with the objective of addressing the distortions in the current tax structure burden tax base and make tax administration effective in order to enhance revenue collection and promote economic growth and ultimately job creation in line with the Fifth National Development Plan and the Vision 2030.</p>	Measures have been put in place.	Recommended for closure.
	16 (21) 2000	<p><b>Non Tax Revenue Collection</b></p> <p>The situation had now been regularised and responses from the Ministries concerned were available for audit scrutiny.</p>	Matter was verified.	Recommended for closure.
	17 (22) 2000	<p><b>Non Remittance of Recoveries</b></p> <p>Operations had since been harmonised and the responses from the defaulting ministries were available for audit verification.</p>	Matter to be verified.	Recommended for closure subject to verification by the Auditor General.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING	53 (64) 2000	<p><b>Accounting Irregularities</b></p> <p>(i) <b>Unretired Imprest K68,240,000.00</b></p> <p>Arrangements were being made to resubmit the documents for verification.</p> <p>(ii) <b>Unretired Imprest K19,359,207.00</b></p> <p>The amount had been recovered.</p> <p>(iii) <b>Unretired Imprest K313,308,000</b></p> <p>Efforts were being made to recover the imprest from the officers involved.</p>	<p>Progress still to be reported.</p> <p>Awaiting verification.</p> <p>Progress to be reported.</p>	<p>Still outstanding.</p> <p>Recommended for closure subject to verification by the Auditor General.</p> <p>Still outstanding.</p>
	27 (31) 2002	<p><b>Utilisation of Interest Earned on VAT Repayment</b></p> <p>In 2005, Government re-introduced Appropriation-in-Aid for major non-tax revenue collecting ministries and government departments.</p>	<p>Measures had been put in place (Appropriation-in-Aid).</p>	<p>Recommended for closure.</p>
	28 (32) 2002	<p><b>Review of Internal Audit Report</b></p> <p>No progress had been reported.</p>	<p>Progress to be reported.</p>	<p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING	59 (67) 2002	<p><b>Accounting Irregularities</b></p> <p>The office had no records as the project was under NCDP. The Ministry had further requested for details from the Auditor General.</p>	Progress still to be reported.	Still outstanding.
	37 (45) 1995	<p><b>Payment of Compensation to an Individual</b></p> <p>The Ministry had made follow up with Ministry of Justice.</p>	The case was disposed of by the court in favour of the plaintiff and compensation was paid in full.	Recommended for closure.
	15 (16) 2001	<p><b>Delays in Remittance of Fuel Levy</b></p> <p>Out of fuel levy collections amounting to K121.5 billion, K115.8 billion was remitted to the National Roads Board in 2004 and the rest were remitted in January 2005. There was, therefore, 100% remittance of the fuel levy collected during 2004.</p>	There was progress in the remittance of fuel levy.	Recommended for closure.



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING	34 (36) 2001	<p><b>Unremitted Statutory Contributions</b></p> <p>(i) <b>Public Pensions Fund (PSPF)</b></p> <p>The total amount of K26,742,321,050.00 outstanding as of 2002 had been cleared and verified by the office of the Auditor General</p> <p>(ii) <b>National Pensions Scheme Authority (NAPSA)</b></p> <p>The outstanding amount of K6, 159,604,612 has been cleared and verified by the office of the Auditor General.</p> <p>(iii) <b>Workman's Compensation Fund</b></p> <p>Out of the outstanding amount of K172, 225,351 as at December 2001 an amount of K142, 475,351 had been paid leaving a balance of K29, 750,000.</p>	<p>The matter had been verified by the office of the Auditor General.</p> <p>The matter had been verified by the office of the Auditor General.</p> <p>The matter had been verified by the Auditor General and considerable progress had been made in dismantling arrears. 83% reduction had been achieved.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING	35 (37) 2001	<p><b>Passages Account</b></p> <p>Funds amounting to K2, 255,791,126.00 had been set aside in the 2005 budget and arrangements made to remit funds through respective embassies.</p> <p><b>(a) Payment to Consultancy Firm</b></p> <p>Progress is yet to be reported.</p> <p><b>(b) Payment to Consultancy Firm</b></p> <p>Acquittals for former UBZ Employees had been verified by the office of the Auditor-General. Ex Lintco employees were paid through office of the Administrator General who acted as Liquidator.</p> <p><b>(c) Payment to Consultancy Firm</b></p> <p>As at 1<sup>st</sup> December 2004, the debt had dropped to K58, 982,919,653 from K72, 410,983.00 and only 12 cases were remaining and progress would be reported.</p>	<p>Funds were set aside in the 2005 budget.</p> <p>Progress still to be reported.</p> <p>Ex Lintco workers were paid.</p> <p>The debt had reduced to K58.9 m from K72.4 m.</p>	<p>Recommended for closure subject to confirmation of remittances.</p> <p>Still outstanding.</p> <p>Recommended for closure.</p> <p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING	35 (37) 2001	<p>(d) <b>Purchases Paid for but not Delivered</b></p> <p>The recommendations had been noted and progress would be reported.</p> <p>(e) <b>Unretired Imprest</b></p> <p>Out of K1,798,586,561.00 which was queried, an amount of K837,661,019 was verified leaving a balance of K960,925,542.00 which was being recovered from the officers involved.</p> <p>(f) <b>Non Remittance of Withholding Tax</b></p> <p>The amount still remains outstanding and progress shall be reported.</p>	<p>Progress still to be reported.</p> <p>Recoveries were being made.</p> <p>Progress still to be reported.</p>	<p>Still outstanding.</p> <p>Still outstanding.</p> <p>Still outstanding.</p>
	13 (21) 2001	<p><b>Collection of Revenue from Sale of 18 State Owned Enterprises</b></p> <p>The outstanding balance of K35,583,373.00 in accrued interest owed to MIL Engineering Limited was written off as resolved by the ZPA Board</p>	<p>The matter had been verified by the Auditor General.</p>	<p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FINANCE AND NATIONAL PLANNING  INVESTMENT AND DEBT MANAGEMENT (IDM)	19 (24) 1996	<p><b>Revenue from Sale of State Owned Enterprises</b></p> <p>The matter had been resolved.</p>	The Auditor General had verified the matter.	Recommended for closure.
	29 (37) 1996	<p><b>Non Repayment of Maize Marketing Loans</b></p> <p>The Ministry had written to Bank of Zambia to indicate the positions of the two (2) institutions as well as to provide the latest positions of all the Banks.</p>	The Bank of Zambia had recommended that the information can not be obtained and the money should stand as a charge against public funds.	Recommended for closure and the loss should stand as a charge against public funds.
	32 (37) 1996	<p><b>Delays on the Repayment by the Traders who benefited from the Mealie Meal Import Facility</b></p> <p>The matter had been referred to the Task Force on Corruption.</p>	Progress still to be reported.	Still outstanding.
	31 (36) 1995	<p><b>Commodity Grant</b></p> <p>The matter has been referred to the Task Force on Corruption.</p>	Progress still to be reported.	Still outstanding.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
INVESTMENT AND DEBT MANAGEMENT (IDM)	24 (29) 2000	<b>Zambia Privatisation Account</b>  The matter had since been resolved.	The matter had been resolved.	Recommended for closure.
	52 (62) 2000	<b>Sale of Assets Retrenchments Retraining Programme and Outstanding Creditors – ZCCM</b>  The matters had been verified and resolved by the Auditor General.	The matters had been resolved.	Recommended for closure.
	130 (142)	<b>Guarantees</b>  The matter was before the Task Force on Corruption.	Progress still to be reported.	Still outstanding.
MINISTRY OF LANDS	64 (73) 2001	Statements of investment and expenditure were prepared	Statements were verified.	Recommended for closure.
	16 (20) 2002	<b>Failure to Collect Ground Rent</b>  No progress had been made as regards the completion of the installation of the computer system due to inadequate resources allocated to the Ministry as well as erratic and inadequate funding.	No progress made.	Matter is active in current queries on the LIMS. It is, therefore, recommended for closure.
	18 (22) 2002	<b>Land Information Management System (LIMS)</b> No progress was reported.	Progress still to be reported.	Matter is active in current queries on the LIMS. It is, therefore, recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF LANDS	19(23) 2002	<b>Un-reconciled Balances</b>		
		i) Case was still before the court.	Progress still to be reported.	Still outstanding.
		ii) The amounts had not been reconciled with Ministry of Finance and National Planning.	Progress still to be reported.	Still outstanding.
	20 (24) 2002	<b>Failure to Account for Revenue Collections, Ndola Office</b>		
	a) There was no progress on the recoveries.	Progress still to be reported.	Still outstanding.	
	b) There was no progress on police investigations.	Progress yet to be reported by police.	Still outstanding.	

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF LOCAL GOVERNMENT AND HOUSING	48 (42) 1997	<p><b>District Centres Water and Sewerage Project</b></p> <p>The office of the Auditor General had since verified the matters.</p>	The matter had been verified.	Recommended for closure.
	54 (48) 1997	<p><b>Road Rehabilitation and Maintenance</b></p> <p>The recovered amounts from the contractor were verified.</p>	The matter had been verified.	Recommended for closure.
	55 (49) 1997	<p><b>Road Rehabilitation and Maintenance - Copperbelt</b></p> <p>The issue was not verified by the Ndola Audit Office because the Luanshya Municipal Council was unable to produce relevant details for verification on three occasions the auditors visited the Council.</p>	Documents were not verified.	Despite lack of verification, the matter is recommended for closure due to lapse of time as there is little hope in resolving the matter.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF LOCAL GOVERNMENT AND HOUSING	58 (52) 1997	<b>Irregularities in the Management of Constituency Development Fund of Nchelenge District Council</b>  Records were still not available.	No progress made.	Recommended for closure subject to submission of loss report considering time passage.
	59 (53) 1997	<b>Irregularities in the Management of Chief Subsidies and Kapaso's Wages - Nchelenge District Council</b>  The Luapula Provincial Audit office could not verify, as the details could not be availed to them.	Progress to be reported.	
	62 (56) 1997	(a) <b>Debtors</b>  Debtors amounting to K153, 284,000 (K144, 561,000) and K8, 723,000.00 have not yet been verified by the Auditor General.	Documents were taken by the Task Force investigating the plunder of the economy.	Still outstanding.
	51 (55) 2002	<b>Construction and Rehabilitation of Markets</b>  Chilenje and Libala Markets.	No progress has been made on the completion of the markets.	Still outstanding.



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF LOCAL GOVERNMENT AND HOUSING	52 (56) 2002	<p><b>Rehabilitation and Improvement of Lusaka Roads</b></p> <p>No progress had been made. The Accountant-General's Office was pursuing the matter.</p>	Progress still to be reported.	Still outstanding.
	55 (61) 2002	<p><b>Misapplication of Funds</b></p> <p>No progress had been made in verifying the documents in the transfer of funds</p>	Verification not done.	Still outstanding.
	56 (62) 2002	<p><b>Constituency Development Fund Misapplication of funds and other irregularities</b></p> <p>a) Misapplication of Funds - no progress had been made on the refunds with Ministry of Finance and National Planning.</p> <p>b) Unsupported Payments - verification of vouchers was yet to be done.</p>	<p>Progress still to be reported.</p> <p>Verification of vouchers yet to be done.</p>	<p>Still outstanding</p> <p>Recommended for closure subject to verification of vouchers.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF ENERGY AND WATER DEVELOPMENT	18 (18) 2001	<p><b>Accounting Irregularities</b></p> <p>(a) <b>Embezzlement of Public Funds</b></p> <p>A loss report and a case record for the two accountants and an Assistant Accountant have been submitted.</p> <p>(b) <b>Payment of Allowances</b></p> <p>The recoveries which were instituted by Ministry of Energy and Water Development and Ministry of Commerce, Trade and Industry from the former Deputy Permanent Secretary and former Accountant respectively were completed.</p>	<p>Progress to be reported.</p> <p>Recoveries had been instituted.</p>	<p>Still outstanding.</p> <p>Recommended for closure subject to verification.</p>
	18 (19) 2001	<p><b>Diversion of Project Funds</b></p> <p>(i) and (ii)</p> <p>These were procured for the purpose for which they were intended.</p>	<p>Matter had been verified.</p>	<p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF HEALTH	60 (68) 2002	<p><b>Accounting Irregularities</b></p> <p>(a-c) Verifications yet to be done</p>	Progress still to be reported.	Still outstanding.
	61 (69) 2002	<p><b>Accounting Irregularities</b></p> <p>No progress was made on the repair of the aircraft.</p>	Progress still to be reported.	Still outstanding.
	9 (10) 1999 ICASA	<p><b>Preparation of Accounts</b></p> <p>The Ministry was still facing difficulties in tracing the financial statements.</p>	No progress had been made in tracing the financial statements.	The matter is recommended for closure but your Committee wish to advise the Secretary to the Treasury to ensure that proper accounting systems are put in place for such conferences in future.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF COMMUNICATIONS AND TRANSPORT	44 (52) 1995	<p><b>Irregularities Funding for Road Rehabilitation Works Lundazi and Chama District Councils</b></p> <p>A loss report had been prepared and submitted for the K8,311,445.00</p>	A loss report had been submitted.	Recommended for closure.
	21 (27) 2002	<p><b>Accounting Irregularities</b></p> <p>(a) <b>Unaccounted for Test Certificate Books</b></p> <p>Road Traffic Commission had been restructured into the newly formed Road Transport and Safety Agency. This had made it difficult to locate the books.</p>	Efforts were being made to trace the books.	Still outstanding.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF COMMERCE, TRADE AND INDUSTRY	64 (58) 1997	<p>(e) <b>Collection of Revenue by Agents</b></p> <p>i) A mechanism had been put in place in which every quarter officers from the Ministry and the two agents meet to reconcile the transactions.</p> <p>ii) The matter has been resolved and the office of the Auditor General has verified the documents</p>	<p>A mechanism had been put in place to reconcile transactions.</p> <p>Matter was resolved.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF TOURISM, ENVIRONMENT AND NATURAL RESOURCES	12 (18) 1998	<p><b>Weaknesses in the Collection of Revenue Department of National Parks and Wildlife.</b></p> <p>The Attorney General had requested the Ministry to locate Mr. Nick Acton in order to pursue the matter further.</p>	<p>The Ministry through Zambia Wildlife Authority was unable to provide the physical address of Mr. Nick Acton as required by the Ministry of Justice.</p>	<p>Recommended for closure as Mr Nick Acton cannot be traced. In addition, passage of time had made it difficult to pursue the case.</p>
	102 (114) 2000	<p><b>Rehabilitation of Chienge – Kaputa Road</b></p> <p>Out of K311,756,755 a sum of K155,879,378 (50%) instead of K31,175,675 (10%) advance payment was made was still being actively pursued by the Task Force on Corruption</p>	<p>Matter was before the Task Force on Corruption.</p>	<p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF WORKS AND SUPPLY	73 (85) 2000	<p><b>Construction of Boundary Wall Fences at VIP Houses</b></p> <p>The construction of boundary wall fences at some VIP houses had been on stand still for a long time now, because of lack of funding from the Treasury.</p>	<p>The Ministry had handed over the outstanding bills on construction of boundary walls at VIP houses to the Ministry of Finance and National Planning.</p>	<p>The matter is recommended for closure. The Auditor-General will keep the matter in view.</p>
	74 (86) 2000	<p><b>Rehabilitations of National Assembly Motel Phase 2</b></p> <p>(a) <i>Court Case:-</i> No administrative action had been taken.</p> <p>(b) The works for the rehabilitation of the National Assembly Motel Phase II was completed and handed over to the Clerk of National Assembly.</p>	<p>The matter was still in court.</p> <p>The works had since been completed.</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF WORKS AND SUPPLY	76 (88) 2000	<p><b>Repairs of the Nalusanga Gate to Kaoma Strip</b></p> <p>The Ministry was still awaiting advice from the Ministry of Justice regarding Liquidation of the performance bond to recover the amount from the contractor.</p>	<p>Progress still to be reported. The Ministry of Justice had not received instruction to pursue the matter.</p>	<p>Still outstanding.</p>
	83 (95) 2000	<p><b>Mutanda – Kasempa Road</b></p> <p>The amount owed by the Government to the Contractor had been paid by the Ministry of Finance and National Planning.</p>	<p>Matter had been resolved.</p>	<p>Recommended for closure.</p>



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	54 (64) 1994	<p><b>Irregularities in the Purchase and Distribution of Mattresses.</b></p> <p>The Ministry had made several follow ups and the Ministry of Justice had been requested to update the Ministry on the recovery of K30, 488,497.20 from Sulmach Limited.</p>	<p>The Ministry of Justice expects that the recovery of the balance will be taken care of after a judgment in another matter in which messrs Sulmach Limited was claiming about K1.5 billion from the Government.</p>	<p>Still outstanding.</p>
	78 (72) 1997	<p><b>Purchase of School Desks</b></p> <p>The Ministry had written to the Ministry of Justice for Legal advice on the matter.</p>	<p>The actual names of the companies have been forwarded to the Attorney General for further legal action. Due to lack of documentation, the Ministry of Justice was unable to proceed with the case. In addition, the case was statute barred.</p>	<p>Recommended for closure as the case is statute barred as per advice from the Ministry of Justice.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	79 (73) 1997	<p><b>Distribution of Desks</b></p> <p>All the desks had been delivered to Monze Secondary School and Monze Town Basic School.</p>	All desks had been delivered	Recommended for closure.
	83 (77) 1997	<p><b>Irregularities in the Payment of Students Allowance – Bursaries</b></p> <p>Measures had been put in place in the award of bursaries.</p>	Measures had been put in place in the payment of bursaries.	Recommended for closure.
	84 (78) 1997	<p><b>Misappropriation of Funds Provincial Education Office - Kabwe</b></p> <p>The amount in the sum of K1, 106,000.00 which was misappropriated by the officer was recovered in full.</p>	Amount had been recovered.	Recommended for closure.
	85 (79) 1997	<p><b>Rehabilitation of Primary and Secondary Schools Southern Province</b></p> <p>The amount of K2, 959,541.00 not accounted for by the cashier had been fully recovered.</p>	The matter had been resolved.	Recommended for closure.

<b>MINISTRY/ DEPARTMENT</b>	<b>PARA</b>	<b>SUBMISSION</b>	<b>PROGRESS MADE</b>	<b>RECOMMENDATION</b>
MINISTRY OF EDUCATION	36 (40) 2001	<p><b>Procurement of Text Books Headquarters</b></p> <p>The Ministry decided to terminate the contract in pursuant to clause 24.1 of the contract for the supplier that failed to complete the delivery of books within the contacted period.</p>	Contract terminated.	Still outstanding. Ministry should claim liquidated damages.
	37 (41) 2001	<p><b>Science Kits</b></p> <p>The supplier's agent had since refunded the Ministry for the incomplete sets and broken items amounting to US\$ 123.</p>	The Ministry had since delivered the balance of 14 sets of science kits.	Recommended for closure.
	38 (42) 2001	<p><b>Purchase of Desks</b></p> <p>The matter had been verified and resolved.</p>	The matter had been verified.	Recommended for closure.
	99 (43) 2001	<p>(a) <b>Accounting for grants</b></p> <p>(i) Due to inadequate funding, it had been very difficult to procure safes in phases. Schools had provisionally bought trunks for the safe custody of cash and accountable documents such as cheques.</p>	The trunks being used for safe custody of cash and other accountable documents.	Recommended for closure. The Accountant-General advised that the Ministry had acquired safes for the schools.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	36 (40) 2001	<p>(ii) The ledgers were now maintained.</p> <p><b>(b) Micro Projects Unit (PMU)</b></p> <p>The Ministry was never availed the funding status of ZAMSIF projects (which was administered and monitored through Micro Projects Unit) because these were community initiated projects with emphasis on community empowerment, therefore, the documents could only be accessed through ZAMSIF and the community.</p>	<p>Ledgers were now maintained.</p> <p>Due to lapse of time the Ministry was requesting that the matter be closed.</p>	<p>Recommended for closure.</p> <p>Recommended for closure especially that ZAMSIF came to an end.</p>
	40 (44) 2001	<p><b>(c) Stolen Solar Panels</b></p> <p>The Ministry was yet to submit loss report on the two stolen solar panels.</p> <p><b>(d) Non Functional Solar Panels</b></p> <p>The solar panels were now functional.</p>	<p>The loss report had not been submitted.</p> <p>The matter had been resolved.</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p>
	42 (47) 2001	<p><b>(i) School Grants</b></p> <p>The verification was done by the Auditor General.</p>	<p>The matter had been verified.</p>	<p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	42 (47) 2001	<p>(ii) <b>School Infrastructure</b></p> <p>(a) <b>Zingale Middle Basic School</b>, 3 staff houses were rehabilitated, 1 x 3 classroom block was constructed.</p> <p>(b) <b>Mburuwe Middle Basic School</b>, sinking of borehole had been done, 1x3 classroom block was completed, 2 staff houses were incomplete, 1x2 classroom block was not complete.</p> <p>(c) <b>Kasumonwe M. B. School</b>, 1x3 classroom blocks was completed and in use, 3 staff houses were complete and in use. A borehole had been sunk and was in use.</p> <p>(d) <b>ZAMSIF</b></p> <p>(ii) - (iv) Distribution of school desks Chipikula Middle Basic School and Nsenya Basic School.</p> <p>Progress still to be reported.</p>	<p>Progress to be reported on the remaining works.</p> <p>Progress still to be reported.</p> <p>Progress still to be reported on remaining works.</p> <p>Progress still to be reported.</p>	<p>Still outstanding</p> <p>Still outstanding</p> <p>Still outstanding</p> <p>Still outstanding</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	43(48) 2001	<p>(ii) (a) <b>Wankhala M. Basic School</b></p> <p>All works were completed and verified.</p> <p>(b) <b>Senya Middle Basic School</b></p> <p>Rehabilitation and construction works were completed and verified.</p> <p>(i) <b>School Grant</b></p> <p>Matter had been verified.</p>	<p>All works had been completed.</p> <p>All works had been completed.</p> <p>Matter was verified.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>
	44(49) 2001	<p>(a) <b>Mphamba M Basic School</b></p> <p>All works were completed except for six (6) toilets.</p> <p>- <b>Sikatengwa Basic School</b></p> <p>No progress had been made.</p> <p>(c) <b>Mtwalo Basic School</b></p> <p>No progress had been made.</p>	<p>Progress still to be reported.</p> <p>Progress still to be reported.</p> <p>Progress still to be reported.</p>	<p>Still outstanding.</p> <p>Still outstanding</p> <p>Still outstanding</p>
	45 (50) 2001	<p>(i) <b>Weakness in Controls</b></p> <p>Internal controls had been enhanced through the recruitment of qualified accounting officers.</p>	<p>Internal controls had been enhanced.</p>	<p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION	
MINISTRY OF EDUCATION	45 (50) 2001	(ii) Balances were being deducted from head teacher's salary	Recoveries were running.	Recommended for closure.	
		(iii) All documents were available for verification.	Documents were verified.	Recommended for closure.	
		(iv) All payment vouchers and expenditure details were available for audit verification.	All payment vouchers and expenditure details were verified.	Recommended for closure.	
	46(51-52) 2001	<b>Provincial Education Office</b> – Livingstone matters (i), (ii), (iii) and (iv) were verified and resolved		The matter had been verified.	Recommended for closure.
	45 (50) 2001	<b>District Education Office – Chama</b>			
		(i) The matter was verified and resolved.	The matter had been verified.	Recommended for closure.	
		(ii) Receipts and disposal records for materials worth K26, 548,000 were verified.	The matter was resolved.	Recommended for closure.	
		(iii) 1x3 classroom block was completed and awaits painting.	Classroom was completed but not painted.	Still outstanding	
	48 (54) 2001	<b>District Education Office Mazabuka</b>			
		Matter in (i) and (ii) were verified and resolved.	The matter was verified.	Recommended for closure.	

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	49 (55) 2001	<p><b>PEO – Kasama</b></p> <p>Matters on items i – vii had all been resolved.</p>	The matters were resolved.	Recommended for closure.
	50(56) 2001	<p><b>DEO – Mpika</b></p> <p>Matters from i – iv had all been resolved.</p>	Matters were resolved.	Recommended for closure.
	55 (61) 2001	<p><b>DEO – Lukulu</b></p> <p>(i) <b>School Infrastructure – BESSIP Funds</b> Disposal details in respect of building materials costing K55, 453,250.00 were available for verification.</p> <p>(ii) <b>Text Books Distribution</b> All books had been distributed to all schools.</p> <p>(iii) <b>Imprest (K20,795,980 and K10,565,000-00)</b> All imprest was retired and documents were available for verification.</p>	<p>The documents were verified.</p> <p>Books were distributed.</p> <p>The documents were verified.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	57(63) 2001	<p>(a) <b>DEO – Solwezi</b></p> <p>The District Board Secretary had been cautioned not to deduct funds from school grants. The details of Expenditure were available for verification (K10, 900,000).</p> <p>(b) <b>DEO – Mwinilunga</b></p> <p>(i) <b>Katuyala Basic School</b> All receipts and stores ledgers for building materials were available for verification.</p> <p>(ii) <b>Kazozu Basic School</b> The School management had acknowledged receipt of K6, 300,000 and documents were available for verification.</p> <p>(iii) The K19,500,000-00 had been recovered through ZANACO Bank leaving a balance of K107,201,550.</p> <p>(iv) The officer who was alleged to have stolen K86,200,000 was acquitted.</p>	<p>The matter was verified.</p> <p>The matter was verified.</p> <p>The matter had been verified.</p> <p>Progress still to be reported.</p> <p>The matter has been verified.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Still outstanding.</p> <p>Recommended for closure subject to submission of a loss report.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	57(63) 2001	<p><b>Bursary Scheme – Mwinilunga</b></p> <p>Details of balance of K5, 782,100 were available for verification.</p>	The matter was verified	Recommended for closure.
	58(64) 2001	<p><b>DEO – Chongwe</b></p>		
		<p>(i) <b>Rehabilitation of Schools</b></p> <p>(a) <b>Chinkuli Basic School</b> 1 x 3 classroom block, 2 staff houses and 8 VIP Pit latrines had been completed and were in use.</p>	The matter was resolved	Recommended for closure.
		<p>(b) <b>Chilyabile School</b> 1 x 3 classroom block, 2 staff houses and 7 VIP Pit latrines had been completed and were in use.</p>	The matter was resolved	Recommended for closure.
	<p>(ii) <b>Bursaries</b> The position on the non-disbursement of bursary funds totalling K31,625,000 was that these had been disbursed to all schools and details were available for verification.</p>	Bursary funds amounting to K31.6 m had been disbursed.	Recommended for closure considering that 93% of funds had been disbursed.	

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	59(65) 2001	<p><b>Kafue District Education Office</b></p> <p>Verification of the completion of rehabilitation, works at Kasaka and Chipungwe were still to be done.</p>	Works were completed but not verified.	Recommended for closure subject to verification.
	80(81) 2001	<p><b>District Education Office – Luwingu</b></p> <p>(i) <b>School Infrastructure</b></p> <p>The copies of vouchers indicating the payment of suppliers were available for audit verification.</p>	The matter was verified.	Recommended for closure.
	81 (90) 2001	<p>(ii) <b>Mumba Basic School</b></p> <p>A receipt was available for the recovery of K979,800 from the responsible officers for verification.</p>	The matter was verified.	Recommended for closure.
		<p><b>District Education Office – Mporokoso</b></p> <p><b>Chandamali Basic School</b></p> <p>Construction of ten (10) VIP latrines had not been funded. The project had since been done away with.</p>	The project was not funded and was done away with.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	83 (92) 2002	<b>School Infrastructure</b>  (a) <b>Chewe Basic School</b>  (i) The matter regarding the shortfall of 127 pockets of cement valued at K4, 572,000 was reported to police.	The officers involved were convicted and sentenced in the courts of law.	Recommended for closure.
	84 (93) 2002	<b>Provincial Education Office – Chipata</b>  The matter had been verified.	The matter was resolved.	Recommended for closure.
	85(94) 2002	<b>Provincial Education Office – Lundazi</b>  (a) <b>School Grants</b> The receipt and disposal details of 132 schools in the district had been verified.	The matter was resolved.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	85(94) 2002	<p>(a) <b>School Infrastructure</b></p> <p>(i) <b>Sikatengwa Middle Basic School</b> Rehabilitation of a 1x3 classroom block was complete and in use and the construction of 4 staff houses was complete and in use, while 3 VIP latrines had been completed leaving a balance of 7 not done. A borehole had not be sunk and the installation of the solar power had not been done..</p> <p>(iii) <b>Mphamba Middle Basic School</b> Receipt and disposal details of assorted building materials costing K27, 571,000 were verified.</p> <p>Rehabilitation of a 1x3 and 1x1 classroom blocks was complete and in use and rehabilitation of 10 staff houses were complete and in use while four (4) toilets had been constructed leaving a balance of six (6) which had only been dug.</p> <p>(iv) <b>Chasera M. Basic School</b> 3 staff houses had been completed, 1x3 classroom block was at roof level and 10 VIP latrines had been dug.</p> <p>The rest of the works were awaiting funding.</p>	<p>Progress still to be reported on borehole and installation of solar power.</p> <p>The matter was resolved.</p> <p>Progress still to be reported on VIP toilets.</p> <p>Progress still to be reported on remaining works.</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p> <p>Still outstanding.</p> <p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	86 (95) 2002	<p><b>District Education Office – Chama</b></p> <p>(a) <b>Bursary Scheme</b> All details of expenditure receipts and acquittal sheets were verified.</p> <p>(b) <b>School Infrastructure</b> Progress was yet to be reported.</p>	<p>The matter was resolved.</p> <p>Progress still to be reported.</p>	<p>Recommended for closure.</p> <p>Still outstanding.</p>
	87 (96) 2002	<p><b>District Education Office – Chadiza</b></p> <p>(a) <b>Schools Grants</b> The matter had been resolved.</p> <p>(b) <b>Dormitory</b> The matter had been resolved.</p> <p>(c) <b>Science Kits</b> The matter had been resolved.</p> <p>(d) <b>School Infrastructure</b></p> <p>(i) <b>Bwanunka M. Basic School</b> The matter had been resolved.</p>	<p>The matter was resolved.</p> <p>The matter was resolved.</p> <p>The matter was resolved.</p> <p>The matter was resolved.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	87 (96) 2002	(i) <b><u>Kantantha Basic School</u></b> Construction works at the school were completed.	The matter had been verified.	Recommended for closure
	91(100) 2002	<b>District Education Office – Petauke</b>  (a) <b>School Infrastructure</b>  (i) <b>Matonje M. Basic School</b> The 1x3 classroom block had been rehabilitated and 3 staff houses had been rehabilitated too.  (ii) <b>Wankhala M. Basic School</b> All the works had been completed and the matter concerning poor workshop had been addressed.	Works were completed	Recommended for closure.
	106 (113) 2002	<b>Copperbelt Province – District Education Office - Mpongwe</b>  (i) <b>Mfulabunga M. Basic School</b>  Matter was verified and resolved.	The matters were resolved.	Recommended for closure.
			The matter was resolved.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	106(115) 2002	<p>(ii) <b>Malembeka M. Basic School</b></p> <p>Matter was verified and resolved.</p> <p>(iii) <b>Mikata M. Basic School</b></p> <p>1x3 classroom block was complete and in use, 1 staff house was complete and was in use, 2 staff houses was at foundation level, 2 VIP latrines were completed and in use and a well was sunk and was being used.</p> <p>The remaining works on the project had been budgeted for under the Annual Work Plan Budget under Education Sector Plan and as soon as disbursement of funds starts, the works would commence.</p>	<p>The matter has been verified.</p> <p>Progress still to be reported on construction of staff houses.</p>	<p>Recommended for closure.</p> <p>Still outstanding.</p>



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	109 (119) 2002	<p><b><u>North-Western Province Provincial Education Office – Solwezi</u></b></p> <p>(i) <b>Training and Orientation Workshops for Education Boards</b></p> <p>On the shortfall on the retirement of imprest amounting to K4, 640,982 which was issued to the Assistant Accountant at the P.E.O, an amount of K1, 800,000 was refunded on receipt number 00554768 dated 15<sup>th</sup> January 2003.</p> <p>(ii) <b>Distribution of Books</b></p> <p>All the books had been distributed to the respective districts and delivery notes were available for audit verification.</p>	<p>K1, 800,000 had been refunded so far.</p> <p>The matter was resolved.</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p>
	110 (120) 2002	<p><b>District Education Office - Kasempa</b></p> <p><b>School Infrastructure</b></p> <p>(i) <b>Kandeke Middle Basic School</b></p> <p>3 staff houses were complete and in use while works on the construction of 1x3 classroom block had not commenced.</p>	<p>Progress still to be reported on the 1x3 classroom block.</p>	<p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION		<p>(ii) <b>Janyanki Middle Basic School</b> 1x3 classroom block and 1 x VIP latrine were complete and in use while works on the construction of 6 VIP latrines, and sinking of water well had not yet commenced.</p>	<p>Progress still to be reported on VIP toilets and sinking of well.</p>	<p>Still outstanding</p>
	111 (121) 2002	<p>Receipt and Stores ledgers in respect of building materials costing K42, 778,400.00 bought by the School were available for audit verification.</p> <p><b>Mufumbwe District Education Office</b> Receipts and disposal details in respect of building materials costing K43, 228,000.00 for Kamabuta and Kalambu Basic Schools were available for verification.</p>	<p>The matter was resolved.</p>	<p>Recommended for closure.</p>
	112(122) 2002	<p><b>Kabompo District Education Office</b> 2 staff house, one was complete and in use, 1 x staff house was roofed and plastered outside and 3 VIP latrines were complete while construction of a 1x3 classroom block and 7 VIP latrines was yet to commence. The remaining works at the school had been budgeted for in the Annual work plan budget under Education Sector Plan.</p>	<p>The matter was resolved.</p> <p>Progress still to be reported on remaining works.</p>	<p>Recommended for closure.</p> <p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	113 (123) 2002	<p><b>School Infrastructure</b></p> <p>(i) <b>Mwininyilamba Basic School</b></p> <p>1 staff house was complete and in use, 1x2 classroom block was complete and in use 1x1 classroom block was complete, installation of solar equipment had been done and was being used while sinking of a water well was yet to commence.</p> <p>(ii) <b>Salujinga Basic School</b></p> <p>2 staff house were completed and in use, 1x2 classroom block was complete and in use and 4 VIP latrines were complete and in use.</p> <p>Expenditure details in respect of building materials purchased by the school were verified.</p> <p>(iii) <b>School Furniture</b></p> <p>All the furniture quoted in the Auditor General's report had been delivered to Salujinga Basic School.</p>	<p>Progress still to be reported on well.</p> <p>The matter was resolved.</p> <p>The matter was resolved.</p> <p>The matter was resolved.</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p> <p>Recommended for closure</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	114 (124) 2002	<p><b>Zambezi District Education Office</b></p> <p>(i) Bank reconciliation statements for the month of January and February 2002 which were not availed for audit were now available for audit verification.</p> <p>(ii) Following the recruitment of qualified accounting staff in the Ministry, the District had been allocated 2 qualified accounting officers who had since reported at the station.</p> <p>(iii) All the receipts together with disposal details were available for verification.</p> <p><b>Solwezi District Education Office</b></p> <p>(i) <b>School Grants</b> The District Education Board Secretary and the Accounting officers were placed on suspension and informed of further action if they did not refund the money.</p>	<p>The matter was resolved.</p> <p>The matter was resolved.</p> <p>The matter was resolved.</p> <p>Progress to be reported on refund of money.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Still Outstanding</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	114 (124) 2002	(ii) <b>Kinale Basic School</b> The 1x3 classroom block was complete, the 4 staff houses were complete and in use, 1 ablution block was partially complete while the 5 <sup>th</sup> staff house was at slab level.	Progress still to be reported on the staff house and ablution block.	Still outstanding.
	116 (126) 2002	<b>Provincial Education Office – Livingstone.</b>  Matters in (i), and (iii) had been verified and resolved.	The matters were resolved.	Recommended for closure.
	124 (134) 2002	<b>District Education Office – Monze</b>  Matters in (i) and (ii) had been verified and resolved.	The matters were resolved.	Recommended for closure.
	125 (135) 2002	<b>District Education Office – Namwala</b>  Items (i), (ii) and (iii) had been verified.	The matters were resolved.	Recommended for closure.
		<b>Tampwe Basic School</b> Construction of a 1x3 classroom block, two staff house and VIP latrines had been completed.	The matters were resolved.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	125 (135) 2002	<p><b>Shababwe and Mandondo Basic Schools</b></p> <p>Construction works were still going on. This was due to non release of funds from Headquarters.</p>	Progress still to be reported	Still outstanding
	126 (136) 2002	<p><b>District Education Office – Siavonga</b></p> <p>The matters were verified.</p>	The matters were resolved.	Recommended for closure.
	127 (137) 2002	<p><b>District Education Office – Itezhi-tezhi</b></p> <p>Matter was verified.</p> <p>(ii) Completion of the Office Block</p> <p>The block had been roofed and electrical works and plumbing works would start upon receiving the third allocation from the Provincial Education Office.</p>	<p>The matter was resolved.</p> <p>Progress still to be reported</p>	<p>Recommended for closure.</p> <p>Still outstanding</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	128 (138) 2002	<p><b>District Education Office Mazabuka</b></p> <p>The construction of a 1x2 classroom block and six (6) VIP toilets have been completed and are in use.</p>	Construction of one VIP pit latrine was still in progress.	Still outstanding
	130 (140) 2002	<p><b>School Grant</b></p> <p>(i) Senanga School for the Deaf</p> <p>The Head Teacher had paid all the money to the DEBs office in the case involving the K3,000,000 stolen from the Headquarters house at Senanga.</p>	The matter was resolved.	Recommended for closure.
		<p>(ii) Sianda Basic School</p> <p>(a) Items costing K2,826,000 which were not entered in stock book, had since been entered and all disposal details were available for audit.</p>	The matters were resolved.	Recommended for closure.
		<p>(b) The current position was that all receipts and disposal details in respect of line stores items coasting K1, 515,000 had been traced and were available for verification.</p>	The matters were resolved.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF EDUCATION	130 (140) 2002	<p>b) <b>Distribution of Education Materials (Exercise Books)</b></p> <p>(i) <b>Lukanda Basic School</b> The 2,228 exercise books had been entered in the stock book and all disposal details were available for verification.</p> <p>(ii) <b>Sianda Basic School</b> The short fall of 29 books had been accounted for and disposal details were available for verification. In addition the Head Teacher was surcharged.</p> <p>(iii) <b>Mukukutu Basic School</b> All the items had now been recorded in the stock book and all disposal details were available for verification.</p> <p>(iv) <b>Namalango Basic School</b> On the recovery of K2,001,686, the Head Teacher had paid back the amount of K1,562,341-68 through recoveries from salary and a cash payment leaving a balance of K439,344.32</p>	<p>The matters were resolved.</p> <p>The matters were resolved.</p> <p>The matters were resolved.</p> <p>Progress to be reported on balance.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Still outstanding.</p>



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	17 (25) 1995	<p><b>Accounting Irregularities – Lilongwe</b></p> <p>Kabula House had not yet been rehabilitated because assessment of the building had not yet been done by the Ministry of Foreign Affairs in liaison with Ministry of Works and Supply.</p>	Progress was yet to be reported.	Still outstanding.
	35 (39) 2002	<p><b>b) Extra Accreditation Allowance – Lubumbashi</b></p> <p>The extra accreditation allowance monthly rate of between US\$ 20 to US\$ 30 per officer was paid to each officer per country of extra accreditation. Democratic Republic of Congo Brazzaville and Gabon. This implied that each officer was entitled to their rate as per foreign service Regulation by 3 countries per month.</p>	The matters were resolved.	Recommended for closure.
		<p><b>(c) Outstanding Bills – Lubumbashi</b></p> <p>The Mission had replaced the old vehicles.</p>	The matters were resolved.	Recommended for closure.
		<p><b>(d) Unretired Imprest</b></p> <p>The imprest had since been retired at the Mission.</p> <p><b>(d) Outstanding Advances</b></p> <p>Outstanding advances were all recovered as of 2003.</p>	The matter was resolved.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	36 (40) 2002	<p><b>Property Management – Lubumbashi</b></p> <p>Due to budgetary constraints, funding to the Mission had not yet improved especially on capital projects. The two properties Plot No. 1332 Kapuda Avenue and Plot No. 25, Biayi Avenue had been vacated because they were not fit for human habitation.</p>	Progress not made on rehabilitation of properties.	Recommended for closure as the Committee had made new recommendations in the 2004 PAC report requesting for comprehensive list of properties in missions.
	37 (41) 2002 KINSHASA	<p><b>(b) Visa Fees Dollar Account</b></p> <p>The amount of K38, 272,000 has not yet been recovered from the Mission due to funding constraints.</p>	The Ministry would start recovering as soon as funding improved.	Still outstanding.
		<p><b>(c) Non-payment of bills and outstanding Advance</b></p> <p>The two ambassadors had repaid the amount owing.</p>	Two ambassadors had repaid the amounts owing. One more ambassador was yet to repay.	Still outstanding.
		<p><b>(d) Outstanding Bills</b></p> <p>All of outstanding bills that were outstanding as at 30<sup>th</sup> June 2003 had all been settled and the contractor withdrew his claim.</p>	Bills were settled.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	38 (42) 2002 BOTSWANA GABORONE	<p>(f) <b>Insurance</b></p> <p>Payment vouchers and amounts used to pay insurance were availed for verification.</p> <p>(i) <b>Misappropriation of Revenue</b></p> <p>Recoveries were instituted and the funds have been recovered.</p> <p>(ii) <b>Plot 262 Kgali Close</b></p> <p>The property was in a state of disrepair. The recommendation has been that the building should be demolished and a new one built in its place.</p> <p>(iii) <b>Lot 1118 Queens Road Gaborone</b></p> <p>The Mission has submitted the information for verification.</p>	<p>The matters were resolved.</p> <p>Recoveries had been done.</p> <p>Progress still to be reported.</p> <p>The matter was resolved.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Still outstanding</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	40 (44) 2002 WINDHOEK NAMIBIA	<p>(a) <b>Revenue</b></p> <p>(ii) <b>Use of Revenue</b> The Mission used 20 percent of the rental revenue upon being granted authority from the office of the Permanent Secretary on the understanding that the Ministry would reimburse the money.</p> <p>The Excess expenditure of K59, 704,415.56 spent on the maintenance of Government buildings was normalised by a supplementary provision in 2003 of K281, 390,739 to offset the excess expenditure.</p> <p>(iii) <b>Passport and Visa Fees</b> The balance of K41, 810,483 had not yet been recovered. The Ministry would effect recoveries from their RDCs.</p> <p><b>Transfer of Funds from the Investment Account (US\$ 60,000)</b> The Mission was authorised by the Ministry Headquarters to transfer a sum amounting to US\$40,000 and not US\$60,000 as reflected in the Audit Report.</p>	<p>The matter was resolved.</p> <p>The matter was resolved.</p> <p>Progress still to be reported.</p> <p>The matter was resolved.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Still outstanding.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	41 (45) 2002 WINDHOEK NAMIBIA	<p><b>ERF 627 – Residence 9 Schweringburg</b></p> <p>The house in question had been occupied by the Third Secretary.</p>	The matter was resolved.	Recommended for closure.
	42 (46) 2002 LUANDA	<p>(a) <b>Funding</b></p> <p>The Mission received total funding of K2, 864,204,843.</p>	The matter was resolved.	Recommended for closure.



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	42 (46) 2002 LUANDA	<p>(d) <b>Outstanding Bills</b></p> <p>The Mission's outstanding bills mainly comprised rentals for the Chancery and residences occupied by diplomats. The bills had been settled.</p>	The matter had been addressed.	Recommended for closure subject to verification.
		<p>(e) <b>Rented Properties</b></p> <p>The landlord had now carried out normal maintenance of the building and as for the state in which the building was found the Mission carried out the repairs using its own resources and these funds were then offset against the outstanding rentals, which the Mission owed to the landlord.</p>	The matter was verified.	Recommended for closure.
	43 (47) 2002 PRETORIA	<p>(c) <b>Irregular use of Revenue</b></p> <p>The Ministry was authorised by the Permanent Secretary to pay for the remains of a Zambian national related to the former Clerk of the National Assembly on the understanding that it would be repaid.</p>	The money had not been recovered and the former Clerk of National Assembly was retired.	Still outstanding

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF FOREIGN AFFAIRS	43 (47) 2002 PRETORIA	<p>(d) <b>Loss of Money</b></p> <p>The lady was dismissed by the High Commissioner. The case could not take off due to Diplomatic immunity of Embassy staff. The lady was set free and the money had not been recovered.</p>	Employee was dismissed but money was not recovered.	Recommended for change subject to submission of a loss report.
	44 (48) 2002 PRETORIA	<p><b>Properties</b></p> <p>The title deeds had not yet been traced. The Mission was still making efforts to locate the title deeds.</p>	No progress was made.	Recommended for closure as the paragraph has been overtaken by events due to the fact that, the PAC Report 2004 requires that the Ministry prepares a comprehensive list of all properties in missions indicating the name, title deeds and insurance details.



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF COMMUNITY DEVELOPMENT AND SOCIAL SERVICES	41 (46) 1996	<p><b>Non-Delivery of Motor Vehicle</b></p> <p>The Ministry had written to Ministry of Justice in order to be furnished with the progress regarding the execution of the writ of FIFA against More Trade Holdings Limited.</p>	<p>The Ministry of Justice had advised that the company went into self liquidation and the whereabouts of directors was not known. The debt may, therefore, be unrecoverable.</p>	<p>Recommended for closure as the whereabouts of the directors is not known. Therefore cannot be legally pursued. Loss report should be submitted.</p>
	42 (47) 1996	<p><b>Review of operations of the National Trust for the Disabled.</b></p> <p>The officers involved in the matter were taken to court and were found with no case to answer.</p> <p><b>Motor Vehicle Repairs</b></p> <p>There was no double payment in connection with the repair of a World Food programme Toyota Dyna Motor vehicle No. UN167 in 1999.</p>	<p>A loss report has since been submitted.</p> <p>When the Garage was queried on the two payments. They replied that these were different jobs on the same vehicle.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p>
		<p><b>Non – Recovery of Loans Distributed to Women’s Clubs</b></p> <p>The non – recovery of loans from beneficiaries still remained the same as community leadership, Resident Development Committees (RDCs) had failed to trace the women’s Development club.</p>	<p>The PUSH Board had recommended for loans to be written off.</p>	<p>Recommended for closure as loans will be treated as bad debts and written off.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF COMMUNITY DEVELOPMENT AND SOCIAL SERVICES	42 (47) 1996	<p><b>Accounting and Management of Hammer Mill Loan Project in Lusaka Province.</b></p> <p>(b)The Ministry had only managed to recover K20, 480,000 out of K99 Million leaving a balance of K78, 520,000.</p> <p><b>Irregularities in the Administration of Public Welfare Assistance Scheme and Health Care 1997.</b></p> <p><b>PWAS</b> had been re-designated Area Co-ordinating Committees (ACCS) and Community Welfare Assistance Committees (CWACS) made up of volunteers had been formed in 52 Districts. Once resources were sent to Districts; they were subsequently shared among the ACCS that cater for all the vulnerable in the Districts and Villages.</p>	<p>Cost of repairing the said Hammer Mills would cost Government K162 Million against the K78 Million to be recovered.</p> <p>The scheme had since been re-designated.</p>	<p>Recommended for closure and the K78 Million to be charged to public funds.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
NATIONAL ASSEMBLY OF ZAMBIA	29 (33) 2002	<p><b>Construction of a Boundary Wall Fence at the Former Speaker's Lodge.</b></p> <p>(b)The practice had since stopped. All works to the Institution are done after all documentation concerning respective contracts are signed.</p> <p>(c) The documents relating to the works carried out on the house for the Former Speaker could be verified at Ministry of Works and Supply, Buildings Department that managed and supervised the Project.</p>	<p>Measures have been put in place to ensure that contracts are signed.</p> <p>Works were carried out.</p>	<p>Recommended for closure.</p> <p>Recommended for closure. The house is now a private residence.</p>
	31 (35) 2002	The case involving the Former Clerk of National Assembly was still in court.	No progress as matter was still in court.	Still outstanding.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
NATIONAL ASSEMBLY OF ZAMBIA	33 (37) 2002	The remaining un-vouched documents could not be traced.	Measures had been put in place to store accounting documents.	Recommended for closure as measures are now in place to ensure the safe storage of accounting documents.
	34 (38) 2002	(e) Evidence of recovery of the debts at the Motel were available for verification.	The documents were verified.	Recommended for closure.
		g (i) The Auditor General's Office had not provided details of missing payments vouchers. This had proved difficult for the Institution to ascertain which ones were queried.	No progress made in tracing payment vouchers.	Recommended for closure with a caution to the Controlling Officer to ensure that accounting documents are properly stored at all the times.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF YOUTH, SPORT AND CHILD DEVELOPMENT	51 (59) -1995	<p><b>Capital Expenditure –Independence Stadium US\$ 267,000</b></p> <p>In a bid to recover the funds from Tusonia the Ministry had been in contact with the Attorney General for legal advice.</p>	<p>The Attorney General had recommended that due to lapse of time the matter was statute barred and in any case, there were no details on the company.</p>	<p>Recommended for closure based on the advice by the Attorney General.</p>
MINISTRY OF JUSTICE - ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION	57 (63-65) 2002	<p><b>b) Creditors</b> The Institute had managed to clear some of its debts with the slight improvement in funding. Agreed instalment payments of K3.5 million per month had reduced the debt to ZRA.</p> <p>No penalties were being charged on the outstanding debt. A number of training programmes had been introduced to improve the revenue base.</p> <p><b>c) Debtors</b> These have reduced significantly except for one debtor. She had not made any effort to reduce the debt. Debtors were made to sign contract forms, which bind them to settle the debts. This had proved very helpful and had led to reduced debt levels.</p>	<p>Progress has to be reported on movement of the debt stock.</p> <p>Progress has to be reported on the quantum movement of the debt stock.</p>	<p>Still outstanding.</p> <p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF JUSTICE (LAW DEVELOPMENT COMMISSION)	22 (24) -2001	<p><b>Repairs to GRZ 556 BK</b> The matter was in court because the officer who was surcharged had disputed paying for the cost of repairs as resolved by the Standing Accidents Board. No date of hearing had been fixed by the court.</p>	The matter was still before the court.	Still outstanding.
	23 (25) -2001	<p><b>Structure</b> There were a number of vacancies that had not been filled because the Commission had failed to attract qualified professional staff due to unattractive conditions of service and low salaries. It was difficult to retain them after recruitment.</p>	No major progress made.	Recommended for closure as this is a general problem in the Government.
	23 (25) -2001	<p><b>Funds of the Commission</b> The amounts could have been as a result of a wrong transaction resulting from lack of qualified accounting personnel. The Commission had also confirmed that there had been no such transaction, as both the Commission and Ministry of Justice have no documents regarding the transactions.</p>	No progress made.	Recommended for closure as the query may have arisen because of ill qualified accounts officers that were employed.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF JUSTICE	24 (26) -2001	<p><b>Review of the Interstate Succession Act No. 5 of 1989</b></p> <p>The project had since been carried out with financial support from GTZ.</p> <p><b>Consumer Protection</b></p> <p>The project was being carried out.</p> <p><b>The Trust Restrictions Act</b></p> <p>The project was initiated to review the Act in line with the current land and business laws. The Project had stalled due to lack of financial resources.</p> <p><b>Restatement of Customary Law</b></p> <p>The project was conducted in 2003.</p>	<p>The project had been completed.</p> <p>Project had been revived.</p> <p>Funds were not available hence the project cannot be completed.</p> <p>Project was conducted.</p>	<p>Recommended for closure.</p> <p>Recommended for closure. The Auditor General's office will keep the matter in view in the next audits.</p> <p>Still outstanding.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF JUSTICE	24 (26) - 2001	<p><b>Review of the Local Courts System</b></p> <p>The project was conducted in 2003</p>	Project was conducted.	Recommended for closure.
	29 (31) 2001	<p><b>Telephones</b></p> <p>The Commission had now placed a ceiling on the utility bills that the Commission could pay with effect from July 1,2004.</p>	Measures had been put in placed to control telephone usage.	Recommended for closure.
	30 (32) 2001	<p><b>Non – Deduction and Remittance of Withholding Tax.</b></p> <p>The Commission was still pursuing the matter with a view to ascertain the contact addresses of landlords that were paid so that they can be requested to account for and remit the Withholding Tax to ZRA.</p>	Progress still to be reported.	Still outstanding.



<b>MINISTRY/ DEPARTMENT</b>	<b>PARA</b>	<b>SUBMISSION</b>	<b>PROGRESS MADE</b>	<b>RECOMMENDATION</b>
MINISTRY OF JUSTICE	31 (33) 2001	<p><b>Non Recovery of Salary Advances</b></p> <p>All advances are now deducted within 6 months from the time they were obtained. The amount not yet recovered amount to K1, 246,670. There were two (2) employees who were now working at the Ministry of Justice that still owe K183, 334 and K200, 000 respectively. The Commission would request the Permanent Secretary of Ministry of Justice to help recover these amounts through the payroll.</p>	Progress still to be reported.	Still outstanding.
	33 (35) - 2001	<p><b>Financial Statements</b></p> <p>The financial statements from 1997 to 2001 had been prepared and audited. The financial statements for 2002 and 2003 had been prepared and were sent to Auditor General on 1<sup>st</sup> November 2004 for audit. The audit had been confirmed to take place in August 2006 during which the Financial Statements up to 31<sup>st</sup> December 2004 would be audited. Financial year ending 31<sup>st</sup> December 2005 were been finalised and will be submitted by June 2006.</p>	The matter had been resolved.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF AGRICULTURE AND CO-OPERATIVES	30 (40) -1994	<p><b>Inadequate Maintenance of Records over Maize Marketing</b></p> <p>The Ministry of Agriculture and Cooperatives wrote to the Ministry of Justice seeking legal assistance.</p>	<p>The Attorney-General had advised that due to non availability of vital records, the matter could not be pursued to its conclusion. It was also legally difficult to pursue due to limitation of time.</p>	<p>Recommended for closure as per advice from the Attorney General. Loss to stand as a charge against public funds.</p>
	29 (37) 1995	<p><b>Non Repayment of Loans and Maize Purchases</b></p> <p>The Ministry of Justice advised they did not have records showing that the matter was earlier referred to them. However, due to lapse of time the matter was statute barred.</p>	<p>No progress made.</p>	<p>Recommended for closure as the matter is statute barred. Loss to stand as a charge against public funds.</p>
	30 (38) 1995	<p><b>Management Programme – Fertiliser Purchases</b></p> <p>i) The Ministry of Justice instituted litigation to recover the moneys. They did not succeed due to non availability of records and whereabouts of debtors. The matter was also affected by time limitation.</p> <p>ii) The case; Cavmont Merchant Bank vs the Attorney-General was under arbitration.</p>	<p>No progress made.</p> <p>Matter was under arbitration.</p>	<p>Recommended for closure as the matter cannot be pursued due to lack of vital records. The loss should stand as a charge against public funds</p> <p>Still outstanding.</p>

<b>MINISTRY/ DEPARTMENT</b>	<b>PARA</b>	<b>SUBMISSION</b>	<b>PROGRESS MADE</b>	<b>RECOMMENDATION</b>
MINISTRY OF AGRICULTURE AND CO-OPERATIVES	31 (39) 1995	<b>Crop Fertiliser Marketing and Financing Revolving Fund</b>  The Bank of Zambia had advised that the likelihood of recovering the funds was doubtful. The matter was also affected by time limitations.	No progress made.	Recommended for closure due to limitations of time. The loss should be charged against public funds.
	32 (40) 1995	<b>Irregularities in the Importation of Maize</b>  The Ministry had failed to trace missing payment vouchers. In addition, erring officers could not be disciplined as they were no longer in government service.	No progress made.	Recommended for closure. Records cannot be traced and officers are not available. The loss should be charged against public funds.
	93 (87) -1997	<b>Construction of Gene-Bank Store and Office</b>  Documents had been submitted for verification.	No progress made.	Recommended for closure.
	41 (47) -1998	<b>Misappropriation of Funds Co-operatives College</b>  The matter was taken to court and all the officers were acquitted.	The officers were acquitted.	Recommended for closure.

<b>MINISTRY/ DEPARTMENT</b>	<b>PARA</b>	<b>SUBMISSION</b>	<b>PROGRESS MADE</b>	<b>RECOMMENDATION</b>
MINISTRY OF AGRICULTURE AND CO-OPERATIVES	29 (37) -1995	<p><b>Non – Repayment of Loan of Maize Purchases</b></p> <p>The Ministry was making extra efforts in tracing the records so as to pursue the case to its logical conclusion.</p> <p>No action had been taken against employees of both the Ministry of Agriculture and Co-operatives and Ministry of Finance and National Planning who were alleged to have formed companies and taken part in the exercise.</p>	<p>The Ministry of Finance and National Planning liaised with the Bank of Zambia on how to pursue the matter with Banks that participated in the loan scheme. The Bank of Zambia had advised that the likelihood of recoveries was highly doubtful coupled with passage of time, therefore, the amounts should stand as a charge against public funds.</p>	<p>Recommended for closure due to lapse of time and unlikelihood of making recoveries. The amounts should stand as a charge against public funds.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF AGRICULTURE AND CO-OPERATIVES	42 (48) -1998	<p><b>Lease of Masaiti Farmers Institute</b></p> <p>(i) The contract on lease of Masaiti Farmers Institute was available for verification.</p> <p>(ii) The K702, 847 unaccounted by the office of PACO was used to pay outstanding wages for casual workers. Documents were available for verification.</p>	<p>The matter was verified.</p> <p>The matter was verified.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p>
	140 (150) 2002	<p><b>Diversion of Funds.</b></p> <p>The US\$ 100,000 borrowed in June, 2001 was reimbursed and the Auditor-General has since verified the matter. Efforts to trace records for the other US\$ 100,000 are still on-going. A loss report regarding the lost laptop for the Ministry of Finance had been submitted.</p>	<p>Progress still to be reported on the other US\$ 100,000.</p>	<p>Still outstanding.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
MINISTRY OF AGRICULTURE AND CO-OPERATIVES	141 (151) 2002	<p><b>Project Funds in Closed Banks.</b></p> <p>Documents relating to the reimbursed funds by the liquidator had been submitted to the Auditor General.</p> <p>The second part of the funds was still locked up in the closed Bank.</p>	<p>The matter was verified but progress was yet to be reported on funds that were locked up in the closed Bank.</p>	<p>Still outstanding.</p>
	42 (47) 1996	<p><b>Lusaka District</b></p> <p>(a) <b>Makeni Storage Shed</b> The issue of uncompleted works in respect of Makeni Storage Shed was before the Attorney-General.</p>	<p>Progress still to be reported.</p>	<p>Still outstanding.</p>
		<p>(a) <b>Chanyanya Road</b> The District Agricultural Co-coordinator's office had released the 5% retention fee (K5, 200,000) under the project to the Community.</p>	<p>The works had since been completed.</p>	<p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – CENTRAL PROVINCE	66 (74) -1995	<p><b>Third Party Deposits</b></p> <p><b>Lack of Effective Supervision USAID funded Projects.</b></p> <p>(b) The amount totalling K334, 300 to which 2 stores officers were surcharged for negligence had been fully recovered.</p> <p>(c) A disciplinary letter had been sent to the supervising officer.</p>	<p>Amounts had been recovered.</p> <p>Disciplinary action had been taken.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p>
	21 (26) -1995	<p><b>Irregularities in Accounting for Election Funds - Lusaka Province</b></p> <p>Details that were said to be unavailable to support the balance of K111, 622,425 election funds were submitted to the office of the Auditor General for verification.</p>	<p>Documents were verified.</p>	<p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – LUSAKA PROVINCE	21 (26) -1995	<p><b>Fraudulent Accounting for Salary Wages, Long Service Bonuses and other accounting Irregularities K98,000,351</b></p> <p>The matter was concluded by the court of Law in favour of the officer. A loss report had been submitted.</p>	The officer had been acquitted and a loss report submitted.	Recommended for closure.
	147 (157) -2002	<p><b>Salary Account</b></p> <p>(a) <b>Locked up Funds</b> The Ministry had recovered from the liquidator the sum of K29,500,000 leaving a balance of K2,049,781.08</p> <p>(b) <b>Overpayment of Salaries</b> The officers responsible for the preparation of salary inputs were suspended. K30,110,150.00 cash was paid back and K12,929,864.28 had been recovered through withholding salaries bringing the total amount recovered to K43,040,014.28</p>	<p>K29,500,000 had since been recovered leaving a balance of K2,049,781.08</p> <p>The balance of K12,981,424.28 has been recovered from the officer's salaries making a total of K56,964,415.40</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p>



MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – LUSAKA PROVINCE	147 (157) -2002	<p data-bbox="724 305 982 331"><b>(c) Diversion of Funds</b></p> <p data-bbox="724 370 1207 604">It was not true that all transfers made from their Salaries Account were deliberately made to divert funds to pay advances and loans to officers. The amount of K54, 558,832.84 that was transferred from Salaries Account to the Revolving Funds Account was in respect of recovery of loans from officers.</p> <p data-bbox="724 643 1207 701"><i>(i) Long Service Bonuses and Travel Benefits.</i></p> <p data-bbox="724 734 1207 909">Non payment of Long Service Bonuses and Leave Travel Benefits were as a result of inadequate funding to the Salaries Account in 2002. The Treasury only funded the total wage bill for the month and there was no surplus to pay other personal emoluments.</p>	<p data-bbox="1224 370 1495 396">The matter was verified.</p> <p data-bbox="1224 734 1564 850">All outstanding bills were referred to the Ministry of Finance and National Planning for payment.</p>	<p data-bbox="1581 370 1873 396">Recommended for closure.</p> <p data-bbox="1581 734 1911 883">Recommended for closure since outstanding bills were taken over by the Ministry of Finance and National Planning.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – LUSAKA PROVINCE	147 (157) -2002	<p>(ii) <i>Failure to remit Statutory Contributions.</i></p> <p>All contributions to the Pensions Fund and NAPSA had been remitted.</p> <p><b>(d) Payment to Non Existing Workers.</b> The retired officers could not be removed from the payroll as they had not yet received their terminal benefits.</p> <p><b>(e) Fraudulent payment of Long Service Bonuses K9,051,612</b> The matter was reported to the Police and the case had been concluded in Court in favour of the officers involved.</p>	<p>Statutory contributions were remitted.</p> <p>The officers had now been removed from the payroll.</p> <p>The Court had ruled in favour of the officers.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – LUSAKA PROVINCE	147 (157) -2002	<p><b>(f) Unsupported Payments-Salaries Accounts</b> The reported unsupported payment vouchers amounting to K355,057,884.00 for the period January to December 2002 had now been regularised.</p>	Supporting documents had been submitted and verified.	Recommended for closure.
	45(51)-1998	<p><b>Accounting Irregularities, Prisons Department – Lusaka Province</b> The matter relating to Lusaka Central, Kamwala Remand and Mwembeshi Prisons had since been cleared.</p>	The matters were verified.	Recommended for closure.
	95 (89) - 1997	<p><b>Failure to Account for Stores, Provincial Accounting Office</b> The Attorney Generals Office was unable to proceed with the matter in the absence of vital documentation and had advised that the matter be treated as a loss to public funds.</p>	A loss report had since been submitted.	Recommended for closure.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – NORTHERN PROVINCE	70 (78) 1995	The 259 pockets of cement had not been supplied by Chilanga Cement.	The 259 packets of cement were used to cover the price adjustment by Chilanga Cement.	Recommended for closure due to lapse of time.
OFFICE OF THE PRESIDENT – LUAPULA PROVINCE	127 (139) 2000	<p><b>Fuel</b></p> <p>A loss report for K12, 007,097.62 had been submitted to the Ministry of Finance and National Planning for processing.</p> <p><b>Misappropriation of Revenue</b></p> <p>(a) The amount of K14,285,000 which was used by the office of the Permanent and Deputy Permanent Secretary can not be recovered from their benefits since they had both retired and had been paid all their terminal benefits. The amount should be charged as a loss to public funds.</p> <p><b>Misappropriation K29,195,000</b></p> <p>(c) The officer who misappropriated the amount above had since been dismissed from the Civil Service with effect from 1<sup>st</sup> November, 2004. The amount of K6,257,095 had been recovered from his terminal benefits leaving a balance of K22,937,904. The Ministry was requesting for it to stand as a charge against public funds.</p>	<p>Loss report had been submitted.</p> <p>No recoveries made as concerned officers were paid their terminal benefits.</p> <p>Only 22% of the amount had been recovered.</p>	<p>Recommended for closure.</p> <p>Recommended for closure subject to submission of a loss report. The Secretary to the Treasury is urged to ensure that casualty forms are submitted in good time to avoid such cases. Any officer delaying casualty forms should be surcharged.</p> <p>Recommended for closure subject to submission of a loss report for the K22,937,904.</p>

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
OFFICE OF THE PRESIDENT – NORTH WESTERN PROVINCE	56 (60) 1997	<p><b>Third Party Deposits: Lack of Supervision over USAID Social Action Programme</b></p> <p>The sum of K6, 000,000 was paid back by Kabompo District Council and recaptured on General Receipt No.1025502 dated 3<sup>rd</sup> October 2005 and banked the same day.</p> <p><b>Lack of Control over Special Imprest – Provincial Accounting Control Unit – Solwezi K43,531,317.85</b></p> <p>The officer was not in a position to pay back the money. Efforts may be more costly to pursue.</p>	<p>The money has been paid back by Kabompo District Council.</p> <p>Amount not recovered.</p>	<p>Recommended for closure.</p> <p>Recommended for closure The amount should be charged to public funds.</p>

**PART III**

---

**CONSIDERATION OF OUTSTANDING ISSUES ON PARASTATALS**

---

STATISTICS

<b>Number of Paragraphs</b>	<b>Recommended for Closure</b>	<b>Outstanding</b>
45	22 (49%)	23 (51%)

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	6 (5) 2004	<p><b>Local Investments</b></p> <p><b>(a) Properties</b></p> <p><b><u>(i) Title Deeds And Sale Agreements</u></b></p> <p>Title Deeds for Plot number 5171, PHI 368/100A and 100B were made available for inspection</p> <p><b>(ii) Purchase of Properties in Jesmondine and Kalundu</b></p> <p>Investigations were still being carried out.</p> <p><b>(b) Bank Accounts</b></p> <p>The funds in Bank Account number 090239881, which were held in South Africa, were recalled, statement of Account at date of closure and subsequent receipt of funds were verified.</p>	<p>Auditor General had since verified the submission.</p> <p>Progress still to be reported.</p> <p>Matter was resolved.</p>	<p>Recommended for closure.</p> <p>Still outstanding.</p> <p>Recommended for closure.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	6 (5) 2004	<p><b>(c) Funds in Closed Banks</b></p> <p>Out of K4.3 billion, only K39 million has been recovered from Union Bank.</p> <p><b>(d) Share Holdings</b></p> <p>The proceeds from the sale of 11 million shares in Chilanga Plc were banked in Stanbic Bank on 13<sup>th</sup> July 2001. The funds were eventually transferred to Stanchart, ZANACO and Indo-Zambia A/Cs for payment of early retirement cases, normal retirement and Defence retirees respectively.</p> <p><b>(e) Foreign Investments Bank Accounts</b></p> <p>Funds were recalled. The investment unit had been formed and was operational.</p>	<p>Progress still to be reported on the recovery of the balance.</p> <p>Funds were transferred to ZANACO and INDO Zambia Banks for payment of retirement cases.</p> <p>The matter was resolved.</p>	<p>Still outstanding.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>



INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	6 (5) 2004	<p><b>Internal Controls</b></p> <ul style="list-style-type: none"> <li>• The Internal Audit Charter, Corporate Governance Charter and the Procurement Manual were now in place.</li> <li>• The matter was taken to the courts of law and a <i>nolle prosequi</i> was entered. However, no written documentation of the matter was made available.</li> <li>• The works, which were done in 2000 were verified.</li> <li>• No proof of the trip having been taken was given. Messrs. Donald Chanda O. V. Gondwe, B. Sikabole and J. Phiri were no longer in employment.</li> </ul>	<p>The matter was resolved.</p> <p>Progress still to be reported.</p> <p>The matter was resolved.</p> <p>Progress still to be reported.</p>	<p>Recommended for closure.</p> <p>Still outstanding.</p> <p>Recommended for closure.</p> <p>Still outstanding</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	6 (5) 2004	<p>(a) <b>Failure to pay Pensioners on Time</b></p> <ul style="list-style-type: none"> <li>• <b>Loans to Government</b></li> </ul> <p>The matter had been resolved.</p> <ul style="list-style-type: none"> <li>• <b>Misapplication of Funds</b></li> </ul> <p>The K36 million used to pay early retirees as opposed to statutory retirees was yet to be reimbursed.</p> <p>(b) <b>Financial Position of the Fund</b></p> <p>The fund had finished preparing the reforms document.</p>	<p>The matter was resolved.</p> <p>Progress still to be reported.</p> <p>Progress report on the reforms had been submitted to the Auditor General.</p>	<p>Recommended for closure.</p> <p>Still outstanding.</p> <p>Recommended for closure.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	8 (7) 2004	<p>(a) <b>Board of the Fund</b></p> <ul style="list-style-type: none"> <li>• The Corporate Governance Charter was in place.</li> <li>• The Annual Report was now being prepared annually starting from 2003.</li> </ul>	<p>The matter was resolved.</p> <p>The matter was resolved.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p>
	10 (11) 2004	<p>(b) <b>Performance of the Fund</b></p> <p>The reforms document had been prepared and presented to the office of the Auditor-General.</p>	<p>The matter was resolved.</p>	<p>Recommended for closure.</p>
	13 (14) 2004	<p>(c) <b>Unclaimed Monthly Pension</b></p> <ul style="list-style-type: none"> <li>• No further funds had been received from the Defunct Credit Africa Bank.</li> <li>• The Auditor-General had since verified the mechanism that had been put in place to account for Pension funds that remain unpaid.</li> </ul>	<p>Progress still to be reported.</p>	<p>Still outstanding.</p>
			<p>Mechanism had been put in place to account for pension funds that remained unpaid.</p>	<p>Recommended for closure.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	19 (20) 2004	<p>(d) <b>Local Bank Accounts</b></p> <ul style="list-style-type: none"> <li>• A further K39 million had been recovered from closed Union Bank.</li> <li>• The remaining balance of US\$ 80,745.85 had since been received from Water Mark Securities.</li> </ul>	<p>Progress still to be reported.</p> <p>The matter was resolved.</p>	<p>Still outstanding.</p> <p>Recommended for closure</p>
	24 (25) 2004	<p>(a) <b>Government Indebtedness to the Fund</b></p> <p>K17.7 billion was released to the Fund in April 2006. As at October 2006, K60 billion was released. The K100 billion allocated in 2006 was fully funded and was part of the K254 billion that was released to the Fund.</p>	<p>K100 billion was released in 2006 towards reducing Government's Indebtedness to the fund.</p>	<p>Still outstanding</p>
	25 (26) 2004	<p><b>Indebtedness of ZAMPOST to the Fund</b></p> <p>The matter was still in court.</p>	<p>Progress still to be reported.</p>	<p>Still outstanding</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	26 (27) 2004	<p>(a) <b>Computerisation of the Fund's Records</b></p> <ul style="list-style-type: none"> <li>• The matter was still under investigation by the task force on corruption.</li> <li>• Public pensions fund did not suffer financial loss arising from the termination of the contract.</li> </ul>	<p>Progress still to be reported.</p> <p>The automated pension administrative system was working.</p>	<p>still outstanding</p> <p>Recommended for closure.</p>
	27 (28) 2004	<p><b>House Ownership Scheme</b></p> <p>It had been resolved by Public Service Pensions Fund and Pan African Building Society (PABS) that the liability of PABS to PSPF stood at K1, 029,086,727.17 as at 15<sup>th</sup> April 2005. it was further agreed that PABS will make monthly payments of K15,575,955.50 inclusive of interest at 91 days tender base rate. this arrangement will be made by 15<sup>th</sup> of every month until full settlement.</p>	<p>K174, 640,085.40 had been paid.</p>	<p>Recommended for closure as a payment plan is in place. The Auditor General will keep the matter in view during the next audit.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	27 (28) 2004	<ul style="list-style-type: none"> <li>• The contract was not renewed upon expiry and the scheme was taken over by Public Service Pensions Fund. As for the questionable Bank transactions, Pan Africa Building Society (PABS) accounted for the funds that were disbursed to them through a report dated 17<sup>th</sup> July 2002.</li> <li>• The 34 payments for mortgage advances amounting to K521, 472 were allocated numbers.</li> <li>• Two payments totalling K21, 861,250 in respect of two different properties that were irregularly paid to one applicant were rectified.</li> </ul> <p><b>The Ledger cards</b></p> <p>The ledger cards were updated.</p>	<p>The matter was verified by the office of the Auditor General.</p> <p>The matter was verified.</p> <p>The matter was verified.</p> <p>The matter was verified.</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure as new numbers were allocated for the different properties.</p> <p>Recommended for closure.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
PUBLIC SERVICE PENSION FUND	27 (28) 2004	<b>Title Deeds</b>  The title deeds were available	The matter was resolved.	Recommended for closure.
	29 (30) 2004	<b>Financial Position of the Fund</b> <ul style="list-style-type: none"> <li>• The Task Force on Corruption was still investigating the matter.</li> <li>• A ceiling of \$100 per Senior Manager had been put in place and no phones were bought for them.</li> <li>• The fund had tried to locate the documents, however, the efforts had proved futile.</li> </ul>	Progress still to be reported.  The matter has since been verified.	Still outstanding.  Recommended for closure.
	30(31) 2004	<b>Performance of the Fund</b>  A progress report on the reforms had been submitted to the Auditor General.	Progress still to be reported.  Matter was resolved.	Still outstanding.  Recommended for closure.

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
NANGA FARMS PLC	12 (10) 2001	<b>Bank Accounts</b> The arrangement was discontinued by the company.	Matter was resolved.	Recommended for closure
	13 (11) 2001	<b>Sale of Shares</b> 1) The sale was reversed. CDC group repurchased 76.22 percent of Class A shares and 100 percent of Class B shares. Effectively, CDC Group owned 89 percent of the shares and the Government 11 percent.  2) The former Director who signed the No Objection Letter was not disciplined as he had moved to the Bank of Zambia.	The sale was reversed   Director was not disciplined	Still outstanding. The Secretary to the Treasury should reassess the share holding. The Zambian Government is effectively supposed to hold 14.29 percent of the shares.  Still outstanding. The former Director should be made to account for his action.
	14 (12) 2001	<b>Financing and Purchase of CDC Shares</b> Investigations were instituted and discontinued by the Police. The Ministry of Finance had appointed a new Director on the Board to ensure accountability and proper supervision.	A new Director had been appointed on the Board.	Recommended for closure.
	15 (13) 2001	<b>Transfer of Funds</b> The Government had noted the observations.	Observations were noted	Recommended for closure as the share sale was reversed.
	16 (14) 2001	<b>Transactions in the Nanga Farms Plc/ New World Collection Account/ Transfer of Shares</b> The sale transaction was reversed.	The sale transaction was reversed	Recommended for closure.



INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
NANGA FARMS	17 (15) 2001	<b>Application of Zambian Competition Commission</b> The sale transaction was reversed.	Sale transaction was reversed.	Recommended for closure.
	18 (16) 2001	<b>Proposed Apportionment of Shares of Management of Nanga Farm Plc</b> The sale transaction was reversed.	Sale transaction was reversed.	Recommended for closure
	19 (17) 2001	<b>Loan Repayment</b> Title Deeds were submitted to the Auditor General for verification.	Title deeds were submitted to the Auditor-General.	Recommended for closure.
	20 (18) 2001	<b>Payments Made on Behalf of New World Farming</b> All payments made on behalf of New World Farming were recovered.	Recoveries were made.	Recommended for closure subject to verification of recoveries.
	21 (19) 2001	<b>Disposal of Assets</b> All relevant documents were made available to the auditors. Copies were taken by the Police.	Documents were taken by the Police.	Recommended for closure.
	22 (20) 2001	<b>Conclusion</b> CDC Group repurchased all shares that were sold to New World Farming following very high level consultations. CDC took over management of Nanga Farms	Shares were repurchased by the CDC Group.	Recommended for closure

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZAMBIA NATIONAL OIL COMPANY (IN LIQUIDATION)	9 (10) 2001	<p><b>Management of the Company</b> The case was dismissed by the High Court in favour of ZNOC (in liquidation). The former Receiver, however, had appealed against the judgment.</p>	Case was dismissed but the former Receiver had appealed.	Still outstanding.
	10 (11) 2001	<p><b>Capitalisation of the Company</b> The Ministry of Finance and Natural Planning had put place in measures to ensure that government interests in parastatals were protected.</p>	Measures had been put in place to protect government interests in parastatals.	Recommended for closure.
	11 (12) 2001	<p><b>Performance of the Company</b> The following measures had been put in place to cushion against shocks in the petroleum sub sector.</p> <ul style="list-style-type: none"> <li>• Government and Total had signed a Memorandum of Understanding to capitalise INDENI.</li> <li>• Government was about to enter into an agreement with TAZAMA to finance the rehabilitation of a 40,000 MT tank for strategic reserves.</li> <li>• Transferred the management of the Ndola Terminal to TAZAMA.</li> <li>• Energy Regulation Board had strengthened its monitoring capacity on the maintenance of a 15-day oil reserves.</li> </ul>	Measures have been put in place to avoid petroleum shocks.	Recommended for closure.

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZAMBIA NATIONAL OIL COMPANY (IN LIQUIDATION)	12 (13) 2001	<p><b>Preparation of Accounts</b> Thorough investigations were not conducted on activities of government officials who sat on the Board as they were no longer in service.</p>	Conclusive investigations were not conducted	Recommended for closure as key persons are not available.
	13 (14-17) 2001	<p><b>Service Agreements</b> INDENI and TAZAMA would continue to operate even after the demise of ZNOC as long as the Government continued to import crude oil into the Country.</p> <p><i>Good Governance</i> Government had noted the recommendations.</p> <p><i>Purchase of Crude Oil</i> The Single Point Mooring (SPM) was owned by Tanzania Harbour Authority (THA). The responsibility of rehabilitating the SPM lies with THA.</p> <p><i>Evaluation of Tender</i> The rehabilitation of INDENI co-financed by the Zambian Government and Total had begun.</p>	<p>Operations of INDENI and TAZAMA were guaranteed as long as the Government was the importer of crude oil.</p> <p>Observations were noted</p> <p>Rehabilitation of SPM was the responsibility of THA.</p> <p>Rehabilitation works had begun</p>	<p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p> <p>Recommended for closure.</p>
	15 (19) 2001)	<p><b>Amendment to the Contracts</b> In order to facilitate thorough investigations in the operations of ZNOC, a forensic audit was required. Funding restrictions were the major challenge.</p>	Thorough investigations had not been conducted.	Still outstanding. The forensic audit should be undertaken.

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZAMBIA NATIONAL OIL COMPANY (IN LIQUIDATION)	18 (26-34) 2001	<p><b>Subsidies to Oil Marketing Companies</b></p> <p><i>(a) ZNOC's Indebted to ZANACO</i> Reconciliation was done and amount validated and agreed as US\$48 million.</p> <p><i>(b – c) Citibank and Stanbic Bank</i> The Citibank (US\$48.5 million) and Stanbic (US\$35 million) facilities were guaranteed by Bank of Zambia and, therefore, it was the unsecured creditor of the liquidation.</p> <p><i>Outstanding Disputed Claim</i> After consultations, it was resolved that there was no legal basis to compel Zambia State Insurance to pay the remaining excess above K1 billion.</p> <p><i>TAZAMA Booster Pump Stations</i> Government had taken note of the recommendations.</p> <p><i>Contract with Indeni Oil Company</i> Government had taken note of the recommendations.</p> <p><i>Maintenance of the ZNOC Fuel Terminal</i> The matter had financial and technical implications, which should be assessed by relevant technical experts.</p>	<p>Outstanding amount had been determined</p> <p>Facilities were guaranteed by the Bank of Zambia.</p> <p>The Liquidator could not pursue the claim due to weak legal basis.</p> <p>Recommendations were noted.</p> <p>Recommendations were noted.</p> <p>No progress made.</p>	<p>Still outstanding. Progress should be reported on the settlement of debt.</p> <p>Recommended for closure</p> <p>Recommended for closure</p> <p>Recommended for closure</p> <p>Recommended for closure</p> <p>Still outstanding. Technical advice should be sought on the implementation of the recommendation.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZAMBIA NATIONAL OIL COMPANY (IN LIQUIDATION)	19 (35) 2001	<p><b>Appointment and Payment to Receiver/Manager</b> The claim by the former Receiver was dismissed by the High Court. He had, however, appealed.</p> <p>Significant progress had been made in the liquidation process following the Attorney General's resolution on the ownership of major assets of ZNOC.</p>	<p>Claims by the former Receiver were dismissed by the High Court but there was an appeal.</p> <p>Ownership of major Assets was resolved.</p>	<p>Still outstanding pending decision by the Supreme Court.</p> <p>Recommended for closure</p>
	20 (36) 2001	<p><b>Appointment of a Liquidator</b> The Status Report on the liquidation process was submitted. The liquidator would call for a meeting with the Government to discuss outstanding issues in the liquidation and chart a way forward. The issues required government's prompt attention so as to pave way for the liquidation to be finalised hopefully by the end of 2007.</p>	<p>Status Report on liquidation was submitted.</p>	<p>Still outstanding.</p>
	21 (37) 2001	<p><b>Conclusion</b> Alternative sourcing of petroleum to reduce disruptions in supply included realignment of the procurement of crude feed stock. Government was, therefore, in the process of advertising for the following: (i) financiers to provide funds for purchase of crude feed stock; and (ii) suppliers of crude feed stock.</p>	<p>Government had taken measures to avoid disruptions in feed stock supplies.</p>	<p>Recommended for closure. Matter will be kept in view by the Auditor-General.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
NATIONAL HOUSING AUTHORITY	42 (13) 1995	<p>(a) <b>Management of the Board</b></p> <p>The National Housing Authority Act had not been amended. Following the transfer of ZIMCO properties Limited and INDECO Estate Development Company Limited to National Housing Authority, the Board had submitted three proposals for the amendment of the National Housing Authority (NHA) Act to the Ministry of Local Government and Housing.</p>	Progress still to be reported on the amendment of the National Housing Authority Act.	Still outstanding

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZESCO	6 (5) 1994	<p><b>Recapitalisation</b></p> <p>Zesco had written several times to Ministry of Finance and National Planning to seek permission to capitalise their reserves but there had been no response.</p>	<p>Progress still to be reported. The Secretary to the Treasury had written to Zesco to submit a fresh request so that authority could be granted based on the current status.</p>	<p>Still outstanding</p>
	15 (15) 1994	<p><b>Irregular Payment</b></p> <p>The Officer has made a counter claim of under payment of terminal benefits in the high Court. The matter was adjourned to 28<sup>th</sup> October 2005 at the insistence of plaintiff exploring an out of Court settlement.</p>	<p>Progress still to be reported.</p>	<p>Still outstanding</p>
	26 (26-27) 1994	<p><b>Education Allowance paid to the former General Manager (K110,856,400-00)</b></p> <p>Zesco had made consultations with lawyers who provided a legal opinion stating that the former Managing Director was only entitled to responsibility allowances. Any other payments received by him were recoverable.</p>	<p>Progress still to be reported.</p>	<p>Still outstanding</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZESCO	26 (26-27) 1994	<p><b>(b) Purchase of Foreign Exchange for incidentals (US\$ 39,136 and GBP 1,000)</b></p> <p>The officer had made a counter claim under payment of terminal benefits in the High Court. The matter was adjourned to 28<sup>th</sup> October 2005 at the insistence of the plaintiff exploring for an out of court settlement.</p>	Progress still to be reported.	Still outstanding.
	27 (28) 1994	<p><b>(c) Foreign Account</b></p> <p>Payment made to a ZESCO employee (US\$ 2,500 &amp; GBP 500) had since been recovered.</p> <p><b>Directors' fees and Responsibility Allowance (K8,199,000)</b></p> <p>Zesco had made consultations with lawyers who provided a legal opinion stating that the former Managing Director was only entitled to responsibility allowances. Any other payments received by him were recoverable.</p>	The matter was resolved.	Recommended for closure.



INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZESCO	27 (28) 1994	<ul style="list-style-type: none"> <li data-bbox="724 277 1207 367">• <b>Part payment made for former Chairman's gratuity and fees (K6,000,000)</b></li> <p data-bbox="758 399 1207 456">The lawyer had been instructed to take up the matter.</p> <li data-bbox="724 492 1207 548">• <b>Recovery of funds from the closed Bank (2.2 billion)</b></li> <p data-bbox="758 581 1207 670">The Liquidator had promised that he was making efforts to realise the assets and declare a dividend.</p> <li data-bbox="724 706 1207 763">• <b>Unrecovered Investment amounting to K370,638,400 as in above</b></li> <p data-bbox="758 795 1207 885">The Liquidator had promised that he was making efforts to realise the assets and declare a dividend.</p> </ul>	<p data-bbox="1224 399 1535 423">Progress still to be reported.</p> <p data-bbox="1224 581 1535 605">Progress still to be reported.</p> <p data-bbox="1224 795 1535 820">Progress still to be reported.</p>	<p data-bbox="1581 399 1766 423">Still outstanding.</p> <p data-bbox="1581 581 1766 605">Still outstanding.</p> <p data-bbox="1581 795 1766 820">Still outstanding.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
ZESCO	28(29) 1994	<p><b>Investments Bank Receipts (K40,000,000)</b></p> <p>The Liquidator had promised that he was making efforts to realise the assets and declare a dividend.</p>	Progress still to be reported.	Still outstanding.
	30 (31) 1994	<p><b>Domestic Servant Allowance , education allowance and Christmas and Performance bonuses</b></p> <p>The allowances are recoverable from the former Managing Director.</p>	Progress still to be reported.	Still outstanding.
		<p><b>Over payment of Responsibility Allowance (K5,599,500)</b></p> <p>The allowance was recoverable from the former Chairman.</p>	Progress still to be reported.	Still outstanding.

MINISTRY/ DEPARTMENT	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
UNZA	8 (8) 1996	<ul style="list-style-type: none"> <li data-bbox="772 310 1207 367">• <b>Bringing Back of the Former Deputy Bursar</b>  The position had not changed since the last report of the request made to Ministry of Foreign Affairs to assist in the tracing of the former Deputy Bursar.</li> <li data-bbox="772 613 1207 764">• <b>K200m Invested in ZANACO</b>  No progress had been made since the former Deputy Bursar could not be traced.</li> <li data-bbox="772 800 1207 951">• <b>Recovery of US\$ 11,970</b>  No progress had been made as the former Deputy Bursar could not be found.</li> <li data-bbox="772 987 1207 1138">• <b>Current Account</b>  Documents relating to the balance of K30, 846,000 had been found and were ready for inspection.</li> </ul>	<p data-bbox="1226 396 1430 423">No progress made.</p> <p data-bbox="1226 672 1430 699">No progress made.</p> <p data-bbox="1226 854 1430 881">No progress made.</p> <p data-bbox="1226 1036 1493 1063">The matter was verified.</p>	<p data-bbox="1583 396 1904 513">Recommended for closure as efforts to trace the expatriate Deputy Bursar have proved futile.</p> <p data-bbox="1583 672 1904 789">Recommended for closure as efforts to trace the former Deputy Bursar have proved futile.</p> <p data-bbox="1583 854 1904 971">Recommended for closure as efforts to trace the former Deputy Bursar have proved futile.</p> <p data-bbox="1583 1036 1871 1063">Recommended for closure.</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
UNZA	8 (8) 1996	<ul style="list-style-type: none"> <li data-bbox="772 305 1207 365">• <b>Missing Receipts Totalling K18,838,380</b></li>   <li data-bbox="821 397 1207 544">A recommendation for write off of the lost money had been made and would be presented to the University Council for authorisation.</li>   <li data-bbox="758 576 1207 641">(a) Short-term Investments K1.256 and K6.45 billion.</li>   <li data-bbox="821 673 1207 852">Records pertaining to these investments were kept by the former Deputy Bursar. As the officer could not be found, there had been no progress on the matter.</li>   <li data-bbox="772 885 1207 950">(b) Short-term investments of K550 million in various banks.</li>   <li data-bbox="772 982 1207 1128">(c) There had been no response to the letter written to ZANACO requesting for details on movement of funds on the Account.</li> </ul>	<p data-bbox="1226 397 1562 511">Recommendation to write off the amount was to be presented to the University Council for authorisation.</p> <p data-bbox="1226 673 1430 698">No progress made.</p> <p data-bbox="1226 885 1528 909">Progress still to be reported.</p> <p data-bbox="1226 982 1528 1006">Progress still to be reported.</p>	<p data-bbox="1583 397 1908 479">Recommended for closure. The amount will be written off.</p> <p data-bbox="1583 673 1908 755">Recommended for closure due to non availability of records.</p> <p data-bbox="1583 885 1766 909">Still outstanding</p> <p data-bbox="1583 982 1766 1006">Still outstanding</p>

INSTITUTION	PARA	SUBMISSION	PROGRESS MADE	RECOMMENDATION
UNZA	8 (8) 1996	(d) The letter written to the Auditor General seeking details on transactions reported on from the Auditor General's working papers had not been responded to.	Progress still to be reported.	Still outstanding
	12 (12) 1996	<p><b>Library Books Borrowed by Students and not Returned</b></p> <p>An appropriate recommendation for writing off the amounts involved has been made to the University Council.</p>	Recommendation for the writing off of the amount has been made to the University Council.	Recommended for closure.

**Conclusion**

Your Committee wish to express their gratitude to you Mr Speaker and the Office of the Clerk for the guidance and support rendered to them throughout their deliberations. They further thank the Secretary to the Treasury who appeared before them to give the status of some of the outstanding issues for his cooperation.

Finally, they wish to acknowledge and show appreciation for the advice rendered to them by the Office of the Auditor-General and that of the Office of the Accountant-General.

C L Milupi, MP  
**CHAIRPERSON**

OCTOBER 2007  
**LUSAKA**