

**REPUBLIC OF ZAMBIA**

**REPORT OF THE**

**PUBLIC ACCOUNTS COMMITTEE ON**

**THE REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF GOVERNMENT  
PAYROLL FOR THE FINANCIAL YEARS ENDED 31<sup>ST</sup> DECEMBER, 2017 TO  
2021,**

**FOR THE**

**SECOND SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

*Published by the National Assembly of Zambia*

## **FOREWORD**

Honourable Madam Speaker, the Public Accounts Committee has the honour to present its Report of the Auditor General on the Audit of Government Payroll for the Financial Years Ended 31<sup>st</sup> December, 2017 and 2021, for the Second Session of the Thirteenth National Assembly. The Committee considered the Audit Report in accordance with its terms of reference, as espoused under Standing Order No. 192, of the National Assembly Standing Orders, 2021.

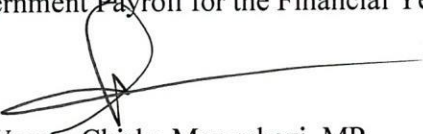
The Committee held twenty-four meetings to consider submissions on the Report and also received technical guidance from the Auditor General; Accountant General; the Controller of Internal Audit; and Public Service Management Division. The Committee considered both oral and written submissions from ministries, provinces and spending agencies cited in the Report. The Committee also interacted with the Secretary to the Treasury who was requested to comment on the Auditor General's recommendations.

During the interaction with Controlling Officers, the Committee noted various irregularities, among them, lack of adherence to the laws and regulations. Some of the key findings raised in the Report, included, among others, failure to reconcile the salaries account; suspected fraudulent diversion of salaries; unaccounted-for officers; irregular payment of allowances; irregular payment of salaries to deserters; irregular recruitments; double payment of salaries; wasteful expenditure - delayed conclusion of disciplinary cases; and irregular upgrading of teacher's salaries. Additionally, the Report contains recommendations, which are aimed at addressing various irregularities cited above.

The Committee's Report is organised in three Parts. Part I contains the Auditor General's Comments and responses from the Secretary to the Treasury, Part II captures the responses from Controlling Officers on the individual audit queries, while Part III is an annex on the Treasury Minute on the Report of the Public Accounts Committee on the Interim Report of the Auditor General on the Audit of Utilisation of COVID – 19 Resources as at 31<sup>st</sup> July 2020.

The Committee wishes to pay tribute to all stakeholders who appeared before it and made both oral and written submissions. It also wishes to thank the Hon Madam Speaker, and the Office of the Clerk of the National Assembly for the services rendered throughout its deliberations. The Committee is of the strongest view that the observations and recommendations contained therein, will be fully implemented by the Executive in order to ensure prudent management of the payroll.

In conclusion, the Committee expresses its gratitude to the Honourable Madam Speaker, for affording it an opportunity to consider the Report of the Auditor General on the Audit of Government Payroll for the Financial Years Ended 31<sup>st</sup> December 2017 to 2021.

  
Mr Warren Chisha Mwambazi, MP  
**CHAIRPERSON**

JULY, 2023  
**LUSAKA**

## **LIST OF ACRONYMS**

CDE- Classified Daily Employee  
DARP ó Draft Annual Report Paragraph  
DEBS ó District Education Board Secretary  
DMMU ó Disaster Management and Mitigation Unit  
DPP ó Director of Public Prosecutions  
EFT ó Electronic Funds Transfer  
ICU ó Intensive Care Unit  
ICT ó Information Communications Technology  
IFMIS ó Integrated Financial Management Information Systems  
ISSA ó International Standards of Supreme Audits  
MPSA ó Ministries, Provinces and Spending Agencies  
NAPSA ó National Pensions Scheme Authority  
NRC ó National Registration Card  
OBB ó Output Based Budgeting  
PCP ó Personal Costing and Planning  
PHO ó Provincial Health Office  
PMEC ó Payroll Management Establishment Control  
PSMD ó Public Service Management Division  
TA ó Treasury Authority  
JERG ó Job Evaluation and Regulation Exercise  
ZANACO ó Zambia National Commercial Bank  
ZRA ó Zambia Revenue Authority

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## **1.0 Membership of the Committee**

The Committee consisted of Mr Warren C Mwambazi, MP (Chairperson); Mrs Jacqueline Sabao, MP (Vice Chairperson); Ms Melesiana Phiri, MP; Mr Victor Lumayi, MP; Mr Kalalwe A Mukosa; Mr Likando M Mufalali, MP; Mr Anthony C Mumba, MP; Eng Jonathan Daka, MP; Mr Nicholas M Mukumbi, MP; and MP Mr Imanga Wamunyima, MP.

## **PART I**

### **AUDITOR GENERAL'S COMMENTS AND THE RESPONSES FROM THE SECRETARY TO THE TREASURY**

#### **Background**

The Report of the Auditor General was produced in accordance with Article 250 of the *Constitution of Zambia (Amendment) Act, No. 2 of 2016; the Public Audit Act, No. 13 of 1994;* and the *Public Finance Management Act, No. 1 of 2018*. During the audit process, the Office of the Auditor General interacted and communicated with different Controlling Officers whose accounts were cited at various levels.

The interaction enabled Controlling Officers to clarify and take corrective measures on the findings of the audit. Therefore, the queries raised in the report were those that were not resolved during the audit process of the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, as well as outstanding issues raised in the COVID-19 Treasury Minute on the Utilisation of COVID Funds or Action Taken Report for 2020, from the Ministry of Finance and National Planning.

#### **a. Introduction**

The Report on Audit of Government Payroll was produced in accordance with Article 250 of the *Constitution of Zambia (Amendment) Act, No. 2 of 2016; Public Audit Act, No. 13 of 1994;* and *Public Finance Management Act, No. 1 of 2018*.

#### **Treasury Response**

The comments of the Auditor General were appreciated.

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

The Committee notes the response on the matter.

#### **b. Scope and Methodology**

The Auditor General submitted that the audit scope covered the accounts and records of Ministries, Provinces, and Spending Agencies (MPSAs) and other institutions financed from public funds for the Financial Year Ended 31<sup>st</sup> December, 2020. Although the Report was for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, in some cases observations that required updating had been reported as at 31<sup>st</sup> July, 2022.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), which were the standards relevant for the audit of Public Sector entities. The audit programmes were designed to give reasonable assurance on the management of personal emoluments. The programmes included test checks, inspections and examination of accounting and other records maintained by public officers entrusted with management of public

resources. To ensure optimal utilisation of resources at the Auditor General's disposal, a risk-based audit approach was used.

### **Treasury Response**

In response, the Secretary to the Treasury submitted that the scope and methodology used by the Auditor General to audit the Government Payroll was through test checks, inspections and examination of accounting and other records maintained by public officers entrusted with the management of public resources, was appreciated. The scope and methodology adopted was key in ascertaining their compliance with the Public Finance Management legislations in the management of public resources. Further, the Treasury appreciated the extension of the scope of audit to 31<sup>st</sup> July, 2022, where observations required updating as this informed the Treasury on the latest levels of adherence to prudent financial management in the management of the Government Payroll and also helping management to come up with interventions in order to attend to the concerns raised.

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

The Committee notes the response on the matter.

#### **c. Reporting Process**

The Committee was informed that the reporting process involved three major stages. The first stage was where a preliminary query was issued to the Controlling Officer and was required to respond within ten days. The second stage was the interim management letter, where the Controlling Officer was given fifteen days to respond. The third stage was the final management letter (Draft Annual Report Paragraph (DARP)) where the Controlling Officer was given three days to confirm the correctness of the facts presented in the management letter. At every stage where responses received were satisfactory, amendments were made, accordingly.

### **Treasury Response**

In response, the Secretary to the Treasury submitted that the Treasury appreciated the reporting process which involved three major stages and provided management a platform to interact with the auditors on all the concerns that had been raised. This gave the Controlling Officer enough time to intervene with immediate remedial measures in order to avert the escalation of the preliminary queries raised by the Auditor General.

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

The Committee notes the response on the matter.

#### **d. Governance**

The Committee was informed that Cabinet was the supreme policy and strategic decision-making body of the Government. It comprised the Republican President; Vice President; and Cabinet Ministers. The decisions of Cabinet were implemented through various portfolio ministries and provincial administrations, which were headed by ministers. A ministry also oversaw the operations of various Government agencies that operated within the preserve of its mandate.

### **Treasury Response**

The Treasury notes the Auditor General's comments on Governance.

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

The Committee notes the response on the matter.



**e. Management**

In response, the Secretary to the Treasury submitted that the operations of Ministries, Provinces and Spending Agencies was the responsibility of a Permanent Secretary who reported to the Secretary to the Treasury and were all appointed by the President.

**Treasury Response**

The Treasury notes the Auditor General's comments on management

**Committee's Observations and Recommendations**

The Committee notes the response on the matter.

**f. Information Communication and Technology**

The Auditor General submitted that the Government, through Ministry of Finance and National Planning operated the Payroll Management and Establishment Control (PMEC) system, which was intended to control the establishment and manage the payroll. The system comprised five modules, namely:

- i. Organisational Management Module used for maintenance of the organisational structure (Establishment Control);
- ii. Personnel Administration used for maintenance of payroll information;
- iii. Personnel Cost Planning Module used for conducting personnel cost planning;
- iv. Payroll Management Module used for payroll management including processing of salaries; and
- v. Technical Support Module used by Information Communications and Technology (ICT) staff to provide technical support.

**Treasury Response**

The Treasury notes the Auditor General's comments on Management.

**g. Internal Controls**

The Auditor General specifically made reference to the weaknesses in internal controls relating to removal of separated officers; disposal of disciplinary cases; renewal of diplomats' contracts; administration of inputs and system configurations; manual preparation of personal emolument's budgets as well as failure to adhere to Government policies such as Treasury and Financial Management Circular No. 9 of 2020.

**Treasury Response**

In response, the Secretary to the Treasury submitted that the weakness in the internal controls were noted and the Treasury was already orienting all the officers involved in the process in the Public Finance Legislations to ensure that they were abreast with public finance management legal framework that would result in the enhancement of internal controls. In addition, the Treasury issued Treasury and Financial Management Circular No. B 6 of 2019 and No. B 8 of 2020, reminding all Controlling Officers to manage their respective payrolls.

## Committee's Observations and Recommendations

The Committee notes the response on the matter.

### h. Audit Recommendations

The Secretary to the Treasury submitted that to address the weaknesses identified in the report, the following was being recommended.

Control Weakness Identified	Audit Recommendation	Treasury Response
Non-compliance with Laws, regulations, Terms and Conditions of Service for the Public Service and Circulars	Promote adherence through: -Sensitisation of employees; -Easy access by staff to circulars, regulations and Laws; -Enhance supervision; and -Implement sanctions as prescribed.	<b>The recommendation was noted and the Treasury had already embarked on sensitising officers in workflow processes. In addition, sensitisation workshops in Public Finance Legislations were being planned for in 2<sup>nd</sup> quarter 2023.</b>
Failure to update the Establishment Register	-The establishment register must be updated on a timely basis; -Human Resource Planning; and -All recruitments must be supported by Treasury Authority.	<b>The recommendation was noted. The Treasury updates the establishment registers on a yearly basis in order to support the Personnel Emoluments budgetline during budget presentations. The exercise was on-going.</b>
Segregation of Duties on input and processing of payroll transactions	-Segregation of duties in the PMEC system (Introduction of Workflows within SAP) -Unaccounted for individuals (ghost workers) must be investigated and removed from the payroll	<b>The recommendation was noted and the Treasury had introduced the Payroll Workflow Management System that encompassed segregation of duties.</b>
Lack of review of activities performed by the super users	-Stronger oversight over activities performed by super-users; -Capacity building and staff training in the employees providing oversight on the payroll (Internal Audit)	<b>The recommendation was noted. The Treasury had decentralised the management of payroll inputs and introduced Payroll Workflow Management System. This implied that the Controlling Officers for each Head of Expenditure would be in charge of all the Payroll inputs on the PMEC system</b>

		that pertained to their Ministry. Super Users would only be responsible for inputs with regard to transfers across Ministries.
Employees with voided accounts for extended periods of time	-Timely processing of disciplinary cases -locking of payroll accounts as opposed to voiding	The recommendation was noted. The Treasury was working in collaboration with all the Service Commissions who had decentralised the human resource operations to district level thereby, speeding up disciplinary cases.
Failure to perform Monthly Payroll Reconciliations	-Payroll reconciliation; -Monthly Staff Head Count.	The recommendation was noted. The Treasury had developed a template that would be used in carrying out these monthly reconciliations and going forward would ensure that the payroll was reconciled on a monthly basis.
Poor implementation budgetary controls systems configuration on the PMEC system	-Systems enhancement on configurations of personnel costings and planning, (a budgetary and personnel costings module on the PMEC) -Technical training and capacity building of PMEC supper users as well as staff providing oversight to the system such (internal and External Auditors)	The recommendation was noted and the Treasury had constituted a Steering and Technical Committee to spearhead the reforms in Payroll Management which would, among other things, ensure the system enhancement configuration.

## PART II

### CONSIDERATION OF SUBMISSIONS ON THE AUDIT FINDINGS AND OBSERVATIONS

#### MINISTRY OF HEALTH

##### PARAGRAPH 8

###### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period January 2017 to December 2021, revealed irregularities to which the Controlling Officer responded as set out below

###### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December 2017, to 2021, provisions totalling K21,040,861,092, were made to cater for personal emoluments under the Ministry of Health against which, amounts totalling K23,302,645,285, were released and spent.

###### **b. Manual Preparation and Execution of Personal Emoluments Budgets**

In response, the Controlling Officer submitted that the budgeting process comprised two components: the Wage Bill (Spreadsheet) and Output Based Budgeting (OBB) software. The Wage Bill was an extract from PMEC and was used as a source document into the OBB software. The system referred to by the auditor, which had the Personnel Cost Planning Module for budget planning and budget execution of personal emoluments from PMEC, was not being used at the time of audit because the module was still undergoing modifications. As such, the Ministry used excel as a tool for costing the budget. Guidance would be provided by the Ministry of Finance and National Planning, through PMEC on the status of module implementation.

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

The Committee expresses concern that the Personnel Cost Planning Module for budget planning and budget execution of personal emoluments from PMEC is not being used because the module is still undergoing modifications. This caused the Ministry to prepare and execute personal emoluments manually. The Committee finds it unacceptable that preparation and execution of personal emoluments are being done manually at a Ministry which has a large workforce. The Committee urges the Controlling Officer, as a matter of urgency, to ensure that preparation and execution of personal emoluments is fully digitalised. The Committee will await a progress report on the matter.

###### **c. Unauthorised Recruitment of Excess Staff**

In response, the Controlling Officer submitted that positions on the payroll were based on the Treasury Authority. However, the establishment register for the period 2017 to 2021 was not fully updated resulting in the discrepancies between the payroll and establishment register. The authorised unfilled positions were more than the excess recruitments by 368, after verifications. The 368 were reconciled through recruited and posted officers to stations without vacancies but drawn from authorised unfilled positions. The recruitments were based on the need and providing service to newly constructed facilities. Normalisation in re-posting of officers to their respective authorised stations was on-going.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **d. Unauthorised Salary Inputs**

In response, the Controlling Officer submitted that super-users were not within the Ministry's jurisdiction. However, the Ministry had since appointed end-users and documents were available for audit verification.

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

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of the staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to undertake technical training and capacity building of PMEC super-users as well as staff providing oversight to the system such as internal and external auditors. The training will enhance prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **e. Unaccounted for Officers**

In response, the Controlling Officer submitted that the unaccounted-for staff in all the provinces was attributed to the administrative placements of critical staff in different institutions to respond to peculiar staffing needs necessary for effective service delivery. The evidence to support the response was available at the Ministry for audit verification. The Ministry could not make copies due to the bulkiness of the supporting documents. However, the status per province was as outlined below.

#### **Lusaka Province**

Most of the staff cited as unknown were actually known and active staff who failed to present themselves to auditors during the physical verification stage. Out of the 2,541 staff cited, only 200 remained as unknown. In order to speed up the identification process, on 13<sup>th</sup> October, 2022, a letter was written requesting PMEC to withhold their salaries until their stations were identified. Further, in an effort to improve payroll management, the Province trained thirty-eight PMEC end-users from facilities across the Province in September, 2022. An updated list of unknown staff, indicating their stations together with other relevant documents for confirmation of existence of the staff such as appointment letters; transfer letters; retirement letters; authority for unpaid leave; resignation letters; and arrival advice forms were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Central Province**

The Committee was informed that the cited officers were not available at the time of the headcount as they were on administrative transfers and serving in other facilities where they

were posted to cushion staff shortages. However, all the officers in question were known and actively working in their respective stations. Headcount schedules were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Copperbelt Province**

The Controlling Officer submitted that all the officers were known and were actively working in their respective stations where they were administratively placed. The officers were able to avail themselves for physical verification that was conducted by the auditors.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

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

The Province managed to trace twenty officers out of the forty-four who were cited as unknown, and out of the twenty officers traced, seventeen were working within the Province, whilst one was working from Levy Mwanawasa University Teaching Hospital. Another one was based at Chilonga Mission General Hospital, while another one was based at the Ndola District Health Office. However, twenty-three officers were still untraced and Management had made a recommendation to have their salaries locked through an instruction to P MEC.

Further, a verification of the payroll under employee No 320238 revealed that the employee number belonged to Titus Kapindula and not Steven Kapata as stated in the audit report. The headcount schedules were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Southern Province**

The Controlling Officer submitted that the seventy-five officers appearing on the list of unaccounted-for officers were actively working in their respective stations. Out of the seventy-five officers, sixty-one were administratively transferred within the Province in order to improve quality health service delivery, whilst the remaining fourteen were administratively transferred outside the Province for various reasons. The headcount schedules were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Northern Province**

The Controlling Officer submitted that all the ten officers cited were actively working in their respective stations. The letters of transfers; arrival advice and payment of salaries; accounts form 81; and confirmation from their current work stations, as well as timetables were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Luapula Province**

The Controlling Officer submitted that all the officers were known and were actively working in their respective stations and the status was as outlined below.

- i. Fourteen officers were transferred out of Luapula Province to various provinces where they were actively rendering services, as evidenced by supporting documents.
- ii. One officer resigned and had since been terminated from the payroll.
- iii. One officer was on sick leave at University Teaching Hospital, where she underwent Spinal Fusion Operation and was being followed up in outpatient clinic at the same Hospital.
- iv. One officer was introduced on payroll centrally by a super-user and never reported to Luapula. The officer was never paid any salary as he was blocked the very month he was hired. A letter to PMEC to delete the officer from payroll had since been written and was available for verification.
- v. One officer reported at St. Pauls Mission Hospital on 2nd January, 2017 and immediately deserted the station. The salary was blocked.
- vi. Two officers (Lucy Munguba and Evelyn Mwape) were actively working in the Province.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Muchinga Province**

The Committee was informed that all the eighteen officers cited were transferred to various institutions and were actively working in their respective stations. Administrative transfer letters and other supporting documents were available for audit verification.

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

In noting the submission, the Committee wonders why these documents were not availed to the auditors during the audit process. In any case, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Eastern Province**

The Committee was informed that all the fifty-one officers cited as unknown had been located and were delivering services in their respective stations except for one officer, Mercy Nkandu under Mambwe District, had not yet been traced and her salary had since been locked.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Western Province**

The Controlling officer submitted that all the six officers cited were transferred to various institutions and were actively working in their respective stations. Appointment letters, arrival advice and payment of salary, confirmation letters from heads of departments were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **f. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that the unaccounted-for staff in all the provinces was attributed to administrative placements of critical staff in different institutions to respond to peculiar staffing needs necessary for effective service delivery. The evidence to support the responses was available at the Ministry for audit verification. Copies could not be provided because of the bulkiness of supporting documents. However, the status as per Province was as outlined below.

### **Lusaka Province**

The Controlling Officer submitted that the misplacement of payroll area of 607 employees was because of administrative transfers of various officers to the newly created districts and facilities where their services were required. However, such transfers had since been stopped in accordance Cabinet Office Circular No. 14 of 2020. Management had put in place measures to ensure that transfers were only effected upon availability of a vacancy and funded position with authority from the Division.



Further, the Province had already started prioritising the normalisation of misplaced staff on the payroll through transfers when positions were available. During the promotion exercise prior to the mass recruitment, 105 members of staff were recommended for normalisation of their administrative transfers and authority was granted. However, conveyance was still on-going. Documentation such as Cabinet Office Circular No. 14 of 2020, letters of administrative transfers and Accounts Form 81 were available for audit verification.

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

In noting the submission, the Committee wonders why these documents alleged to be available now, were not availed to the auditors during the exit meeting. However, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Central Province**

The Committee was informed that misplacements of payroll areas of 268 were due to administrative transfers of officers to newly created facilities and stations where their services were required. However, Management engaged the Public Service Management Division to seek Treasury Authority so that more positions could be created. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Copperbelt Province**

The Controlling Officer submitted that the misplacement of payroll area of 373 officers was a result of administrative transfers of officers to stations and facilities where there were no PMEC identity documents but their services were required. The transfer letters and confirmations that the officers were actively working in stations they were transferred to were available for audit verification.

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

The Committee expresses concern that transfers are effected even when PMEC IDs are not available. The Committee urges the Controlling Officer to ensure that PMEC IDs are available before effecting transfers in order to avoid future audit queries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

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

The Committee was informed that misplacement of payroll area of fourteen officers was a result of transfers of officers to stations or facilities where there were no PMEC IDs but their services were required. Out of the fourteen officers cited as misplaced, only one officer had been traced by the name of Blaise Mabumba, who was working at Levy Mwanawasa University Teaching Hospital, while the thirteen remained unknown and had since been recommended for salary locking.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Southern Province**

The Committee was informed that sixty-five officers appearing on the list of misplacement of payroll area were actively working from their respective stations. Out of the sixty-five officers, fifteen were administratively transferred within the Province in order to improve service delivery, whilst fifty were sent outside the Province for various reasons.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Eastern Province**

The Controlling Officer submitted that during the period under review, the fourteen officers were cited as misplaced because of administrative transfers to newly created districts and facilities where their services were required.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Luapula Province**

The Committee was informed that three officers were misplaced on the payroll due to human resource needs at Mansa General Hospital in speciality wards such as the intensive care unit and theatre. The officers were actively working at Mansa General Hospital. Documents such as appointment letters; arrival advice; and copies of National Registration Cards were available for audit verification.

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

In noting the submission, the Committee wonders why these documents purported to be available now, were not availed to the auditors during the exit meeting. However, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Western Province**

The Controlling Officer submitted that the misplacement of payroll area for ten officers was as a result of transfers of officers to stations or facilities where there were no PMEC IDs but services were required. Such transfers had since been stopped and the Provincial Health Office (PHO) was making efforts to ensure that payroll misplacements were normalised and minimised. District Health Directors and Medical Superintendents were also cautioned on prudent management of payroll. Transfers within the Province were only effected when PMEC IDs for a particular facility were identified or provided. The copies of the letters regarding payroll misplacements were available for audit verification.

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

In noting the submission, the Committee sternly cautions the Controlling Officer to effect transfers only when P MEC IDs have been identified or provided to avoid audit queries. The Committee implores the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **g. Irregular Diversion of Salaries**

##### **i. North-Western Province**

- **Employee No. 259532**

In response, the Controlling Officer submitted that the officer involved had since been dismissed from the Civil Service and had been surcharged for the total amount in question. Any money owed to the Government would be recovered from her terminal benefits. Further, the officer was under investigations by the anti-money laundering unit of the Drug Enforcement Commission (DEC). The letter of dismissal was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail the letter of dismissal to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 249574**

In response, the Controlling Officer submitted that the officer involved was charged and disciplined for exposing her P MEC password to the end-user of Employee Number 259532, who had since been dismissed from the Civil Service.

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

In noting the submission, the Committee urges the Controlling Officer to sternly caution the officer for exposing her ID to another employee, as such cases are difficult to prove because there could have been connivance, and yet only one person is dismissed. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 208209**

The Controlling Officer submitted that the end-user of Employee No. 259532 had been dismissed. However, the case was under investigations by the anti-money laundering unit of the DEC.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 293289**

In response, the Controlling Officer submitted that the supervisor and the end-users had since been charged and the internal controls strengthened on the implementation of inputs. The matter was under investigations by the DEC.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

- **Employee No. 191304**

In response, the Controlling Officer submitted that Employee No. 304529, was appointed in the Civil Service on 16<sup>th</sup> April, 2019 and reported for duty on 1<sup>st</sup> May, 2019, under Solwezi District, as evidenced by Account Form 81 (arrival advice), which was duly signed and authorised by the District Health Director. Further, Employee No. 304529 deserted from work and his salary had since been locked. The matter regarding the bank details for Employee No. 304529, was reported to DEC for further investigations and the officer involved, Employee No. 259532 had since been dismissed.

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

In noting the submission, the Committee wonders why the documents said to be available were not availed to the auditors during the audit. The Committee, however, urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 334268**

In response, the Controlling Officer submitted that the supervisors and end-user had since been charged and the internal controls strengthened on the implementation of inputs. The total terminal payments due to the officer had since been computed and recovery from leave terminal benefits and pension instituted. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **ii. Central Province**

- **Employee No. 261836**

In response, the Controlling Officer submitted that the officer involved had since been charged and suspended from duty. The matter was also reported to DEC and investigations were underway. Management would continue engaging the DEC for updates.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

- **Employee No. 162851**

In response, the Controlling Officer submitted that the officer had since been charged and suspended from duty. The matter was being actively handled by DEC where it was reported and investigations were underway. Management awaited an update from DEC.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**Copperbelt Province**

- **Employee No. 244959**

In response, the Controlling Officer submitted that the matter had been reported to DEC in Ndola for investigations and determination and the officer was recommended for suspension.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 127289**

In response, the Controlling Officer submitted that due to human error the end-user misplaced account numbers by allocating them wrongly, resulting into irregular payment of salaries to serving officers. The anomaly had since been rectified by allocating the correct bank details to the rightful beneficiary. However, the misallocation of bank accounts did not result into any loss to the Government. The end-user had also been disciplined and cautioned to deter recurrence of such anomalies.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**iii. Northern Province**

- **Employee No. 230458**

In response, the Controlling Officer submitted that the matter involving end-user Employee No. 230458, was reported as a criminal offence for prosecution and the officer was arrested for theft by public servant. However, the office of the Director of Public Prosecution could not prosecute the case, as indicated in the attached nolle prosequi.

However, out of the diverted salaries, the two for Mr Peter Chileshe Mulenga, Employ No. 00296067, NRC No. 124151/94/1, who was at times referred to as Mr Chileshe Mulenga and Fridah Zulu, were errors that had since being rectified. However, all the monies paid into Mr Peter Chileshe Mulenga, bank account No. 5443256100167, Zanaco, Northmead Branch and Fridah Zulu Cavmont Bank Limited Kasama, Account No. 800000520988ø were legitimate. Documents were available for audit verification

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

In noting the submission, the Committee wonders why such elaborate information was not availed to the auditors during the audit process and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **iv. Southern Province**

- **Employee Number 241610**

In response, the Controlling Officer submitted that in 2020, internal auditors audited the payroll for Kazungula District Health Office and suspected some illegal transactions. The internal auditors recommended for the office to consult PMEC on the issue, due to limitations in accessing the payroll. The officer travelled to PMEC and got a preliminary report which revealed that fifteen officers were engaged on the payroll for six months. After further investigations, it was discovered that the account numbers used for the fifteen officers' salaries were in fact not belonging to the actual beneficiary. Therefore, the office summoned the affected officers to get more information. It was noted that PMEC information was precise and officers agreed that they started getting their salaries after the end date on the preliminary PMEC report.

The officer responsible was not charged because he resigned before the issue was discovered. While still doing further investigations, external auditors were also auditing the 2017-2020 payrolls and they discovered that twenty officers were affected on the issue and not fifteen as information gotten by Kazungula District Health Office. For the remaining five officers, the office requested PMEC to assist in printing payslips for December 2016, so as to establish who these officers were since only employee numbers were indicated. However, the matter was reported to the Livingstone Central Police Station and a preliminary police report was issued as investigations were on-going. Supporting documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 247180**

In response, the Controlling Officer submitted that Bank Account No. 5494567100250, ZANACO Bank was submitted by Mr Lucky Kazangalale, Employee No. 298609, when he reported for work in 2017. Later in 2018, he also wrote to request for the change of bank details to Bank Account No: 1501414100276, ZANACO Bank. The officer was engaged and he stated that Mr Hendrix Mwenda Mulala (Bank Account No. 5494567100250, ZANACO Bank) was his friend, while Grace Chipata (Bank Account No. 1501414100276 ZANACO Bank) was for his mother. He admitted to have used the two accounts because he did not have a bank account when he reported for duty. The exculpatory letter from the officer and other supporting documents were available for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

- **Eastern Province – Employee No. 52527**

In response, the Controlling Officer submitted that the bank details for Maureen Muchele, Employee No. 298537, were erroneously amended because of a request to change bank details and Chilemwa Zimba, Employee No. 152205, details were erroneously placed and she paid back the overpayment to the Ministry of Finance-Treasury Account on 5<sup>th</sup> February, 2018. On 9<sup>th</sup> February, 2018, Maureen Muchele was paid her January, 2018 salary. The bank statements showing the payments were available for verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**v. Lusaka Province**

- **Employee No. 299994**

In response, the Controlling Officer submitted that Desteuder Mungala, Employee No. 299994, had no bank account the first time she reported for duty. The officer and the end-user decided to use the bank account belonging to her relative. The details of the person who received salaries on her behalf had been availed through Rufunsa District Health Office, together with confirmation of receipt of the said salaries. Ms Desteuder Mungala also confirmed having used Mr Francis Nyendwa’s account to receive the November, 2017 to January 2018, salaries. The anomaly was corrected in 2018, when the officer opened her own bank account. The letter of consent from Mr Francis Nyendwa and acknowledgement of receipt of funds by Ms Desteuder Mungala were available for audit verification. However, the payroll end-user was cautioned not to be providing wrong alternative options to first time appointed officers.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee wonders the point at which the details provided here were discovered and why they were not availed to the auditors. The Committee, however, urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 296995**

In response, the Controlling Officer submitted that Mr George Machipisa, Employee No. 296995, had no bank account when he reported for duty. The end-user decided to use the bank account belonging to his relative, Ms Musole Kanjimana. The details of Ms Musole Kanjimana, who received salaries on his behalf had been availed for audit verification through Rufunsa District Health Office, together with confirmation of receipt of the said salaries. Mr George Machipisa also confirmed having received his salaries through his Aunty, Ms Musole Kanjimana. The anomaly was corrected in 2018, when the officer opened his own bank account. The letter of consent from Ms Musole Kanjimana and acknowledgement of receipt of funds by Mr George Machipisa were available for audit verification. However, the payroll end-user was cautioned against providing wrong alternative options to first time appointed officers.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee wonders why the query was sustained if the details of Ms Musole Kanjimana were availed to the auditors for verification. Nevertheless, the Committee

urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**h. Irregular Payment of Double Salaries**

**i. Southern Province**

In response, the Controlling Officer submitted that the recoveries for salaries bearing Employee No. 290273 had been effected and the P MEC end-users had been cautioned to carryout thorough verification before introducing medical personnel on the payroll. The payslip for August, 2022, showing proof of termination from the payroll and recoveries for the thirty-nine months remaining to be recovered were available for audit verification.

**Committee's Observations and Recommendations**

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

• **Employee No. 210392**

In response, the Controlling Officer submitted that the P MEC end-user who paid himself the salaries in question resigned before the matter was discovered and his whereabouts were unknown. However, the matter was reported to DEC for further investigations.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

• **Employee No. 344483**

In response, the Controlling Officer submitted that recoveries had since been effected and the P MEC end-user had been advised to carryout thorough verification before introducing medical personnel on the payroll. The Payslip for August, 2022, showing termination from the payroll and recoveries of the remaining six months were available for audit verification.

**Committee's Observations and Recommendations**

The Committee is concerned that the end-users erroneously introduced medical personnel on the payroll. The Committee urges the Controlling Officer to devise mechanisms that will ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The P MEC system should also be enhanced so that it is able to detect and reject double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

• **Employee No. 349184**

In response, the Controlling Officer submitted that the officer got two appointment letters, one for Chirundu District, while the other was for Pemba District, but opted to report to both



districts. Therefore, the officer was introduced on the payroll under Southern and Lusaka provinces hence being paid double salaries in February, 2021. Upon discovering payment of double salaries, P MEC blocked her salary for three months, April, May and June, 2021, as recoveries. The bank statements were available for audit verification.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms that will ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 293505**

In response, the Controlling Officer submitted that the recoveries had since been effected and the P MEC end-users had been advised to carryout thorough verification before introducing medical personnel on the payroll. The payslip for August, 2022, for termination from the payroll and recoveries for the remaining twenty-three months were available for verification.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

- **Employee No. 336549**

In response, the Controlling Officer submitted that the officer was centrally introduced on the payroll in September, 2019, by Mwape Ngulube (P MEC supervisor, Employee No. 210392) and the double salary was only noticed during the time of audit. The end-user could not notice due to only one record of employee number showing on the staff assignment. However, the recoveries had since been effected and the payslip for August, 2022, showing termination from payroll and recoveries with the remaining twenty-two months was available for verification.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

- ii. **Eastern Province - Employee No. 319059**

In response, the Controlling Officer submitted that when the officer reported at St. Francis Mission Hospital in November, 2017, he was placed on the payroll in January, 2018. However,

he submitted an account that was dormant hence could not receive his salary immediately. He resolved his account issues with the bank in June, 2018 and received his six-month salary arrears amounting to K95, 215.64 on 23<sup>rd</sup> July, 2018, for the period January, to June, 2018. No Government funds were lost or any fraudulent transactions conducted, as the officer only received one salary through his account. The bank statement was available for audit verification.

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

In noting the submission, the Committee wonders why the query was sustained if this explanation was given to the auditors. Nonetheless, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **iii. Copperbelt Province**

- **Employee No. 290280**

In response, the Controlling Officer submitted that recoveries had since been effected and the P MEC end-user had been advised to carryout thorough verification before introducing the medical personnel on the payroll. The payslip showing termination from payroll and recoveries was available for verification.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 298046**

In response, the Controlling Officer submitted that one record under Employee No. 292714, was delimited and recoveries had since been effected. Receipts showing recoveries were available for audit verification. Further, the payroll end-users were cautioned to carryout thorough verifications before introducing first-appointment officers on payroll.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 290354**

In response, the Controlling Officer submitted that one record under Employee No. 291305 was delimited and recoveries had since been effected. The payslips showing recoveries were available for audit verification. Further, the payroll end-users were cautioned to ensure thorough verifications before introducing first-appointment officers on payroll.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the PMEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between PMEC and end-users before introducing officers on the payroll. The Committee is of the view that the PMEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **iv. Northern Province**

- **Employee No. 337279**

In response, the Controlling Officer submitted that the Ministry of Health in 2019, recruited health workers that were introduced on the payroll by use of bulk pre-hire, which was done by super-users at PMEC. Hence, the irregular payment of double salaries for that particular month. However, the overpayment was recovered and documents were available for audit verification. The payroll end-users were cautioned to be careful when using the bulk pre-hire approach.

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

The Committee notes an absence of a clear orientation strategy that would respond to the dynamics of different mode of inputs into the payroll such as bulk pre-hire approach. Both end-users and Controlling Officers need to be trained for them to be able to respond to the different modes of inputs effectively. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **v. Luapula Province**

- **Employee No. 317713**

In response, the Controlling Officer submitted that recoveries were effected and running as evidenced by documents such as appointment letter; arrival advice; NRC and copy of payslip, which were available for audit verification. Payroll end-users were cautioned to make verifications before introducing first-appointment officers on payroll.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the PMEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between PMEC and end-users before introducing officers on the payroll. The Committee is of the view that the PMEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 317107**

In response, the Controlling Officer submitted that the officer was being paid under Employee No. 317107 and Employee No. 316714, which were blocked by PMEC after noticing a double salary payment. The officer remained blocked from the month of June, 2018 to September, 2018, to recover the double salary. Documents such as appointment letter; arrival advice; NRC

and bank statements were available for audit verification. Payroll end-users were cautioned to conduct thorough verifications before introducing first appointed officers on the payroll.

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

The Committee expresses concern that an officer was paid double salaries without being detected by the P MEC System. The Committee urges the Controlling Officer to devise mechanisms to ensure effective collaboration between P MEC and end-users before introducing officers on the payroll. The Committee is of the view that the P MEC system must also be enhanced so that it detects and rejects double entries. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **i. Irregular Payment of Rural Hardship Allowances**

In response, the Controlling Officer submitted as outlined below.

#### **Southern Province**

The Committee was informed that out of the nineteen queries, ten officers under the Livingstone District Health Office, were paid rural hardship allowance due to system error because Livingstone District was classified as urban. However, recoveries were made on the eight officers, while the contract for one officer ended and recoveries would be done from his Leave Terminal Benefits. The other officer was facing disciplinary action and the salary had since been locked.

Additionally, four officers under Mazabuka District Health Office were paid rural hardship allowance due to systemic error when salaries were revised in 2021 according to the Public Service Management Division (PSMD) Circular No. B7 of 2020. During the same period, the payroll was suspended until March, 2021 due to changes in the payroll system. Hence the officers were paid the allowance for two months in January and February, 2021.

Furthermore, the remaining five officers were from Gwembe District Health Office, Zimba District Health Office; Chikankata District Health Office; Kalomo District Health Office; and Choma District Health Office. Recoveries for all the nine officers had since been effected. The casualty forms and payslips were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Copperbelt Province**

The Committee was informed that the irregularly paid Rural Hardship Allowances to seven officers cited in the Auditor General's Office had since been delimited and recoveries instituted. The payslips showing recoveries were available for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Muchinga Province**

The Controlling Officer submitted that the Rural Hardship Allowances paid to officers irregularly and recoveries had since been effected and internal controls had been put in place to avoid such irregularities in future. The payslips showing recoveries were available for audit verifications.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Northern Province**

The Committee was informed that three officers in question were entitled to Rural Hardship Allowances in line with the Terms and Conditions of Service, as read together with Circular No. B 2 of 2010, because Mungwi and Mporokoso Districts fell in Category D where the facilities which were located within the radius of 0 to 25 kilometres were classified as rural. The officer at Kasama District was based at Chilubula District, which fell under Category "D" status, which was between 25-70 kilometres and classified as rural. Chilubula Health Facility was 35 kilometres from Kasama District. Documentations were available for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Central Province**

In response, the Controlling Officer submitted that the rural hardship allowance irregularly paid to officers had since been delimited and recoveries effected. The payslips showing recoveries were available for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Eastern Province**

The Committee was informed that the allowances were delimited and recoveries instituted in the month of May, 2022. Evidence was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **Lusaka Province**

The Committee was informed that payment of rural hardship allowances to ineligible officers had been stopped and recoveries commenced. Further, the Heads of Department for the respective facilities had since been cautioned against failure to implement regular payroll self-audits to ensure that correct allowances were paid to deserving officers. The Province had

trained thirty-eight end-users across the Province to improve payroll management and reduce irregularities. The copies of payslips and caution letters were available for audit verifications.

**Committee's Observations and Recommendations**

The Committee urges the Controlling Officer to devise mechanisms that will enhance regular self-audits such as reviewing staff registers as well as allowances applicable to officers every month. This will ensure that allowances are paid to deserving officers and irregularities detected urgently through internal audits controls. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**Luapula Province**

In response, the Controlling Officer submitted that the recoveries were effected and the rural hardship allowances were stopped on all the five officers. The copies of payslips were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**North-Western Province**

In response, the Controlling Officer submitted that the rural hardship allowances paid to ineligible officers had since been stopped and recoveries commenced. However, payroll end-users had been cautioned to ensure that correct allowances were paid to deserving officers. Equally, ineligible officers who received the allowance had been cautioned, as they were required to abide by the PMEC payslip guidance written at the footnote on every payslip to report any notable overpayment. Payslips and warning letters were available for audit verifications.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**Western Province**

In response, the Controlling Officer submitted that the irregular payment of rural hardship allowances arose as a result of administrative transfers of staff to urban facilities and other provinces, while retaining the payroll position from previous station. The irregularly paid rural hardship allowances were stopped and recoveries effected. Subsequently, all payroll end-users had since been cautioned to ensure that only correct allowances were paid to deserving officers. Copies of payslips and warning letters were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

**j. Irregular Payment of Remote Hardship Allowance**

In response, the Controlling Officer submitted as outlined below.

**Copperbelt Province**

The Committee was informed that allowances had been delimited and recoveries instituted. The payslips showing recoveries were available for audit verification.

**Northern Province**

The Committee was informed that payment of allowances to ineligible officer had since been stopped and recoveries effected. Management had since put in place measures that would ensure periodic payroll reviews were conducted to avoid such irregularities from recurring. The copies of payslips showing the recoveries were available for audit verification.

**Luapula Province**

The Controlling Officer submitted that Management stopped payment of allowances to three ineligible officers and recoveries effected. The copies of payslips showing recoveries were available for audit verification.

**Lusaka Province**

The Controlling Officer submitted that the Remote Hardship Allowances paid to ineligible officers had since been stopped and recoveries commenced. Further, the Heads of Department for the respective facilities had since been cautioned to implement regular payroll self-audits to ensure that correct allowances were paid to deserving officers. The Province had since trained thirty-eight end-users across the Province to improve payroll management and reduce on such occurrences in the future. Payslips and caution letters were available for audit verification.

**Committee's Observations and Recommendations**

The Committee urges the Controlling Officer to devise mechanisms that will enhance regular self-audits such as reviewing staff registers as well as allowances applicable to officers every month. This will ensure that allowances are paid to deserving officers and irregularities detected urgently through internal audits controls. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**k. Irregular Payment of Housing Allowance**

In response, the Controlling Officer submitted as outlined below.

**Southern Province**

The Committee was informed that five officers cited under Livingstone District Health Office, received housing allowance because the houses which they occupied were dilapidated. The Ministry of Works and Supply assessed the houses and declared them unfit for human habitation and a recommendation for renovations was made. After completion of renovations and reviews, the houses were certified fit for human habitation hence housing allowance was delimited.

The officers from Kalomo District Health Office and Choma General Hospital received housing allowances due to system error. However, housing allowances had since been stopped and recoveries commenced. The copies of payslips showing the recoveries were available for audit verification.

### **Muchinga Province**

The Committee was informed that recoveries had since been instituted on all affected officers and documents were available for audit verification.

### **Northern Province**

The Controlling Officer submitted that out of the sixteen officers cited, fourteen irregularly received housing allowance and Management had since effected recoveries, while two were eligible as they did not occupy any Government houses during the period under review.

Management had since put in place systems strengthening interventions such as supervisory visits to institutions in order to enhance compliance to the Terms and Conditions of Service, circulars and directives as issued from time to time. The confirmation from districts confirming non-occupancy of Government houses and the copies of payslips showing recoveries were available for audit verification.

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

The Committee urges the Controlling Officer to devise mechanisms to enhance regular self-audits such as reviewing staff registers as well as allowances applicable to officers on a monthly basis. This will ensure that allowances are paid to deserving officers and irregularities detected urgently through internal audits controls. Additionally, supervisors should endeavour to visit institutions and conduct periodical trainings to enhance compliance to the Terms and Conditions of Service, circulars and directives as issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **I. Irregularities in Management of Bounced Salaries**

##### **i. Lusaka Province**

- **Employee No. 118310**

The Controlling Officer submitted that the employee was recommended for dismissal from the Public Service on 22<sup>nd</sup> June, 2017, for absenting himself from work for a period exceeding ten days with effect from 4<sup>th</sup> January, 2017

In a letter dated 22<sup>nd</sup> June, 2017, Management at Chainama Hills College Hospital requested PMEC to lock the officer's salary. Letters of recommendation for dismissal were available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the response, and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

- **Employee No. 316550**

In response, the Controlling Officer submitted that the bank statement for the period under review showed that the money in question was never received by the officer. A further investigation on the payroll records indicated that the money that was drawn under the Employee No. 318160 bounced and was still in the suspense account. Documents such as a report from PMEC and bank statement were available for audit verification.



### **Committees Observations and Recommendations**

The Committee notes the response, and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

- **Employee No.115404**

the Controlling Officer submitted that the officer in question reported at Monze District Health Office after being served with a transfer letter dated 22<sup>nd</sup> March, 2013. However, the position where she was being transferred to was already occupied by another officer. In view of the foregoing, the officer went back to the Ministry of Health to seek redirection which was only done on 14<sup>th</sup> November, 2013. The officer was redirected to the Ministry of Education, Science, Vocational and Early Education and posted to the Provincial Education Office in South Province where she reported for duty 5<sup>th</sup> December, 2013.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **ii. North-Western Province**

- **Employee No. 206724**

The Controlling Officer submitted that the officer in question was administratively transferred to Lusaka District in 2018, and was based at Chazanga Health Centre until her death in February, 2019. However, Solwezi District was not informed of her demise in time. District erroneously voided the account instead of locking it. The payroll end-user had been cautioned and advised to adhere to procedures when handling payroll transactions in future. The accumulated amount of K129,371 in suspense had not be paid out and documentation was available for audit verification.

### **Committees Observations and Recommendations**

The Controlling Officer to ensure that supervisors endeavour to visit institutions and conduct periodical trainings with end-users to enhance compliance to the Terms and Conditions of Service, circulars and directives as issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 226892**

The Controlling Officer submitted that the accumulated net amount of K80,281.00 was not paid out. The end-user had been cautioned to ensure that payroll management procedures were adhere to at all times.

### **Committees Observations and Recommendations**

The Committee urges the Controlling Officer to ensure that supervisors endeavour to visit institutions and conduct periodical trainings with end-users to enhance compliance to the Terms and Conditions of Service, circulars and directives as issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 212790**

In response, the Controlling Officer submitted that the accumulated net amounting to K207,387.00 was not paid out because the salary was voided by the end-user. The end-user was cautioned for voiding instead blocking the salary.

**Committees Observations and Recommendations**

The Committee urges the Controlling Officer to ensure that supervisors endeavour to visit institutions and conduct periodical trainings with end-users to enhance compliance to the Terms and Conditions of Service, circulars and directives as issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**iii. Eastern Province**

- **Employee No. 292118**

In response, the Controlling Officer submitted that the salary for the officer was not credited to her bank account and no Government funds were lost or fraudulently transacted. A letter from the Director Payroll Establishment Control; and bank statement were available for audit verification.

**Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Employee No. 122111**

The Controlling Officer submitted that the Administrative Officer, Employee No. 122111 never reported to Eastern Province and had since been recommended for termination from the payroll. Documentation was available for audit verification.

**Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

- **Failure to Refund Bounced Salaries - Eastern Province**

In response, the Controlling Officers submitted as outlined below.

- **Beaty Bwanali and Isaac Banda**

Ms Beaty Bwanali retired in 2021, and was moved to the separateesø payroll. The retirement letter for Ms Bwanali was available for audit verification.

- **Getrude Z Nyirenda and Scholar Daka**

The Committee was informed that the officers were Catholic Nuns hence receiving salaries through the congregation account.

- **Christine Zulu**

The Committee was informed that the officer was a Catholic Nun hence receiving salaries through the Congregation account which was under Sr Josephine, who had since retired and relocated out of the country. Documents were available for audit verification.

- **Jifumbe Mkandawire**

The Committee was informed that the officer had no diversion of salary during the period under review. A letter from the officer was available for audit verification.

- **Ruth Tembo**

The Controlling Officer submitted that the officer was a Catholic Nun who used to receive her salary in the common church account for Teresian Sisters. However, she later requested to change her bank details to a personal account. Documents were available for audit verification.

- **Sarah Ngoma**

In response, the Controlling Officer submitted that when the officer reported for work, she submitted bank details for a joint account with her husband and later requested to change bank details. Her request to change bank details and marriage certificate were available for audit verification.

- **Maureen Muchele**

The Committee was informed that bank details for Ms Maureen Muchele were erroneously amended as a result of a request to change bank details but she eventually got her salary in January, 2018, as indicated on the bank statement.

- **Chilemwa Zimba**

The Controlling Officer submitted that Ms Chilemwa Zimba's details were erroneously placed and she paid back the overpayment to the Ministry of Finance-Treasury account on 5<sup>th</sup> February, 2018 and on 9<sup>th</sup> February, 2018.

- **Victoria G Mwansa and Misheck Nkhoma**

The Committee was informed that the two officers had two employee numbers and received salaries through each of the two numbers. However, the officers paid back to the Ministry of Finance and National Planning through the Treasury Account and the additional employee number for both officers were terminated. Documentations were attached for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submission but wonders why the internal audit unit did not detect these anomalies and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **iv. Payments to Ghost Employees – Luapula Province**

The Committee was informed that four of the five officers were placed on the payroll centrally, but never reported to Luapula Provincial Administration. A check on their payroll status indicated that they never received any salaries because the super end-users that introduced them on the payroll had blocked their salaries just after hiring. The other officer Employee No. 291104, reported at St. Pauls Mission Hospital on 2<sup>nd</sup> January, 2017 and immediately deserted

the station. The salary was blocked and disciplinary action had since commenced against the officer. Documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **v. Irregular Payment of Salaries to Ghost Employees - Western Province**

- **Employee No. 300665**

The Committee was informed that the issues of ghost workers arose because of staff failing to report to respective districts and provinces, as well as placement of staff on the payroll centrally by the super end-user. However, Ms Geogina Chishimba was recommended for salary locking to P MEC, as the whereabouts of the officer was unknown. Suffice to mention that Ms Georgina Chishimba was introduced on the payroll by a super end-user from P MEC. The officer never reported either at Western Provincial Health Office or Nkeyema District Health Office. The officer was no longer on the Nkeyema Payroll and documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

- **Employee No. 300626**

The Controlling Officer submitted that the issues of ghost workers arose because of staff failing to report to respective districts and province as well as placement of staff on the payroll centrally by super-user without authority and weak payroll control systems as officers were introduced on the payroll without reporting at respective duty station. Ms Elizabeth Mwansa was terminated on payroll as the officer was unknown. The officer never reported either at Western Provincial Health Office or Nalolo District Health Office. A recommendation for termination of employment was available for audit verification.

#### **Committees Observations and Recommendations**

The Committee is saddened that officers are placed on the payroll centrally by super-users without authority. It is of the view that P MEC has a weak payroll control system resulting in super -users introducing officers on the payroll without checking whether or not employees had reported at their respective duty stations. The Committee urges the Controlling Officer to put in place measures to ensure that supervisors endeavour to visit institutions and conduct periodical trainings with super-users to enhance compliance to the Terms and Conditions of Service, circulars and directives as issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **vi. Failure to Provide Information on Bounced Salaries**

In response, the Controlling Officer submitted that verifications on the bounced salaries were still on-going and the Ministry awaited an update.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **m. Delayed Termination of Officers from Payroll**

The Controlling Officer submitted as outlined below.

#### **Northern Province**

The Committee was informed that the reasons for delayed termination of the eight officers were as stated below.

##### **i. Ms Esther Mulenga at Luwingu District**

The Committee was informed that the officer was recalled to duty and working. The staff had her bank account zeroed in view of delayed feedback on the recommendation for dismissal. Earlier, the officer was recommended for dismissal, but Management recalled the officer to duty as feedback was being awaited.

##### **ii. Mr Innocent Mulenga**

The Controlling Officer submitted that the officer was not terminated from the payroll as he was still working, although he had been recommended for dismissal. The officer was still rendering services, as seen by the duty rota at Ngoli Health Centre. Documentation was available for audit verification.

##### **iii. Mr Alex Mwansa**

The Committee was informed that the officer submitted a letter of resignation and was immediately locked on the payroll. The officer was absent from duty and was charged. The charge letter was delivered to the last known address as per attached documents. Following his resignation, the officer was then terminated using the submitted resignation letter since he had already left his work station.

##### **iv. Mr Brian Chola**

The officer was arrested, charged and sentenced to a suspended term of Community Service for the case of theft by public servant. He was recommended for dismissal to the Public Service Management Division with effect from 21<sup>st</sup> July, 2020. The officer, however, continued to work while Management awaited feedback from the Division. The delayed termination was due to delayed authority from PSMD. All monies owed to the Government would be recovered from his Leave and Terminal Benefits.

##### **v. Ms Felistus Sigwidi**

The officer's salary was locked after the Ministry rejected her application for paid study leave. Management later charged her for absence from duty and locked her salary. She resigned which was used as a basis for termination of her salary from the payroll. Documents were available for audit verification.

##### **vi. Mr Derick Sintumfya**

The Controlling Officer submitted that the officer was recommended for dismissal and subsequently, his salary was locked. Management at the Provincial Health Office reviewed the

case and directed that the case be reviewed and that his salary be unlocked pending feedback. It should be noted that the officer was rendering his services and was still on the payroll. Documents were available for audit verification.

**vii. Mr Innocent Mulenga**

The Committee was informed that the officer was recommended for dismissal but was still rendering his services.

**viii. Mr Matthews Mwenya**

The officer was recommended for dismissal for absenteeism, as he had proceeded on leave without authority. When the disciplinary process commenced and salary locked, he reported back for duty and was rendering his services. Feedback on the recommendation was still being awaited. The officer was recommended for dismissal. The due procedure of the disciplinary process was followed and it was recommended that the officer's salary be terminated soon after receipt of the dismissal letter as per guidelines. All salaries that were paid to the officer after the dismissal would be recovered from his terminal benefits. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. However, the Committee notes that the dismissal date will only be effective once PSMD approves the recommendation and a letter is finally written to the officer. The Committee will await a progress report on the matter.

**North-Western Province**

The Committee was informed that the officer queried under the Province had since been terminated and funds would be recovered from the Terminal Benefits. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**Southern Province**

• **Kauluka Raidah - Zambia Enrolled Nurse**

The Controlling Officer submitted that the officer was based at Choma General Hospital but later retired from the Civil Service. However, she was later engaged on contract. Her contract had since expired and was no longer working. Documentation was available for verification.

• **Livingstone District Health Office**

• **Mary Yawawa Mwamba – Zambia Enrolled Midwife**

The Controlling Officer submitted that the officer was on contract, which was terminated on 20<sup>th</sup> December, 2019, due to age. Letters were written and taken to PMEC requesting to have the officer transferred to Separates payroll but to no avail. However, the officer was moved to

separates payroll and she was not on the payroll. Recoveries would be made from her terminal leave days. Documentation was available for audit verification.

- **Douglas Munkombwe**

The Committee was informed that the officer's last working day was 30<sup>th</sup> November, 2021, and had since been delimited from the payroll in December, 2021. Therefore, there was no delay in removing the officer from payroll. Further, the officer did not draw any salary after resigning. Documentation was available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Eastern Province**

In response, the Controlling Officer submitted as stated below.

- **Martha Muhongo**

The Controlling Officer submitted that the officer resigned on 22<sup>nd</sup> June, 2020, without the required three months notice and was terminated on 1<sup>st</sup> July, 2020. The summary of inputs and the officer's resignation letter were available for audit verification.

- **Alex Mwale**

The Controlling Officer submitted that the officer was never on disciplinary action and was serving in at Vubwi District Health Office

- **Paul Mbeba**

The Committee was informed that the reason for delayed termination from the payroll was due to administrative lapses in processing the disciplinary case. However, Management had noted the delay and would expedite the process. Documentation was available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Western Province**

The Committee was informed that the delay to terminate the officers from the payroll were as a result of waiting for the conclusion of the matter(s) by Public Service Management Division. Mr Oliver Chalyamba and Mr Lawrence Mupuchi could not be terminated from the payroll, as the two had not been dismissed by the Public Service Management Division.

Mr Muchaneta Moyo, Ms Ellen Mwanza and Mr Whalen Mutalange had their accounts zeroed in upon receipt of their resignation letters and no salaries had been paid to them. However, the officers were finally removed from the payroll in 2020, upon confirmation of resignation letters from PSMD. Ms Ivy Chipeshi who resigned on 25<sup>th</sup> February, 2019, was terminated from the payroll in May, 2019. Recoveries of overpayment would be effected from her terminal benefit. Copies of resignation letters, terminal assessments and leave certificates were available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Copperbelt Province**

In response, the Controlling Officer submitted as outlined below.

- Forty officers cited were actively working and had not been separated from the Civil Service. Their appointment letters, arrival advice, latest payslips and confirmation of work station were available for audit verification.
- Nine officers were locked on the payroll awaiting the outcome of disciplinary action in line with PSMD Circular No. 26 of 2019.
- Four officers' salaries were withheld through the bank and remitted back to the Treasury to prevent loss to the Government because at the time of the officers' separation, the end-user did not have access to the payroll since it was not open to end-users during the period under review. The officers had since been terminated from the payroll.
- Twenty-Nine officers who resigned or proceeded on unpaid leave had been terminated from the payroll and recoveries had since been instituted. The officers responsible for delayed termination had been cautioned to deter recurrence of the irregularity. Documentation was available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Muchinga Province**

The Committee was informed that the Province had taken a proactive step by ensuring that all the monies which were paid to the twelve officers were recovered through their various personnel emolument arrears. Documentation was available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Lusaka Province**

The Controlling Officer submitted that Chongwe District Health Office had three officers who left the Civil Service on various dates and could not be terminated immediately due to administrative oversight as follows.

### **District Health Office**

Ms N Muya Chilufya was appointed into the Civil Service as Environmental Health Technologist (G) with effect from 18<sup>th</sup> May, 2020. The officer tendered in her resignation from the Civil Service on 26<sup>th</sup> October, 2020. The officer was terminated from the payroll with effect



from 1<sup>st</sup> April, 2021. The officer could not be terminated on time due to administrative oversight. The monies that were paid to the officer after 26<sup>th</sup> October, 2020 would be deducted from her terminal benefits. Documentation was available for audit verification.

Ms Namakau Sitali, Pharmacy Technologist (G) who was based at the District Hospital tendered her resignation from the Civil Service effective 30<sup>th</sup> October, 2018 and was only terminated from the payroll effective 1<sup>st</sup> February, 2022. The officer's salary was withheld with effect from 1<sup>st</sup> October, 2020. The monies that were paid to the officer after 30<sup>th</sup> October, 2018, would be deducted from her terminal benefits. Documents were available for audit verification.

Ms Mulima Mukubesa, Registered Nurse (G) was appointed into the Civil Service on probation in Division II with effect from 21<sup>st</sup> June, 2011. The officer tendered in her resignation from the Civil Service effective 24<sup>th</sup> November, 2020. The officer was only terminated from the payroll with effect from 1<sup>st</sup> September, 2021 due to administrative oversight. The money that the officer drew after 24<sup>th</sup> November, 2020, would be recovered from her terminal benefits. Documents were available for audit verification.

#### **Levy Mwanawasa University Teaching Hospital**

The Controlling Officer submitted that the Hospital had three members of staff, namely: Mr Felix Nkhata, Pharmacy Technologist (G), Mr Mtalimanja Micheal Pharmacist (J) and Mr Mulenga Anthony Pharmacist (J) whose termination from the payroll was delayed after their separation from the Civil Service due to administrative lapses. All the three officers tendered their resignation from the Ministry of Health and their letters were only retrieved after a follow up with the individual officers. However, all the monies that were paid to them after their dates of separation would be deducted from their outstanding terminal benefits. Documents were available for audit verification.

#### **Chawama General Hospital**

Ms Libowa Shebo, Nutrition Technologist (G) who was based at Chawama General Hospital tendered her resignation from the Civil Service on 26<sup>th</sup> September, 2020, and was only terminated with effect from the payroll on 30<sup>th</sup> June, 2022. The officer's salary was withheld with effect from 1<sup>st</sup> December, 2020. The monies that were paid to the officer for the month of October, and November, 2020, would be deducted from her terminal benefits. Documents were available for verification.

#### **Katondwe Mission Hospital**

Ms Theresa Tembo, General Worker (A) was based at Katondwe Mission Hospital before she retired from the Civil Service on 31<sup>st</sup> August, 2015. The officer's salary was withheld with effect from 1<sup>st</sup> October, 2020, and was only terminated from the payroll on 1<sup>st</sup> May, 2022, after her date of separation. However, the officer continued rendering a service until 30<sup>th</sup> September, 2020. The retirement letter was amended to include the temporal service up to 30<sup>th</sup> September, 2020. A computation of the monies paid to her between 1<sup>st</sup> October, 2020 and 1<sup>st</sup> May, 2022 in respect of the third parties would be recovered from her terminal benefits. Documents were available for audit verification.

#### **Kafue General Hospital**

Ms Felina Mwape, Nutrition Technologist (G) who was based at Kafue General Hospital tendered her resignation from the Civil Service on 30<sup>th</sup> November, 2020, and was terminated from the payroll on 1<sup>st</sup> July 2021. The officer's salary was withheld with effect from 1<sup>st</sup>

September, 2020. The officer was earlier charged for absenteeism and her salary was withheld a month before the date of separation. Therefore, there was no loss to the Government. However, the details captured for Ms Mwape in the schedule were erroneous as her Employee No. was 00180330 and not 00123689, hence her details were correctly captured under Ms Hellen Chishala.

Documents such as letter to withhold salary, charge letter, minutes and resignation letter were available for audit verification.

#### **Kanyama General Hospital**

Ms Shiferia Mushimwa, Psychosocial Counsellor (D) who was based at Kanyama General Hospital proceeded on unpaid leave from the Civil Service on 19<sup>th</sup> July, 2021. The officer was only terminated on 1<sup>st</sup> March, 2022 after her date of separation due to administrative oversight. The monies that were paid to the officer between August, 2021 and February, 2022, would be deducted from her terminal benefits. A computation of her benefits was available for audit verification.

#### **Matero General Hospital**

Ms Mwila Annie Sanwa a Registered Nurse (G) who was based under Matero General Hospital tendered her resignation from the Civil Service with effect from 27<sup>th</sup> January, 2021. The officer's salary was withheld with effect from 1<sup>st</sup> February, 2021 and terminated from the Payroll on 1<sup>st</sup> May, 2021, hence no loss of funds was incurred by the Government. Documents were available for audit verification.

#### **Kafue General Hospital**

Ms Rita Inambao a Pharmacy Technologist (G) was based at Kafue General Hospital. She tendered in her resignation from the Civil Service with effect from 30<sup>th</sup> November, 2020. The Officer's salary was withheld with effect from 1<sup>st</sup> December, 2020, and was only terminated off the payroll on 1<sup>st</sup> June, 2021. The monies that were paid to the officer between 1<sup>st</sup> December, 2020, and 30<sup>th</sup> November, 2021 had been calculated and deducted from her outstanding personnel emoluments. Documents were available for audit verification.

#### **Lusaka District**

Ms Hellen Chishala a Pharmacy Dispenser (D) was based under Lusaka District Health Office. She tendered her resignation from the Civil Service with effect from 26<sup>th</sup> October, 2020. The officer's salary was withheld with effect from 1<sup>st</sup> May, 2021. She was terminated from the payroll on 30<sup>th</sup> June, 2022. The monies paid to the officer between November, 2020 and April, 2021, would be deducted from her terminal benefits. Documents were available for audit verification.

Mr Shadreck Macholola, Employee No. 196251 resigned from the Civil Service with effect from 10<sup>th</sup> June, 2018, and was only terminated from the payroll on 1<sup>st</sup> December, 2019. The officer's salary was locked with effect from 3<sup>rd</sup> May, 2022, pending disciplinary action to be resolved. The officer's salary was withheld with effect from 1<sup>st</sup> April, 2021. The monies paid to the officer between July, 2018, and November, 2019, would be deducted from his terminal benefits. A computation had been attached for reference. All the documents were available for audit verification.

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

The Committee notes the submission and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **n. Irregular Payment of Salaries – Employee No. 107702**

##### **Southern Province**

The Controlling Officer submitted that a nurse, Employee No. 107702 under Choma District Health Office, did not receive her gratuity by July, 2022, because her contract for 2<sup>nd</sup> September, 2014, to 1<sup>st</sup> September, 2017, and 2<sup>nd</sup> September, 2017, to 1<sup>st</sup> September 2020, was not approved despite re-submitting her documents. The Choma District Health Office was charged for the same case and was requested to make recommendation for renewal of contract with PSMD and drawn salaries would be recovered from the gratuity. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **o. Delay to Conclude Disciplinary Case**

In response, the Controlling Officer submitted as set out below.

##### **Eastern Province**

The Controlling Officer submitted that Management contacted investigative wings to get clarity on the matter but was informed that investigations were still going on. The letter from Anti - Corruption Commission was available for audit verification.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

##### **Western Province**

The Committee was informed that the delay in concluding the case was as set out below.

The disciplinary case for Mr Rueben Chabaya had taken long due to delayed conclusion by the investigative wings as the case was of criminal nature. Follow up efforts with Provincial Administration, Western Province and Kaoma District Health were on several occasions made but to no avail. Therefore, the case could only be concluded administratively upon receipt of the conviction or acquittal on the criminal charges levelled against him in accordance with Circular B. 7 of 2015 and the Service Commission Disciplinary Code and Procedure for handling of offences in Public Service part 59 and 60. Nevertheless the officer had continued drawing a salary in accordance with Service Commission Disciplinary Code and procedure for handling of offences in Public Service part 56 (c), which stated that an accused officer if suspended, shall during the period of his or her suspension, receive such proportion of his or her salary not being less than half of his or her basic salary as the responsible officer may direct.

The case for Mr Kaila Mwandawamufu was still before the Courts of Law. The courts had taken time to dispose of the case hence he was still retained on the payroll causing delay in concluding the matter as the office still awaited the outcome. His case like that of Mr Chabaya could only be concluded upon receipt of the Court Judgement. As such, the officer continued drawing a salary in accordance with Circular B.7 of 2015. Availed for audit verification were copies of suspension letters, police bond, police report, charge letters and a request for conclusion of the case by the police.

#### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **Northern Province**

The matter involving Mr Kenneth Tembo was initially handled by the Anti-Corruption Commission. Procedurally, disciplinary process was delayed as Management awaited the outcome of the Court process. Management, however, suspended the officer from performing his duties, hence the delay in handling the disciplinary case. Management had since put in place risk management process and hold meetings to orient its officers in ethical conducts and inductions for human resources officers in handling disciplinary processes. Documents were available for audit verification.

#### **Lusaka Province**

In response, the Controlling Officer submitted that four of the queried cases were processed and submitted to PSMD, but no feedback had been received. Further, Mr Nickson Simbaya resigned and had since been terminated from the payroll. Relevant documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **p. Salaries Paid to Deserters**

In response, the Controlling Officer submitted as set out below.

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

The District Health Officers (DHOs) at Mwinilunga and Ikelenge districts had been cautioned against delayed action. Additionally, recommendations for dismissal had since been made to the Provincial Health Office for the affected officers and their salaries had since been locked. Recoveries would be made from their terminal dues. Documentations were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Lusaka Province**

Ms Nkumbu Namumba, Registered Nurse (G) and Ms Mary Mushili, Pharmacist (J) continued getting paid after they had deserted because the department where they were working from did not report their absence on time. The officers had since been charged for absenteeism and their salaries were locked. Documentation was available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Copperbelt Province**

It was regrettable the salaries were paid to deserters. However, the salaries were locked while awaiting outcome of disciplinary action. The PSMD Circular No. 26 of 2019, was hereto attached for reference.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **Luapula Province**

The Controlling Officer submitted that four out of the five officers had their salaries blocked and disciplinary action commenced against them. One officer Employee No. 120581 had applied for secondment to a private institution that was not a public service organisation. However, his request was not granted at the time and the officer left his work station to join the private institution. The officer had since resigned from the Public Service and had been deleted from the payroll. Documents were available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **q. Irregular Payment of Fuel Allowance**

In response, the Controlling Officer submitted as set out below.

### **Northern Province**

The Controlling Officer submitted that it was regrettable that fuel allowance was irregularly paid to ineligible officers. Recoveries for the fuel allowance paid to two officers at Mbala General Hospital and Kasama General Hospital were effected and documents were available for audit verification.

### **Lusaka Province**

The Controlling Officer regretted that fuel allowances were paid to the three ineligible officers and recoveries for the period under review had since commenced. Further, the Head of Departments for the respective facilities had been cautioned to implement regular payroll self-audits to ensure that correct allowances were paid to deserving officers.

Dr Sarfaraz Harun Miyanji a Senior Resident Medical Officer (K2) under Matero General Hospital was appointed on contract agreement with effect from 21<sup>st</sup> November, 2017, and placed on a Senior Resident Medical Officer (K2) position with his salary scale at (J2) instead of (K2). The fuel allowance he got was rightly paid to him as he had authority regardless of the salary scale which was not adjusted. His salary scale had since been adjusted to (K2) according to his appointment letter. Appointment documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submissions but wonders why documentation is always available in retrospect. However, the Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **r. Irregular Recruitments**

The in response, the Controlling Officer submitted as set out below.

#### **Copperbelt Province**

The Committee was informed that all the eight officers were correctly appointed into the Civil Service with the authority from Public Service Management Division, as evidenced by appointment letters and Accounts Form (81). Going forward, the Ministry would endeavour to strengthen record management to avoid laps. Documents were available for audit verification.

#### **Lusaka Province**

The Committee was informed that officers were normally appointed into the Civil Service with authority from PSMD. However, at the time of the audit, appointment letters were not found on staff files. Management had since been cautioned to improve on their record keeping. The Ministry thanked the auditors for the detailed report, which provided valuable insights into the Ministry's payroll management. Letters had since been placed back on respective officers' files and copies were available for audit verification.

#### **Southern Province**

The process of recruitment for the officers was normally done with authority from PSMD. During the time of audit, three officers had provisional letters of appointment in their files. However, out of the three officers, two had their PSMD appointment letters processed and were available for audit verification, while Mr Mwape Chilufya, Laboratory Technician, was not known in Southern Province.

#### **Northern Province**

The eight officers cited were appointed into the Civil Service with authority from PSMD as evidenced by appointment letters and Accounts Form (81), which were available for audit verification.

#### **Muchinga Province**

The four officers were not under Ministry of Health, Muchinga Province but under Ministry of Home Affairs and Internal Security as shown from their positions. The other three officers were the ones under Ministry of Health and were rightly appointed into the Civil Service with authority from PSMD. Documents were available for audit verification.

## **Luapula Province**

The cited officers were all appointed through the normal channel into the Civil Service. Appointment letters, arrival advice and NRCs were available for audit verification.

### **Committees Observations and Recommendations**

The Committee notes the submissions and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

## **MINISTRY OF EDUCATION**

### **PARAGRAPH 9**

**a. Budget and Funding** In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, provisions totalling K43,507,560,666 were made to cater for personal emoluments under the Ministry against which amounts totalling K46,926,546,284 were released.

In response, the Controlling Officer submitted that the Government entered into a collective agreement to automatically upgrade science teachers who acquired higher qualifications at degree or diploma level in 2015. This was later extended to other teachers as well. As the automatic upgrade continued into the other subsequent financial years without review, it caused a variance in terms of expenditure on personal emoluments against the budgeted allocations.

The variance had also been attributed to unspecified positions on the payroll for primary and secondary school levels, resulting in diploma and degree holders being placed in positions budgeted for in lower scales when transfers occurred. Payment of salary related arrears to officers in the respective financial years restrained the budget on personal emoluments causing a variance in the budget for the Ministry.

### **Committees Observations and Recommendations**

The Committee notes the submissions and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee await a progress report on the matter.

**b. Ungazetted Schools with/without Establishment Registers**

In response, the Controlling Officer submitted that the Ministry had been gazetting schools that had either been newly built, upgraded or grant aided. From 2017 to date, the Ministry had gazetted 853 basic schools, 474 high schools, five trade schools, twenty-three grant aided schools and 425 community schools. The Ministry would provide financial capacity to the Education Board Services Unit under the Department of Planning to facilitate the gazetting of schools as and when they become operational.

During the restructuring of the Ministry in 2018, seven thousand, six hundred and ninety-four schools were granted structures by Management Development Division (MDD). The Ministry using the approved structure had been engaging Ministry of Finance and National Planning through PSMD annually for Treasury Authority to operationalise the school structures.

Further, in 2022 during the recruitment of 30,496 teachers, a total number of 5,767 schools countrywide were granted partial Treasury Authority. However, the problem of schools having partial establishment was a legacy issue, which came about as a result of limited funding to operationalise the full structures. The Ministry would continue to lobby the Ministry of Finance and National Planning through PSMD for Treasury Authority to operationalise the remaining structures. Documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee notes the submissions and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **c. Unauthorised Recruitment of Excess Staff**

In response, the Controlling Officer submitted that the positions in excess of those on the establishment register were a result of not updating the establishment registers. Over the years, the establishment registers had been replicated and did not reflect the situation on the ground. As such, the Ministry submitted an establishment analysis report to P MEC to include positions on the 2023 establishment register that were omitted on the 2022 establishment register. Further, the 2023 establishment register had since been updated to include positions that were initially omitted. The Ministry would continue to collaborate with PSMD to align the Ministry's establishment to the payroll data to avoid such anomalies. Documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee expresses concern that over the years, the establishment registers have not been updated to reflect the situation on the ground. The Committee wonders how every year the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that staff returns are done on a monthly basis and monitored, religiously. The Controlling Officer should also ensure that whenever Treasury Authority is granted, establishment registers are updated without any further delay. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **d. Recruitment on Positions Not Provided for in the Establishment Register**

The Committee was informed that the positions in excess of those on the establishment register were as result of lack of updating establishment registers. Over the years, Ministry of Finance and National Planning had granted the Ministry of Education Treasury Authority to recruit teachers and other support staff. However, the positions created on the payroll were not captured on the establishment registers, creating a disparity between the payroll data and information in the establishment registers. The Ministry would continue to collaborate with PSMD to align the Ministry's establishment to the payroll data to avoid such anomalies. Documentation was available for audit verification.

#### **Committees Observations and Recommendations**

The Committee expresses concern that over the years, the establishment registers have not been updated to reflect the situation on the ground. The Committee wonders how every year, the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that



staff returns as done on a monthly basis and monitored, regularly. The Controlling Officer should also ensure that whenever Treasury Authority is granted, establishment registers are updated without any further delay. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

**e. Teachers on the Payroll without Approval of the Teaching Service Commission**

The Committee was informed that before 2018, the Ministry provisionally appointed and deployed teachers. However, as at 2018, appointment of teachers was done on recommendation to the Teaching Service Commission (TSC), who later issued a directive, which the Ministry conveyed to individual officers through the provincial and district offices, respectively.

Further, out of the 299 cited officers, 123 had authorisation letters from the TSC, while five were not teachers. The Ministry, in collaboration with the TSC had also concluded formalising the appointments of the rest of the cited officers. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee is deeply saddened at a lack of review of the activities performed by super-users leading to unauthorised inputs. The Committee is of the strong view that lack of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism to ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**f. Delayed Action on Officers with Forged Certificates**

The Controlling Officer submitted that the officers cited were dismissed from the Public Service for forgery by the TSC and had since been terminated from the Payroll. However, the delay to remove the cited officers from the Payroll was due to the lengthy disciplinary process and the delays in receiving information and documents alleged to be fake to aid in the disciplinary cases.

Further, the officers continued to draw the salaries because according to Public Service Management Division Circular No B7 of 2015 (3) dated 3<sup>rd</sup> June, 2015, the effective date of dismissal was the date that the officer was dismissed and not the date of suspension. Therefore, the officers were to continue drawing their salaries until a decision to dismiss them was made by the TSC. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee expresses concern at the *laissez-faire* attitude on the part of supervising officers who are supposed to ensure that disciplinary cases are disposed of timely. The Committee urges the Controlling Officer to put in place measures that will ensure that disciplinary cases are concluded timely. The Committee further urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**g. Unaccounted for Officers**

In response, the Controlling Officer submitted that out of the 1,843 officers cited, 1,218, had since been identified, while 625 remained unknown. However, their salaries were blocked by

PMEC in November, 2022, through the Office of the Accountant General so as to determine their whereabouts.

Further, the Ministry identified 256 officers whose salaries had since been unblocked. The Ministry would seek guidance from the Secretary to Treasury on the next step for officers who may not show up in the next two months. Documents were available for audit verification.

#### **Committees Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **h. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that the Ministry had over the years built and upgraded primary into secondary schools in an effort to increase access to secondary education without matching resources to operationalise the payroll structures. The schools were operational and, in an effort to ensure provision of quality education in these schools, Management identified teachers from other existing schools where their payroll area was and moved them to newly created schools hence the mismatch. The Ministry would continue to lobby the Ministry of Finance and National Planning for funds to operationalise the payroll structures in the schools in an effort to normalise the payroll mismatches.

Further, the Ministry included in its annual work plan and budget for 2023, an activity to normalise the payroll mismatches with PSMD and TSC. Documentation was available for audit verification.

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

The Committee finds it unacceptable that schools are constructed or upgraded and teachers transferred to those schools without putting in place an approved establishment. The Committee is aware that misplacement of payroll areas is a result of trying to manage and operationalise the newly built or upgraded schools that do not have Treasury Authority. The Committee implores the Controlling Officer to lobby for Treasury Authority to operationalise payroll structures in order to normalise misplacements. Additionally, such administrative transfers should be normalised within three month from the date of transfer. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **i. Irregular Diversion of Salaries**

#### **j. Eastern Province – Employee No. 147388**

In response, the Controlling Officer submitted that as set out below.

#### **i. Eastern Province Employee – No. 147388**

The Committee was informed that all the salaries that were irregularly diverted to the three officers were recovered. Bank statements have been attached as evidence for all the transactions that were reversed after the payments. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **ii. Employee No. 297750**

In response, the Controlling Officer submitted that the officer involved was identified and had been suspended following her arrest by the Police. However, due to delay in concluding the case by the Police, the Ministry requested that the case be withdrawn and handled administratively then later be subjected to prosecution to avoid Government losing monies in salaries being paid to the officer.

Further, the Ministerial Disciplinary Committee recommended the officer for dismissal from the Public Service to the Civil Service Commission through Public Service Management Division. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification.

#### **iii. Employee No. 46641**

In response, the Controlling Officer submitted that the officer was engaged and admitted to have committed the offence levelled against him. He wrote a commitment letter and paid a K3,000.00 through the MOF6TSA account dated 11<sup>th</sup> February, 2022. However, the matter was reported to the DEC, who arrested the officer and on police bond. The officer was yet to appear before the Mufumbwe Subordinate Court where the offence took place, for mention once the date was set. Documents were available for audit verification.

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

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to diversion of salaries remaining undetected. The Committee is of the strong view that the absence of systematic oversight mechanism and capacity building and training of staff managing the payroll has greatly contributed to this irregularity. The Committee urges the Controlling Officer to strengthen monitoring activities to ensure prudent management of payroll inputs. Further, all suspected cases of fraud should be reported to investigative wings. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **iv. Eastern Province - Employee No. 00200717**

The Committee was informed that the monthly salary for January, 2018, for Mr Edwin Banda which was paid into Mr Evance Banda's account was recovered and paid to Mr Edwin Banda. A bank statement was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

**j. Irregular Payment of Allowances**

**i. Irregular Payment of Housing Allowance**

In response, the Controlling Officer submitted as set out below.

**Central Province**

The Committee was informed that recoveries had since been effected on the forty-eight officers who irregularly drew the allowance, while five were eligible as they were accommodated in substandard houses (mud and pole houses). Documents are available for audit verification.

**Muchinga Province**

The Committee was informed that Management effected recoveries for the seventy-six officers cited in the Auditor General's report. Documents were available for audit verification.

**Northern Province**

The Committee was informed that recoveries had since been effected on the eight officers who were irregularly paid housing allowance. Documentation was available for audit verification.

**North Western**

The Committee was informed that recoveries had since been effected on 171 officers, fourteen were eligible, five were deceased, while two were retired at the time of the audit. Documents were available for audit verification.

**Lusaka Province**

The Committee was informed that out of the seventy-one officers who were irregularly paid housing allowance, thirteen were eligible, while fifty-eight were not and recoveries had since been instituted. Documents were available for audit verification.

**Southern Province**

The Committee was informed that out of the fifty-nine officers who irregularly drew housing allowance, sixteen were eligible, one was retired, while forty-two were ineligible and recoveries had since been effected. Documents were available for audit verification.

**Eastern Province**

The Controlling Officer submitted that recoveries had since been effected on the 379 officers, who were irregularly paid housing allowance. However, recoveries could not be effected on thirty-five because their salaries were falling below the 40 per cent threshold of their net pay, while one was deceased and was terminated from the payroll.

With the improved salaries and Conditions of Service for in January, 2023, the Ministry would effect the recoveries from the cited officers in March, 2023 once the payroll workflows introduced were fully implemented at district level by the payroll Support Service Department (PSSD) at PSMD. Documents were available for audit verification.

**Western Province**

The Controlling officer submitted that the schedules from Auditor General had more officers cited than the ones indicated. However, following the schedule that was provided, 172 officers cited were eligible for housing allowance as they were at schools or institutions that did not have Government houses, but stayed in rented houses, while others were accommodated in mud and

pole houses. However, recoveries had since been effected on the 243 ineligible officers. Documents were available for audit verification.

### **Copperbelt Province**

The Committee was informed that forty-one officers were eligible to receive housing allowance as confirmed by their headteachers, while recoveries had since been effected on the 124 ineligible officers. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

### **ii. Irregular Payment of Rural Hardship Allowances**

In response, the Controlling Officer submitted as set out below.

### **Eastern Province**

The Committee was informed that recoveries had been effected on all the officers that were irregularly paid rural hardship allowance. Documents were available for audit verification.

### **Central Province**

The Committee was informed that 451 officers were ineligible for the Rural Hardship Allowance, and recoveries had since been effected on all of them. Documents were available for audit verification.

### **North-western Province**

The Committee was informed that recoveries had since been effected in respect of the sixty-four officers irregularly paid rural hardship allowance. The recoveries would be effected when the payroll workflows introduced were fully implemented in March, 2023. Documents were available for audit verification.

### **Lusaka Province**

The Committee was informed that out of the fifty-two officers who were paid Rural Hardship Allowance, two officers were eligible, while twenty-two were not and recoveries had since been effected. The remaining twenty-eight officers were not based in Chongwe District and their payroll stations were not under Chongwe District. However, due to a PMEC systemic error, the personnel sub area was indicating Chongwe District. The Director PMEC had been engaged to correct the payroll area. Documents were available for audit verification.

### **Northern Province**

The Controlling Officer submitted that out of ninety-three officers cited as having been irregularly paid rural hardship allowance, recoveries had since been effected on the ninety-one officers. However, one officer retired and the monies shall be recovered from his terminal leave benefits, while the other officer's payroll was in another Province, which had been guided to facilitate the recoveries in March, 2023. Documents were available for audit verification.

### **Southern Province**

The Controlling Officer submitted that out of four officers paid Rural Hardship Allowance, three were eligible, while recoveries had been effected on one. Documents were available for audit verification.

### **Head Office**

The Committee was informed that the two officers were stationed at Headquarters, but their pay points were retained at district level. The Ministry had stopped the payment of allowances to one of the officers. However, one officer had since been moved to a district payroll on the Copperbelt and recoveries would be effected in March, 2023. Documents were available for audit verification.

### **Copperbelt Province**

The Committee was informed that thirty-three officers were eligible for rural hardship allowance as confirmed by supervising officers. Recoveries had since been effected on the 201 ineligible officers. Documents were available for audit verification.

### **Western Province**

The Committee was informed that the schedules from the Auditor General indicated that only nine officers were paid rural hardship allowance and not 220 as indicated in the report. However, following the schedule that was provided, four officers were eligible, while recoveries had since been effected on the five who were ineligible. Documents were available for audit verification.

### **Muchinga Province**

The Controlling Officer submitted that this was because of transfers to schools that were operationalised without Treasury Authority, whilst retaining payroll areas of their previous stations when they were eligible. However, the Ministry through the Province had since effected recoveries on all the ninety-six officers. Documents were available for audit verification.

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

The Committee notes that most of the queries regarding irregular payment of allowances are a result of lack of understanding and interpretation of the Terms and Conditions of Service, as well as circulars that are issued from time to time. The Committee is of the view that the Controlling Officer should put in place capacity building programmes for supervisors to enhance human resource management at all levels. The Controlling Officer is further implored to ensure that staff returns are reconciled with the staff establishment register on a monthly basis. Additionally, transfers should be effected only when payroll identities are available. Further, when Treasury Authority is granted, establishment registers should be updated without undue delay. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification.

### **iii. Irregular Payment of Remote Hardship Allowance**

The Controlling Officer submitted as set out below.

### **Central Province**

The Committee was informed that forty-nine officers were ineligible to receive remote hardship allowance and recoveries had since been effected on all of them. This was as a result of officers being transferred from stations where they were entitled for such an allowance. Documents were available for audit verification.

**Northern Province**

The Committee was informed that recoveries had since been effected on the seventeen officers cited in the report. Documents were available for audit verification.

**North-western Province**

The Committee was informed that three officers were eligible, while recoveries had since been effected on the nineteen, and not on the six officers. The Province would effect recoveries on the six officers in March, 2023, once the payroll workflows introduced were fully implemented. Documents were available for audit verification.

**Lusaka Province**

The Committee was informed that recoveries had since been effected on forty-two officers who drew the remote hardship allowance irregularly. Documents were available for audit verification.

**Eastern Province**

The Committee was informed that recoveries had since been effected on all the officers that were irregularly paid Remote Hardship Allowance. Documents were available for audit verification.

**Muchinga Province**

The Committee was informed that recoveries had been instituted on the 141 officers that were cited. However, recoveries had not been effected on four officers. The recoveries on the four officers would be effected when the payroll workflows introduced were fully implemented in March, 2023. Documents were available for audit verification.

**Copperbelt Province**

The Controlling Officer submitted that recoveries on the 230 officers had been instituted, while four were eligible for remote hardship allowance as confirmed by supervising officers. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**iv. Irregular Payment of Double Class Allowance**

The Controlling Officer submitted as set out below.

**Luapula Province**

The Committee was informed that recoveries were effected in May, 2022, in respect of the cited officer and were still running. Documents were available for audit verification.

**Central Province**

The Committee was informed that out of 330 cited officers, thirty-seven officers were entitled to receive double class allowance, while recoveries had been effected on the ineligible 293. Documents were available for audit verification.

**Lusaka Province**

The Committee was informed that out of the ninety-one officers paid double class allowance, eighty-six were eligible, while five were not and recoveries had since been effected. Documents were available for audit verification.

**Northern Province**

The Committee was informed that recoveries had since been effected on the six officers cited in the report. Documents were available for audit verification.

**Muchinga Province**

The Committee was informed that recoveries had been effected on the fifty-four officers out of the eighty-two cited in the report. Recoveries on twenty-eight officers would be effected when the payroll workflows introduced were fully implemented in March, 2023. Documents were available for audit verification.

**Western Province**

The Controlling Officer submitted that one officer cited in the report, was eligible for double class allowance, while thirty-nine were not and recoveries had since been effected. Documents were available for audit verification.

**Copperbelt Province**

The Committee was informed that 267 officers were eligible for double class allowance as confirmed by supervising officers. However, four officers were ineligible and recoveries had since been effected. Documents are available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

**v. Payment of Responsibility Allowances to Ineligible Officers**

The Controlling Officers submitted as set out below.

**Central Province**

The Committee was informed that officers were not entitled to receive responsibility allowance and recoveries had since been effected on all the officers cited in the report. Documents were available for audit verification.

**Copperbelt Province**

The Committee was informed that all the four officers cited in the report were eligible to receive responsibility allowance as they were given extra responsibilities of teaching upper grades in secondary schools. Documents were available for audit verification.

**Eastern Province**

The Committee was informed that recoveries had since been effected on all the officers that were irregularly paid responsibility allowance. Documents were available for audit verification.



**Luapula Province**

In response, the Controlling Officer submitted that sixty-one officers were eligible to receive responsibility allowance, while the seventy-seven were ineligible and recoveries had since been instituted. Documents were available for verification.

**Lusaka Province**

The Committee was informed that out of the 214 officers paid responsibility allowance, 206 were eligible, while eight were not and recoveries had since been effected. Documents were available for audit verification.

**Northern Province**

The Committee was informed that recoveries had since been effected on the eight officers cited in the report.

**Western Province**

The Controlling Officer submitted that the schedules from the Auditor General had ninety-three officers cited as having been paid responsibility allowance and not forty-nine as indicated in the report. However, following the schedule in the report, twenty officers were eligible for responsibility allowance, while recoveries had been effected on the ineligible seventy-two officers. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**vi. Over Payment of Fuel Allowance – Northern Province**

In response, the Controlling Officer submitted that the officers had since paid back through the payroll recoveries. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**v. Irregular Payments of Acting Allowance – Muchinga**

The Committee was informed that the officer was transferred and appointed to act as an Accountant at the Ministry of Finance and National Planning under the Office of the Accountant General by the Civil Service Commission. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

**k. Irregular Upgrading of Teachers' Salaries**

The Controlling Officer submitted as set out below.

### **Copperbelt Province**

The Committee was informed that the officers were in the correct Salary Scale F as they were appointed as certificate holders and not Salary Scale H, which was for Senior Teachers. Documents were available for audit verification.

### **Luapula Province**

The Committee was informed that of the sixty officers cited in the Auditor General's Report, the Ministry through the Province had effected recoveries on fifty-three officers, while six officers were correctly appointed and promoted. This was because of the payroll systemic error during the implementation of the Job Evaluation and Regrading Exercise (JERG) as well as misinterpretation of the Circular on automatic upgrades of teachers who acquired higher qualifications. Documents were available for audit verification.

### **North-western Province**

The Committee was informed that the salary scales were changed because officers had authority from the Teaching Service Commission and others were changed based on the 2013 Circular on salary upgrade. Documents were available for audit verification.

### **Southern Province**

The Committee was informed that thirty officers were affected by the JERG exercise that brought about the normalisation of salary scales. Forty-eight officers were erroneously placed in the Salary Scale F at the point of entry when they were diploma holders who should have been placed on Salary Scale (G).

Further, twenty-four officers had letters of promotions from the Teaching Service Commission, whereas twenty-nine were automatically upgraded and the normalisation of the upgrade was done through the Teaching Service Commission.

However, eighty-eight teachers who did not meet the above requirements, were reverted to the correct salary scales and deductions had since been effected to recover the overpayment. Documents were available for audit verification.

### **Western Province**

The Committee was informed that the six officers cited were promoted to the positions they were occupying by the Teaching Service Commission, while eleven were a result of the automatic upgrades of salary scales following the collective agreement between the Government and the sector unions in 2015. Documents were available for audit verification.

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

The Committee urges the Controlling Officer to enhance human resource planning to ensure that the processes relating to human resource recruitment, promotions and associated budgets are properly done. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter, after which the query should be closed.

#### **I. Recruitment of Officers without Vacant Positions**

The Controlling Officer submitted that the Ministry had two ways of recruiting teachers. One way was by using the Net Recruitment Funds provided by Ministry of Finance and National Planning annually, while the other was by replacements due to attrition. The officers cited were

recruited under replacement in 2020 and 2021, on positions that were expected to fall vacant when serving officers retired.

However, due to lack of coordination between the centre and the districts as regards replacements, the positions where the officers were recruited ended up being used to promote or transfer officers. However, the Ministry had been managing the process of placing these teachers on the payroll on positions that fell vacant and so far, the Ministry placed 514 teachers on the payroll and it would continue to place the remaining officers on the payroll as positions fell vacant. Further, the Ministry working with the Teaching Service Commission would put in place recruitment guidelines on how replacements would be effectively be done by the end of the first quarter of 2023.

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

The Committee expresses concern that teachers are recruited to fill positions that are not vacant. The Committee implores the Controlling Officer to ensure that due diligence is conducted so that teachers are appointed to fill up vacant and funded positions in order to ensure that they are placed on the payroll within a month to avoid situations where teachers were placed on payrolls that are no longer vacant. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter, after which the query should be closed.

#### **m. Irregular Recruitments**

The Controlling Officer submitted as outlined below.

##### **Lusaka Province**

The Committee was informed that before 2018, the Ministry used to provisionally appoint teachers using a document referred to as a TS Form 3 (Teaching Service letter of appointment). The appointments would later be formalised with the Teaching Service Commission. The six officers cited under Kafue District had since been appointed and confirmed by the Teaching Service Commission. Documentation was available for audit verification.

##### **Eastern Province**

The Committee was informed that the Ministry was not provided with the schedules for the cited officers under Province. However, the Auditor General's Office was engaged and the matter would be dealt with once the schedules were made available to the Ministry.

##### **Southern Province**

The Committee was informed that the three cited officers were on the payroll for the Province but not serving in the Province. However, efforts to locate the officers proved futile. The Ministry Headquarters had since guided the Province to facilitate the locking of the salaries in March, 2023 in order to determine their whereabouts.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter, after which the query should be closed.

#### **n. Employed Teachers Not on Payroll**

The Controlling Officer submitted as outlined below.

The Controlling Officer submitted that the schedules from the Auditor General indicated that 1,163 officers were cited as being employed, but not on the payroll, while 354 employed but not on the payroll.

However, following the schedule that was provided, 1,030 officers out of the total cited, had been placed on the payroll. The Ministry would facilitate the placement of the remaining 133 officers when space was created following the attrition of teachers. Documents were available for audit verification.

### **Northern Province**

The Committee was informed that all the forty-three officers had since been put on the payroll.

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

The Committee expresses concern that teachers who have been employed and offering a service are not on the payroll. The Committee attributes the anomaly to a lack of updating the establishment register timely. The Committee is of the view that recruitments should be based on the availability of vacancies on the establishment register. Further, any recruitment outside the establishment register should be authorised by the Treasury. The Committee, therefore, urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **o. Delayed Termination of Officers on Payroll**

The Committee was informed that the cited officers had since been terminated from the payroll. The delay in terminating them was because of the lengthy administrative procedures in processing cases. However, the Ministry, working with the TSC intended to delegate some of the human resource management functions to the human resource management committees at district level in order to enhance efficiency and reduce delays in accordance with the *Service Commission's Act, No. 10 of 2016*. Documents were available for audit verification.

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

The Committee urges the Controlling Officer to be proactive and avoid acting after audit processes. The Committee also urges the Controlling Officer to put measures in place, to ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such situations. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

#### **p. Delay to Conclude Disciplinary Case**

The Controlling Officer submitted as set out below.

### **North-Western Province**

The Committee was informed that the delay to deal with disciplinary cases was usually due to failure on the part of the supervisors to initiate the disciplinary process by charging or reporting the erring officers. The Provincial Disciplinary Committee forwarded one of the cases to the Ministry and in due course, it would consider the case with other related cases it had continued to receive from the Provinces. However, the other case for another officer was concluded and resolved at district level and the officer had since been transferred to another school. The Ministry in its annual work plan and budget included an activity to build capacity of officers

managing disciplinary cases in order to avoid such delays in future. Documents were available for audit verification.

#### **Western Province**

The Committee was informed that the delay to deal with disciplinary cases was due to failure on the part of the supervisors to initiate disciplinary processes by charging or reporting the erring officers. However, the six officers were dismissed and had been removed from the payroll. The delay was caused by the lengthy disciplinary procedures. The Ministry in its annual work plan and budget had since included an activity would build capacity of officers managing disciplinary cases in order to avoid such delays in future. Documents were available for audit verification.

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

The Committee is deeply saddened at the lengthy processes that disciplinary cases take to conclude. The Committee urges the Controlling Officer to put measures in place which will ensure that disciplinary matters are concluded expeditiously. The Committee implores the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

#### **q. Salaries Paid to Deserters**

In response, the Controlling Officer submitted as set out below.

#### **North-western Province**

The Controlling Officer submitted that disciplinary action was instituted against the officers cited in the Auditor General's Report and the Provincial Disciplinary Committee resolved that one officer be recommended for dismissal, while the remaining five were given final warnings. However, the Ministry referred the case back to the Province for further consideration as all the officers committed the same offence and the criteria used to dismiss one officer and retain the others was not supported. Minutes had been attached for audit verification.

#### **Eastern Province**

The Committee was informed that the schedules indicated that ten officers were cited and not eleven as indicated in the report. However, from the schedule provided, two had been dismissed from the Public Service, while one officer was recommended to the Teaching Service Commission for retirement from the Public Service on medical ground. The Ministry guided the Province to immediately commence disciplinary process for the seven officers in accordance with the Disciplinary Code of Conduct for the Public Service and submit to the Ministry Headquarters for further determination. Documentation was available for audit verification.

#### **Copperbelt Province**

The Controlling Officer submitted that the officers cited in the Auditor General's Report had since been dismissed from the Civil Service, terminated from the payroll and recoveries effected from their leave terminal benefits. Documents were available for audit verification.

#### **Western Province**

The Committee was informed that the officer was transferred in December, 2014, from St. Johns Secondary School in Mongu District to Luampa Secondary School in Luampa District. However, the officer never reported at his new station nor did he go back to his previous school.

The Ministry considered the case and forwarded it to the Commission for further determination. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **r. Irregular Payment of Salaries to Seconded Officers**

The Controlling Officer submitted as outlined below.

##### **Northern Province**

The Committee was informed that the six officers cited in the Auditor General's Report were seconded to Seychelles under bilateral agreement with the Republic of Seychelles. The continued payment of salaries was because of an instruction that was unfortunately verbally issued at the time, to briefly retain them on the payroll until they settled, considering that it was the first time they were being seconded to another country. However, since the officers were seconded, the Ministry would effect recoveries from their salaries once they resumed duties. Documentation was available for audit verification.

##### **Central Province**

The Committee was informed that the officers were captured wrongly as they were not seconded but working in their respective stations in Chibombo Districts. Documents were available for audit verification.

##### **Lusaka Province**

The Committee was informed that all the three officers cited had been removed from the payroll. Considering that secondment was not separation from the Public Service, the monies paid to the officers would be recovered when they resume duty after the secondment comes to an end. The officers were engaged and had acknowledged having received the salaries, whilst on secondment. Documents were available for audit verification.

##### **Luapula Province**

The Committee was informed that the officer agreed to pay the money within six months and had since paid back a sum of K22,979.73, received, while he was on secondment. Documents were available for audit verification.

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

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **s. Irregular Payment of Salaries to a Member of Parliament**

In response, the Controlling Officer submitted that the officer cited, was a Member of Parliament, who had since been removed from the payroll. The district computed his terminal

leave benefits and the monies owed to the Government would be recovered from his terminal or pension benefits.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **t. Irregularities in Management of Bounced Salaries**

##### **i. Western Province - Irregular Payment of Salaries to Ghost Employees**

In response, the Controlling Officer submitted as outlined below.

##### **Employee No. 326545**

The Controlling Officer submitted that the officer Employee No. 326545, at Omela Basic School, was neither in Kaoma District nor on the Western Province Payroll. Omela Basic School was not found in Western Province.

##### **Employee No. 326995**

The Committee was informed that Employee No. 326995, was indicated to be at Namushakende Basic School payroll, in Mongu District, but the officer was not known. The Ministry had since written to PMEC to have her salary blocked so as establish her whereabouts. Documents were available for audit verification.

##### **Employee No. 202244**

The Committee was informed that the subject teacher Employee No. 202244 on the Headquarters payroll was initially not known until late 2022. The officer's position of subject teacher was a legacy position (excess position) which was moved to Headquarters and earmarked for abolishment when the substantive holder vacated the position by way of retirement, resignation or death.

The officer was identified and indicated that she had relocated to Botswana after tendering in her resignation which was not acknowledged by the Teaching Service Commission (TSC), as it was not processed and forwarded to the Ministry. The officer had since resumed duties as the Ministry would consider the case administratively. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. As regards, Employee No. 202244, the Controlling Officer is implored to take kin interest in the matter and ensure a logical conclusion. The Committee will await a progress report on the matter.

##### **ii. Failure to Provide Information on Returned Salaries**

In response, the Controlling Officer submitted that twenty-two officers had their accounts zeroed by the Kasama District Education Office because their whereabouts were unknown. However, the officers were identified and were receiving their salaries. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

#### **u. Irregular Payment of Double Salaries**

In response, the Controlling Officer submitted as set out below.

##### **i. Employee No. 316494**

The Committee was informed that the bank had blocked the second salary and remitted an amount of K75,100.44 to the Treasury and the balance that was withdrawn by the officer, amounting to K4,082.44 was being recovered from her salary. Documents were available for audit verification.

##### **ii. Employee Number 264968**

The Controlling Officer submitted that the two records of the officers were created by error due to a power surge and was later reversed. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

#### **v. Unauthorised Salary Inputs – Ministry of Education**

In response, the Controlling Officer submitted that end-users only had access to their respective districts and provinces. However, due to the vastness in terms of the establishment of the Ministry, trained end-users would be identified at specific institutions and granted super-users authorisation by P MEC to perform payroll transactions on behalf of districts that had untrained end-users.

Further, the Committee was informed that some reports could not be accessed by end-users making it difficult for districts and provinces to make decisions on payroll matters. End-users with super-users authorisation were able to access reports like staff assignment and wage bill which were critical to decision making.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users and end-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **w. Introduction and Termination of Employees without Authority**

In response, the Controlling Officer submitted as outlined below.



### **Southern Province**

The Committee was informed that one officer was introduced by an end-user who was based at Headquarters, who had since been dismissed from the Public Service in 2018. The other officer under Pemba District was introduced and terminated by an end-user for having resigned without notice. Documents were available for audit verification.

### **Central Province**

The Committee was informed that for two of the officers cited in the Auditor General's Report, could not be located as they had passed away. The other two were created twice on the system by the end-user in error but later deleted one while one officer resigned and was terminated from the payroll. Documents were available for audit verification. The Ministry had advised the Province to ensure that the files for the two officers were located in order to deal with the matter and bring the case to its logical conclusion.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users and end-users leading to the introduction and termination of employees on the payroll without authority. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **x. Irregular Payment of Salaries to a Retired Employee – Employee Number 220408**

The Controlling Officer submitted that the moneys would be recovered from the retired officer's leave terminal benefits as the district would be processing payments of personal emoluments following the disbursement of the funds to the district in December, 2022. The balance of the monies shall be recovered from the officer's pension contributions.

Further, the District Education Board Secretary (DEBS), had since been charged for sub-standard performance. Documents were available for audit verification.

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

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **w. Irregular Transfer of Teachers to Mongu Trades Secondary School**

The Controlling Officer submitted that the attachment of the teachers was necessitated by the demand to have Mongu Trades Training Institute introduce secondary education.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter, after which the query should be closed.

#### **z. Employees Introduced by Questionable End-Users**

The Controlling Officer submitted that the questionable end-user, was locally appointed to perform human resource duties for administrative convenience only due to the acute shortage of trained human resource officers in newly created District of Lunga at the time. The end-user was subsequently trained and authority to access payroll was granted. Documents were available for audit verification.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users and end-users leading to questionable introduction of employees on the payroll. The Committee is of the strong view that the absence of systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **a. Irregular Regrading and Transfer of Officers to Mongu Catholic College of Education**

The Controlling Officer submitted that the curriculum for the college was revised, resulting in demand for more lecturers. However, due to lack of funds in the past decade, positions of lecturer could not be operationalised to meet the demand for lecturers. Consequently, the Ministry, through, the Province identified eligible secondary school teachers and attached them to the college to perform duties of lecturers.

The nineteen officers from the thirty-nine officers cited have since been appointed as lecturers on positions created during the 2022 teacher recruitment. The Ministry would continue to absorb the remaining officers on positions that would be created as and when Treasury Authority was granted. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **b. Failure to Constitute a Medical Board**

The Controlling Officer submitted that a minute had been issued to all Provincial Education Officers and District Education Board Secretaries directing them to timely initiate the process of constituting the Medical Boards in order to ensure adherence to the Terms and Conditions of Service for the Public Service. This included the three cited officers in Zambezi and Solwezi districts of North-Western.

The process of discharging officers on medical grounds was a length process since it involved the Ministry of Health who were the major stakeholders to recommend officers for medical discharge. Therefore, the Ministry of Education could not remove officers from the payroll

without the conclusion of the matter by relevant authorities. Documents were available for audit verification.

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

The Committee is deeply saddened at the length processes that health issues take to conclude. The Committee urges the Controlling Officer to put measures in place which will ensure that matters relating to health are concluded expeditiously. The Committee implores the Controlling Officer to ensure that a medical board is constituted without any due delay and avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

### **MINISTRY OF FINANCE AND NATIONAL PLANNING**

#### **PARAGRAPH 10**

##### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer responded as set out below.

##### **b. Employees Terminated and Re-Introduced on the Payroll**

The Controlling Officer submitted that out of the 1,137 employees that were re-introduced, the Ministry had traced 371 documents. The Ministry had in the recent past faced challenges of storage space due to the number of input documents generated from all MPSAs, resulting in documents being misplaced. In order to curb this issue, the Ministry implemented workflow management, which meant that MPSAs would manage their inputs on the payroll, while documents remained in their custody for future reference and audit purposes. The measure would limit the number of input documents to be stored at the Ministry. Additionally, the Treasury approved standard input documents to be administered by all payroll-users to eliminate the loss of supporting documents in relation to payroll-inputs.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

##### **c. Undelimited Salary Structures for Defence Forces and Local Governments**

In response, the Controlling Officer submitted that the salary structures for the local authorities were configured on the payroll because the Government of the Republic of Zambia was considering centralising management of personal emoluments on the PMEC System.

The payroll status for employees under Local Government had been locked to avoid abuse and no structures were created for the Defence Forces. As such, there was no risk of abuse of the salary scales. The Ministry had since written to Cabinet Office for policy guidance going forward. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **d. Weaknesses in the Configuration of the Establishment Register on the Payroll Management Establishment Control**

The Controlling Officer submitted that the fourteen Government institutions had since been linked to the Master Cost Centre on the P MEC System with the help of consultants. The delay in the linking the fourteen Government institutions was due to technical error on the P MEC System linking the aligned institution

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **e. Lack of Workflow Configuration**

In response, the Controlling Officer submitted that the Ministry had since configured and implemented the workflow on the P MEC System with effect from 1<sup>st</sup> December, 2022, with the assistance of consultants. The workflow was available for audit verification on the P MEC System by the Office of Auditor General.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **f. Lack of Internal Service Level Agreements**

The Controlling Officer submitted that the Smart Zambia institute had entered into an agreement with INFRATEL Data Centre, who had been hosting the Government website and was a co-location for the IFMIS and Government Service Bus computing environment. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **g. Use of Unlicensed Database**

The Controlling Officer submitted that the Ministry was in the process of procuring services of a consultant.

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

The Committee finds it unacceptable that the Ministry was using unlicensed database and urges the Controlling Officer to expedite the process of procuring services of a consultant to ensure the database is licensed, as a matter of urgency and resolves to await a progress report on the mater.

**h. Unutilised E-Payslip Configured Solution**

In response, the Controlling Officer submitted that the Ministry had constituted a team to establish the baseline and the estimation of scope of work for the distribution of E-payslip on P MEC. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer TO avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

**i. Management of Leaders' Payroll – Outstanding**

**i. Payment of Loans to Leaders with Less than Six Months of Service**

In response, the Controlling Officer submitted as follows:

- the Ministry would always adhere to the guidelines on the payment of leaders' loans. Political leaders were issued with loans because of the delay in putting them on the payroll after being sworn in as Ministers and the recoveries were running on payroll. Documentation was available for audit verification;
- the loan paid to Hon Ambrose Lufuma, Minister of Defence was fully settled on 20<sup>th</sup> September, 2022. Documentation was available for audit verification; and
- the loan paid to Mrs Caroline Chuma Zulu Sokoni, Investigator General, was as per guidelines as she had been in office since 2004. All loan applications were authorised by the Secretary to the Cabinet and the recoveries were running on payroll. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

**ii. Non-Recovery of Leaders' Loans**

In response, the Controlling Officer submitted as follows:

- fifteen loan disbursements for the period under review were recovered in full from gratuity payments at the end of the contracts for various leaders. Documentation was available for audit verification;
- two loan disbursements for the period under review were running on payroll and documents were available for audit verification; and
- demand letters for full settlement of outstanding loan balances were sent and received by all leaders except for Ms Christah Kalulu, former Permanent Secretary of State House, who was out of the country. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **j. Failure to Pay Back Salaries Paid after Dissolution of Parliament**

In response, the Controlling Officer submitted that the Ministry of Justice filed an application in the Court of Law on 16<sup>th</sup> December, 2020 to be served on the unrepresented respondents, including three former Ministers mentioned with the order of court by way of substituted service. Notice of Substituted Service was filed into Court on 18<sup>th</sup> December, 2020, and advertised in the Zambia Daily Mail on 21<sup>st</sup> and 22<sup>nd</sup> December, 2020. The advertisement also had the bank account number in which the refunds were to be deposited.

With regards to Mr Fackson Shamenda, who was not part of the notice of Substituted Service, a letter was served on his Advocates on 16<sup>th</sup> December, 2020. The Advocates then proceeded to file an application for the settlement of assessed amounts in instalments on 5<sup>th</sup> January, 2021. The application is yet to be heard in Court. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **k. Management of Separatees' Payroll**

##### **i. Irregular Payment of Allowances to Retirees**

The Controlling Officer submitted that the Ministry had challenges in the management of recoveries since Circular No. B21 of 2018 did not state whether the recoveries would be effected from the Payroll or from pension benefits. However, the Ministry delimited the allowances in line with the guidance of Circular No. B21 of 2018. Further, housing allowance had been reintroduced to officers on separatees payroll in line with Circular No. B26 of 2022.

##### **ii. Irregular Inclusion of Officers on the Separatees' Payroll**

The Controlling Officer submitted that the death certificates for the deceased officers had since been retrieved and were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **iii. Irregular Retention of Officers Contributing to National Pensions Scheme Authority on Separatees Payroll**

The Controlling Officer submitted that the Ministry retained the above category of employees following Public Service Management Division, Circular No. B10 of 2016, which stated that with effect from 5<sup>th</sup> January, 2016, all retired employees should be retained on the payroll until pension benefits were paid. Documentation was available for audit verification. Officers who were contributing to NAPSA had been removed from the separatees payroll as guided by the Circular.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **iv. Paid National Pension Scheme Authority Retirees still on the Government Payroll**

The Controlling Officer submitted that retired Government employees, who were contributing to NAPSA were not removed from the payroll due to delays in receipt of information to facilitate their termination from payroll. The employees who received their benefits from NAPSA had since been terminated from payroll. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **v. Paid Public Service Pension Fund Retirees still on Government Payroll Management Response**

In response, the Controlling Officer submitted that retired Government employees that were contributing to the Public Service Pension Fund were not removed from the payroll due to delays in receipt of information to facilitate their termination. The employees had since been terminated from the payroll. Documents were available for audit verification.

Further, from November, 2020, the Ministry had dedicated staff, who on a monthly basis, got returns from the Public Service Pension Fund to facilitate termination of employees who had been paid their pension benefits. However, discussions were underway for the system interface between the Ministry of Finance and National Planning and the Public Service Pension Fund in order to expedite the removal of retirees who had been paid their pension benefits.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **l. Failure to Reconcile the Salaries Account**

In response, the Controlling Officer submitted that the Ministry was undertaking the reconciliation exercise. Once the exercise was concluded, the reconciled statements would be availed to the Office of the Auditor General for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **m. Irregular Payment of Salaries to Employees with Voided Bank Account Numbers**

The Controlling Officer submitted that the recipient's salaries were initially processed but rejected for various reasons, including among others, wrong account numbers, wrong branch codes and inactive bank accounts. Upon request from MPSAs to pay unpaid salaries, the Ministry re-processed the salaries after confirmation of rejections from bank statements.

An analysis of the bank statements for the Salaries Treasury Single Account revealed that the salaries that were processed with voided bank account numbers were returned to the Salaries Treasury Single Account before they were finally paid to the beneficiaries. Further, a report of rejected salaries was requested from the Zambia National Commercial Bank (ZANACO) confirmed that rejected salaries obtained were sent back to the Treasury Single Account. A copy of the report was available for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **n. Irregular Payment of Claims on the Salaries Bank Statement**

The Controlling Officer submitted that the salaries for Government employees were processed through the Salaries Treasury Single Account, held at ZANACO Bank each month. Salaries that were rejected did not settle in the respective employees' accounts as they were returned to the aforementioned Treasury Single Account. Evidence of such salaries was through the Salaries Rejections Report that was submitted by ZANACO on a monthly basis.

There were various reasons that caused salaries to be returned (bounce back) to the Treasury Single Account including, among other reasons, voided account numbers, incorrect bank account numbers and wrong branch codes. The rejected salaries were reprocessed upon request from MPSAs, which were confirmed from the Salaries Treasury Single Account Bank Statement. The Ministry processed the queried rejected salaries according to the periods of claim, meaning that salaries that were rejected in previous years were kept in the Treasury Single Account waiting employees to claim their money.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

#### **o. Irregular Net Pays**

The Controlling Officer submitted that the PMEC System evolved from cheque payment system to Electronic Funds Transfer (EFT) on 1<sup>st</sup> April, 2010. This transformation required all employees hired on the system to have their bank details maintained on the payroll where salaries were credited. Where bank details were not defined for an employee on the payroll, the system withheld the netpay for the period relating to the absence of the bank details and the payslips for the period of the withheld salary would have zero net pay. When bank details were corrected on the payroll, the system released the withheld net pays together with the month's net salary. The Ministry had provided the payslips for the affected employees relating to the previous months, where the salaries were withheld. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.



**p. Overpayment of Salaries**

The Controlling Officer submitted that there was an overpayment of K238,162,409, which was as the result of rejected salaries for employees. The recipient's salaries were initially processed but rejected for various reasons, among others, wrong account numbers, wrong branch codes and inactive bank accounts. Upon request from the various MPSAs to pay unpaid salaries, the Ministry re-processed salaries after confirmation of the rejected salaries. Soft copies of rejected salaries for the period under review were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verifications and resolves to await a progress report on the matter.

**ZAMBIA POLICE SERVICE**

**PARAGRAPH 11**

**Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Zambia Police Service for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer responded as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K5,988,132,734, was made to cater for personal emoluments under the Zambia Police Service, against which amounts totalling K5,669,276,877 were released and spent.

**b. Failure to Prepare Monthly Reconciliations**

The Controlling Officer submitted that prior to the Treasury and Financial Management Circular No. 9 of 2020, the Zambia Police had been conducting reconciliations on an annual basis as opposed to monthly as prescribed in the circular. Management had since started preparing monthly reconciliations as per Treasury and Financial Management Circular No. 9 of 2020. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee finds it unfortunate that staff reconciliations are not being done on a monthly basis. The Committee urges the Controlling Officer to be proactive and not act after external audit processes. The Controlling Officer is urged to institute punitive measures against officers responsible for the omission as well as supervising officers for the lapse. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**c. Unauthorised Salary Inputs**

The Controlling Officer submitted that the 5,097 transactions performed by PMEC super-users were as a result of limited access on the part of Management to carry out payroll inputs across ministries. Management would continue to engage and avail necessary documents to PMEC super-users on inputs that were beyond their payroll authorisation as in the case of the 5,097

transactions. Relevant documents relating to the 5,097 transactions were available for audit verification.

**Committee's Observations and Recommendations**

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to unauthorised salary inputs. The Committee is of the strong view that lack of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**d. Irregular Re-Introduction of Employees**

**i. Employee No. 7770**

**ii. Employee No. 255783**

The Controlling Officer submitted that in accordance with the findings and recommendation of the Tribunal set up in line with the Zambia Police Act Cap 107, one officer was severely reprimanded and the other was sentenced to thirty-five days extra duties. Further, Management had instituted recoveries of the irregular salary payments of K76,435.00 and K8,979.00 to the said officers. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism to ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**e. Irregular Introduction of Classified Employees on Police Officer Position IDs**

The Controlling Officer submitted that the serving Classified Daily Employees (CDEs) were recruited as trainee Police Constables but failed police training midway and were moved to police constable position on the payroll as part of the intake undergoing training. This anomaly would be rectified when Classified Daily Employees positions became available. However, this anomaly had no financial implication.

**Committee's Observations and Recommendations**

The Committee urges the Controlling Officer to put measures in place to ensure that staff reconciliations are conducted regularly to avert such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**f. Unaccounted for Officers**

In response, the Controlling Officer submitted that divisions had been directed to expedite updating of staff returns. This resulted in the identification of 379, out of the 447 cited officers. Documents were available for audit verification.

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

The Committee notes that this anomaly is purely a result of failure to conduct monthly reconciliations. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. Further, the Controlling Officer is directed to institute disciplinary measures against the officer responsible as well as the supervising officer for the lapse. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **g. Irregular Payment of Combat Allowance**

The Committee was informed that this anomaly arose because of transfer of officers from combatant to non-combatant divisions and limited payroll positions in combatant divisions. The sixty officers who were ineligible had had their combat allowance delimited and recoveries effected. The remaining 141 officers were eligible despite appearing on non-combatant division payrolls. Documents were available for audit verification.

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

The Committee finds the action to pay combat allowance to ineligible officers irregular and unfortunate. The Committee is of the view that this anomaly is purely a result of failure to conduct monthly reconciliations and urges the Controlling Officer to strengthen the payroll management system in the Service to avert a recurrence of such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **h. Irregular Payment of Housing Allowance to Officers in Institutional Houses**

The Committee was informed that this anomaly arose because of the delay in updating accommodation staff returns. The 470 officers who were ineligible have had their housing allowance delimited and recoveries effected. The remaining 126 officers were verified to be eligible.

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

The Committee finds the action to pay housing allowance to ineligible officers irregular and unfortunate and urges the Controlling Officer to strengthen accommodation staff return management system in the Zambia Police Service to avert a recurrence of such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **i. Employees Sharing National Registration Card Number**

The Controlling Officer submitted that the error was made by the Department of National Registration during the issuance of National Registration Card Numbers. Management engaged the Department for verification, which confirmed that NRC No. 198406/42/1 belonged to Mr Emmanuel Mulenga Mubanga, while NRC No. 230857/71/1 belonged to Mr Given Namakando. The Department had been re-engaged to also do a verification regarding Mr Friday Kaonga since it had been verified that NRC No. 198406/42/1 belonged to Mr Emmanuel Mulenga. Further, verification indicated that Mr Mutule Sambwa with a questionable NRC Number was not a member of the Zambia Police Service. The Department was further engaged to verify the matter

where two other officers were believed to have shared NRC No.238308/10/1 as the two records were omitted in their initial response. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General and resolves to await a progress report on the matter.

**j. Employees with Questionable National Registration Numbers**

In response, the Controlling Officer submitted that the error happened because of human error during hiring using Fast-Track Entry. The other reason was as a result of the errors on the part of the individual candidates when filling-in PMEC Form OA, which was used in the process of hiring officers on the payroll. Corrections had since been made based on the correct NRC numbers on their personal files. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General and awaits a progress report on the matter.

**MINISTRY OF AGRICULTURE**

**PARAGRAPH 12**

**Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer responded as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, provisions totalling K1,928,149,660 were made to cater for personal emoluments under the Ministry, against which amounts totalling K1,524,844,402 were released, resulting in underfunding of K403,305,258.

The Controlling Officer submitted that the underfunding was due to variations in the staffing levels occasioned by the lapses in the timely filling of vacant and funded positions. Further, the payment of personal emoluments was dependent on the physical presence of employees on the payroll in the particular month. In such cases, no payment of budgeted personal emoluments for vacant and funded positions was done, resulting in overall savings which could be reflected as underfunding, as the case may have been during the period under review. Additionally, the implementation of the re-alignment of the Ministry also contributed to the disparities between the budget and the actual funding.

**Committee’s Observations and Recommendations**

The Committee notes the submission and recommends the matter for closure.

**b. Unaccounted for Officers**

The Controlling Officer submitted as set out below.

**i Lusaka Province**

The Committee was informed that the eight officers cited under the Lusaka Province as not appearing on the staff returns had their salaries locked in July, 2022. The officers had since been identified and were serving under the Ministry of Fisheries and Livestock. To that effect, their salaries had been unlocked.

This anomaly was caused by the split of the two ministries, namely: Ministry of Agriculture and Ministry of Fisheries and Livestock. The process of ensuring that members of staff were correctly placed on the payroll had been ongoing. This involved not only the Ministry of Agriculture, but also the Ministry of Fisheries and Livestock in collaboration with PSMD, as well as PMEC Support Services Department, who were the custodian of the Government payroll. The Ministry of Agriculture wrote to the Ministry of Fisheries and Livestock to confirm the existence of the eight officers at their respective duty stations and to normalise their placement on the Pay. Documents were available for audit verification.

**ii. Muchinga Province**

The Committee was informed that all the three officers were serving in other ministries: Ministry of Education; Ministry of Fisheries and Livestock; and Ministry of Small and Medium Enterprises Development, respectively.

- Mr Trywell Mweemba once served under Muchinga Province, in the Ministry of Agriculture being transferred to the Ministry of Education. A payroll position was not available following his transfer, hence his continued stay on the Ministry of Agriculture Payroll.
- Mr Fewster Chikoondo was under the Ministry of Agriculture Payroll before it was split into two ministries (Ministry of Agriculture and Ministry of Fisheries & Livestock); and
- Mr Jason Chipili was serving at the Cooperative Department before it was moved to the Ministry of Commerce, Trade and Industry and subsequently to the Ministry of Small and Medium Enterprises Development.

Further, the Controlling Officer submitted that Management of accounting staff across Government was centrally done by the Ministry of Finance and National Planning. Thus, the Ministry had written to the Ministry of Finance and National Planning seeking guidance on Mr Mweemba's issue in order to resolve the query. The Ministry had also written to Ministry of Fisheries and Livestock to confirm the existence of Mr Chikoondo and to normalise his placement on the payroll. The issue concerning Mr Chipili had been resolved following his placement on the Ministry of Small and Medium Enterprises Development Payroll. Documents were available for audit verification.

**i North Western Province**

In response, the Controlling Officer submitted that, of the six officers cited, one was deceased ó Mr Kelvin Simutengu, who was originally an officer serving in North Western Province; Ms Nakawala Chiyala, was serving under the Ministry of Agriculture before being transferred to the Ministry of Home Affairs and Internal Security. The Ministry, however, had not been able to effect her transfer on the payroll; Ms Namukonda Chikopela, was an employee under the Ministry and was undergoing disciplinary proceedings for absenteeism; Ms Florence Mulenga,

was serving under Kapiri Mposhi, District Agricultural Coordinator's Office, Central Province; Ms Bertha Mukuka Bwalya, was serving under Mpulungu, District Agricultural Coordinator's Office, Northern Province; and Mr Felix Munakombwe was still unknown.

The Controlling Officer submitted as outlined below.

- Mr Simutengu (deceased) had been removed from the payroll;
- The Ministry of Home Affairs and Internal Security had indicated that they would endeavour to have Ms Chiyala transferred on to their payroll.
- Ms Chikopela's payroll record was immediately deleted following the payroll verification and validation exercise that was undertaken in North Western Province by PMEC Support Services Department in June, 2018. Therefore, Ms Chikopela's failure to present herself in order to resolve the matter resulted in her removal from the payroll.
- Ms Mulenga and Ms Bwalya were officers serving in the Ministry whose payroll placement was not aligned with their duty stations. This anomaly had since been resolved; and
- Mr Munakombwe's salary had been locked and efforts were being made by the Ministry to locate his whereabouts. Documents were available for audit verification.

#### **ii. Southern Province**

The Controlling Officer submitted that the two officers cited as unaccounted for, were Mr Stanley Phiri, who had been identified and was working under the Ministry of Fisheries and Livestock, whilst Mr Thomas Phiri's whereabouts were still unknown. The Ministry had written to PMEC to withhold his salary, as efforts were still being made to locate him.

This anomaly was caused by the split of the two ministries. As a result, Mr Stanley Phiri appeared under Ministry of Agriculture Payroll, while his duty station was maintained under Ministries of Fisheries and Livestock. The Ministry had also written to Ministry of Fisheries and Livestock for confirmation of duty station for Mr Stanley Phiri. However, the process of staff placement on respective payroll areas had been ongoing. The documents supporting the explanation were available for verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General and awaits a progress report on the matter.

#### **c. Misplacement of Payroll Area**

In response, the Controlling officer submitted as set out below.

##### **i. Luapula Province**

The Committee was informed that authority by PSMD was granted for Mr Samson Chipeta to be placed as District Agricultural Coordinator under Chililabombwe District but could not be placed on the payroll because the position was frozen. Mr Alick Chirwa's payroll position was in Luapula Province though he was providing services on the Copperbelt Province. Mr Daniel Masheka, Assistant District Marketing Development Officer, who was transferred by PSMD to

the Copperbelt was still occupying the Luapula Province Payroll position because the position on the Copperbelt was frozen.

The Ministry identified positions for the two officers (Mr Chipeta and Mr Chirwa) in the 2021 Treasury Authority and the officers' payroll placements had since been normalised. The Ministry would allocate an alternative position for Mr Masheka once the 2023 Treasury Authority was granted.

**ii. Lusaka Province**

The Committee was informed that according to the schedule, the cited officers were thirty-eight and were all serving. However, their payroll placements were still appearing under the Ministry of Agriculture. The officers were transferred from their duty stations but without their payroll placements being normalised on the system. The Ministry had since engaged the Support Services Department under PSMD to normalise the payroll placements for the affected officers.

**iii. Northern Province**

The Committee was informed that out of the eighty-eight officers cited, six were serving under the Ministry of Fisheries and Livestock; one was under the Ministry of Small and Medium Enterprise Development; ten were transferred outside the Province but within the Ministry; five were separated from the Civil Service; seven were under Muchinga Province following the creation of Muchinga Province from Northern Province; and fifty-nine officers were deployed to other districts within the province for administrative convenience only to enhance the capacity of the Ministry in the provision of services. The positions under the districts were frozen hence the Province re-deployed the existing personnel to mitigate the staff shortage in line with Cabinet Office Circular No. 7 of 2019.

The Ministry had requested for Treasury Authority in order to normalise the payroll placement of the officers. The Ministry had been engaging Cabinet Office through MDD to create review district organisational structures, as well as the Treasury through PSMD to unfreeze frozen positions. The Ministry believed that these measures would provide a permanent solution to the issue of misplacement of officers.

**iv. Southern Province**

The Controlling Officer submitted that out of the fifty-nine officers cited, twenty-nine were redeployed where their services were needed in Siavonga, Monze, Sinazongwe and Choma; in line with the Cabinet Office Circular No.7 of 2019. Thirty officers had been identified and were serving under the Ministry of Fisheries and Livestock, but appearing on the Ministry of Agriculture Payroll because of the splitting of the two ministries.

The process of re-aligning the placement of officers correctly was an on-going exercise, which was yet to be concluded. The Ministry had requested for Treasury Authority in order to normalise the placement of the officers.

The Ministry had been engaging Cabinet Office through MDD to create and review district organisational structures and the Treasury through PSMD to unfreeze frozen positions. The Ministry believed that these measures would provide a permanent solution to the issue of misplacement of officers.

**v. Western Province**

The Committee was informed that out of the twenty officers cited, five were redeployed where their services were needed in line with the Cabinet Office Circular No.7 of 2019. Nine officers were transferred to other districts and provinces, while four had been identified as serving under the Ministry of Fisheries and Livestock.

The twenty officers were transferred to other districts for administrative convenience only to enhance the capacity of the Ministry in the provision of agricultural services. The positions under the districts were frozen hence the Province re-deployed the existing personnel to mitigate the staff shortage in line with Cabinet Office Circular No. 7 of 2019.

The Ministry had been engaging Cabinet Office through MDD to create and review district organisational structures and the Treasury through PSMD to unfreeze frozen positions. The Ministry believed that these measures would provide a permanent solution to the issue of misplacement of officers. The documents supporting the explanation were available for verification.

**Committee's Observations and Recommendations**

The Committee finds it unacceptable that officers are transferred to districts without putting in place an approved establishment. The Committee is aware that misplacement of payroll areas is a result of trying to manage and operationalise the newly created districts that do not have Treasury Authority. The Committee implores the Controlling Officer to lobby for Treasury Authority to operationalise the payroll structures in order to normalise misplacements. Additionally, provinces and districts should also ensure that officers are transferred to areas where payroll IDs were available and were effected within a month. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**d. Unauthorised Excess Staff on Payroll**

In response, the Controlling Officer submitted that the alleged excess staff on the payroll was a result of the establishment register not being updated to include Treasury Authorities that were granted during the period 2018 to 2021. The Ministry had written to PSMD alerting them on the need to update the Ministry's establishment register to include positions that were granted Treasury Authorities during the period under review. The Ministry engaged PSMD for updating of the establishment register and it had since been updated.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**e. Recruitment on Positions not provided for on the Establishment Register**

In response, the Controlling Officer submitted as set out below.

**i. Northern**

The Committee was informed that the four positions cited under Northern Province had Treasury Authority through the Provincial Administration given in 2017. The position of Controller was the same as Provincial Agricultural Information Officer, which was on the staff establishment



register. Management had since written to PSMD to re-titled the position to suit the position on the establishment register.

**ii. North-Western Province**

The Controlling Officer submitted that the alleged mismatch was a result of the establishment register not being updated to include Treasury Authorities that were granted during the period under review. The Ministry had since written to PSMD alerting them on the need to update the Ministry's establishment register to include positions that were granted Treasury Authority during the period under review.

**iii. Southern Province**

The Committee was informed that the position of Controller was the same as Provincial Agricultural Information Officer, which was on the staff establishment register and the Seed Analyst position also appeared on the establishment register. The anomaly arose because the establishment register was not being updated during the period under review. The Ministry had since written to PSMD alerting them of the need to update the Ministry's establishment register to include positions that were granted Treasury Authority. The Ministry engaged PSMD and the establishment register had since been updated. The documents supporting the explanation were available for verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General and resolves to await a progress report on the matter.

**f. Failure to Perform Monthly Reconciliations**

In response, the Controlling Officer submitted that the Ministry had since commenced the process of staff reconciliation on a monthly basis by issuing a Circular minute to all Directorates and Provincial Agricultural Coordinators. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee expresses concern that over the years, the establishment registers have not been updated to reflect the situation on the ground. The Committee wonders how every year, the Ministry present budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that whenever Treasury Authority is granted, establishment registers are updated without any further delay. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

**g. Unauthorised Salary Inputs**

In response, the Controlling Officer submitted that the schedule had 3,991 input transactions performed as follows:

- i. 3,748 were transfers performed by P MEC super-users as they were the only ones authorised to perform transfers between Ministries;
- ii. of the five suspensions from duty transactions, one was performed by the Ministry end-user who was authorised to perform input transactions, while four were by super-users under P MEC, who could perform inputs across ministries;
- iii. one suspension-ended transaction was performed by the super-user from P MEC, who was authorised to perform the transactions across ministries;
- iv. two regrading transactions were performed by an authorised end-user under the Ministry;
- v. thirty-one promotion transactions were performed by authorised Ministry end-users and super-users that performed transactions across ministries;
- vi. 200 hire- external transactions were performed by the authorised Ministry end-users;
- vii. two acting assignments were performed by the Ministry end-users;
- viii. one was a re-entry into GRZ performed by an end-user in the Ministry; and
- ix. one was a salary change transaction performed by an end-user under the Ministry.

The Committee was informed that the super-users were engaged to perform transactions which the Ministry end-users did not have the jurisdiction over and certain transactions were performed by super-users because the Ministry did not have trained end-users in some provinces. The Ministry engaged P MEC to train end-users in all provinces. As a result, the Ministry had ten end-users across the ten provinces. Documents were available for audit verification.

### **Committee’s Observations and Recommendations**

The Committee is deeply saddened at the Ministry’s failure to review the activities performed by super-users and end-users leading to unauthorised salary inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### **h. Positions with Wrong Salary Grades**

In response, the Controlling Officer submitted as set out below.

##### **i. Overpayments**

###### **• Copperbelt Province**

The Committee was informed that according to the schedule, four officers had been cited and not five, as stated in the Auditor General’s Report. One of the four officers was substantively a cook (salary scale C), but was reflected under general worker (salary scale A) position, due to non-

alignment of the cook position. Prior to 2013, the position of cook was designated as a Classified Daily Employee. Following the automatic upgrading of the cook position to salary scale (C), the officer continued occupying the general worker (A) position but was being paid at salary scale (C). The remaining three officers had been identified as serving under the Ministry of Fisheries and Livestock despite appearing on the Ministry of Agriculture Payroll. The Ministry had identified a position for cook (C) under Katete Agricultural College and a transfer for the officer had been effected, pending normalisation by the Civil Service Commission.

- **Western Province**

The Committee was informed that the officer cited as being overpaid was a senior technical officer, who was placed on the correct salary scale H on the payroll. However, the establishment register under Western Province indicated the position in salary scale G instead of H. One officer was cited and not two as indicated. This was as a result of the establishment register not being updated. The establishment register had since been updated and the salary scale for the Senior Technical Officer being reflected as (H).

**ii. Underpayments**

- **Copperbelt Province**

The Committee was informed that according to the schedule, there were twenty underpayments, of which ten were under the Ministry of Fisheries and Livestock, while the other ten were under the Ministry of Agriculture.

- One officer was an Assistant Internal Auditor (H) and was appointed to act as Internal Auditor (I) but his salary scale was not adjusted because he was in an acting capacity, with a view to being promoted. He was placed on salary scale H whilst acting as an Internal Auditor. Four others officers were also acting in higher salary scales with a view to being promoted.
- Four classified daily employees were wrongly placed in higher salary scale positions but with salary scales of their lower substantive positions.
- One officer was occupying a controller's position which on the establishment register appeared as salary scale (L) instead of Provincial Agricultural Information Officer (K).

The Committee was informed all the officers who were acting in the higher positions had since been promoted, hence resolving the observation by the auditors regarding their perceived underpayment. With regard to the updating of the establishment register, the position of Controller had been re-titled as Provincial Agricultural Information Officer (K). The four classified daily employees had been maintained in the higher salary scale positions, but with the salary scales of their lower substantive positions. The Ministry would be in a position to resolve this anomaly when organisational structure was resolved with Cabinet Office through MDD, which would be undertaken in 2023.

- **Western Province**

During the period under review, two officers, Mr Sanny Kashiya and Ms Fallecy Mbao were acting in higher positions as Assistant District Marketing Development Marketing Officer (H) and Executive Officer (G) respectively, with a view to being promoted hence the officers maintained their substantive salary scales pending promotion. The officers were in an acting

capacity and had not been promoted during the period under review. The Committee may wish to note that the officers were, however, drawing acting allowances but had since been promoted. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

**j. Irregular Payment of Housing Allowance**

The Controlling Officer submitted that according to the schedule, 111 officers were cited for irregular payment of housing allowance, and not 141. This was because the facility for the Ministry to have access to officers' payslips was withdrawn following the implementation of the electronic payslips, which were sent to individual employees. Recoveries had since been effected on the affected officers. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**k. Rural Hardship Allowance**

In response, the Controlling Officer submitted that ten officers were cited for irregular payment of rural hardship allowance and recoveries had since been effected. The PMEC system configuration was such that payment of rural hardship allowance was tied to the organisational unit defined on the system. Therefore, the process of payment of the rural hardship allowance was automated based on payroll placement of the employee. The rural hardship allowance would be considered to be paid irregularly when an officer moved from a station defined as rural, while the payroll had been not transferred accordingly. Recoveries had been affected and the Ministry would ensure that officers who had been transferred to other stations had their payroll placement records updated. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes that this anomaly should have been averted if staff reconciliations are conducted regularly. The Committee implores the Controlling Officer to ensure that staff reconciliations were conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter, after which the query should be closed.

**l. Delayed Removal of Separated Officers from the Payroll**

The Controlling Officer submitted that the delayed removal of separated officers from the payroll was because of delayed receipt of authority minutes for separated officers as outlined below.

**i. Central Province**

The Committee was informed that one deceased officer, who did not qualify to be put on separate payroll had casualty forms filled for recoveries of the overpayments as soon as Treasury released funds to pay out other outstanding personal emoluments. Documentation was available for audit verification.

**ii. Copperbelt Province**

The Committee was informed that three officers who resigned had been written to, instructing them to pay back the salaries in full. Casualty forms for the six officers who retired were filled for facilitation of recovery of transport allowance from their terminal benefits. Documentation was available for audit verification.

**iii. Eastern Province**

The Committee was informed that according to the schedule, there were four officers instead of three. Of the four, two were serving officers, who were transferred to other stations and could, therefore, not be removed from the payroll. One was serving under the Ministry of Fisheries and Livestock, while the other one resigned and had since been written to, instructing him to pay back the salaries in full. Documentation was available for audit verification.

**iv. Lusaka Province**

The Committee was informed that three deceased and four retired officers were put on separateesø payroll and had casualty forms filled for recoveries of allowances wrongly paid to them. One officer proceeded on secondment, while one went on unpaid leave. These officers had been written to, instructing them to pay back the salaries irregularly paid to them. Documentation was available for audit verification.

**vi. North-western Province**

The Committee was informed that four deceased and two retired officers were put on separateesø payroll and had casualty forms filled for recoveries of the allowances wrongly paid to them. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**m. Non-Deduction of Statutory Contribution from Eligible Officers**

The Committee was informed that the contributions to the National Pension Scheme Authority (NAPSA) for the thirty-seven officers were not effected at the time of introducing the officers on the payroll because the end-users did not activate the NAPSA deductions component on their payslips. The contributions to NAPSA for the thirty-seven officers had since been activated and were running on the officersøpayslips. Management had written to NAPSA seeking guidance on how the unremitted funds could be paid to the Authority. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee expresses concern at the Ministryø failure to monitor or supervise the activities performed by end-users, resulting in such anomalies, which could be averted if there is systematic way of ensuring that all statutory obligations are adhered to. The Committee is of the strong view that lack of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the

Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**n. Delayed and Irregular Payment of Allowances to Retired Officers – Central Province**

The Controlling Officer submitted that this was a result of the misinterpretation of the Public Service Management Division Circulars No B10 of 2016, B21 of 2018 and B26 of 2022, by the end-user on the assumption that the transport allowance could only be removed by the super-user. The transport allowances were withdrawn and the officers moved to separate payroll. Casualty forms were also filled for the facilitation of recovery of transport allowance from the cited five officers. The end-user was cautioned to always consult when not clear on the interpretation of the Circulars. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee expresses concern at the Ministry’s failure to monitor or supervise the activities performed by end-users resulting in such anomalies, which could be averted if there was a systematic way of ensuring strict adherence to circulars issued from time to time. The Committee is of the strong view that lack of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to such irregularities. The Committee urges the Controlling Officer to devise a mechanism to ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**o. Irregular Payment of Salary into another Officer’s Bank Account -Copperbelt Province**

The Controlling Officer submitted that Mr Charles Mukonka was instructed to deposit the money in Mr Matembe’s bank account and submit the deposit slip to Department of Finance. In the process of pre-hiring Mr Dickson Matabele, the payroll end-user erroneously used Mr Charles Mukonka’s bank details. The payroll end-user had since been cautioned to take extra care when performing transactions on the system involving bank details. Mr Mukonka had since deposited money into Mr Matembe’s bank account. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes that the end-user has been cautioned and Mr Charles Mukoka has since deposited the money in Mr Matembe’s bank account. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves that the query should be closed subject to audit verification.

**p. Delayed Termination on Payroll**

The Committee was informed that a casualty form was filled for the facilitation of recovery of salaries amounting to K32,520.00 that were paid to Mr Mwale Masulani. The delayed termination was due to administrative lapses between the district and the Ministry. The Ministry ensured that officers who resigned had their payroll records locked immediately for a minimum period of three months before they were terminated from the payroll.

**Committee’s Observations and Recommendations**

The Committee expresses concern at the Ministry’s failure to terminate officers who resigned from the payroll resulted in the Government loss of K32,520.00. The Committee is of the strong

view that lack of systematic staff reconciliation and establishment register updates contribute to such irregularities. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent staff reconciliation and establishment register updates to avert such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves await a progress report on the matter.

## **MINISTRY OF FISHERIES AND LIVESTOCK**

### **PARAGRAPH 13**

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K620,015,613 was made to cater for personal emoluments under the Ministry of Fisheries and Livestock against which amounts totalling K449,395,057 were released and spent as indicated below.

The Controlling Officer submitted that the variance between the budget provision and actual funding was mainly attributed to the prolonged processes of obtaining Treasury Authorities to either unfreeze or create the required positions following the splitting of Ministry Fisheries and Livestock and Ministry of Agriculture. The Ministry engaged PSMD as well as the Treasury. Partial authority was granted to create and unfreeze positions during the period under review, hence the reported reduced variance in 2021. The Ministry would continued to engage PSMD and the Treasury on the need to grant authorities with a view to filling all positions as per approved staff establishment register to enhance service delivery. Documentation were available for verification.

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

The Committee notes submission from the Controlling Officer and urges him to avail the supporting documents for audit verification. The Committee will await a progress report on the matter.

#### **a. Failure to Provide Information**

The Committee was informed that the Ministry continued to share registry space with the Ministry of Agriculture despite the split into two ministries due to limited office accommodation in the building. This contributed to the delay in retrieving and availing the questioned documentation during the audit. The Ministry had since retrieved the cited staff returns for the period under review and were available for verification.

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

The Committee notes with concern that the two ministries are sharing a registry space. This has contributed to the poor storage of documents. The Committee urges the Controlling Officer to ensure that registry space is identified as a matter of urgency in order to separate documents for the two ministries and avail supporting documents to the Office of the Auditor General. The Committee will avail a progress report on the matter.

**b. Misplacement of Payroll Area**

The Committee was informed that following the split from the Ministry of Agriculture, the Ministry's structure was lean and staff had to be transferred around to stations within the Ministry to enhance service delivery in needy areas. The Ministry had since normalised the placement of all forty-four officers and documentation was available for verification.

**Committees Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**c. Unauthorised Salary Inputs**

The Committee was informed that after splitting with the Ministry of Agriculture, the Ministry of Fisheries and Livestock had no trained PMEC end-users. Therefore, it was dependent on the end-users from Ministry of Agriculture for Payroll inputs. The Ministry had since trained its own PMEC end-users who were executing payroll inputs under the supervision of the responsible officers. Documentation was available for verification.

**Committees Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**d. Irregular Payment of Rural Hardship Allowances**

The Committee was informed that the anomaly was caused by the absence of trained PMEC end-users under the Ministry of Fisheries and Livestock to review payroll inputs and detect the anomalies. The Ministry had since trained its own PMEC end-users who were executing the payroll input, which were reviewed and monitored under the oversight of the responsible officer.

**i. Copperbelt Province**

The Committee was informed that the Ministry delimited the payment of the allowance and had since recovered the queried amount in full of the irregularly paid rural hardship allowance. Documents were available for audit verification.

**ii. Muchinga Province**

The Committee was informed that two out of the queried twelve, were eligible and they were serving at stations that attracted the allowance. Out of the ten remaining officers, eight had their rural hardship allowance recovered in full. As for the remaining two, the recoveries were effected and were still running. Documents were available for audit verification.

**iii. Western Province**

The Committee was informed that that sixty-four out of the cited seventy-seven officers, were eligible as they were serving at stations that attracted the allowance, while eleven out of the ineligible thirteen, were delimited and had since been recovered in full. As for the remaining two officers, the allowance was delimited and recoveries were effected and were running. Documentation was available for audit verification.



A total sum of K2,172,724 had been recovered out of the queried amount of K2,198,187, leaving a balance of K25,463 to be recovered as tabulated below.

<b>No.</b>	<b>Province</b>	<b>No of Officers</b>	<b>Queried Amount K</b>	<b>Amount Recovered K</b>	<b>Outstanding Balance K</b>
1	Copperbelt	3	16,472	16,472	-
2	Muchinga	12	219,161	209,189	9,972
3	Western	77	1,962,554	1,947,063	15,491
	<b>Total</b>	<b>92</b>	<b>2,198,187</b>	<b>2,172,724</b>	<b>25,463</b>

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

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **e. Irregular Payment of Housing Allowance**

The Committee was informed that the anomaly was caused by the lack of trained and appointed PMEC end-users in the Ministry of Fisheries and Livestock to review payroll inputs and detect the anomalies during the period under review. The Ministry had since trained its own PMEC end-users who were executing the payroll inputs, which were reviewed and monitored under the oversight of responsible officers. Documentation was available for audit verification.

#### **iv. Luapula Province**

The Committee was informed that the Ministry delimited the payment of the allowance and had since recovered in full the queried amount for the irregularly paid housing allowances. Documentation was available for audit verification.

#### **i. Lusaka and Muchinga Provinces**

The Committee was informed that the irregularly paid allowance to the fourteen officers was delimited and recoveries were effected but were still ongoing. Documentation was available for audit verification.

#### **iii. Western Province**

The Committee may wish to note that the irregularly paid allowance to the sixteen officers was delimited and recoveries were effected for all the cited officers. In this regard, an amount of K246,823, out of the queried K265,730 had been recovered, leaving a balance of K18,907 still being recovered. Documentation was available for audit verification.

**Below a Table Depicting the Status of Recoveries**

<b>Province</b>	<b>No of Officers</b>	<b>Queried Amount K</b>	<b>Amount Recovered K</b>	<b>Outstanding Balance K</b>
Luapula	1	6,820	6,820	-
Lusaka	4	47,582	19,748	27,834
Muchinga	10	165,068	122,647	42,421
Western	16	265,730	246,823	18,907
<b>Total</b>	<b>31</b>	<b>485,200</b>	<b>396,038</b>	<b>89,162</b>

**Committee's Observations and Recommendations**

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**f. Failure to Remove Separated Officers on the Payroll**

The Committee was informed that the Dr Yona Sinkala, under Lusaka Province, was transferred to PSMD on holding position. However, there was a delay in removing the officer from the Ministry's payroll as there were no vacancies at PSMD at the time of the audit.

As for Mr Andrew Chongwe, there was a lapse in removing the officer from the payroll after he went to work at a project hosted by Ministry of Finance and National Planning.

As for the officer under Southern Province, the late Ms Ingøtu Kakulubelwa, the delay to remove her from the payroll was caused by the need to engage PSMD on the processing of posthumous retirement benefits for NAPSA contributors.

The Ministry engaged PSMD on the matter involving Dr Yona Sinkala and the officer had since been removed from the Ministry payroll and migrated to PSMD Payroll. Documents were available for audit verification.

As regards Mr Andrew Chongwe, Government salaries paid to the officer were recovered by the Ministry of Finance and National Planning through the project. Documents were available for audit verification.

As for the late Mrs Ingøtu Kakulubelwa, PSMD provided guidance and the over payment of salaries to the estate of the deceased would be recovered from the terminal benefits. Documents were available for audit verification.

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

The Committee is of the view that this is purely a result of failure to conduct monthly reconciliations and urges the Controlling Officer to ensure that staff reconciliations are conducted regularly and be proactive and avoid acting after audit processes. The Committee also urges the Controlling Officer to put measures in place to ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such irregularities. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter, after which the query should be closed.

#### **g. Other Financial Irregularities**

##### **i. Irregular Payment of Salaries to Unknown Officers - Eastern Province**

The Controlling Officer submitted that the questioned officer was a common user staff (General Worker) under the Ministry of Agriculture but was erroneously drawing his salary under the Ministry of Fisheries and Livestock Payroll. The cited officer had since been removed and migrated to Ministry of Agriculture Payroll. Documentation was available for verification.

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

The Committee expresses concern that an officer who has been employed and offering a service to the Government is described as unknown. The Committee attributes the anomaly to the failure to update the establishment register and conducting headcounts timely. The Committee urges the Controlling Officer to ensure that the establishment register and headcounts are conducted and updated regularly to avert such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **ii. Lusaka Province**

##### **• Failure to move Transferred Employees to their New Pay Offices**

The Committee was informed that Dr Yona Sinkala, under Lusaka Province, was transferred to PSMD on holding position. The Ministry engaged PSMD on the matter and the cited officer had since been removed from the Ministry payroll and migrated to PSMD Payroll. Documentation was available for verification.

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

The Committee expresses concern that an officer who has been transferred to PSMD is still on the Ministry payroll. The Committee wonders how efficient PSMD is, if its own officers are not on the correct payrolls. The Committee attributes the anomaly to a lack of updating the establishment register timely. The Committee urges the Controlling Officer to ensure that the establishment register is updated regularly to avert such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

##### **• Irregular Introductions on Payroll**

The Controlling Officer submitted that two out of the four officers in question, were serving and had come to the Ministry on transfer, while the other two officers were on first appointment. The Ministry had since retrieved all the cited documentation and was available for verification. In

addition, the concerned officers had since been re-oriented in records management to mitigate the recurrence of the matter.

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

The Committee notes that the anomaly is caused by the Ministry's failure to review activities being performed by super-users leading to unauthorised inputs. The Committee is of the strong view this is a result of a systematic oversight mechanism and capacity building and training of staff managing the payroll. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### **iii. Introduction to Payroll on Unauthorised Positions - Muchinga Province**

The Committee was informed that over the years, the Ministry had been receiving partial staff structures, while Treasury Authorities were not updated on the establishment register. The Ministry engaged PSMD who had since updated the approved establishment register for 2023, with thirteen positions filled by officers out of the questioned eighteen positions filled by thirty-five officers respectively. Furthermore, the Ministry would continue to engage PSMD for the remaining five positions to be updated in the 2024 establishment register. Treasury Authority was granted for the Ministry to employ and place officers on the payroll during the audit review period. Documentation was available for verification.

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

The Committee is deeply saddened at the failure by Management to monitor the activities performed by super-users and end-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### **v. Irregular Promotions-Change in Salary Scales - Southern Province**

In response, the Controlling Officer submitted that a review of the Ministry's payroll had indicated that the two salary scales and salaries remained the same. Hence, they were not overpaid during the period under review. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **vi. Positions with Wrong Salary Grades - Western Province**

In response, the Controlling Officer submitted that this was as a result of a typographical error on the officer's letter of appointment, which had a salary scale for a higher position F (Stenographer) instead of E (typist) for the cited position. The Ministry had since normalised the matter by placing the officer in the correct salary scale and effected recoveries on the overpaid salaries. Documentation was available for audit verification.

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

The Committee observes that this anomaly should have been averted if staff establishments and reconciliations were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee resolves to await progress report on the matter.

## **ZAMBIA CORRECTIONAL SERVICE**

### **PARAGRAPH 14**

#### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll at the Zambia Correctional Service for the period January 2017 to December 2021 revealed the irregularities to which the Controlling Officer submitted as set below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2020 to 2021, a total provision of K598,698,131 was made to cater for personal emoluments under Zambia Correctional Service, against which amounts totalling K583,812,813 were released and spent.

The Controlling Officer submitted that the emoluments budget for the financial year was centrally determined by the Treasury, based on the July payroll cashbook for the previous financial year. Therefore, variations between the budget and the actual expenditure could be attributed to various terminations such as retirements and removal of housing allowances due to completion of staff houses in the Correctional Facilities. Documents were available for audit verification.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **b. Failure to Prepare and Perform Monthly Reconciliations**

The Controlling Officer submitted that the Service had since commenced preparing monthly reconciliations for the staff establishment register with the staff assignment. Documentation was available for audit verification.

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

The Committee expresses concern at the Ministry's failure to conduct monthly reconciliations in line with the Treasury and Financial Management Circular No. 9 of 2020. The Committee urges the Controlling Officer to institute disciplinary measures on officers responsible as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**c. Excess Recruitment of Officers without Authority**

The Controlling Officer regretted that at the time of audit, Treasury Authority for 448 of recruited officers was not availed to the auditors. However, Treasury Authority for the 374 officers was available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**d. Fraudulent Payment of Salaries**

The Controlling Officer submitted that the query arose because of human error when posting National Registration Card Numbers for the three officers by the end-users, resulting in the creation of double salaries.

The duplicate salaries had since been terminated and recoveries effected. Further, the Service reprimanded the three officers for not reporting duplicate salaries as required. Furthermore, the matter had been taken up by the Anti Corruption Commission for further investigations. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**MINISTRY OF FOREIGN AFFAIRS AND INTERNAL COOPERATION**

**PARAGRAPH 15**

**Audit Findings**

A review of the payroll system, financial and other records relating to the payroll processing and processes at Ministry of Foreign Affairs and International Cooperation for the period January 2017 to December 2021 revealed irregularities to which the Controlling Officer responded as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K5,040,124,827.00 was made to cater for personal emoluments under the Ministry, against which amounts totaling K4,665,938,779 were released and spent.

The Controlling Officer submitted that the Payroll estimates were made by the Budget Office based on their estimates of anticipated revenue, attrition rate, retention rate and net recruitment. In this regard, what was estimated was not guaranteed hence, of the underfunding. This discrepancy between the estimates and actual funding was due to other emoluments received in some years and the funding not received in others.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the auditor general for audit verification. The Committee resolves to await a progress report on the matter.

#### **b. Unauthorised Salary Inputs**

The Controlling Officer submitted that the Ministry had been requesting PMEC for the payroll super-users to carry out inputs that the Ministry had no jurisdiction over because end-users were limited to the Ministry's payroll. The cited inputs were authorised through from Ministry to PMEC requesting super-users to undertake the inputs to which the Ministry end-users had no access such as the following:

- i. payroll transfers from one ministry or Government institution to another;
- ii. requests to move officers to separate payroll;
- iii. requests to re-instate former civil servants on the Government Payroll; and
- iv. requests to pay missing salaries.

The Ministry had since 2021, devised a system where all correspondences on inputs were filed in a box file which is secured. Documents were available for audit verification.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **c. Failure to Prepare Monthly Reconciliations**

In response, the Controlling Officer submitted that the reconciliation reports between the staff establishment, staff assignment and staff returns were not up to date because of the existence of some staff on the payroll who are not physically stationed at the Ministry but were attached to other MPSAs. Documentation was available for audit verification. The Ministry had since assigned officers to be preparing monthly reconciliations of the staff establishment and staff returns to ensure adherence to Circular No 9 of 2020.

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

The Committee expresses concern at the Ministry's failure to conduct monthly reconciliations in line with the Treasury and Financial Management Circular No. 9 of 2020. The Committee urges the Controlling Officer to institute disciplinary measures on officers responsible as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Irregular Payment of Housing Allowance**

The Controlling Officer submitted that the officers in question were eligible for payment of housing allowances because they had been recalled and had returned to Zambia even though their pay points had remained under various Missions Abroad. The concerned officers were Civil Servants awaiting re-deployment and could not be removed from the payroll as they were

all attached to a post ID. The Ministry had since continued to engage PSMD to redeploy recalled diplomats.

**Committee's Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**e. Diplomats with expired Contracts**

In response, the Controlling Officer submitted that because officers could be recalled at any time, their contracts were deemed to have been renewed and terminated by PSMD once the officers returned from Foreign Service on recall, in line with the *Employment Code Act No. 3*, section 52 (7) (d).

**Committee's Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**f. Unaccounted for Diplomats**

In response, the Controlling Officer submitted that staff returns had since been updated and the concerned officers were all based at the Ministry Headquarters and had since been accounted-for. Most of the staff cited were not diplomats but civil servants stationed at Headquarters. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

**g. Officers on Payroll not Rendering Service**

The Controlling Officer submitted that the officers in question were civil servants who were rendering a service except for Mr Joseph Mwansa, Counsellor, Luanda who had since been terminated from the payroll following termination of his contract. The following was the status.



Employee No.	Name	Position	Organization Unit	Salary Scale	Physical Station	Comments
21129	Wesley Chikwamu	Consul General	Lubumbashi	L	Ministry of Youth, Sport and Art	No longer on MOFAIC Payroll
25017	Linda Mbangweta	Counsellor - Economic	Addis Ababa	L	Ministry of Foreign Affairs & International Cooperation	Regraded as Assistant Director - DC
25510	Christine Kalamwina	Minister Counsellor	New York	L	On unpaid leave	To be terminated from payroll under the March 2023 inputs
43210	Musenge Mukuma	First Secretary - Economic	Brussels	J	Cabinet Office	No longer on MOFAIC Payroll
43426	Percy Ngwira	First Secretary - Tourism	Paris	J	Redeployed to Ministry of Finance and National Planning under project on Tourism	Now at Ministry of Finance and National Planning Payroll
143146	Beatrice Mukuka	Second Secretary ó Personal Secretary	London	I	Ministry of Foreign Affairs & International Cooperation	Regraded as Personal Secretary (G) on a persona-to-holder salary scale (I)
242677	Joseph Mwansa	Counsellor	Luanda	L	Deleted from MFAIC payroll	Contract was terminated

Management would continue engaging PSMD for redeployment of officers.

### Committee's Observations and Recommendations

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### h. Misplaced Officers

The Controlling Officer submitted that status on the matter as follows:

- i. Mr Brighton Litula, Employee No. 97726; Mr Humphrey Chibanda, Employee No. 157260; and Mr Elias Champemba, Employee No 0022857, had since been placed on the right pay points; and
- ii. the rest of the officers were still occupying the Ministry Payroll positions until the PSMD found them vacant positions where they could be placed.

Employee No.	Name	Position	Organization	Physical Station	Comments
22857	Elias Champemba	First Secretary Administration	New Delhi	Ministry of Tourism	Transferred
97726	Brighton Litula	Counsellor	Tel Aviv	Zambian High Commission in Gaborone, Botswana	Appointed into Foreign Service as Deputy High Commissioner
104815	Amon Mbewe	Second Secretary - Protocol	Brussels	Ministry of Science & Technology	On attachment
241854	Brian Mwangala	First Secretary - Political	Gaborone	Ministry of Youth, Sport & Art	On attachment
262071	Chimese Chibula	Consul General	Luena	Ministry of Home Affairs & Internal Security	On attachment
122319	Emmanuel Makasa	Counsellor - Health	Geneva	Ministry of Health	Transferred
157260	Humphrey Chibanda	National Coordinator	Great Lakes	Ministry of Foreign Affairs & International Cooperation	Re-deployed to the Department of Great Lakes under Ministry of Foreign Affairs and International Corporation
226120	Mwila Chanda Festus	Registry Clerk	Records	Ministry of Education	Awaiting Payroll transfer

928	Traveller Siangandu	Assistant Accountant	Ministry of Foreign Affairs & International Cooperation	Ministry of Home Affairs	On transfer awaiting Ministry of
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The Ministry would continue to engage PSMD for redeployment of officers on a permanent basis. Documentation was available for audit verification.

### **Committee’s Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

## **THE JUDICIARY**

### **PARAGRAPH 16**

#### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Judiciary for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

The Committee was informed that in the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K1,788,139,529 was made to cater for personal emoluments under the Judiciary, against which amounts totalling K1,684,316,003 were released and spent.

In response, the Controlling Officer submitted that during the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, the Judiciary had an underfunding totalling K103, 823,589. However, the under-funding was beyond the Judiciary’s control, as funding was done by the Ministry of Finance and National Planning.

### **Committee’s Observations and Recommendations**

The Committee notes the submission by the Controlling Officer and urges him to avail supporting documents to the Office of the Auditor General for verification. The Committee will await a progress report on the matter.

#### **e. Misplacement of Payroll Area.**

The Controlling Officer submitted that the cause of the misplacement of payroll area was due to frozen positions and incomplete payroll structures. In the previous year, the Judiciary had engaged PSMD on the matter. In August, 2022, Treasury Authority was granted and a sum of K5,380,544.32 was provided, out of which 410 positions were created. However, the Treasury Authority was not adequate, and Management would continue engaging PSMD to completely resolve the matter.

Documents for the request of Treasury Authority, and variation and creation of positions were available for audit verification. Additionally, the Office of the Secretary to the Cabinet was also

informed of the situation, as most of the courts were operating with lean manpower. This situation was further compounded by the Executive pronouncement to re-unite couples in the public service, which needed to be implemented. Management remained hopeful that the Secretary to Cabinet would respond positively to the request to create new positions to correct payroll misplacements.

**Committee’s Observations and Recommendations**

The Committee notes the submission by the Controlling Officer and urges him to continue engaging PSMD in order to resolve the matter conclusively. The Committee further urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**f. Irregular Payment of Housing Allowance**

The Controlling Officer submitted that contrary to the Auditor General’s observation, one officer was eligible for housing allowance. However, the irregular payment was due to failure to reconcile the list of accommodated officers against the payroll. To this end, the payment of housing allowance was stopped and overpayments recovered from affected officers through the payroll. Further, disciplinary action was instituted against the responsible officers. Documents showing the pay-slips with recoveries and disciplinary letters were available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for verification resolves to await a progress report on the matter.

**g. Officers Introduced to the Payroll on Wrong Positions**

The Controlling Officer submitted that the anomaly was caused by the wrong title on the positions on the payroll. Further, there was no loss of funds, as the officers were entitled to the salaries that they were paid. The title of the positions was corrected on the payroll and officers were promoted to higher positions, while the officer who was underpaid was paid the salary difference. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

## MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

### PARAGRAPH 17

#### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Local Government and Rural Development for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K235,447,072 was made, to cater for personal emoluments under Ministry of Local Government, against which amounts totalling K232,248,462 were released and spent.

In response, the Controlling Officer confirmed that the above figures were correct.

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

The Committee notes the submission made by the Controlling Officer and awaits a progress report on the matter.

#### **b. Unauthorised Salary Inputs**

The Controlling Officer submitted that the input for the transactions cited by the auditors were processed by super-users and that all transactions were being processed using ministerial end-users. The Ministry would ensure that all inputs done by the selected super-users were coordinated through the Ministry.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users and end-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification and awaits a progress report on the matter.

#### **c. Failure to Perform Monthly Reconciliations**

The Controlling Officer submitted that the Ministry had since prepared monthly reconciliations though this was done at the time the audit was being conducted and the monthly reconciliation were up to date as at 31<sup>st</sup> January, 2023. The Ministry would ensure that monthly reconciliations were prepared every 15<sup>th</sup> day of the month.

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

The Committee expresses concern at the Ministry's failure to conduct monthly reconciliation as provided by the financial management regulations. The Committee urges the Controlling Officer to institute disciplinary measures to officers responsible as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of

the Auditor General for audit verification. The Committee will await a progress report on the matter.

**d. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that out of the eight misplaced officers, two had their pay points aligned as indicated in the status report of the auditor's report. Out of the remaining six, one had since been removed from the payroll (Ms Christabel Chipansha). The Ministry had written to PSMD requesting for the removal and appropriate placement of the remaining officers. The Ministry would ensure that only officers stationed at the Ministry appeared on the Ministry's Payroll. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee expresses concern at the uncoordinated manner in which placements on the payrolls are being managed without taking into consideration the corresponding effect such actions has on the payroll. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges the Ministry of Local Government and Rural Development to adhere to Cabinet Office Circulars No. 13 of 2019 and No. 14 of 2020 to ensure a coordinated placement of officers on the payroll to the designated areas in order to prevent recurrence of such anomalies. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely. The Committee will await a progress report on the matter.

**i. Delay to Conclude Disciplinary Cases**

In response, the Controlling Officer submitted as set out below.

**Table: Suspended Officers**

No.	Employment No	AE No.	NRC No.	Position	Salary Paid (K)
1	39055	121002	313729/52/1	Director - LCA	2,129,904
2	82477	123302	401392/52/1	Assistant Accountant LGF	1,813,464
3	96485	96352	382702/11/1	Assistant Director HRA	1,640,676
4	42178	109277	275408/61/1	Senior Accountant	578,424
5	119630	162061	219928/64/1	Acting Accountant	527,292
6	24555	113454	229541/66/1	Accounts Assistant	462,392
	<b>Total</b>				<b>7,152,152</b>

The Controlling Officer submitted that between 16<sup>th</sup> January, 2014 and 4<sup>th</sup> February, 2014, six officers processed payments of funds in amounts totaling K1,300,000 at Rufunsa Council, which were not paid to the intended recipients and subsequently on 6<sup>th</sup> May, 2014, the officers were suspended from their positions to pave way for investigations.

On 4<sup>th</sup> November, 2014, Anti-Corruption Commission concluded the investigations, and the officers were arrested for the offence of theft by public servant and money laundering. As at 31<sup>st</sup> July, 2022, the case had not been concluded and officers continued getting paid salaries in amounts totalling K7,152,152 without providing any service.

The case was still in the Courts of Law as submitted during audit period. Further, the Ministry had since established a legal unit and two legal officers had since been transferred from Ministry of Justice with effect from December, 2022 to the Ministry of Local Government and Rural Development. In future, the Ministry would ensure to follow all laid down financial regulations and procedures for handling public resources.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the auditor General and resolves to await a progress report on the matter.

## **MINISTRY OF TOURISM**

### **PARAGRAPH 18**

#### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Tourism for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K718,088,328 was made, to cater for personal emoluments under the Ministry of Tourism and Arts, against which amount totaling K683,340,958 were released and spent.

In reponse, the Controlling Officer submitted as follows:

- i. the difference in 2017, was as a result of the realignment and transfer of the Hostels Board of Management from Ministry of Works and Supply to the then Ministry of Tourism and Arts and granting of Treasury Authority No. 24 of 2016, issued in November, 2016, for the creation of additional 181 positions. The Government Gazette Notice No. 6526 of 2016 and Treasury Authorities Nos. 17 of 2008 and 24 of 2016, were available for audit verification;
- ii. the difference in 2018, was as a result of the continued implementation of the Treasury Authorities, which started in 2017 and granting of Treasury Authority No. 41 of 2018 for the creation of additional 300 positions for Wildlife Police Officers under the Department of National Parks and Wildlife. Out of which, 275 positions were at the Ministry of Tourism and Arts, while twenty-five positions were surrendered to Smart Zambia

Institute. The Government Gazette Notice No. 6526 of 2016 and Treasury Authority were available for audit verification;

- iii. the difference in 2019, was as a result of the continued implementation of the Treasury Authority from 2018 for the Wildlife Police Officers under the Department of National Parks and Wildlife; and
- iv. the difference in 2020 was as a result of the movement of retirees from the Ministry of Tourism payroll to the separateesø payroll under Ministry of Finance and National Planning.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee recommends the matter for closure, subject to audit verification.

#### **b. Failure to Prepare Monthly Reconciliation**

In response, the Controlling Officer submitted that the officer who failed to conduct monthly reconciliations did not perform as expected and was charged and cautioned for substandard performance. However, the Ministry started preparing monthly staff reconciliations with effect from January, 2022. A team of accounts and human resource officers had been assigned to be preparing reconciliation reports on a monthly basis. The reconciliations for the months of January, to December, 2022 and a copy of the letter of caution were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to also institute disciplinary measures on the supervising officer for the lapse and avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **c. Delayed Termination of Officers from Payroll**

The Controlling Officer submitted that fifteen officers who were separated from the Ministry due to death, dismissals and retirements were retained on the payroll for a period ranging six to twelve months and received salaries in amount totaling to K1,835,926 as at 31<sup>st</sup> December, 2021. One of the officers named Mr Chibeza Ngõni, Senior Wildlife Police Officer was erroneously included on the list of retired officers as the officer was born in 1975 and would reach the mandatory statutory retirement age of sixty in 2035. As regards the remaining fourteen officers, the Ministry regretted the delay in transferring three to the separateesø payroll and termination of the eleven from the payroll at the time of the audit.

The Ministry had since moved eligible officers to the separateesø payroll, while Mr Chibeza Ngõni's details had since been corrected. The cases for the nine officers who were on suspension for various offences had been disposed of and terminated from the payroll. The Ministry would ensure that eligible retirees were moved to separateesø payroll timely and termination would be done quickly for dismissed officers. The copies of pay slips showing that officers had been moved to the separateesø payroll as well as a copy of the NRC in respect of Mr Chibeza Ngõni and a letter to PSMD were available for audit verification. Further, payroll input schedules for those with disciplinary cases were available for verifications.



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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification after which the query should be closed.

#### **d. Failure to Deduct and Remit NAPSA Contribution**

The Controlling Officer submitted that the Statutory Contributions for the affected five officers had since been effected and running on the payroll with effect from January, 2022. The Ministry of Finance and National Planning had funded other emoluments from which outstanding NAPSA contributions for the five affected officers would be paid. An extract of the funding profile for the 1<sup>st</sup> Quarter of 2023, was available for audit verification. The Ministry would ensure that statutory contributions in respect of all eligible employees were effected timely as provided by the Law. Copies of pay slips for the affected employees were available for audit verification.

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

The Committee expresses concern at the Ministry's failure to monitor or supervise the activities performed by end-users resulting in such anomalies, which could be averted if there was systematic way of ensuring that all statutory obligations are adhered to. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **e. Questionable Introductions on Payroll.**

The Controlling Officer submitted that 181 officers were introduced on the payroll and paid salaries in amounts totalling K2,291,157.22, without submitting relevant documentation. Some officers were not on first appointment but rather transferred from the defunct Zambia Wildlife Authority, which was abolished following the creation of the Department of National Parks and Wildlife under the Ministry of Tourism. The *Wildlife Act No. 14 of 2015*, provided for the transfer of all former ZAWA employees. The required documents at the time of transitioning were an appointment letter from ZAWA and a transfer and re-appointment letter into the Civil Service. As regards those appointed on probation, all necessary appointment documents were submitted and were available for verification. The Ministry payroll end-users had been directed to ensure that the above stated documents were submitted before the new entrants were introduced on the payroll. Copies of the *Zambia Wildlife Authority Act No. 14 of 2015*; appointment letters under ZAWA; letters of transfer and re-appointment; and Arrival Advice Form 81, were available for audit verification.

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

The Committee is extremely disappointed with the submission because documents should have been availed during the audit process if the Controlling Officer considered the process important. The Committee strongly cautions the Controlling Officer to take the audit process seriously and ensure that staff reconciliations are conducted regularly and accountable documents made available during the time of audit. The Controlling Officer is implored to avail supporting documents to the Office of the Auditor General for audit verification. Further, disciplinary measures should be instituted on the officer responsible as well as the supervisor for the lapse. The Committee will await a progress report on the matter.

**f. Employees Sharing Bank Account Numbers**

The Controlling Officer submitted that seven employees were created with two employee numbers on first appointment and were subsequently paid double salaries in amounts totalling K57,660 for one month. The employees were erroneously hired twice as confirmed by PSMD. The PSMD had since deleted the double payroll entries on the payroll regarding the seven employees and recoveries had since been instituted. Copies of payslips showing recoveries were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee expresses concern at the Ministry’s failure to review the activities performed by super-users and end-users resulting in employees receiving double salaries. The Committee is of the strong view that if systematic oversight mechanisms and capacity building and training of staff managing the payroll is put in place, such irregularity can be averted. The Committee urges the Controlling Officer to devise a mechanism that will enhance the payroll system so that it is able to detect any double payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**CABINET OFFICE – GENDER DIVISION**

**PARAGRAPH 19**

**Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Gender for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

**Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K41,890,997 was made, to cater for personal emoluments under the Ministry of Gender, against which amounts totalling K39,917,182 were released and spent.

The Controlling Officer submitted that at the time the Ministry of Gender received the said funding during the period under review, the budget provision for 2017 showed a variance of K651,535, above the approved budget. However, the approved personal emoluments budget according to the 2017 Yellow Book was understated. The actual personal emolument budget provision was K9,484,527 as tabulated in the table below.

**2017 Personal Emoluments Approved Budget**

<b>DEPARTMENT</b>	<b>BUDGET (ZMW)</b>	<b>YELLOW BOOK PAGE</b>
HRA	4,946,915	12
PLANNING	1,607,251	15
GID	1,447,258	17
GRP	1,483,103	19
<b>TOTAL</b>	<b>9,484,527</b>	

Further, during the period under review, the Ministry underwent some structural changes which saw the Child Development function moved to the Ministry of Community Development in 2017. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

##### **a. Failure to Prepare Monthly Reconciliations**

The Controlling Officer acknowledged that monthly reconciliations were not done during the period under review. Going forward, monthly reconciliation would be done in line with the Treasury and Finance Management Circular No. 9 of 2020. However, monthly staff assignments were being used to avoid any additions on the payroll or over recruitment. Documents were available for audit verifications.

#### **Committees Observation's and Recommendations**

The Committee expresses concern that officers at the Ministry neglected to follow the guidance provided through the Treasury and Finance Management Circular No. 9 of 2020, which demanded that reconciliations should be conducted every month. The Committee wonders how every year the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that whenever Treasury Authority is granted, establishment registers are updated without any further delay. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

##### **b. Unauthorised Salary Inputs**

In response, the Controlling Officer submitted that the documents were not availed to auditors during the audit process because the inputs for inter-ministerial transfers were done by super-end users. Documents were available for audit verification.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users resulting into unauthorised inputs on the payroll. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

##### **c. Unaccounted for Officers**

In response, the Controlling Officer submitted that the documents were not availed to auditors during the audit process. However, the twenty-seven officers were included on the staff returns. Documentary evidence was available for audit verification.

### **Committees Observation's and Recommendations**

The Committee observes that this anomaly is purely a result of failure to conduct monthly reconciliations. The Committee is of the view that such anomalies can be averted if staff reconciliations are conducted regularly. The Committee urges the Controlling Officer to put measures in place which will ensure that staff reconciliations are conducted regularly to avert such anomalies. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Irregular Payment of Arrears**

In response, the Controlling Officer submitted that the documents were not submitted for verification. However, the officers in question were entitled to the various allowances as stipulated in the Conditions of Service following their appointments. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

## **CIVIL SERVICE COMMISSION**

### **PARAGRAPH 20**

#### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Civil Service Commission for the period from January 2017 to December 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K30,498,480 was made, to cater for personal emoluments under the Civil Service Commission, against which amounts totalling K29,368,176 were released and spent.

In response, the Controlling Officer submitted that the approved personal emoluments budget according to the Budget Outturn Report for the Financial Year Ended 31<sup>st</sup> December, 2017, was K5,791,884 as tabulated below. Documents were available for audit verification.

### 2017 Personal Emoluments Approved Budget

Year	Budget K	Funding K	Budget Outturn Report Page No.
2021	6,957,882	6,906,605	
2020	6,923,198	6,372,873	
2019	6,732,922	5,689,359	
2018	4,909,621	4,909,659	
<b>2017</b>	<b>5,791,884</b>	<b>5,489,680</b>	<b>41</b>
Total	<b>31,315,507</b>	<b>29,368,176</b>	

#### **Committees Observations and Recommendations**

The Committee notes the submission from the Controlling Officer and urges him to avail supporting documents to the office of the Auditor General for audit verification and will await a progress report on the matter.

#### **b. Failure to Prepare Monthly Reconciliations**

The Controlling Officer submitted that the monthly reconciliations between the staff establishment register and staff assignment and reconciliation of staff assignment to staff returns for the period under review were not prepared by the Commission due to lapses on the part of the end-users. However, reconciliations of the staff establishment register and staff assignment and reconciliation of staff assignment to staff returns for the period under review had since been prepared. Hence, the over recruitment or additions on the payroll did not arise. In future, the Commission would ensure that monthly reconciliations were undertaken in line with the Treasury and Financial Management Circular No. 9 of 2020. Copies of the reconciliations, staff establishment registers, staff assignments and staff returns for the period under review were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee expresses concern at the Commission's failure to conduct monthly reconciliation in line with the Treasury and Financial Management Circular No. 9 of 2020. The Committee urges the Controlling Officer to institute disciplinary measures on officers responsible, as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **c. Unauthorised Salary Inputs**

The Controlling Officer submitted that the inputs were inter-ministerial transfers from Government institutions to the Commission. As provided by the guidelines, end-users had no authorisation to effect such inputs, hence the use of super-users. As regards inputs for promotion, the end-user was not available at the station at the time. Consequently, the Commission requested for the services of the super-users to effect the inputs for the period under review. The Commission submitted the inputs on transfers and promotions of officers for the period under review to the Director at PMEC for inclusion on the payroll but there had been no response. Documents were available for audit verification.

#### **Committees Observations and Recommendations**

The Committee observes that this anomaly should have been averted if staff reconciliations were conducted regularly and there was improved communication from PSMD. This is because

sometimes PSMD took long to respond to requests made by MPSAs and in certain circumstance never acted on the requests. The lack of response from PSMD contributed to the delay to remove officers from the payroll. Therefore, there is need to improve communication between MPSAs and PSMD to avert the recurrence of such irregularities. Further, the Committee is of the view that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

**d. Officers on Payroll but not on Staff Returns**

In response, the Controlling Officer submitted that three officers namely: Mr Chamvu Daka; Mr Linos Sicalwe; and Mr Tazzie Chayinda, were transferred from the Commission to other Government institutions where their services were required pending payroll migration. Considering that the trio had been transferred from the Commission, they were not captured on the staff returns as they had already physically moved to their new stations. However, Mr Thomas Ndhlovu was transferred to the Commission and was erroneously omitted on the staff returns during for the period under review. The anomaly was corrected as per reconciliation between staff assignment and staff returns for January, 2022. Copies of the staff assignment, staff returns and transfer letters were available for audit verification.

**Committees Observations and Recommendations**

The Committee expresses concern at the uncoordinated transfer of officers from their designated duty stations to other stations and the corresponding effect on payroll management. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges the Civil Service Commission to adhere to Cabinet Office Circulars No. 13 of 2019 and No. 14 of 2020 to ensure a coordinated placement of officers on the payroll to the designated areas in order to prevent recurrence of such anomalies. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely. The Committee implores the Controlling Officer to avail supporting documents Auditor General for audit verification and awaits a progress report on the matter.

**CABINET OFFICE**

**PARAGRAPH 21**

**Audit Findings**

A review of the payroll system, financial and other records relating to payroll management at Cabinet Office for the period January, 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial year ended 31st December, 2017 to 2021, a total provision of K166,191,602 was made, to cater for personal emoluments under Cabinet Office, against amounts totalling K167,315,033 was released and spent. See

The Controlling Officer submitted that the budget provision for Cabinet Office was K166,191,602, while K167,313,033, was released. However, the analysis showed that the figure reported in the 2017 budget was understated. It did not include budget provisions made for other

Departments within Cabinet Office as tabulated indicated in the table below.

**Budget Provision**

DEPARTMENT	BUDGET (ZMW)	EXPENDITURE (ZMW)	YELLOW BOOK PAGES
Human Resource Administration	25,973,768.00	23,672,252.28	61
Accounts	2,856,670.00	2,628,710.91	66
Former Presidents 1	1,258,917.00	1,144,834.71	68
Former Presidents 4	1,365,456.00	1,241,719.22	70
E-Government Division	6,516,537.00	5,907,547.61	75
<b>TOTAL</b>	<b>37,971,348.00</b>	<b>34,595,064.73</b>	

Furthermore, during the period under review, the total budget provision for Cabinet Office was K177,520,810.00, while the total releases were K167,315,132.73. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee notes the submission from the Controlling Officer and urges him to avail supporting documents to the office of the Auditor General for audit verification and will await a progress report on the matter.

**a. Irregular Introduction of an Officer on Cabinet Office Payroll**

In response, the Controlling Officer submitted that the introduction of the Deputy Permanent Secretary at North-Western Provincial Administration on the Cabinet Office Payroll was made by a super user at P MEC, a department under PSMD. However, there was no documentary evidence on record authorising the officer's introduction on the Cabinet Office Payroll.

The PSMD was queried on the matter and responded in the minute of 24<sup>th</sup> June 2022. The Division indicated that the officer was placed on the Cabinet Office Payroll as an interim measure upon the officer being surrendered to PSMD for re-deployment. This was done because the Division had no holding position on the payroll to which the surrendered officer could be held against. The officer was finally removed from Cabinet Office Payroll in August 2022.

**Committees Observations and Recommendations**

The Committee notes the submission from the Controlling Officer and urges him to avail supporting documents to the office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

## MINISTRY OF HOME AFFAIRS AND INTERNAL SECURITY

### PARAGRAPH 22

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31st December, 2017 to 2021, a total provision of K985,281,826 was made, to cater for personal emoluments under the Ministry of Home Affairs and Internal Security against, which amounts totalling K954,162,522, were released and spent.

The Controlling Officer submitted that the emoluments budget in a given financial year was centrally determined by the Treasury using the July cashbook of the previous financial year. Additionally, variations between the budget and actual expenditure could be attributed to various terminations such as dismissals, retirements, removal of allowances and any other payroll related allowances.

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

The Committee notes the submission from the Controlling Officer and urges him to avail supporting documents to the office of the Auditor General for audit verification and will await a progress report on the matter.

#### **b. Failure to Prepare Monthly Reconciliations**

The Controlling Officer submitted that the Ministry had since put in place necessary controls and systems to ensure reconciliations between the staff establishment register and staff assignment, and reconciliation of staff assignment to staff returns were carried out on a monthly basis. Documents were available for audit verification.

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

The Committee expresses concern at Ministry's failure to reconcile the establishment register so as to reflect the situation on the ground. The Committee wonders how every year, the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that whenever Treasury Authority is granted, establishment registers are updated without any further delay. Further, disciplinary measures should be instituted against the officer responsible as well as the supervising officer for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **c. Recruitment in Excess of Authorised Positions on Establishment Register**

The Controlling Officer submitted that the establishment register was not updated whenever Treasury Authorities were issued for recruitment during the periods under review. Additionally, all position IDs on the payroll were created by PMEC under PSMD on issuance of Treasury Authorities and it was against these position IDs that recruitments were effected. All the Treasury Authorities issued to the Ministry during the period under review were available for audit verification.



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

The Committee observes that the establishment register has not been updated whenever Treasury Authority was granted to reflect the situation on the ground. The Committee wonders how every year, the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that that whenever Treasury Authority is granted, establishment registers are updated without any further delay. Further, disciplinary measures should be instituted against the officer responsible, as well as the supervising officer for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Positions on Payroll but not on Establishment Register**

The Controlling Officer submitted that Ministry regretted that the establishment register was not updated whenever Treasury Authorities were issued and position IDs uploaded on the payroll during the period under review. The establishment register was updated once a year by PSMD. The Ministry had since reconciled the establishment register and submitted it to PSMD for updating in December, 2022. Documents were available for audit verification.

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

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **e. Payroll Introductions without Authority**

In response, the Controlling Officer submitted that there was no documentation in relation to appointment letters and arrival advice availed to support payroll introductions. The Ministry affirmed that all payroll introductions during the period under review were supported by the necessary Treasury Authorities and other relevant documents such as transfer letters, appointment letters and arrival advice. Documents were available for audit verification.

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

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to unauthorised inputs on the payroll. The Committee is also concerned that the Ministry failed to provide relevant documents during the audit process. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **f. Failure to Effect Terminations on Payroll**

The Controlling Officer submitted that this was due to various reasons such as delayed communication by the relevant authorities such as PSMD as well as timings in the running of Government payroll in that, payroll inputs closed on the 10<sup>th</sup> of every month. On the issue of commissioners for Police Public Complaints Commission, the Permanent Secretary then

communicated to the Ministry of Finance and National Planning for payment of gratuity without notifying Director of Finance who could have included casualty forms indicating the outstanding balances to recover from the officers.

The Committee was informed that all the cases of officers indicated in the period under review, as being separated from the service had since been terminated from the payroll. Further, in some cases, funds had been recovered while in other, the Ministry was yet to recover from terminal benefits of concerned officers.

**Mr Stephen Chipulu – Commissioner**

In accordance with the Ministry's analysis on the eight months' salary over payment of K207,996.96, it was reviewed that the actual salary over payments were K209,983.68. The Ministry recovered K49,999.26 being settling-in allowance owed to the officer, while K9,782.46 unpaid salary for nine days in September 2018, was also used to adjust the figure downwards, leaving the balance of K149,601.69 owing to the Government.

**Ms Mary Nkandu – Commissioner**

In accordance with the Ministry's analysis on the eight months' salary overpayments of K219,090.32, it was reviewed that the actual salary over payment was K209,383.68. The officer was being owed four months' salaries in 2018 amounting K99,998.52, which had since been used to make a downward adjustment of the amounts owing to the Government. Further, the Ministry recovered K51,998.86 being settling-in allowance owed to the officer. The contract for the officer ended on 2<sup>nd</sup> June, 2020. Therefore, the officer was owing the Government K57,385.92

**Mr Fredrick Musonda – Chairperson**

In accordance with the Ministry's analysis on the eight months' salary overpayment of K694,757.20, it was reviewed that the actual salary over payments were K515, 629.82, out of which recoveries had been done comprising the following:

Settling in Allowance            K101, 566.50

Salary in lieu of notice        K260, 486.85

This left a balance of K153, 576.47 owing to the Government.

**Mr Charles Mwamba - Registry Officer**

The date of leaving was 2<sup>nd</sup> February, 2019, but was terminated from payroll in April, 2019. The Authority minute for termination was received by the Ministry on 19<sup>th</sup> March, 2019, by then, the payroll had already been closed for inputs, hence effecting the termination in April, 2019. In this regard, the officer had since paid back K7,000.00 owed to the Government leaving a balance of K570.55. Documentation was available for audit verification.

**Mr David Mwila - Registry Officer**

The date of leaving the service was 13<sup>th</sup> January, 2021, but was only terminated from the payroll in February, 2021. The payroll inputs closed on the 10<sup>th</sup> of every month hence, the delay in termination. In this regard, the officer did not get the February, 2021, salary as could be seen from his bank statement which was available for audit verification. However, the officer owed the Government a one-month salary in lieu of notice amounting to K4,530.90. Documentation was available for audit verification.

**Ms Evelyn Mulenga - Assistant Registration Officer**

The date of leaving the service was 21<sup>st</sup> April, 2021, but was terminated from the payroll in October 2021. This was a regrettable scenario, but the officer had not yet been paid her terminal benefits. Therefore, amount totalling K35,443.68 due to the Government would be recovered from her benefits.

**Mr Alick Daka - Accounts Assistant**

The date of leaving the service was 17<sup>th</sup> July, 2019, but was terminated from the payroll in September 2019. However, the Officer had not yet been paid his terminal benefits. Therefore, amount totalling K89,854.49 due to the Government would be recovered from his benefits.

**Mr Tandeo Mulenga - Watchman**

The date of leaving the service was 4<sup>th</sup> April, 2021, but was terminated from the payroll in June, 2021. However, the officer had been paid his terminal benefits. Therefore, the amount of K7,805.36 which he owed the Government had since been recovered. Documentation was available for audit verification.

**Mr Masuzyo Mwandila - Registry Clerk**

The date of leaving the service was 10<sup>th</sup> October, 2019, but was only terminated from the payroll in December 2019. However, the officer had been paid his terminal benefits and the amount of K4,268.23 owed to the Government had since been recovered. The documents were available for audit verification.

**Mr Cleophas Mbewe - Assistant Registration Officer**

The date of leaving the service was 3<sup>rd</sup> March, 2017, but was only removed from the payroll in September, 2017. However, the Officer had not yet been paid his terminal benefits. In this regard, the amount of K24,449.75 owed to the Government would be recovered from the terminal benefits payable to the officer as shown on the casualty form which was available for audit verification.

**Committee's Observations and Recommendations**

The Committee urges the Controlling Officer to be proactive and avoid acting after audit processes. The Committee also urges the Controlling Officer to put measures in place, to ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such irregularities. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**DISASTER MANAGEMENT AND MITIGATION UNIT**

**PARAGRAPH 23**

**Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K27,508,179 was made to cater for personal emoluments under the Disaster Management and Mitigation Unit (DMMU), against which amounts totalling K28,276,881 were released and spent.

The Controlling Officer submitted that DMMU had a total provision of K28,441,292.00 covering the Financial Yearø Ending 31<sup>st</sup> December, 2017 to 2021, out of which amounts totalling K28,276,881.00 was released and spent, leaving a balance of K164,411.00.

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

In noting the submission, the Committee urges the Controlling Officers to be proactive and ensure that funds are released on time and avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **b. Unauthorised Salary Inputs**

In response, the Controlling Officer submitted that during the period under review, DMMU did not have an end-user to transact payroll inputs. The inputs were being transacted by super-users from P MEC who had access to all Government payrolls. Letters had since been written to the P MEC Director to authorise the inputs for DMMU. The DMMU appointed an end-user in October 2022. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officers to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **c. Irregular Introduction of Officers on the Payroll**

The Controlling Officer submitted that all introductions on the payroll were done with the approved arrival advice and Accounts Form 81. Three copies of approved Form 81 had since been retrieved and were available for audit verification. However, the DMMU was making efforts to obtain the fourth arrival advice.

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

In noting the submission, the Committee urges the Controlling Officers to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **c. Unauthorised Salary Inputs**

The Controlling Officer submitted that during the period under review, DMMU did not have an end-user to transact payroll inputs. The inputs were transacted by super-users from P MEC who had access to the Government Payroll. In this regard, DMMU wrote to P MEC on 1<sup>st</sup> March, 2023, requesting to be furnished with the following information:

- i. written evidence of correspondence from DMMU requesting P MEC to facilitate the a fore mentioned transactions;
- ii. written evidence from P MEC to DMMU in response to the request in (i); and
- iii. appointment letters of the super-users who facilitated the aforementioned transactions.

The payroll analysis carried out by P MEC revealed that forty-eight transactions performed were regular data maintenance in order to correct the business area from G100 to G019. DMMU was moved from the Office of the Vice President - Head 2 to Head 19, which was a standalone on the

payroll. The movement necessitated the transfers of officers to the new business area G019. These transactions were only performed by super-users as the end-users had no authority to input ministerial transfers. Documents were available for audit verification.

Further, five transactions were normal transfers between ministries, which were only performed by super-users at P MEC as the end-users had no authority. Documents were available for audit verification. The query arose because DMMU was unable to provide correspondences on how the fifty-three payroll transactions were authorised. However, DMMU would be engaging P MEC on all payroll related matters.

#### **Committee’s Observations and Recommendations**

The Committee is deeply saddened at DMMU’s failure to review the activities performed by super-users leading to unauthorised salary inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

### **LOCAL GOVERNMENT SERVICE COMMISSION**

#### **PARAGRAPH 24**

##### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Local Government Service Commission for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

##### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K31,967,658, was made to cater for personal emoluments under the Local Government Service Commission, against which amounts totalling K30,072,042 were released and spent.

The Controlling Officer submitted the Local Government Service Commission was underfunded by K1,895,616. The Commission consulted with the Accountant General, who submitted that the underfunding was because of inadequate collections in terms of revenues by ZRA during the period under review. As a result, personal emoluments were funded based on Net Cash Book as opposed to Gross Salary. Therefore, the problem was beyond the Local Government Service Commission which entirely dependent on the Ministry of Finance and National Planning for payment of personal emoluments which was centrally handled at Headquarters. The Commission was assured by the Accountant General that he would take up the query with the Auditor General’s Office so that the matter could be rested.

#### **Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**b. Unauthorised Salary Inputs**

The Commission acknowledged that five PMEC super-users performed transactions on the Commission's Payroll without any documentation. This was because the Commission did not have an appointed end-user at the time, who could have identified the mistake by reconciling the staff assignment and the staff establishment owing to the lean staff structure. As a stop gap measure, the Commission had since appointed one payroll PMEC end-user who was responsible for payroll inputs. In this regard, only authorised requests with complete documentation would be availed to super-users for payroll transactions that could not be performed by the end-user.

**Committee's Observations and Recommendations**

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of the staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to training and build capacity of PMEC super users as well as staff providing oversight to the system such as internal and external auditors. The training will enhance prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification resolves to await a progress report on the matter.

**c. Failure to Perform Monthly Reconciliations**

The Controlling Officer submitted that Management acknowledged that reconciliations between the staff assignment and staff establishment were not being done. The situation was exacerbated by the lean structure that initially obtained at the Commission. Therefore, the Commission relied on the goodwill of officers performing payroll input duties from Ministry of Finance and National Planning. In order to redress the situation, the Commission applied for Treasury Authority for the expansion of its structure. However, the Commission was instead guided to trade off some positions.

However, and in order to ensure compliance to the Treasury and Financial Management Circular No. 9 of 2020, an end-user, Senior Human Resource Management, was appointed and reconciliations between the staff assignment and establishment had since been done for some months.

**Committee's Observations and Recommendations**

The Committee expresses concern at the Commission's failure to conduct monthly reconciliations in line with the Treasury and Financial Management Circular No. 9 of 2020. The Committee urges the Controlling Officer to build capacity of PMEC users as well as staff providing oversight on the system such as internal auditors to ensure that Circular No. 9 of 2020 is adhered to. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**d. Irregular Introduction of Officers on the Payroll**

In response, the Controlling Officer submitted that three officers, namely: Mr Gershom Mulenga, Ms Mutinta Moonga and Ms Hellen Moonga, were introduced by super-users on the Local Government Service Payroll without any letters of authorisation from the Commission. Although Mr Gershom Mulenga was transferred to the Local Government Service Commission on 31<sup>st</sup> July, 2020, in an acting position as Head-Corporate Services, his appointment was

rescinded on 24<sup>th</sup> September, 2020. Documents were available for audit verification. The officer did not report to the Commission. Therefore, the authorisation to be on the Local Government Service Commission's Payroll could not be issued.

Additionally, Ms Mutinta Moonga was also transferred to the Local Government Service Commission in an acting appointment as Deputy Commission Secretary on 28<sup>th</sup> August, 2020. The officer only filled in the Arrival Advice Form, thereafter she never reported back to the Commission. Therefore, the Commission could not issue any authorisation letter for the officer to be introduced on Commission's Payroll.

Further, Ms Hellen Moonga was purportedly transferred to the Local Government Service Commission. However, the Commission was not even availed the transfer letter. These changes happened within a period of six months. The payroll transfers were therefore, effected by the super-users without the knowledge of the Local Government Service Commission.

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

The Committee is deeply saddened at the lack of review of the activities performed by super-users leading to irregular introduction of officers on the payroll. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of the staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to technical training and capacity building of PMEC super users as well as staff providing oversight to the system such as internal and external auditors. The training will enhance prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **e. Delayed Removal from Payroll**

The Controlling Officer submitted that the Commission was constrained from removing Mrs Millie Sikapite from the payroll because of inconsistencies in the Public Service Management Division Circulars No. B10 of 2016, B21 of 2018, and B9 of 2021, which provided for the retention of officers on the payroll until their pension benefits were fully settled.

Faced with this problem, the Commission sought a legal opinion from the Attorney General, especially with regard to Fixed Term Contractual Employees in light of Article 189 of the *Constitution of Zambia, (Amendment) Act No. 2 of 2016*. The Attorney General advised that Article 189 of the Constitution, as amended did not cover gratuities owed to Fixed Term Contractual Employees at the end of their contract term.

In view of the guidance, the Commission submitted to the Permanent Secretary, Public Service Management Division that Ms Millie Sikapite, be terminated from the payroll with effect from November, 2016. Therefore, payments made to her after November, 2016, would be recovered from her gratuity and terminal benefits. The Local Government Service Commission acted in best interest of the Government in view of the Circulars that were issued from time to time. Since then, the Commission had ensured that employees who separated from the Government were removed from the payroll by writing to PMEC Support Services Division who had the mandate.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

## **MINISTRY OF INFORMATION AND MEDIA**

### **PARAGRAPH 25**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Ministry of Information and Media for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budgets and Findings**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December 2017 to 2021, a total provision of K104,426,310 was made to cater for personal emoluments under the Ministry of Information and Media, against which amount totalling K93,165,513 were released and spent.

The Controlling Officer submitted that the variances in the budget against funding were attributed partly to Treasury Authority No. 17 of 2017, which provided support to the creation of eighty-three more unfunded but approved positions. The eighty-three positions were as a result of unfreezing (funding) of thirty-three and the creation of fifty positions. Documentation was available for audit verification. In 2019, the funds for the outstanding salary arrears and frozen positions were provided for under personal emoluments, hence the variance between the budget and the actual release.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **b. Failure to perform Monthly Reconciliations**

The Controlling Officer submitted that during the period under review, the Ministry did not prepare reconciliations between the staff establishment register and staff assignments and also between payroll and the monthly staff returns as noted in the audit report. This was a result of administrative lapses in ensuring that the staff establishment register and staff assignment and also between payroll and the monthly staff returns were done. During the period under review, the Ministry had not streamlined departmental roles regarding the payroll management as guided by the Treasury and Financial Management Circular No. 9 of 2020. However, reconciliations between the establishment register and the staff assignment and between staff assignment and staff returns for the years 2020 and 2021 had since been done and were available for audit verification. The establishment register and staff assignment for 2020 and 2021 had been reconciled. The staff returns and staff assignment for 2020 and 2021 had also been reconciled. Reconciliation statements were available for audit verification.

Further, the Ministry had streamlined the departmental roles as stipulated in Treasury and Financial Management Circular No. 6 of 2019, and was conducting monthly reconciliations



regularly. In this regard, four officers, two from Finance and National Planning and two from human resource and administration departments had been trained as end-users to address the administrative lapses. Copies of the 2020 and 2021 establishment register and staff assignment reconciliations, as well as the 2020 and 2021 staff assignment and staff returns reconciliations were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Unauthorised Salary Inputs**

The Controlling Officer submitted that the sixty-two input transactions cited in the Auditor General's Report consisted of inter-ministerial transfers. The fifty-four transfer inputs were authorised by the Ministry and effected by super-users from the PMEC Support Services Department under PSMD, while eight appointments were effected by the Ministry end-users.

The end-users who performed the fifty-four transactions across different payroll sub-areas were super-users based at PMEC Support Services Department, who were authorised to effect inter-ministerial transfers. Further, the eight staff appointments inputs were effected by the Ministry end-users. Copies of requests for payroll transfers across ministries were available for audit verification.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users and end-users leading to unauthorised inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **e. Unaccounted for Officers**

In response, the Controlling Officer submitted that the ninety-five officers who drew salaries in amounts totalling K13, 294, 445 had been accounted for. This was due to an administrative lapse on the failure to conduct payroll reconciliation and staff returns timely. Staff returns and the payroll had since been reconciled. In addition, four officers, two from Finance and National Planning and two from the Human Resource and Administration Departments had been trained as end-users to address the administrative lapses. Documents were available for audit verification.

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

The Committee expresses concerns that this anomaly is purely a result of failure to conduct monthly reconciliations. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. Further, the Controlling Officer is also directed to institute disciplinary measures against the officer responsible as well as the supervising officer for the lapse. The Committee urges the Controlling

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

**f. Positions on the Payroll but not on the Establishment Register**

The Controlling Officer submitted that during the period under review, the Ministry had five positions, which were not supported by the establishment register or Treasury Authority and salaries totalling K461, 331 were paid. The positions in question included the studio manager, public relations officer, computer technician, assistant registrar and district information officer. These were provided for in Treasury Authority No.17 of 2017 dated 13<sup>th</sup> April, 2017. The query arose because of failure to update the staff establishment register following receipt of Treasury Authority No. 17 of 2017 dated 13<sup>th</sup> April, 2017. The Register had since been updated in line with the Treasury Authority No. 17 of 2017. A copy of the Treasury Authority No.17 of 2017 was available for audit verification.

**Committees Observations and Recommendations**

The Committee observes that establishment registers have been updated to reflect the situation on the ground. The Committee wonders how every year the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that whenever Treasury Authority is granted, establishment registers are updated without any further delay. The Committee urges the Controlling Officer to institute disciplinary measures to officers responsible as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**g. Salaries Paid to Deceased Officers.**

The Controlling Officer submitted that two deceased officers were not removed from the payroll for periods ranging from two to six months after their demise had been noted. The late Ms Clementine Chansa was maintained on the payroll awaiting her posthumous retirement as she had worked for over twenty years of continuous service. The Ministry further requested PSMD, to move her to the separateesø payroll, following the issuance of her posthumous retirement directive with effect from 6<sup>th</sup> October, 2020.

The late Mr Alfred Mwanza, who was a Classified Daily Employee was not removed from the payroll for two months because of an administrative lapse after his demise on 23<sup>rd</sup> August, 2020. However, the amounts irregularly paid to him in form of salaries had been included on the casualty form for recovery from his terminal benefits. The liabilities had been captured on the casualty forms, indicating the amount owing to the Government by the deceased officers. In the case of the late Clementine Chansa, Circular No. B26 of 2022 dated 6<sup>th</sup> May, 2022, provided that separated officers (retired) should be maintained on the payroll and paid basic salary and housing allowance, retrospectively effective 22<sup>nd</sup> November, 2018. Therefore, taking into consideration the above cited Circular, the late Clementine Chansa was entitled to basic salary and housing allowance only amounting to K32,190.44.

In view of the afore-mentioned, the late Clementine Chansa owed the Government an amount of K2,568.42, which was the difference between K34,758.86 and K32,190.44. An amount of K2,568.42 was a summation of six months transport allowance, which would be recovered from her terminal benefits as indicated in the casualty forms.

**Summarised below were the Officer's Entitlements**

<b>Entitlement</b>	<b>Amount (K)</b>	<b>Number of Months</b>	<b>Total (K)</b>
Basic Salary	4, 280.67	02	8, 561.34
	4, 623.08	04	18, 492.32
Housing Allowance	856.13	06	5, 136.78
Transport Allowance	428.07	06	2, 568.42
<b>Total</b>			<b>34, 758.86</b>

In the case of the late Alfred Mwanza, the estate was owing an amount of **K7,720.92** as shown in the table below.

<b>Entitlement</b>	<b>Amount (K)</b>	<b>Number of Months</b>	<b>Total (K)</b>
Basic Salary	2, 969.58	02	5, 939.16
Housing Allowance	593.92	02	1, 187.84
Transport Allowance	296.96	02	593.92
<b>Total</b>			<b>7, 720.92</b>

However, the Ministry was owing Mr Mwanza repatriation allowance and terminal leave benefits totalling to K10,645.36. The Government had recovered K7,720.92 from his entitlements. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee urges the Controlling Officer to be proactive and avoid acting after audit processes. The Committee also urges the Controlling Officer to put measures in place, which will ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such situations. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter, after which the query should be closed.

**h. Irregular Payment of Salary to Officers on Unpaid Leave**

In response, the Controlling Officer submitted that the status of the two outstanding cases was as follows:

<b>Seria l No.</b>	<b>Name</b>	<b>Amount Overpaid</b>	<b>Amount Recovered</b>	<b>Balance</b>	<b>Comment</b>
01	Grace C. Mwanza	K8,761.52	K8,761.52	Nil	Receipt Nos.G5957941 , G5957938& G5958199
02	Lynn Yoweri	K15,688.48	K15,688.48	Nil	Receipt No.G5958198
03	<b>Total</b>	<b>K24,450.00</b>	<b>K8,761.52</b>	<b>Nil</b>	<b>Fully recovered</b>

Letters were written to the officers on the settlement of their liabilities and the funds had since been recovered fully. Copies of general receipts were available for audit verification.

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

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

### **PUBLIC SERVICE MANAGEMENT DIVISION**

#### **PARAGRAPH 26**

##### **Audit Finding**

A review of the payroll systems, financial and other record relating to the payroll management at the Public Service Management Division for the period from January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

##### **a. Budgeting and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, a total provision of K130,098,294 was made, to cater for personal emoluments under the Ministry, against which amounts totalling K121,311,200 were released and spent.

In response, the Controlling Officer submitted that the expenditure was overly within the budgeted amount. The variance between funding and budgeting was attributed to occasional vacancies prior to filling the positions. The vacancies were for various categories of officers and were filled within one to two months. Additionally, some positions were for transitioning officers such as those recalled from Missions Abroad.

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

The Committee notes the submission made by the Controlling Officer and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

##### **b. Wasteful Expenditure - Payment of Salaries to Officers on Holding Positions**

The Committee was informed that the Division was mandated to handle all matters of human resources in the Civil Service and amongst them, transfers and redirections, included. The holding positions were intended to enable staff to continue to draw a salary and avoid being inconvenienced, whilst awaiting redirection. The Committee was informed that the time taken to place officers on holding, varied depending on the position and availability of appropriate vacancies. It may be further noted that, whilst waiting for suitable redeployment, the Division endeavoured to utilise the staff in service delivery by attaching the concerned staff to ministries and institutions where their skills could be utilised.

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

The Committee expresses concern that officers are placed on holding positions for a long time and continue to draw a salary without offering a service to the Government. The Committee implores the Controlling Officer to ensure that due diligence is conducted so that officers on holding positions are redeployed without any further delay. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **c. Delayed Termination of Officers on Payroll**

The Committee was informed that money had since been recovered from the officer's terminal benefits. The delay to terminate the officer from the payroll was caused by a delay in communication between the duty station where the officer operated and his payroll station. Documentation was available for audit verification.

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

The Committee observes that this anomaly should have been averted if staff reconciliations were conducted regularly and there is improved communication from PSMD. This was because sometimes PSMD took long to respond to requests made by MPSAs and in certain circumstance never acted on the requests. The lack of response from PSMD contributed to the delay to remove officers from the payroll. Therefore, there is need to improve communication between MPSAs and PSMD to avert the recurrence of such irregularities. Further, the Committee is of the view that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **d. Weakness in Management of Deduction Codes**

##### **i. Failure to Withdraw Deduction Codes from Overcharging Micro Finance Institutions**

The Controlling Officer submitted that the interest rates on loans were determined by the Bank of Zambia Policy rate, as revised by the bank from time to time. Further, the Bank of Zambia published charges, fees and commissions and demonstrations, of the cost of borrowing annually. In this regard, the Division updated the provisions of Circular No. B3 of 2012 and issued Circular No. B29 of 2022, to incorporate the new trends on the financial market, as well as guide Public Service employees on the need to conduct due diligence on the loan pricing structures before accessing loans.

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

The Committee expresses concern at Management's failure to withdraw deduction codes from overcharging micro finance institutions. The Committee is of the view that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. Further, strict supervision by the Controlling Officer will ensure that end-users adhere to circulars that are issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification and resolves to await a progress report on the matter.

##### **i. Failure to Publish Quarterly Basis Pricing Structures**

The Committee was informed that the Division had since issued Circular No. B29 of 2022, urging employees to make informed decisions by reviewing information on specific structures of

loans being provided by financial service providers, who were licensed by the Bank of Zambia. The information was published by the Bank of Zambia in the interest of promoting transparency in the pricing of loan products.

With respect to other lenders not licensed by the Bank of Zambia, the Circular advised borrowers to insist on the disclosure of effective annual interest rates, and any other credit related charges such as loan application fees, discount fees, administration fees, arrangement fees, lease management/ledger fees, commitment fees, disbursement fees, terminal fees, insurance costs, facility search fees, inspection fees, and appraisal fees before obtaining loans. Documentation was available for audit verification.

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

The Committee observes an absence of a monitoring mechanism to ensure strict adherence to the circulars issued by the Bank of Zambia. This is compounded by a failure to monitor or supervise the activities performed by end-users resulting in such anomalies, which could be averted if there is systematic way of ensuring that circulars issued from time to time are adhered to. The Committee is of the view that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. Further, strict supervision by the Controlling Officer will ensure that end-users adhere to circulars that are issued from time to time. The Committee urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **ii. Irregular Award of Deduction Codes**

The Committee was informed that micro-finance institutions were in different categories. Only deposit taking micro finance institutions were regulated by the Bank of Zambia. Those that were non-deposit taking, were only required to submit the following documents:

- Certificate of registration from the Registrar of Companies;
- Certificate of Incorporation;
- Valid Tax clearance certificate (ZRA); and
- Valid operating license.

However, the Division noted that this was not communicated in the Circular No. B3 of 2012. As such, the new Circular No. B29 of 2022, provided for issuance of payroll deduction codes to institutions that were registered by the Bank of Zambia, or had Money Lenders Licenses.

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

The Committee observes an absence of a monitoring mechanism to ensure strict adherence to the circulars issued by the Bank of Zambia. This is compounded by a failure to monitor or supervise the activities performed by end-users resulting in such anomalies, which could be averted if there was systematic way of ensuring that circulars issued from time to time were adhered to. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**e. Delay to Conclude Disciplinary Case**

The Committee was informed that according to the Disciplinary Code and Procedures of Handling Offences in the Public Service, Section 22 (a) (i) (ii) and (iii) stated that when an offence was alleged to have been committed or come to light, the immediate supervising officer would do the following:

- (i) initiate investigations;
- (ii) dismiss the allegation;
- (ii) give an unrecorded warning; and
- (iii) lay a formal disciplinary charge in writing against the accused officer.

Therefore, the responsibility to expeditiously conclude disciplinary cases lay with the supervising officer. Additionally, it must be noted that cases may delay due to either of the following reasons:

- i late submission of cases to supervisor;
- ii missing documentation when a case was submitted; and
- iii investigation by security and investigative wings.

It was, therefore, the responsibility of all supervisors in respective ministries and institutions to ensure that disciplinary cases were expeditiously concluded and submitted to the Division. In this regard, the Division continually conducted sensitisation on disciplinary processes in addition to monitoring and evaluation. The Division would enhance this activity.

Further, the Civil Service Commission had been systematically devolving authority to determine and conclude disciplinary cases to MPSAs. This would enable timely disposal of disciplinary cases as some bureaucratic steps and procedures would no longer apply.

In order to enhance monitoring of adherence to disciplinary codes and procedures for handling offences in the Public Service, PSMD was collaborating with the Smart Zambia Institute to develop and implement a Disciplinary Information Management System.

**Committee's Observations and Recommendations**

The Committee is deeply saddened at the lengthy processes that disciplinary cases take to conclude. The Committee urges the Controlling Officer to ensure that the measures being proposed are implemented so that disciplinary matters are concluded expeditiously. The Committee implores the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**MINISTRY OF NATIONAL GUIDANCE AND RELIGIOUS AFFAIRS**

**PARAGRAPH 27**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Public Service Management Division for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, a total provision of K37,633,177 was made, to cater for personal emoluments under the Ministry of National Guidance and Religious Affairs, against which amounts totalling K40,996,662 were released and spent.

In response, the Controlling Officer submitted that the Ministry had a budget provision amounting to K7,352,465 for personal emoluments in 2017. In this regard, the total budget for the Ministry for the financial years ended 31<sup>st</sup> December, 2017 to December, 2021, was K44,985,642, as indicated in the table below.

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>	<b>Yellow Book Page</b>
2021	11,133,889	11,133,878	
2020	10,303,885	9,775,867	
2019	9,208,727	9,202,343	
2018	6,986,676	6,986,682	
2017	<b>7,352,465</b>	3,897,892	<b>452</b>
Total	<b>44,985,642</b>	40,996,662	

Documentation was available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**iii. Unauthorised Salary Inputs**

In response, the Controlling Officer submitted that ten super-susers under P MEC performed transactions on the Ministry's Payroll during the period under review with the conviction that the Ministry's requests made to P MEC was authority for them to perform such transactions. These were inter ministerial transfers which could be performed only by super-users at P MEC. The sixty-seven input transactions conducted in 2018, were a result of the routine data maintenance on the payroll performed by P MEC. Documentation was available for audit verification.

The remaining three and thirteen in 2017 and 2018, input transaction were authorised by PSMD. The Ministry and input schedules were available for audit verification. Management at the Office of the Vice President would ensure that all necessary input documentations were provided for all future transactions.

**c. Failure to Perform Monthly Reconciliations**

In response, the Controlling Officer submitted that the Ministry did not undertake reconciliations between the staff assignment and staff returns and between payroll and the monthly staff returns during the period under review. The Department of Human Resource and Administration had since retrieved only Staff Returns for the months of June to November, 2020 and the months of January to September, 2021. In addition, the Department also managed to retrieve the payroll Reconciliation Report for December 2020. Documentation was available for audit verification.



The Ministry did not experience any over-employment as all recruitments were done in line with Treasury Authorities that were granted during the period under review. Copies of Treasury Authorities No. 16 of 2017, No. 27 of 2018, No. 2 of 2021, and staff establishment register were available for audit verification.

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

The Committee expresses concern at the Ministry's failure to conduct monthly reconciliation in line with the Treasury and Financial Management Circular No. 9 of 2020. The Committee urges the Controlling Officer to institute disciplinary measures to officers responsible as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **d. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that the Ministry of National Guidance and Religious Affairs was abolished in September 2021, and the process of dissolution ran up to December 2021. The Ministry payroll was since transferred to the Ministry of Small and Medium Enterprise Development. Therefore, all documents relating to the nine officers were available for audit verification. However, two officers were stationed at the Ministry as follows:

- i. Mr Prince Chinyante, Registry Clerk was transferred to the Ministry of General Education in 2020, although the payroll pay point changed in July, 2021 due to the delay in chain transfers from other ministries;
- ii. Ms Sylvia S Mukuyungwa, Head Procurement and Supplies was transferred to the Ministry of Defence in 2020. However, the payroll pay point changed in February, 2021, due to the delay in chain transfers from other ministries.

Payslips, transfer letters and advice arrival forms for the nine officers were available for audit verification. The Office of the Vice President would continue to engage PMEC to resolve all issues that affected the payroll changes.

#### **f. Introductions and Termination of Employees without Authority**

In response, the Controlling Officer submitted that documentation for the sixty-seven employees introduced on the payroll through transfers from other ministries were available for audit verification.

The documentations for all the twenty-seven officers terminated from the Ministry Payroll through transfers or resignations were also available for audit verification. The query arose because of the limited access to records because the Ministry was under dissolution in December 2021, and officers transferred at the time of the audit verifications and miscommunication between the Office of the Auditor General, the Ministry of Small and Medium Enterprises Development and the Ministry of Finance and National Planning. Documentation was available for audit verification.

## MINISTRY OF COMMERCE, TRADE AND INDUSTRY

### PARAGRAPH 28

#### **Audit Finding**

A review of the payroll system, financial and other record relating to the payroll management at the Ministry for the period January 2017 to December, 2021, revealed irregularities to which the controlling Officer submitted as set out below.

#### **a. Budget and finding**

In the Estimates of Revenue Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017, to December, 2021, a total provision of K142,204,918 was made, to cater for personal emoluments under the Ministry of Commerce, Trade and Industry, against which amounts totalling K139,078,691, were released and spent.

In response, the Controlling Officer submitted that Management would like to confirm that the facts were as stated.

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

The Committee notes the submission.

#### **b. Failure to perform monthly reconciliations**

In response, the Controlling Officer submitted that the reconciliations were being done. Copies of reconciliations for the months of April, June and August, 2022, staff assignments and the Ministry's staff returns were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **c. Excess Recruitment of Staff on Approved Positions on the Payroll**

In response, the Controlling Officer submitted that the Staff Assignment for November, 2019, there were 171 officers in the salary scales A, B, D, G and L, against a Staff Establishment of 113. The records at the Ministry indicated that the Ministry was issued with Treasury Authority No. 23 of 2018 dated 9<sup>th</sup> May 2018, and Treasury Authority No.4 of 2020, dated 28<sup>th</sup> July, 2020. Therefore, the twenty-five excess staff were recruited from the Treasury Authorities mentioned above. Documentation was available for audit verification.

#### **d. Irregular Payment of Housing Allowance**

In response, the Controlling Officer submitted that the payment of housing allowance to ineligible officers had since been discontinued and recoveries effected. A memorandum had since been issued to all directors instructing them to be maintaining returns of officers occupying institutional houses. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

**e. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that out of the forty-five officers cited as working from other ministries, thirty-three were actually working as Cooperatives Inspectors within the Ministry of Commerce, Trade and Industry but operating from various work stations across the country. However, the payroll was centrally managed at Ministry Headquarters.

When the Cooperatives Department was moved to the Ministry of Commerce, Trade and Industry from the Ministry of Agriculture, four drivers, namely: Mr Mwansa Kasungula, Mr Richard Luyele, Mr Stanly Daka and Mr Don Mbasela did not physically move though their payroll had moved to Ministry of Commerce, Trade and Industry. The officers had since been moved to the Ministry of Agriculture Payroll with effect from 26<sup>th</sup> August, 2021.

The Controlling Officer regretted that Ministry Payroll was not updated timely, hence two officers serving at the Ministry of Commerce Trade and Industry and the other remaining officers were drawing salaries from the Ministry Payroll. Generally, inter-Ministerial transfers were performed by super-users at P MEC. The Ministry had taken note of the lapses and would continue to engage super-users at P MEC once transfers occurred as well as maintain accurate staff returns.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

**f. Irregular Introduction of Employees on the Payroll**

In response, the Controlling Officer submitted that the appointment letters and Arrival Advice Forms for the affected employees were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

**MINISTRY OF TRANSPORT AND LOGISTICS**

**PARAGRAPH 30**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Ministry of Transport and Logistics for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K119,793,661 was made, to cater for personal emoluments under the Ministry of Transport and Logistics against, which amounts totalling K112,359,354 were released and spent.

In response, the Controlling Officer submitted that ministries, through the Budget Call Circular, were guided to budget for personnel emoluments based on July salaries expenditure for the previous year. The actual expenditure and funding considered any salary adjustments which may occur, including: salary increments, promotions, dismissals, retirements with relevant variations budgeted for under the Ministry of Finance and National planning. In this regard, the comment for each financial year was as presented in the table below.

<b>YEAR</b>	<b>BUDGET</b>	<b>FUNDING</b>	<b>Comment</b>
2021	25,316,445	25,316,431	The releases were in accordance with the Budget
2020	25,571,196	22,158,978	Underfunding was due to non-remittance of third part payments
2019	27,151,629	20,561,390	Underfunding was due to non-remittance of third part payments
2018	23,775,359	24,155,396	The over expenditure was to cover for increments that were not budgeted for as per guidance in the call circular
2017	17,979,032	20,167,159	The over expenditure was to cover for increments that were not budgeted for as per guidance in the call circular
<b>TOTAL</b>	<b>119,793,661</b>	<b>112,359,354</b>	

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**b. Failure to Prepare Monthly Reconciliations**

In response, the Controlling Officer submitted that following the Treasury and Financial Management Circular No. 9 of 2020, the Ministry was yet to undergo some training. To this effect, it had requested for training in the functionalities of the payroll system to facilitate the reconciliations.

The Ministry in line with the Government directive through Treasury and Financial Management Circular No. 13 of 2022, had created a salaries unit headed by a senior accountant to analyse the Payroll on a monthly basis. The officers were awaiting training by PSMD at the request of the Ministry. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee expresses concern that monthly reconciliations have not been conducted to reflect the situation on the ground. The Committee wonders how every year the Ministry presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that reconciliations are conducted regularly in order for the Ministry to plan and present accurate budgets for personal emoluments. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**c. Misplacement of Payroll Area**

In response, the Controlling Officer submitted as follows:

- (i) during the head-count, fifteen officers in the provincial centres and Kenneth Kaunda International Airport under the Meteorological Department could not be presented for verification at the Ministry Headquarters. The officers had since been transferred to the Ministry of Green Economy and Environment following the realignment of ministries; and
- (ii) the remaining four officers were on the ministerial payroll as excess staff. As such, were transferred to other ministries which required their services. The transfers were, not normalised by PSMD. Therefore, they could not be removed from the payroll. However, the Ministry continued with efforts to have them removed from the Ministry's payroll as per attached letters. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**d. Unauthorised Salary Inputs**

The Controlling Officer submitted that the Ministry investigated the cited transactions and established that one-end user was performing inputs for the Ministry because at the time of the dissolution of the then Ministry of Works, Supply, Transport and Communications, he was the only end-user for all the resultant three ministries including the Ministry of Transport and Logistics.

The Ministry had written to the Director's Payroll Support Services Division querying the other four transactions performed by PMEC super-users, which indicated that the transactions were necessary in ensuring that Public Service employees were remunerated in line with the existing terms and conditions of service. To ensure enhanced skills in PMEC operations, the Ministry had trained an officer as a PMEC end-user so as to avert recurrence of the audit observation. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**MINISTRY OF WATER DEVELOPMENT, SANITATION AND ENVIRONMENTAL PROTECTION**

**PARAGRAPH 31**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Ministry of Water Development and Sanitation for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31st December, 2017 to 2021, a total provision of K69,871,503 was made, to cater for personal emoluments under the Ministry of Water Development, Sanitation and Environmental Protection, against which amounts totalling K64,335,284 were released and spent.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**b. Failure to Prepare Monthly Reconciliations**

The Controlling Officer submitted that the Ministry of Water Development, Sanitation and Environmental Protection was created in 2016. In 2017, the Ministry was given Treasury Authority as a stand-alone ministry. Prior to 2017, the Ministry's portfolio was sitting in various ministries such as Ministry of Energy, Ministry of Lands and Natural Resources and Ministry of Local Government and Housing, under which most of the officers' payroll were domiciled, making it difficult for a complete monthly reconciliation to be conducted. The Ministry had experienced high staff turnover during the restructuring period. Monthly reconciliations had since commenced and payroll end-users had been assigned to ensure that all records and reconciliations were done timely. Documentation for the January 2023 reconciliations was available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**b. Unauthorised Salary Inputs**

The Committee was informed that supporting documentation for 178 input transactions were not availed for verification because the transactions in question were on the transfer letters of officers from departments in the three ministries mentioned above which were merged to form the Ministry of Water Development and Sanitation. The input transactions were processed by the payroll super-users based at PSMD, who were duly authorised. Supporting documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**d. Officers on Payroll but not on Staff Returns**

The Committee was informed that out of the sixty officers, fifty-nine had been identified in various locations and the query was resolved as per status report on Minute No. OAG/103/275/2 dated 11<sup>th</sup> July, 2022, leaving only one officer, Ms Dinah Nyirenda. The Treasury Authority No. 2 of 2021, indicated that the position of hydro-informatics officer, which was held by Ms Nyirenda was supposed to be created under the Provincial Administration. However, the position was erroneously created under the Ministry Headquarters by the payroll super-user. The officer had since been moved to the Lusaka Province Administration Payroll.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for Audit verification, after which the query should be closed.

#### **e. Irregular Payment of Arrears**

The Committee was informed that the query was resolved as per status report on Minute No. OAG/103/275/2 dated 11<sup>th</sup> July, 2022.

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

The Committee notes the Controlling Officer's submission and recommends that the matter be closed.

#### **f. Excess of Payroll Positions over Positions on the Establishment**

The Controlling Officer submitted that the restructuring of the Ministry in 2017 gave rise to excess staff as some of the officers under the Department of Water Resources Development were not absorbed into the revised and reduced structure. As a result, they were deemed excess staff as they had continued to be on the Ministry's payroll without supporting establishment positions. However, given that this had been a perennial audit query, the Ministry held a tripartite meeting with MDD and PSMD to resolve the matter. The objective of the meeting was to redeploy the excess staff under approved structures within and outside the Ministry. The meeting resolved that some excess staff would be maintained under the Ministry subject to the revised expanded structure by MDD. Other excess staff were earmarked for redeployment to other line ministries. The Ministry awaited the revised restructuring report from MDD which would subsequently be used to submit recommendations for redeployment to PSMD. A follow up letter for the revised restructuring report to MDD was available for audit verification.

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

The Committee notes with concerns that this anomaly should have been averted if staff reconciliations were conducted regularly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

## **MINISTRY OF ENERGY**

### **PARAGRAPH 32**

#### **Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Energy for the period January 2017 to December 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Failure to Prepare Monthly Reconciliations**

In response, the Controlling Officer submitted that it was regrettable that at the time of audit, the monthly reconciliations were not available. However, the reconciliation for 31<sup>st</sup> December, had been prepared and availed for audit verification. Documentation was available for audit verification. The monthly reconciliations for the Ministry had since been up to date. Documentation was available for audit verification.

**b. Unauthorised Salary Input**

In response, the Controlling Officer submitted that it was regrettable that no supporting documentation to authorise super-users to capture inputs on behalf of the Ministry of Energy was availed for audit. However, all the 140 salary inputs transactions related to staff transfers. These transfer transactions were done at the time the Ministry of Energy and Water Development was separated to form the Ministry of Energy and the Ministry of Water Development and Environmental Protection. However, documentation supporting the inputs were availed to auditors during the audit process. Documents were available for audit verification. Super-users were under PSMD and responsible for processing transactions which end-users under the Ministry had no jurisdiction over. The end-users for the Ministry were officially appointed and granted access to the payroll system. Documentation was available for audit verification.

**c. Officers on Payroll but not on Staff Return**

In response, the Controlling Officer submitted that it was regrettable that six officers were on the payroll but not on the staff returns. The six officers had since been accounted for as follows shown in the table below.

No	Name	Payroll Status	Comments
1	Ms Jamie Mukuwa	Ministry of Finance and National Planning	The officer was transferred to Ministry of Finance and National Planning under the Office of Controller of Internal Audit. The officer not on the Ministry payroll from May, 2021.
2	Ms Johoidah Mwangi	Ministry of Energy	The officer was erroneously omitted on the staff returns at the time of audit but was under the Planning Department, Ministry of Finance and National Planning.
3	Mr Aggrey Siuluta	Office of the Vice President	The officer had been transferred to the Office of the Vice President but at the time of Audit, he was still on the Ministry of Energy Payroll. However, the officer was no longer on the payroll with effect from January, 2022.
4	Mr Lackson Phiri	Ministry of Finance and National Planning	The officer was transferred to Ministry of Finance and National Planning, but at the time of Audit, he was still on the Ministry of Energy Payroll. The officer was no longer on the payroll with effect from April, 2022.
5	Mr Edward S Chanda	Ministry of Energy	The officer was erroneously placed under Ministry of Energy Payroll but was an Accounts Assistant under the Ministry of Water Development and



			Sanitation. His payroll was normalised with effect from January, 2022.
6	Ms Veronica M Mwiche	Not on payroll	The former Permanent Secretary was transferred from Provincial Administration, Eastern Province and at the time of audit, her contract had been terminated. Letters of transfer and termination availed. She had since been removed from the payroll with effect from December, 2021.

All documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer so avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **MINISTRY OF SCIENCE AND TECHNOLOGY (Ministry of Higher Education)**

#### **PARAGRAPH 33**

##### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Ministry of Higher Education for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

##### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K718,088,328 was made to cater for personal emoluments under the Ministry of Higher Education, against which amounts totalling K683,340,958 were released and spent.

The Committee was informed that according to the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December 2017 to 2021, a total provision of K60,705,853 was made, to cater for personal emoluments under the Ministry of Higher Education against which amounts totaling K57,358,710 were released and spent as indicated in the table below.

<b>Year</b>	<b>Budget (K)</b>	<b>Funding (K)</b>
2021	13,772,852	13,772,849
2020	13,888,547	11,964,228
2019	11,251,776	10,798,464
2018	10,614,497	10,614,495
2017	11,178,181	10,208,674
<b>Total</b>	<b>60,705,853</b>	<b>57,358,710</b>

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**b. Unauthorised Salary Inputs**

The Controlling Officer submitted that the seven super-users performed the following:

- i. one pre-hire;
- ii. two promotions; and
- iii. one hundred and fifty-eight transfers.

The irregularity was caused by the split of the Ministry of Education, Science, Vocational Training and Early Education into two, namely: the Ministry of General Education and the Ministry of Higher Education under Government Gazette Notice No. 836 of 2016. As such, each Ministry required to have its own payroll. In order for the two ministries to have separate payrolls, super-users performed the action of splitting the payrolls since the end-users did not have authority. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for Audit verification, after which the query should be closed.

**c. Irregular Introduction of Officers on the Payroll**

In response, the Controlling Officer submitted that arrival advice or Accounts Form 81, was not availed during the audit verification process because the cited officers had been transferred and their files taken to their respective duty stations. The movements were across ministries and inter-ministerial transfers on the payroll were handled by super-users based at PMEC. The end-users at the Ministry did not have authority to perform inter-ministerial transfers. However, the Ministry went ahead and conducted verification on the whereabouts of the officers. It was

established that officers were known, of which three were actively rendering services in their respective duty stations, while one had since been retired as set out below.

**i. Ms Selina Phiri, Registry Clerk – Application for Employment No. 204346**

Ms Selina Phiri was serving as a Registry Clerk (D) under the Ministry of Lands. Therefore, payment of K4,268.23 to the officer was not irregular in that her first appointment was with the Ministry of Works and Supply and later transferred to the Ministry of Higher Education, where she was re-graded and redirected to the Ministry of Lands. The movements mentioned above were across ministries and inter-ministerial transfers on the payroll were handled by super-users at P MEC. The end-users at the Ministry did not have authority to perform inter-ministerial transfers. Documentation was available for audit verification.

**ii. Ms Evelyn Chipalabantu, Application for Employment No. 143304**

Ms Evelyn Chipalabantu was serving as a Registry Clerk under the Ministry of Education. The payment of K35,223.52 to the officer was not irregular in that her first appointment was with the Ministry of Tourism, Environment and Natural Resource on 12<sup>th</sup> January, 2009. She was later transferred in the same capacity to the Ministry of Education, Vocational Training and Early Childhood and later promoted as Executive Officer in the re-aligned Ministry of General Education where she was serving. The movements mentioned above were across ministries and inter-ministerial transfers on the payroll were handled by super-users at P MEC. End-users at the Ministry did not have rights for inter- transfers. Documentation was available for audit verification.

**iii. Ms Ireen Mwambazi – Application for Employment No. AE 123091**

Ms Ireen Mwambazi was serving at PSMD. The payment of K3,860.46 to the officer was not irregular in that she was appointed as Registry Clerk (D) under Ministry of General Education and was later transferred to PSMD. The super-user erroneously placed the officer on the Ministry of Higher Education Payroll instead of the Ministry of General Education Payroll. The movements mentioned above were across ministries and inter-ministerial transfers on the payroll were handled by super-users who were based at P MEC. The documentation was available for audit verification.

**iv. Mr Savior Melele ó Application for Employment No. 148923**

Mr Melele was appointed as an Accounts Assistant and was based at the Bursaries Committee which was under the Ministry of Higher Education. He was dismissed and terminated from the Payroll with effect from 1<sup>st</sup> May, 2019. He was employed under the Ministry of General Education in 2010. During the amalgamation of the two ministries: the General Education, and the Ministry of Science and Technology into the Ministry of Science, Technology, Vocational Training and Early Education, the officer served under the Bursaries Committee. When the ministries were separated to form the Ministry of Higher Education and Ministry of General Education, he remained under the Ministry of General Education where he was subsequently dismissed in 2019. The confirmation of his termination from the payroll on dismissal had been made available by PSMD. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**d. Weaknesses in the Management of Establishment Register**

**i. Recruitment in excess of Authorised positions**

The Controlling Officer submitted that the Ministry did not have excess staff during the period under review. However, the variance between the payroll filled-up positions against the establishment register was due to the delay in updating the register. The Ministry continued to get guidance through PSMD on updating the establishment register, as this was an exercise conducted by PSMD annually. Documents were available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes that this is purely a case of lack of staff reconciliation. This anomaly should have been averted if staff reconciliations were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**ii. Position on Payroll but not in Establishment Register**

The Controlling Officer submitted that the query arose because of the separation and creation of Ministry of General Education and Ministry of Higher Education where some positions were to be realigned to the Ministry of General Education. Other positions were to be trade-off, retitled and created in order to align positions to the mandate of the Ministry. The Ministry worked with PSMD to update the establishment register so as to include all positions that were created in line with the approved structures. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**MINISTRY OF YOUTH, SPORTS AND ARTS**

**PARAGRAPH 34**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Ministry of Higher Education for the period from January 2017 to December, 2021 revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K74,908,891 was made, to cater for personal emoluments under the Ministry of Youth, Sports and Arts, against which amounts totalling K73,191,124 were released and spent.

In response, the Controlling Officer submitted that the funding and expenditure for the period under review, was K74,908,981.00 and K73,191,124.00, respectively.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **b. Failure to Prepare and Perform Monthly Reconciliations**

In response, the Controlling Officer submitted that monthly reconciliations of the Staff establishment register and the staff assignments were not fully reconciled at the time of audit. This was because authorisation to access the payroll system by the end-user was withdrawn. Therefore, the Ministry could not generate the staff assignment. However, the Ministry wrote to PMEC to request for the staff assignment and also for the end-user to be granted authorisation to access the payroll system. The Ministry had since done the reconciliations between the staff assignment and staff returns as well the staff assignment and staff establishment register for the period under review.

The Ministry also tasked the Director of Human Resources and Director of Finance to ensure that monthly reconciliations between the staff establishment register and staff assignment and reconciliation of staff assignment and staff return were done and submitted to the Controlling Officer for onward submission to PSMD on a monthly basis. Documents were available for audit verifications.

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

The Committee expresses concern that the Ministry has not been performing monthly reconciliations. The Committee implores the Controlling Officer to ensure that monthly reconciliations between the staff establishment register and staff assignment and reconciliation of staff assignment and staff return are done regularly. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **c. Unauthorised Payroll Inputs**

In response, the Controlling Officer submitted that following the headcount conducted by SMART Zambia between 2017 and 2018, illegalities were observed hence all end-users' authorisations were withdrawn. During the period under review, the Ministry did not have access to the payroll system. Hence, inputs were submitted to PSMD for PMEC super-users to process inputs. The Controlling Officer appointed one trained end-user in the Ministry and requested PMEC to train two more end-users. Documents were available for verification.

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

The Committee is deeply saddened at the Ministry's failure to review the activities performed by super-users and end-users leading to unauthorised payroll inputs. The Committee is of the strong view that the absence of a systematic oversight mechanism and capacity building and training of staff managing the payroll has contributed to this irregularity. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**d. Officers on Payroll but not on Staff Returns**

In response, the Controlling Officer submitted that the variance was due to the re-alignment of the Ministry's department of Child Development to Ministry of Gender and later back to the Ministry of Youth, Sports and Arts. The officers in question had since been included on the staff returns for the Ministry. Management had tasked the Human Resource Department to ensure that monthly staff returns were updated and submitted to the office of the Permanent Secretary. Documents were available for verification.

**Committee's Observations and Recommendations**

The Committee notes that this is purely a case of lack of a regular staff and establishment reconciliation. This anomaly should have been averted if staff reconciliations were conducted regularly. The Committee recommends that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

**e. Officers with Bounced Salaries**

The Controlling Officer submitted that according to records at the Ministry, the concerned officers had been receiving salaries for the period under review. Documents were available for verifications.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**f. Irregular Introduction of Officers on the Payroll**

The Controlling Officer submitted that the officers in question were correctly introduced on the payroll and relevant documents were used to effect the transactions. Documents were available for audit verification.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**MINISTRY OF LANDS AND NATURAL RESOURCES**

**PARAGRAPH 35**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Ministry of Lands and Natural Resources for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K208, 188,762 was made, to cater for personal emoluments under

the Ministry of Lands and Natural Resources, against which amounts totalling K196,440,349 were released and spent.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**b. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that seventeen officers were on the Ministry of Lands and Natural Resources payroll at the time the audit was conducted. This scenario arose as a result of the transfer of officers under the Departments of Forestry and Climate Change following the creation of the Ministry of Green Economy and Environment. At the time of audit, PSMD was in the process of transferring officers from the Ministry of Lands and Natural Resources Payroll to the Ministry of Green Economy and Environment Payroll. The Ministry wrote to PSMD and P MEC on 12<sup>th</sup> May, 2022, and 21<sup>st</sup> February, 2023, requesting that the officers that were still appearing on the Ministry’s Payroll be moved to the Ministry of Green Economy and Environment and other institutions’ payroll. Documents were available for audit verification.

The transfers of the sixteen officers had since been effected on the respective payrolls. One officer was captured inadvertently as not being at the station but drawing salaries from the Ministry’s payroll when in fact he was at the Ministry of Lands and Natural Resources Headquarters. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**c. Recruitment in Excess of Authorised Position**

The Controlling Officer submitted that Treasury Authorities was given in 2016, 2018 and 2020, which was availed to the Office of the Auditor and verified. Consequently, the matter was resolved. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and recommends that the matter be closed.

**OFFICE OF THE PRESIDENT – MUCHINGA PROVINCE**

**PARAGRAPH 36**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Muchinga Provincial Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget And Funding**

In the Estimate of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K221,327,648.00 was made, to cater for personal emoluments under the Provincial Administration, against which amounts totalling K188,952,256.59, were released and spent.

The Controlling Officer submitted that Management would continue to engage the Treasury on the release of personal emoluments funds for each financial year so as to avoid underfunding. The Treasury had improved the funding for personal emoluments for 2021 where the underfunding was only K26,41.

**Committee's Observations and Recommendations**

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

**b. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that the misplacement of the four officers was caused by administrative transfers of officers under line ministries, whose operations were within Muchinga Province. These line ministries had transferred these officers to the Ministry of Home Affairs, Headquarters in Lusaka; Ministry of Lands, Survey Department in Lusaka; Ministry of Agriculture, Eastern Province; and National Registration Office, Mansa District Luapula Province. The other officer Mr John Chisi, District Messenger cited as working in Mpulungu District, Northern Province, but drawing a salary amounting to K120,364.80 was actually working from the Isoka District Administrative Office, as per the confirmation letter from the District Commissioner, Isoka District. Out of the four officers, one officer, Mr Nason Simuyemba, Agricultural Assistant, working in Eastern Province was cited to have drawn a salary amounting to K43,705.33, had since been moved to the Eastern Province Payroll following the request made to P MEC. Documents were available for audit verification.

The remaining three officers, namely: Ms Ivy Kachebele; Registration Officer; Ms Catherine Mataliroa, Typist; and Ms Spiwe Nyirenda, Cartographer had since been recalled to report for duty at Muchinga Provincial Administration following a failure to have them moved to their respective payroll at the stations where they were offering a service. Management would continue to engage line ministries on the need to move officers only when there was a vacant position or on an exchange basis. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee expresses concern at the uncoordinated transfer of officers from their designated duty stations to other stations and the corresponding effect it has on management of the payroll. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges the Provincial Administration to adhere to Cabinet Office Circulars No. 13 of 2019 and No. 14 of 2020 to ensure a coordinated placement of officers on the payroll to the designated areas in order to prevent recurrence of such anomalies. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely. The Committee will await a progress report on the matter.



**c. Delay in Removing Separated Officers**

In response, the Controlling Officer submitted that the delay to remove the officers from the payroll was as stated below.

**i. Mr Lukas Simwinga (Carpenter) National Registration Card No. 132911/45/1**

The Committee was informed that a request to have the officer moved to separateesø payroll was made on 15<sup>th</sup> July, 2020 to P MEC who had the authority to do so. Documents were available for audit verification.

**ii. Mr Edward Kombe (Carpenter) National Registration Card No. 150649/41/11**

The Committee was informed that the request to move the officer to separateesø payroll was written on 7<sup>th</sup> January, 2021 to P MEC who had the authority to do so. Documents were available for audit verification.

**iii. Ms Gloria Wamunyima**

The Controlling Officer submitted that the officer was transferred to Kasama, Northern Province under the Buildings Department, but resigned on 21<sup>st</sup> September, 2020, and was subsequently removed from the payroll in October, 2020. Hence there was no delay, as cited in the query. Documents were available for audit verification.

Management would continue to engage P MEC to ensure that once retirement letters were received, officers were immediately moved to separateesø payroll. Management would also enhance monthly payroll reviews and verifications to ensure early identification of officers that were due for retirement and other related separations to avoid delays for action to be taken.

**Committee's Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**OFFICE OF THE PRESIDENT – LUSAKA PROVINCE**

**PARAGRAPH 37**

**Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Lusaka Provincial Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K291,529,710 was made, to cater for personal emoluments under the Lusaka Provincial Administration.

In response, the Controlling Officer submitted that the difference between personal emoluments budget provision and the funding released amounting to K 35,109,959.00 was caused by salary increment adjustment by the Budget Office. This was a result of the collective bargain agreement between the Government and unions.

The Budget Office would ensure to provide for salary increments allocated to the Lusaka Provincial Administration Wage Bill each time there was a planned collective bargaining agreement between the Government and unions. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **b. Payment of Salaries to Unknown Employees**

The Controlling Officer submitted that the two officers received salaries under the Lusaka Provincial Administration, but were not appearing on the staff returns. These were recruited officers who had since been allocated duty stations by their parent ministries. The officers in question were identified as follows:

- i. the first officer was a senior planner who served in the Ministry of Local Government and Rural Development, but attached to Southern Province. However, the officer resigned on 23<sup>rd</sup> May, 2022; and
- ii. the second officer was recruited by Ministry of Tourism and was serving under the Provincial Forestry Department in the Ministry of Green Economy.

Copies of appointment and resignation letter for the senior planner and an appointment letter and arrival advice for the officer serving at the Ministry of Green Economy, were available for audit verification. The Lusaka Provincial Administration had since started reconciling the staff returns against the staff assignments to identify and record payroll discrepancies caused by the decision made by the line ministries.

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

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **c. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that out of the sixty-three officers in question:

- i forty-eight belonged to the Ministries of Agriculture, Fisheries and livestock;
- ii two belonged to the Ministry of Home Affairs and Internal Security;
- iii six belonged to the abolished Ministry of Chiefs and Traditional Affairs and had never been on the Lusaka Provincial Administration payroll;

- iv four were under the Ministry of Community Development and Social Welfare and were administratively attached to Kafue, Chongwe Chirundu and Chilanga districts to help mitigate the staffing challenges in at the stations;
- v one under the Department of Community Development, Chipata District but attached to Chilanga District on medical grounds;
- vi one from the Ministry of Labour was transferred to the Lusaka Provincial Administration by the Ministry of Labour to fill a position where someone was already acting with the view to promotion. The officer had since been deployed to the Southern Province in the same capacity; and
- vii one Assistant Community Development Officer from Kafue District, who was sitting on the Northern Province Payroll had since been moved to the Lusaka Provincial Administration on swapping basis.

In this case, Lusaka Province had no control over the stated misplacement which were created by the parent ministries. Lusaka Province engaged PSMD to migrate the payroll area for the cited officers in the report to their parent ministries as they were responsible for the allocation of staff duty station.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Failure to Deduct NAPSA Contributions**

In response, the Controlling Officer submitted that recoveries of the employee's share of undeducted NAPSA contributions arrears in amounts totalling K55,749.00 involving sixty-one transactions had since been effected from the officers in question. Lusaka Province would continue ensuring that all newly recruited officers were subjected to all statutory contributions.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **e. Irregular Payment of Housing Allowances**

The Controlling Officer submitted that the housing allowance irregularly paid to nine officers occupying Government houses in amounts totalling K127,852.19 had since been recovered and payslips were available for audit verification.

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

The Committee observes that this anomaly is purely a result of failure to conduct monthly staff reconciliations. The Committee recommends that the Controlling Officer should ensure that staff reconciliations and reviews of staff accommodation are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

## OFFICE OF THE PRESIDENT – COPPERBELT PROVINCE

### PARAGRAPH 38

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Copperbelt Provincial Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K319,574,776 was made to cater for personnel emoluments under the Copperbelt Provincial Administration Office, against which amounts totalling K320,247,893 were released and spent.

In response, the Controlling Officer submitted that for Financial Years Ended 2019, 2020 and 2021, the auditors incorrectly captured budget figures as funding, while funding figures were incorrectly captured as budget. However, 2017 and 2018, were correctly captured by the auditors as indicated in the table below. Documents were available for audit verifications.

<b>Year</b>	<b>Budget(K)</b>	<b>Funding(K)</b>
2021	66,830,855	66,830,355
2020	66,318,028	61,936,409
2019	68,545,262	65,218,054
2018	71,196,653	70,553,740
2017	54,392,776	48,000,008
<b>Total</b>	<b>327,283,574</b>	<b>312,538,566</b>

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **b. Failure to Prepare and Perform Monthly Reconciliations**

The Controlling Officer submitted that there was a non-compliance with the Treasury and Financial Management Circular No. 9 of 2020, vis-à-vis undertaking monthly reconciliations between the staff establishment register and staff assignment and reconciliation of the staff assignment to staff returns. Following the issuance of Treasury and Financial Management Circular No. 13 of 2022, monthly reconciliations were being conducted between the staff establishment register and staff assignment and reconciliation of the staff assignment to staff returns. Officers from the Department of Finance and Human Resource and Administration Unit were appointed in the salaries section to carry out these functions in a coordinated manner. Further, the Chief Human Resource Management Officer was reprimanded on the failure to

conduct monthly reconciliations and maintaining of an updated staff returns. Documents were available for audit verification.

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

The Committee is deeply concerned that establishment registers have not been reconciled to reflect the situation on the ground. The Committee wonders how every year MPSAs presented budgets to Parliament for appropriation when staff returns are not reconciled with the establishment register. The Committee implores the Controlling Officer to ensure that establishment registers are reconciled regularly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

#### **c. Officers Occupying Positions not on the Establishment Register**

The Controlling Officer submitted that the staff establishment register that the auditors used was for Provincial Administration only, which did not include positions under the Ministries of Agriculture, Fisheries and Livestock and the National Registration Department under the Ministry of Home Affairs and Internal Security. The positions under the stated departments appeared under the establishment registers for their line ministries despite their payroll being administered by the Copperbelt Provincial Administration. Treasury authorities and authorities from Cabinet Officer regarding the cited positions were available as follows:

- i Treasury Authority No. 2 of 2021, for reactivation of 126 various positions under the Ministry of Fisheries and Livestock as well as recruitment of 195 officers to fill vacant positions;
- ii Treasury Authority No. 28 of 2018, for the creation of 118 positions in the Ministry of Fisheries and Livestock;
- iii Treasury Authority No. 34 of 2015, for the creation of eight principal internal auditor positions in Provinces;
- iv livestock breeding and development centres on letter dated 8<sup>th</sup> September, 2017, (CO.101/19/39) addressed to the Permanent Secretary, Ministry of Fisheries and Livestock;
- v Cabinet Office approval on the creation of positions of provincial and district coordinator, and Department of Fisheries and Livestock Marketing on a letter dated 22<sup>nd</sup> July, 2016 (CO.101/19/17) addressed to the Permanent Secretary, Ministry of Fisheries and Livestock;
- vi Cabinet Office approval of the realigned establishment for the Ministry of Fisheries and Livestock (CO.101/11/26) addressed to the Permanent Secretary, Ministry of Fisheries and Livestock;
- vii Treasury Authority No. 29 of 2018, to activate 688 positions and creation of twelve positions in the Ministry of Agriculture; and
- viii Treasury Authority No. 2 of 2021, reactivation of 301 positions and creation of fifty-one positions in the Ministry of Agriculture.

The Province had since written a follow-up letter to the Secretary to the Treasury requesting to delink payrolls for the departments of Agriculture, Fisheries and Livestock and National Registration and Passports Office from the Provincial Administration and be placed under respective ministry-establishment registers. Documents were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Positions with wrong salary grades**

In response, the Controlling Officer submitted that officers appointed to act in higher positions were getting an acting allowance without adjusting their basic pays until after they were promoted. After the Job Evaluation and Re-grading Exercise in 2013, officers who did not possess the requisite qualifications were not migrated to higher posts.

The corrective measures being undertaken by the Provincial Administration were as follows:

- i officers in acting positions were paid acting allowances and substantively promoted;
- ii officers with requisite qualifications were upgraded as guided in the Circulars No. B25 of 2014, B29 of 2014 and B19 of 2015; and
- iii no corrective measures were taken for officers who were correctly placed in their rightful positions and salary grades.

In addition, salary grades for cited officers, as contained in the establishment register, were different from salary grades appearing on the officers' appointment letters. Further, during the Job Evaluation and Re-grading exercise of 2013, some positions were upgraded on the payroll, while the staff establishment register for the cited years were not updated.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **e. Officers on Payroll not on Staff Returns**

In response, the Controlling Officer submitted that Management had since started updating staff returns so as to include all departments under the Copperbelt Provincial Administration on the Payroll. Management had also prepared payroll reconciliations. Furthermore, the officer in-charge of human resource in the Province had since been reprimanded.

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

The Committee notes the submission and urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**f. Misplacement of Officers on the Payroll**

In response, the Controlling Officer submitted that Management had since started the process of redirecting the affected officers who were administratively transferred without updating the Payroll.

**i. Fisheries and Livestock**

The Committee was informed that Management had since corrected the misplacement of all the cited officers, under the Department of Fisheries and Livestock on the Copperbelt Province except for Ms Chanda Mumba Dorren a trainer, whose position was misplaced on payroll. The position appeared under Ndola District instead of Kitwe District, where the National Aquaculture Development Centre was located. Documents were available for audit verification.

**ii. Agriculture**

The Committee was informed that the Ministry of Agriculture was still engaging the line Ministry on the possibility of transferring the positions of Agriculture Assistants, which were created and placed under the PACO's office Ndola, to their respective camps in the districts. This would alleviate the cited misplacements of Agriculture Assistants. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee observes that the anomaly is a result of failure by the Province to conduct regular staff reconciliations. The Committee urges the Controlling Officer to ensure that staff reconciliations are conducted regularly in order to detect payroll misplacements timely. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter

**e. Failure to Account for Officers' Bounced Salaries**

In response the Controlling Officer submitted as follows:

- i failure by the cited officers to physically avail themselves to PMEC team that was conducting physical verifications;
- ii the limited timeframe that the PMEC team gave officers to physically avail themselves;
- iii the time the officers got the messages, the team had de-mobilised and returned to Lusaka;
- iv ineffective channels of communication used by the PMEC team in disseminating the information requesting officers to physically avail themselves;
- v those who did not get the message and did not avail themselves were perceived to be ghost workers, when in fact not; and
- vi failure to update staff returns by the Provincial Administration resulted in those not on the staff returns to be unknown.

The Province submitted the evidence of existence of all the affected officers and all of them eventually received their locked November 2019 salaries. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **g. Irregular Payment of Rural Hardship Allowance**

The Controlling Officer submitted that three officers were irregularly paid rural hardship allowance and recoveries had since been effected and the matter was resolved at status stage.

The remaining officer, Mr Stephen Chewe, was dismissed from the Civil Service. Management would, however, recover the overpayments from his leave terminal benefits once funded by the Treasury for other personnel emoluments. His dismissal letter, last leave certificates, and leave terminal computations were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

## **OFFICE OF THE PRESIDENT – CENTRAL PROVINCE**

### **PARAGRAPH 39**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Central Province Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, a total provision of K319,082,698 was made, to cater for personal emoluments under the Central Province, against which amounts totalling K322,854,442 were released and spent.

The Controlling Officer submitted that during the period under review, the office budgeted for K319,082,698 and a total of K322,854,442 was funded, resulting in an overfunding of K3,771,744.

The Provincial Administration followed the guidelines released by the Ministry of Finance and National Planning, Budget Office through the Budget Call Circular when providing budget estimates. The Call Circular directed the Budget Committee on the guiding principles regarding costing expenditure estimates. The 2021-2023 Budget Call Circular Chapter II, part 13 provided that, "Provisions for improvements of Conditions of Service for the mainstream Civil Service that have continued to be provided for centrally under the Ministry of Finance and National Planning, were subjected to negotiations with the trade unions. Therefore, MPSAs should not make any provisions for salary increments or change in Conditions of Service". The over funding of K3,771,744 was as a result of changes in the Conditions of Service, which was not considered at budgeting stage.



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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **b. Recruitment in Excess of Authorised Position**

The Controlling Officer submitted that according to the auditor, the Provincial Administration recruited 2,998 officers against the authorised position of 1,926, resulting in an excess recruitment of 1,072 positions and that the recruitment was done without Treasury Authority. The creation of new districts such as Luano, Ngabwe, Chisamba and Chitambo resulted in the creation of new structures and positions. As such, officers were employed after Treasury Authority was granted in 2013. However, the staff establishment register was not regularly updated. The departments such as Agriculture, Fisheries and Livestock and National Registration, were appearing on the Head 92 Payroll, but drawing salaries from their respective line ministries. According to the payroll reconciliation, the following was revealed.

As at May, 2021, before updating the staff establishment register, the total establishment was 870, while the positions on the payroll were 927. However, after updating the establishment register, the establishment rose to 1,043, while the positions on the payroll remained unchanged. The table below shows a summary of the updated staff establishments from 2017 to 2021.

#### **Summary According to the Staff Establishment Register**

<b>Year</b>	<b>Establishment Register of Posts</b>	<b>Payroll Posts</b>	<b>Variance</b>
2021	1,043	927	116
2020	916	923	7
2019	934	923	11
2018	927	908	19
2017	897	908	11

Further, during the period under review, the office had engaged PSMD to move the thirty officers under the Department of National Registration, the 583 officers under the Ministry of Agriculture and Livestock and the forty-four Rural Roads Unit officers to their respective ministries. The thirty officers from the Department of National Registration and 583 from the Ministry of Agriculture and Fisheries and Livestock had since been transferred to their line ministries, while the forty-four from the Rural Roads Unit were still appearing on the Head 92 payroll.

This office wrote to the Secretary to the Treasury to request for the transfer of the structures and budget line for the forty-four employees under the Rural Roads Unit to the Ministry of Defence under the Zambia National Service, Lands Development Branch in Kabwe.

Further, a letter was written to PSMD, to normalise the redistribution of the twenty-six positions for officers, who did not receive transfer letters and were not absorbed by the Ministry of Defence under Zambia National Service, Lands Development Branch in Kabwe, but were administratively distributed to needy departments. Letters to the Secretary to the Treasury and

PSMD as well as reminders and an extract of the 2017 staff establishment register were available for audit verification.

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

The Committee expresses concern that the Province recruited officers beyond the authorised positions. The Committee attributes the anomaly to trying to manage and operationalise the newly created districts that did not have Treasury Authority. The Committee recommends that recruitments should be based on the available vacancies on the establishment register. Further, any recruitment outside the establishment register should be authorised by the Treasury. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **c. Employees with Questionable National Registration Numbers**

The Controlling Officer submitted that an officer paid salaries in amounts totalling K38,328.65, had an NRC with district codes which were unknown to the Department of National Registration. However, the district code of the National Registration Card in question was correct on the actual document but was erroneously typed on the P MEC system and the error had since been corrected. Copies of the NRC were available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **d. Failure to Remove Non-Provincial Administration Employees from the Payroll**

The Controlling Officer submitted that the issue of the Rural Roads Unit employees was not properly handled in accordance with the laid down transfer procedure under the Civil Service as the structures and budget line for employees were not transferred to the Ministry of Defence by appropriate authorities.

In this regard, the office wrote to PSMD and Secretary to the Treasury in 2019, requesting the two institutions to remove the officers from the payroll. Arising from the query, the office wrote again to the same institutions reminding them over the matter. Letters to the Secretary to the Treasury and PSMD as well as reminders were available for audit verification.

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

The Committee urges the Controlling Officer to be proactive and avoid acting after audit processes. The Committee also urges the Controlling Officer to put measures in place, which will ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such situations. The Committee further urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **e. Failure to Remove Deceased Officers from the Payroll**

In response, the Controlling Officer submitted that two deceased officers had been paid salaries and allowances in amounts totalling K107,173.87. The two officers had since been transferred to the separate's payroll. Documentation was available for audit verification.

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

The Committee urges the Controlling Officer to be proactive and avoid taking action after audit processes. The Committee also urges the Controlling Officer to put measures in place, which will ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such situations. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **f. Irregular Payment of Allowances to Retired Officers**

The Committee was informed that five retired officers had been paid housing and transport allowances in amounts totaling K13,012.01. The officers had since been transferred to the separate payroll and were no longer being paid allowances. Documentation was available for audit verification.

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

The Committee urges the Controlling Officer to be proactive and avoid acting after audit processes. The Committee also urges the Controlling Officer to put measures in place to ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such situations. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **g. Questionable Introduction to Payroll without Authority**

In response, the Controlling Officer submitted that one officer was irregularly introduced on the payroll without authority in that, the appointment documents that were availed to the auditors, were not duly signed. All the duly signed and certified appointment documents were available for audit verification.

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

The Committee is deeply saddened at Management's failure to review activities performed by super-users and end-users leading to questionable introduction of an officer on the payroll. The Committee is of the strong view that the absence of a systematic oversight mechanism to monitor the activities of super-users caused the anomaly. The Committee urges the Controlling Officer to devise a mechanism that will ensure prudent management of payroll inputs. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **h. Irregular Payment of Housing Allowance**

The Committee was informed that two District Commissioners accommodated in Government houses received housing allowance in amounts totalling K62,399.16 during the period under review. However, the office owed the two former District Commissioners a sum of K14,413.28 each in form of terminal benefits, which would be recovered once funding was available. Further, the office wrote to the Commissioners to request them to settle the balance of K16,786.30 each. Letters to the former District Commissioners were available for audit verification.

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

The Committee urges the Controlling Officer to be proactive and avoid acting after audit processes. The Committee also wonders how effective the inter audit system is if such anomaly could not be detected earlier. The Committee urges the Controlling Officer to strengthen internal

audit mechanisms to avert such irregularities and avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**i. Officers Sitting on Wrong Positions on Payroll**

The Committee was informed that four officers were sitting on wrong positions on the payroll, different from the positions stated in their appointment letters and arrival advise forms. This resulted in the two officers being overpaid salaries totalling K26,010, which had not been recovered as at February 2022. In the case of Mr Chilembi Kalwa and Ms Virginia Mwanza, the office had rescinded the earlier appointments in respect of the said officers as General Worker (A) and appointed them to correct positions as Roads Foremen (A).

As regards Mr Thomas Ndileya Jr Office Orderly (A), was placed on a wrong position of Senior Office Orderly (B). The officer had since been placed on the correct Salary Scale (A) in accordance with his appointment letter and moved to the Provincial Administration. Recoveries had since been instituted from the officer's salary with effect from March, 2022. So far, the office had recovered K1,617.72, out of K1,893.24 as at 28<sup>th</sup> February, 2023, leaving a balance of K275.52, which would be recovered by the month-end of March 2023.

Further, Mr Henry Hakantu's appointment letter was dated 24<sup>th</sup> March, 2017. He was appointed Forest Extension Officer (I), to be stationed at the Provincial Administration, Central Province but was wrongly placed as Forest Technologist (G) under Serenje District Forest Office. Therefore, the officer was in the first place supposed to be placed in salary scale (I) and not (G). As such, the officer was being underpaid. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes that this anomaly should have been averted if staff returns were prepared monthly and reconciliation with establishment registers and payroll were conducted regularly. The Committee is of the view that the Controlling Officer should ensure that staff returns are prepared monthly and reconciliations with establishment register and payroll are conducted regularly so that such anomalies are averted quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**j. Delayed Introduction on Payroll**

The Controlling Officer submitted that the query arose because the Provincial Administration delayed to introduce three employees on the payroll.

**i. Ms Hilda Miyanda**

The delay was caused by the national ban on appointments and movement of staff in the Civil Service.

**ii. Mr Richard Chibale and Ms Zimba Chibale**

The two could not be introduced on time on the payroll because Ms Racheal Simunyola, payroll position ID No. 20201197 and Ms Musonda Kamala payroll position ID No. 20230330, whom the two officers were supposed to replace, were still sitting on the payroll and were only removed in December 2021. Circulars, block letter for staff appointments, transfers, acting allowances, regrading, appointments and confirmations including pay slips were available for audit verification.

### **Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

## **OFFICE OF THE PRESIDENT – NORTHERN PROVINCE**

### **PARAGRAPH 40**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Northern Province Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K263,723,099 was made to cater for personal emoluments under Northern Provincial Administration Office, against which amounts totalling K271,302,694 were released and spent.

The Controlling Officer submitted that the figures reflected as funding were actually budget figures and vice versa. In addition, some figures were not accurately extracted. The correct figures were as tabulated below.

<b>Year</b>	<b>Budget (K)</b>	<b>Funding (K)</b>
2021	58,603,191	58,603,171
2020	53,696,694	52,721,218
2019	58,227,127	45,326,554
2018	58,499,803	58,499,803
2017	49,334,968	48,393,417
<b>Total</b>	<b>278,361,783</b>	<b>263,544,163</b>

### **Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to submit the documents for audit verification and resolves to await a progress report on the matter.

#### **b. Recruitments on Positions Not on Establishment Register**

The Committee was informed that in 2018, the Ministries of Agriculture, and Fisheries and Livestock payrolls were managed by the Provincial Administration of Northern Province. However, the staff establishment register for the Provincial Administration did not include the two ministries as their establishment registers were under their respective line ministries as indicated in the extracts of the 2021 staff establishment register for the Ministry of Agriculture.

Further, the staff establishment for the Department of National Registration was on the Ministry of Home Affairs and Internal Security staff establishment register, while the payroll was under Provincial Administration of Northern Province as indicated in the extract of the 2021 staff establishment register for the National Registration.

Additionally, some positions like Roads Superintendent, Senior Water Engineer (rural) and Front-End Loader, were formerly under the Rural Roads Unit, which had since been moved to the Ministry of Defence (Zambia National Service) and the process of payroll migration had not been completed during this period.

The position of Assistant Director (Water) was erroneously appearing under Provincial Administration ó Northern Province payroll and was not on its staff establishment. The occupant of the position was not known in the Province.

Other positions cited like cleaner, drain-man and general worker (sanitation) were appearing on the payroll, while in the staff establishment register, they were titled as general worker and drainer, respectively, hence the mix-up.

The position of Provincial Maintenance Officer and SubóFire Officer was in the staff establishment register for Provincial Administration ó Northern Province.

In order to rectify these anomalies, Provincial Administration ó Northern Province engaged PMEC Support Services Department to normalise the payroll areas of the affected officers under the Ministries of Agriculture, and Fisheries and Livestock. Further, the Provincial Administration had managed to move some officers under the two ministries to their rightful payroll areas through the change of payroll area and department in the PMEC system.

For the officers formerly under the Rural Roads Unit, Provincial Administration ó Northern Province had written to PMEC to transfer the officers to the Ministry of Defence, ZNS Payroll to complete the payroll transfers accordingly.

For other positions cited such as cleaner, drain-man and general worker (sanitation), the Provincial Administration ó Northern Province had written to PMEC to harmonise the payroll and staff establishment registers.

Further, arising from the query from the office of the Auditor General on the position of Assistant Director - Water and upon verification, it was discovered that this position did not appear on both Provincial Administration ó Northern Province staff establishment register and staff payroll. The issue had since been escalated to PMEC and Ministry of Water Development and Sanitation for rectification. Documents were available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **c. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that some officers cited as being misplaced were not under the Provincial Administration for Northern Province staff establishment register and payroll. For instance, officers under the ministries of Agriculture, and Fisheries and Livestock were managed and audited separately from Provincial Administration Payroll.

Additionally, upon creation of the new districts, namely: Lunte; Senga; and Lupososhi as per presidential directive, officers were attached to various departments to ensure that the new

districts were operational in the spirit of taking service delivery as closer to the people as possible. This was at the time when Treasury Authority was being sought.

The other officers and support staff cited were rightfully serving in various departments and districts, as directed by the Civil Service Commission and conveyed by the Controlling Officer according to the needs and deficits in the staff establishment registers for some departments and districts.

Thus, some officers formerly under the Rural Roads Unit, were cited as misplaced because they were appearing under the Provincial Administration Payroll, while serving under ZNS.

Officers under the restructured Ministry of Water Development and Sanitation were in 2021, transferred to various ministries such as Education and Health but were still appearing on Provincial Administration Payroll.

Officers under Mwangi Youth Resource Centre were not misplaced. However, due to the institution's non-functionality, officers had been attached to different needy departments so that they could continue providing a service to the public.

In order to manage and avoid misplacements of staff in the province, the Provincial Administration engaged PMEC to normalise payroll positions of the affected officers under Agriculture, and Fisheries and Livestock so that they could sit on the correct payroll areas.

Further, Provincial Administration also moved some officers under the two ministries to their rightful payroll areas through the change of payroll area and department in the PMEC system.

The Provincial Administration wrote to PSMD to normalise the attachment of officers to the newly created districts. Furthermore, Provincial Administration requested for Treasury Authority for the new districts and frozen positions to ensure that departments were adequately staffed to avoid misplacements.

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

In noting the submission, the Committee wonders how the query was sustained, if this information was availed to the auditors during the audit process. However, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification and will await a progress report on the matter.

#### **d. Over Employment**

In response, the Controlling Officer submitted that some of the positions cited were not under the Provincial Administration Payroll. This was because of the inclusion of officers under the Ministries of Agriculture; the Ministry of Fisheries and Livestock; and the Ministry of Water Development and Sanitation.

Some officers cited as over employed, were due to the granting of Treasury Authority by the Ministry of Finance and National Planning for Lunde District Phase I in 2018. However, the corresponding update of the staff establishment register was not done immediately.

For positions under the Ministry of Community Development and Social Welfare and the Department of Forestry, Treasury Authority was granted under the line ministries and not the

Provincial Administration hence the mismatch between the staff establishment register and the payroll.

In view of the foregoing, the Provincial Administration engaged P MEC to normalise the affected positions under the Ministries of Agriculture, Fisheries and Livestock and Water Development and Sanitation, so that they could be accounted for under the correct staff establishment registers and payroll.

Furthermore, the Provincial Administration had written to P MEC to harmonise the payroll and staff establish register to include positions under Lunte Phase I, Ministry of Community Development and Social Welfare and Department of Forestry.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

##### **e. Failure to Account for an Officer – Bounced Salaries**

In response, the Controlling Officer submitted that the Provincial Administration instituted investigations on the whereabouts of the officer (Ms Theresa Kabwe). It was established that the officer was based in Muchinga Province, at Mpika Youth Skills Training Centre. Additionally, Provincial Administration recommended for the salary of the officer to be locked.

The officer had actually died on 9<sup>th</sup> January, 2018 and had since been removed from the Provincial Administration Payroll after the beneficiaries to the estate had been paid her benefits.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

##### **f. Payment of Salaries to a Ghost Employee on Unauthorised Position**

In response, the Controlling Officer submitted that the officer (Mr Abel Manangi) in question was not known and the position he was sitting on was neither on the staff establishment register nor payroll for Provincial Administration.

Provincial Administration also made several enquiries to both the Ministry of Water Development and Sanitation and P MEC to provide the payroll details that were linking the cited officer to the Provincial Administration Payroll.

In view of the forgoing, the Provincial Administration made the following observations:

- i. the payroll queries raised were also attributed to the dual payroll interests between Provincial Administration and line ministries that created conflict in the management of staff in the Province. For instance, instead of granting Treasury Authority in the newly created districts to Provincial Administration, the ministries were granted authority. However, when audit queries arose on the management of payroll, queries were usually directed to the Provincial Administration;



- ii. Management of the payroll in the Province should be left to Provincial Administration as the day to day management and supervision of staff in the Province had always been the preserve of the Provincial Administration. The line ministries should continue to offer technical support to their respective ministries;
- iii. the movement of staff by line ministries from one province to another administratively without prior consultation or notification to the Provincial Administration created discrepancies in the management of the payroll; and
- iv. the absence of super-users in the Province also negatively affected payroll management in Provinces.

### **Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

## **OFFICE OF THE PRESIDENT – WESTERN PROVINCE**

### **PARAGRAPH 41**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Western Province Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, a total provision of K322,383,618 was made, to cater for personal emoluments under Western Provincial Administration Office, against which amounts totalling K352,260,420, were released and spent.

#### **Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to avail supporting documents to the Auditor General for audit verification and awaits a progress report on the matter.

#### **b. Recruitment of Staff on Positions not on the Establishment**

The Controlling Officer submitted that Management wrote to PSMD to have the establishment register updated for 2022 with the necessary positions. The positions under the Department of Civil Aviation were migrated to the Zambia Airports Corporation after the Department of Civil Aviation was dissolved. Hence they were still appearing on the payroll.

The Ministry of Agriculture and Fisheries and Livestock were devolved to the Provincial Administration in 2017, hence their appearance on Provincial Administration Payroll. In July 2021, the establishment register was updated and it was available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **c. Recruitment of Excess Staff on Approved Positions on the Payroll**

In response, the Controlling Officer submitted that Management wrote to PSMD in June, 2022, to update the establishment register. The Register had since been updated and all excess positions in question were appearing in the updated approved Establishment Register of 2023. Documentation was available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### **d. Over Payment of Salaries to Officers**

The Controlling Officer submitted that the number of officers in question should be seventy-six and not 150 as some of them were reoccurring in subsequent years. The sixty officers in question were on correct salary scales. Therefore, the officers were correctly paid their salaries. However, recoveries on the sixteen officers, who had wrong appointment letters indicating wrong salary scales had since been effected. Documents were available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **e. Underpayment of Salaries to Officers**

In response, the Controlling Officer submitted that eighteen officers were placed on the correct salary scales, while sixty-six were appointed to act on higher positions hence drawing acting allowances correctly, as the salary scales still showed their substantive basic pay which was mistaken as underpayments.

However, the auditor's observations were correct on the twenty-two officers who were underpaid due to being placed on wrong salary scales because their appointment letters showed lower salary scales. The anomaly had since been rectified. Documents were available for audit verification.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **f. Payment of Salaries to Unknown Employees on the Payroll and not on Staff Returns**

In response, the Controlling Officer submitted that in responding to the Draft Interim Management letter, the updated staff returns showed that all the members of staff were on the payroll. The status report was not adjusted as the query on staff return was addressed. Further,

the matter of unknown employees, was resolved and clarified with the Ministry of Finance and National Planning. Documentation was available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to avail supporting documents to the Auditor General for audit verification and awaits a progress report on the matter.

**g. Irregular Payment of Rural and Remote Hardship Allowances**

In response, the Controlling Officer submitted that twelve officers were ineligible for hardship allowance and recoveries were running. These arose due to administrative transfers where the payroll was still maintained. Management requested the auditors to keep the matter in view since the recoveries were running but this was not accepted and the Auditor General’s report remained unadjusted. Documents were available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

**h. Irregular Payment of Housing Allowance**

In response, the Controlling Officer submitted that that all the officers queried were not accommodated in Government institutional houses. Therefore, they were eligible to be paid housing allowance. Management had earlier submitted that the officers were accommodated in Government Institutional houses during audit process, but after further verification of the list submitted by the Buildings Department, it was discovered that they were not. Documentation was available for audit verification.

**Committee’s Observations and Recommendations**

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

**i. Payment of Salaries to an Officer absent from Duty without Leave**

In response, the Controlling Officer submitted that the auditor’s observations were not factually correct on procedure. The officer was not absent from duty. Instead he had an administrative matter that was being resolved by PSMD about his station. This arose as new District Commissioners were appointed and transferred. His transfer or termination letter was not yet availed at the time of audit. When an officer awaited redeployment, they did not, in their individual capacity, write to demand for a station. Documentation was available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes the Controlling Officer’s submission and urges him to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

**j. Failure to Account for an Officer’s Bounced Salaries**

In response, the Controlling Officer submitted that the employee was known and was serving under Ministry of Fisheries and Livestock in Kaoma District. The files could not be located in

2022, as the Ministry of Fisheries and Livestock was no longer under the Provincial Administration since 2017. The salary for September, 2020 bounced because the account had been dormant. Documents were available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and awaits a progress report on the matter.

## **OFFICE OF THE PRESIDENT – EASTERN PROVINCE**

### **PARAGRAPH 42**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Eastern Province Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure of the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, a total provision of K281,902,612 was made, to cater for personal emoluments under the Eastern Province, against which amounts totalling K269,675,614 were released and spent.

In response, the Controlling Officer submitted that it was true that an amount of K269,675,614 was released and spent for the Financial Years Ending 31<sup>st</sup> December, 2017 to December, 2021.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee awaits a progress report on the matter.

#### **b. Unaccounted for Officers**

In response, the Controlling Officer submitted as follows:

#### **2019**

There were forty-five officers on the payroll but not on the staff returns in 2019, broken down as follows:

- i) fifteen officers were reflected on staff returns;
- ii) five officers did not draw a salary from Head 95 and their payroll was managed by their respective ministries, while one officer was not on the Head 95 Payroll because she had proceeded on unpaid leave;
- iii) five officers were erroneously omitted from the staff returns but had since been included;

- iv) one officer was deceased and could not be removed from the payroll at the time of submission because the payroll had been closed. However, the officer had since been removed from payroll; and
- v) seventeen employees were being managed centrally by their respective ministries. However, it was an issue of info-type problem and a request had since been sent to PMEC for correction, while one officer was dismissed.

Documents were available for audit verifications.

## **2020**

The Committee was informed that forty-three officers were on the payroll but not on the staff returns in 2020, broken down as follows:

- i) four officers were reflected on the staff returns, while one officer was not on the Control 95 Payroll;
- ii) five officers did not draw salaries from Control 95. However, their payrolls were being managed by their respective ministries;
- iii) nine officers were erroneously omitted from the staff returns, but had since been included;
- iv) two officers awaited payroll transfers and had since been moved to designated payroll stations; and
- vi) twenty-two employees' payroll was being managed centrally by their respective ministries. However, their names were reflected on the Head 95 Payroll because of infotype problem and a request had since been sent to PMEC for correction.

Documents were available for audit verifications.

## **2021**

There were 108 officers on the payroll, but not on the staff returns in 2021, broken down as follows:

- i) ten officers were reflected both on the staff returns and payroll;
- ii) one officer did not draw a salary from Head 95 as the payroll was being managed by the respective ministries;
- iii) seventy-six officers were erroneously omitted from the staff returns and had since been included on the updated staff returns;
- iv) two officers awaited payroll transfers and had since been transferred to their designated payroll stations;
- v) three officers died, while the other two retired from the Civil Service but could not be removed from the payroll at the time of submission because it had been closed.

However, three had been transferred to separate payroll, while one had been deleted from the PMEC payroll; and

- vi) fourteen employees payroll was managed centrally in Lusaka by their respective line ministries. However, it was an issue of infotype problem, and a request had since been sent to PMEC for correction.

Documents were available for audit verifications.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### **c. Irregular Payment of Rural and Remote Hardship Allowances**

In response, the Controlling Officer submitted as outlined below.

#### **2019**

The Committee was informed that twenty-four officers cited as having been irregularly paid rural and remote hardship allowances while serving in urban areas contrary to Circular No. B.6 of 2010, were broken down as follows:

- (i) twelve officers were ineligible and recoveries had already been implemented through the payroll;
- (ii) nine officers were eligible as their physical stations were rural payroll paying stations;
- (iii) two officers did not belong to Head 95 and were not being paid under Head 95; and
- (iv) one officer was ineligible and a contra entry had been entered into.

Documents were available for audit verifications.

#### **2020**

The Committee was informed that the twenty-two officers cited as having been irregularly paid rural and remote hardship allowances in 2020, were broken down as follows:

- (i) three officers were ineligible and recoveries were being made through payroll;
- (ii) five officers were eligible as their physical stations were rural payroll-paying stations or districts;
- (iii) nine officers were ineligible and recoveries had since commenced; and
- (iv) five officers' difference in recoveries of the allowance had been affected.

Documents were available for audit verifications.

## **2021**

The Committee was informed that the six officers cited as having been irregularly paid rural and remote hardship allowances in 2021, were as follows:

- (i) three officers were eligible as their physical stations were rural payroll-paying stations; and
- (ii) three officers were ineligible and recoveries had since been commenced.

Documents were available for audit verifications.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **d. Irregular Payment of Housing Allowances to Officers in Institutional Houses**

The Controlling Officer submitted as follows:

## **2020**

The twelve officers cited as having been irregularly paid housing allowances while being accommodated in institutional houses were broken down as follows:

- (i) two officers were ineligible and recoveries were already made through the payroll;
- (ii) one officer was eligible because she was not accommodated in an institutional house;
- (iii) five officers were ineligible and were not being paid housing allowance; and
- (iv) four officers were not eligible, and recoveries had since commenced.

Documents were available for audit verifications.

## **2021**

The twelve officers were cited as having been irregularly paid housing allowance in 2021, while they were accommodated in institutional houses. However, eight officers were ineligible and were not getting the housing allowance. The schedule provided by auditors indicated eight ineligible officers and not twelve. Documents were available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

#### **e. Misplacement of Payroll Area**

In response, the Controlling Officer submitted as follows:

- i twenty-four officers under Mambwe District had their info-type on the payroll area maintained and as such, their physical station and payroll station remained Mambwe and not Chipata Administration, while one officer was asked to go back to her payroll station and had since reported. The other officer was attached to Mambwe District Administration, while one officer's payroll was managed at the ministry;
- ii three officers under Katete District had their info-type on the payroll area maintained and as such, their physical station and payroll station remained Katete and not Chipata Administration;
- iii one officer's payroll station and physical station was Mambwe and not Katete hence there was no payroll mismatch;
- iv one officer was not on the Head 95 Payroll and a request to properly maintain the payroll area was sent to PMEC;
- v four officers were not on the Head 95 Payroll because their payroll was centrally managed by their ministry;
- vi nine officers under Chadiza District had their info-type on the payroll area maintained and as such, their physical station and payroll station remained at Chadiza District and not Chipata Provincial Administration, while one officer's payroll was maintained under Petauke District and not Chadiza District, where his physical and payroll station was;
- vii seven officers under Chadiza District had their payroll centrally managed by the Provincial Administration, while one officer was transferred to Kabwe District and the payroll was moved; and
- viii four officers were deployed back to their payroll stations, while two officers were on attachment.

Documents were available for audit verification.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **f. Failure to Remove Separated Officers from Payroll**

In response, the Controlling Officer submitted that one officer was transferred to Lufwanyama District, Copperbelt Province, but his payroll did not move. However, the officer was written to in order for him to go back to Eastern Province and had since reported back. Additionally, another officer was transferred to Kabwe District, Central Province, in December 2021, and was no longer on the Head 95 Payroll. Further, another officer retired and his payroll was moved to the separate's payroll. Documents were available for audit verification



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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification.

## **OFFICE OF THE PRESIDENT – LUAPULA PROVINCE**

### **PARAGRAPH 43**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Luapula Province Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to 2021, a total provision of K272,053.282 was made, to cater for personal emoluments under the Luapula Province Administration, against which amounts totaling K262,114.263 were released and spent.

In response, the Controlling Officer submitted that the Province was underfunded by K9,939.019. However, funding for personal emoluments was the responsibility of the Treasury. Management was committed to ensuring that the budget for personal emoluments under Control 96 was implemented accordingly and would continue to engage the Treasury to finance the budget fully.

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification and awaits the progress report on the matter.

#### **b. Positions on Payroll Not on Establishment Register**

In response, the Controlling Officer submitted that the twenty-five positions in question were under the abolished Rural Roads Unit and were being accounted for under Ministry of Defence, Department of ZNS. Management engaged PMEC to normalise payroll placement of the stated positions by aligning them to Ministry of Defence Payroll. The positions had since been moved to Ministry of Defence Headquarters Payroll. Documents were available for audit verification.

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

The Committee expresses concern at the uncoordinated transfer of officers from their designated duty stations to other stations and the corresponding effect on the payroll management. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges PMEC to put in place a policy measure, which will ensure a coordinated transfer of officers at the Provincial Administration in order to prevent the misplacement of staff. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely and resolves to await a progress report on the matter.

### **c. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that three officers transferred over a period of time by respective line ministries without normalising their payroll placements. Management had since engaged PSMD and line ministries to normalise the officers' payroll misplacements.

- i **Ms Emma Tausi Mugala**, District Labour Officer was centrally transferred from Luapula Province to Lusaka Province in December 2017 by the Ministry of Labour and Social Security. Her payroll area had since been moved to Lusaka.
- ii **Mr Amusa Zaza**, Acting Deputy Commission Secretary under the Local Government Service Commission, was centrally transferred in January, 2019 to Southern Province and later to the Local Government Service Commission. Efforts to normalise his payroll areas were being made and awaited the local Government Service Commission to act.
- iii **Ms Mildred Chigani**, Community Development Assistant was centrally transferred from Luapula Province to Copperbelt Province in May 2018 by the Ministry of Community and Social Services. Efforts to normalise her payroll placement were being awaited.

The other six officers were placed centrally on other payroll by their line ministries and redeployed to Luapula Province.

- i. **Mr Evans Simwanza**, Technician Forestry Extension Officer under the Ministry of Green Economy and Environment had since been transferred to Luangwa District, Lusaka Province and his payroll placement normalised.
- ii. **Ms Harriet Chongo**, Community Development Assistant under the Ministry of Community Development and Social Services had since been placed on the Luapula Provincial Administration Payroll.
- iii. **Mr Mazunga Manda**, Forestry Ranger Guard under the Ministry of Green Economy and Environment resigned.
- iv. **Mr Luchembe Musonda**, ICT Officer under Smart Zambia had since been transferred from Luapula Province to Copperbelt Province on acting appointment.
- v. **Mr Samuel Banda**, Acting ICT Officer under Smart Zambia and had since been maintained on the Smart Zambia Headquarters Payroll.
- vi. **Mr George Lengwe**, Forestry Ranger Guard under the Ministry of Green Economy and Environment had been maintained on the Lusaka Payroll and had since engaged the Ministry to normalise the payroll misplacement.

Documents were available for audit verification.

### **Committees Observations and Recommendations**

The Committee expresses concern at the uncoordinated transfer of officers from their designated duty stations to other stations and the corresponding effect on the payroll management. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges PMEC to put in place a policy measure, which will ensure a

coordinated transfer of officers at the Provincial Administration in order to prevent the misplacement of staff. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely. The Committee will await a progress report on the matter.

**d. Irregular Payment of Housing Allowance**

In response, the Controlling Officer submitted that the officer occupied a Government house while receiving housing allowance. Recoveries had since been effected for the period occupied the Government house. The officer was no longer occupied a Government house. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes an absence of a mechanism to help Management to updated its records whenever an officer is allocated or vacates an institutional house. There is need to put in place a system that will compel officers to inform Management whenever they vacate or are allocated an institutional house immediately failure to which, officers should be penalised. Further, the Committee recommends that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and will await a progress report on the matter.

**f. Irregular Payment of Salaries to Deserters**

In response, the Controlling Officer submitted that the irregular payment of salaries to the officers were due to administrative delays in disposing off the disciplinary cases as set out below.

- i **Mr Jimmy Kunda Yambayamba**, Driver under the Zambia News and Information Service (ZANIS) was dismissed from Public Service with effect from 31<sup>st</sup> December, 2021, and had since recovered all monies owed to the Government from his leave terminal benefits.
- ii **Mr Stevenson Sumbukeni**, Engineering Assistant under the Ministry of Water Development, Sanitation and Environment Protection was dismissed from Civil Service with effect from 28<sup>th</sup> March, 2019. Management computed his leave terminal benefits due to the officer and recoveries had since been done from his leave benefits. A request had been made to NAPSA to recover the balance from his pension benefits.
- iii **Mr Thandizo Zechariah Phiri**, Engineer had been recommended for dismissal and awaited feedback from PSMD. Follow ups had since been made on the same matter.

Documentation was available for audit verification.

**Committee's Observations and Recommendations**

The Committee is deeply saddened at the lengthy processes that disciplinary cases take to conclude resulting in deserters being paid salaries and allowances even when they were not providing a service to the Government. The Committee urges the Controlling Officer to put measures in place to ensure that disciplinary matters are concluded expeditiously. The Committee implores the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

## **OFFICE OF THE PRESIDENT – NORTH WESTERN PROVINCE**

### **PARAGRAPH 44**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Provincial Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the Financial Years Ended 31<sup>st</sup> December, 2017 to December, 2021, a total provision of K267,710,376, was made to cater for personal emoluments under the North-Western Province, against which amounts totalling K251,311,109 were released and spent.

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

The Committee notes the Controlling Officer's submission and urges him to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **a. Failure to Prepare and Perform Monthly Reconciliations**

In response, the Controlling Officer submitted that there was an omission on the part of Management in reconciling staff returns, staff assignment and staff establishment registers. Management had since started reconciliation of the staff assignment and staff returns. Monthly reconciliations were available for audit verification.

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

The Committee expresses concern at the Provincial Administration's failure to conduct monthly reconciliation in line with the Treasury and Financial Management Circular No. 9 of 2020. The Committee urges the Controlling Officer to institute disciplinary measures on officers responsible as well as the supervisor for the lapse. The Committee urges the Controlling Officer to avail all supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **b. Unknown Individuals Drawing Salaries**

In response, the Controlling Officer submitted that the query arose because staff returns were not updated during the audit process and relevant documents of the named officers were not available at the time of audit. However, appointment letter and arrival advice forms for the offers in question were collected from the concerned departments and were available for audit verification.

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

In noting the submission, the Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification. The Committee will await a progress report on the matter.

**c. Misplacement of Payroll Area.**

In response, the Controlling Officer submitted that the reasons that led to officers' misplacements were as follows:

- i. four districts, namely: Kalumbila; Mushindamo; Manyinga; and Ikelenge Districts were created but officers remained on the payroll of the mother district as their positions were not redefined;
- ii. some departments were dissolved or realigned and the supporting staff were left to be taken care of by the Provincial Administration. The Civil Aviation Department and Survey Department had no support staff hence Provincial Administration transferred some officers to help carry out daily activities;
- iii. The National Archives of Zambia had only one officer and an office orderly was transferred to assist with cleaning and file management;
- iv. Disaster Management and Mitigation Unit, Provincial Planning Unit, Infrastructure Department, Smart Zambia, National Guidance and Chiefs and Traditional Affairs all appeared on the provincial staff returns because they reported to the Controlling Officer even when their payrolls were centrally controlled by their Ministry Headquarters in Lusaka; and
- v. some of the recently employed forest guards whose employee numbers appeared on the staff assignment but drawing salaries from their respective ministries.

Further, the Committee was informed that most departments had skeleton structures with no support staff, hence some officers were attached administratively to enable the smooth running of Government programmes. Management had written to PSMD to transfer departments such as Provincial Planning Unit, DMMU, and Smart Zambia to the provincial payroll. The province awaited PSMD to restructure the Provincial Administration. Documentation was available for audit verification.

**Committee's Observations and Recommendations**

The Committee notes the submission and Controlling Officer to avail supporting documents to the Auditor General for audit verification and resolves to await a progress report on the matter.

**d. Delayed Migration of Separated Officers to Separates' Payroll**

In response, the Controlling Officer submitted as set out below.

**i. Mr Nason Phiri**

The Committee was informed that P MEC delayed to transfer Mr Phiri to the separates payroll although they were requested to do so on time.

**ii. Mr Bruce Saini**

The Committee was informed that the head of department delayed to notify the office in time. Mr Phiri had since been moved from the Provincial Administration payroll to separates payroll, while the late Mr Saini was deleted from the payroll as he had not saved for 20 years. The over

payments would be recovered from his terminal benefits. Documentation was available for audit verification.

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

The Committee observes that this anomaly should have been averted if staff reconciliations were conducted regularly and there was improved communication from PSMD. This is because sometimes PSMD took long to respond to requests made by MPSAs and in certain circumstance never acted on the requests. The lack of response from PSMD contributed to the delay to remove officers from the payroll. Therefore, there is need to improve communication between MPSAs and PSMD to avert the recurrence of such irregularities. Further, the Committee recommends that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

#### **e. Failure to Remove Deserters from the Payroll**

In response, the Controlling Officer submitted that the three officers were undergoing disciplinary action, which had several procedures. It was also a period of transition, as there was no chairperson during the period under review. There were delays in submission of cases and sometimes officers, did not show up for case-hearing at first invitation but appeared later. Of the three cases, two were dismissed and the money paid would be recovered from their terminal benefits, while one was working after being given leniency by the committee and recommended him for medical examination. The two dismissal letters and minutes of the disciplinary committee were available for verification.

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

The Committee is deeply saddened at the lengthy processes that disciplinary cases take to conclude. The Committee urges the Controlling Officer to put measures in place to ensure that disciplinary matters are concluded expeditiously. The Committee implores the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and await a progress report on the matter.

### **OFFICE OF THE PRESIDENT – SOUTHERN PROVINCE**

#### **PARAGRAPH 45**

#### **Audit Findings**

A review of the payroll systems, financial and other record relating to the payroll management at the Southern Province Administration for the period January 2017 to December, 2021, revealed irregularities to which the Controlling Officer submitted as set out below.

#### **a. Recruitment in Excess of Authorised Positions**

In response, the Controlling Officer submitted that Management was not able to trace copies of the Treasury Authority to support the cited positions and a request had been made to PSMD to share copies that might be in their custody. However, according to the analysis, the unauthorised positions were ten in 2017; twelve in 2018; fourteen in 2019; twenty-seven in 2020; and twenty-nine in 2021. Payroll reconciliations and were done at a particular point in time and were not considered in an accumulative manner. This was because the payroll ID for an authorised

position in one particular year was the same one that continued as unauthorised in the following years.

**Table Below Depicts Reconciliations and Explanation**

S/no	Description	Salary scale	2017	2018	2019	2020	2021	Comment
1	Warden	A	1	0	1	1	1	Under investigation
2	Ce Clerk	B	1	1	1	1	1	Under investigation
3	Coxswain	B	3	3	3	3	3	Under investigation
4	Survey Assistant	C	1	1	1	1	1	Under investigation
5	Passport and Citizenship Officer	I	1	1	1	1	1	Under investigation
6	Social Welfare Officer	J	1	0	1	0	0	Under investigation
7	Provincial Cultural Affairs Officer	K	1	1	1	1	1	Under investigation
8	Provincial Sports Development Officer	K	1					

				1	1	1	1	Under investigation
9	Registration Officer	G	0	1	1	1	1	Under investigation
10	Community Development Officer	I	0	1	1	0	1	Under investigation
11	Social Welfare Officer	H	0	2	0	2	2	Under investigation
12	Trainee Dancer	A	0	0	1	1	1	Under investigation
13	Telephone Operator	D	0	0	1	1	1	Under investigation
14	Forest Ranger Guards	D	0	0	0	8	8	Under investigation
15	District Labour Officer	H	0	0	0	1	0	Under investigation
16	Forestry Technician	F	0	0	0	3	4	Under investigation
17	Provincial Youth Development	K	0					



	Co-Ordinator			0	0	1	0	Under investigation
18	Clerk Typist	B	0	0	0	0	1	Under investigation
19	Technician	G	0	0	0	0	1	Under investigation
20	District Cultural Affairs Officer	J	0	0	0	0	0	Under investigation
21	Provincial Maintenance Officer	K	0	0	0	0	0	Under investigation
	<b>Totals per year</b>		<b>10</b>	<b>12</b>	<b>14</b>	<b>27</b>	<b>29</b>	<b>Under Investigation per Year</b>

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

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee will await a progress report on the matter.

#### **b. Positions on Payroll Not on Establishment Register**

The Controlling Officer submitted that Treasury Authority could not be obtained by line ministries without recourse to the Provincial Administration. Therefore, it was not unusual to have variance between the establishment register and the payroll. However, two payroll audit verification exercises had so far been conducted against the 2022 establishment register and the payroll. The thirty-five positions, which were not supported in the 2022 establishment register, would be reflected in the updated 2023 establishment register. The establishment register was also being updated annually.

Further, Treasury Authority for the thirty-five positions was not available because Management could not trace copies of the authorities to support the cited positions. A request was made to PSMD to share the copies that might be in their custody.

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

The Committee notes that this was a legacy issue but reminded the Controlling Officer that he had been in the officer for over a year hence the need for him to be proactive and avoid taking action after audit processes. The Committee also urges the Controlling Officer to put measures in place, to ensure that payroll and staff reconciliations are conducted regularly to avert a recurrence of such situations. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and awaits a progress report on the matter.

#### **c. Misplacement of Payroll Area**

In response, the Controlling Officer submitted that officers were moved to stations where their services were needed even though the stations had no funded vacant positions to ensure continuity in service delivery. Two payroll audit verification exercises had so far been conducted and the Province was in the process of reconciling the payroll, staff returns, and the physical presence of staff in the districts. Further, the stations where the officers were located were supported by authority from PSMD.

### **Committees Observations and Recommendations**

The Committee expresses concern at the uncoordinated transfer of officers from their designated duty stations to other stations and the corresponding negative effect on the payroll management. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges the Provincial Administration to adhere to Cabinet Office Circulars No. 13 of 2019 and No. 14 of 2020 to ensure a coordinated placement of officers on the payroll to the designated areas in order to prevent recurrence of such anomalies. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely. The Committee will await a progress report on the matter.

#### **d. Irregular Payment of Housing Allowance**

In response, the Controlling Officer submitted that a time lag had been noted between officers being offered institutional housing by a department to information reaching the Human Resources Department to stop the housing allowance on the payroll and effect recoveries, if any. The District Commissioners had been directed to copy-in the human resource department whenever an officer was allocated an institutional house. Furthermore, the Buildings Department had since created a database that would be updated immediately an institutional house had been allocated to an officer. This would enable the Human Resource Department get a monthly update for payroll inputs. Documents were available for audit verification.

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

The Committee notes the absence of a mechanism to help Management to update its records whenever an officer is allocated or vacates an institutional house. There is need to put in place a system that will compel officers to inform Management whenever they vacant or are allocated an institutional house immediately failure to which, officers should be penalised. Further, the Committee recommends that the Controlling Officer should ensure that staff reconciliations are conducted regularly so that such anomalies are detected quickly. The Committee urges the Controlling Officer to avail supporting documents to the Office of the Auditor General for audit verification and resolves to await a progress report on the matter.

**e. Irregular Payment of Rural Hardship Allowances**

In response, the Controlling Officer submitted that the officers were physically moved to stations where their services were required, while maintaining their payroll stations which were eligible for rural hardship allowance. The rural hardship allowances were stopped and the paid amounts would be recovered in due course. Documents were available for audit verification.

**Committees Observations and Recommendations**

The Committee expresses concern at the uncoordinated transfer of officers from their designated duty stations to other stations and the corresponding negative effect on the payroll management. The Committee also observes the lack of timely staff and payroll reconciliations. The Committee finds this unacceptable and urges the Provincial Administration to adhere to Cabinet Office Circulars No. 13 of 2019 and No. 14 of 2020 to ensure a coordinated placement of officers on the payroll to the designated areas in order to prevent recurrence of such anomalies. The Committee also urges the Controlling Officer to be proactive and put measures in place to conduct staff and payroll reconciliations timely. The Committee will await a progress report on the matter.

**f. Delayed removal of Deceased Officers from Payroll**

In response, the Controlling Officer submitted that the Provincial Administration did not have a trained PMEC end-user from July 2020 to May 2021. This followed the transfer and promotion of the then PMEC end-user to Pemba District. Management had facilitated the training of more officers as PMEC end-users to avoid the recurrence of such anomalies.

The table below indicated the action that had been taken on the non-recovery of the irregularly paid salaries.

S/NO	Name	Employee No.	NRC No.	Total Amounts (K)	Comments	Action Taken
1	Kenneth Chinyama	145089	170653/21/1	57,657.30	Kindly note that the initial amount of K93,178.86 included amounts paid to Zambia Revenue Authority as tax and had, therefore, been deducted.	Effort was being made to recover the amount from the deceased officer's estate.
2	Rex Mukunta	13206	138296/65/1	1,244.79	Due to his being pensionable, the officer was eligible to	The amount had to be recovered from his repatriation

					continue receiving his salary until payment of his pension benefit. Therefore, the amount to be deducted was the transport and rural hardship allowances and not the initial full salary amount of K17,177.85	allowance assessment.
3	Winnis Sichone	13198	152523/47/1	11,203.02	Due to his being pensionable, the officer was eligible to continue receiving his salary until payment of his pension benefit. Therefore, the amount to be deducted was the transport and rural hardship allowances and not the initial full salary amount of K59,002.20	The balance of K5,703.00 after partial recovery from his repatriation would be recovered from his pension benefits as per casualty form.

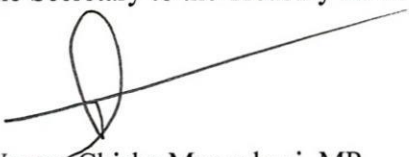
Documentation was available for audit verification.

**Committee’s Observations and Recommendations**

The Committee notes the submission and urges the Controlling Officer to avail supporting documents to the Auditor General for audit verification. The Committee resolves to await a progress report on the matter.

## 6.5 CONCLUSION

The Committee wishes to express its gratitude to you, Madam Speaker, and the Office of the Clerk for the support rendered to it during its consideration of the Report of the Auditor General on the Audit of Government Payroll for the Financial Years Ended 31<sup>st</sup> December, 2017 and 2021. The Committee further wishes to thank the Controlling Officers who appeared before it and the Secretary to the Treasury for their co-operation.



Mr Warren Chisha Mwambazi, MP  
**CHAIRPERSON**

July, 2023  
**LUSAKA**

## **APPENDIX I – List of National Assembly Officials**

Mr Charles Haambote, Principal Clerk of Committees (FC)  
Mrs Doreen C Mukwanka, Deputy Principal Clerk of Committee (FC)  
Mr Charles Chishimba, Senior Committee Clerk (FC)  
Ms Chitalu R Mulenga, Acting Senior Committee Clerk (FC2)  
Ms Inutu Mwiya, Administrative Assistant  
Mr Daniel Lupiya, Committee Assistant  
Mr Muyembi Kantumoya, Parliamentary Messenger  
Ms Bertha Masaiti, Intern  
Ms Lucy Nanyangwe, Intern  
Ms Luyando Mwitwa, Intern

**APPENDIX II – Permanent Witnesses**

Office of the Auditor General  
Office of the Accountant General  
Office of the Controller Internal Audit  
Public Service Management Division

### **APPENDIX III – Witnesses**

Ministry of Health  
Ministry of Education  
Ministry of Finance  
Zambia Police Service  
Ministry of Agriculture  
Ministry of Fisheries and Livestock  
Zambia Correctional Service  
Ministry of Foreign Affairs and International Cooperation  
The Judiciary  
Cabinet Office ó Gender Division  
Civil Service Commission  
Cabinet Office  
Ministry of Affairs and Internal Security  
Disaster Management Mitigation Unit  
Local Government Service Commission  
Ministry of Information and Media  
Public Service Management Division  
Cabinet Office ó National Guidance and Religious Affairs  
Ministry of Commence, Trade and Industry  
Ministry of Finance  
Ministry of Transport and Communication  
Ministry of Water Development and Sanitation  
Ministry of Energy  
Ministry of Science and Technology  
Ministry of Youth, Sport and Child Development  
Ministry of Lands and Natural Resource  
Office of the President ó Muchinga Province  
Office of the President ó Lusaka Province  
Office of the President ó Copperbelt Province  
Office of the President ó Central Province  
Office of the President ó Northern Province  
Office of the President - Western Province  
Office of the President ó Eastern Province  
Office of the President ó Luapula Province  
Office of the President ó North-Western Province  
Office of the President ó Southern Province