



**REPUBLIC OF ZAMBIA**

**REPORT OF THE AUDITOR GENERAL**

**ON THE CONSTITUENCY DEVELOPMENT FUND**

**FOR THE**

**FINANCIAL YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

## **OFFICE OF THE AUDITOR GENERAL**

**VISION:** An independent and credible audit institution promoting transparency and accountability in the management of public resources for the well-being of the citizenry

**MISSION:** To provide timely quality audit services to promote transparency and accountability in the management of public resources

**CORE VALUES:** Integrity  
Objectivity  
Excellence  
Teamwork  
Confidentiality  
Professionalism

## **PREFACE**

It is my honour and privilege to submit the Report of the Auditor General on the audit of Constituency Development Fund (CDF) for the Financial Year ended 31<sup>st</sup> December 2022 in accordance with the Provisions of Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 and Section 13 (3) of the CDF Act No. 11 of 2018.

The main function of my Office is to audit the accounts of State organs, State Institutions, Provincial Administration, Local Authorities, the CDF and institutions financed from public funds. In this regard, the Report covers audit findings on the management of the CDF in all the 156 constituencies for the financial year ended 31<sup>st</sup> December 2022.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) which are the standards relevant for the audit of Public Sector entities.

The Audit Findings mentioned in this Report are those which were not resolved during the audit process.

I wish to take this opportunity to thank the Ministry of Local Government and Rural Development and the Local Authorities for the support rendered to my office during the audits.

A handwritten signature in black ink, appearing to read 'Ron M. Mwambwa', with a horizontal line extending to the right.

Dr Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE

**ACTING AUDITOR GENERAL**



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## **EXECUTIVE SUMMARY**

The Report has been produced in accordance with the Provisions of Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 and Section 13(3) of the Constituency Development Fund Act No. 11 of 2018.

During the audit process, there were various levels at which the Office interacted and communicated with the Controlling Officer in the Ministry of Local Government and Rural Development and Principal Officers of Local Authorities. The purpose of the interaction was to provide an opportunity to the Controlling Officer and Principal Officers to clarify and take corrective action on the findings of the audits.

The audit findings mentioned in this Report are those which were not resolved during the audit process.

Some of the key findings raised in the Report are:

- i. Failure to Spend Funds
- ii. Failure to Monitor Implementation of Empowerment Grants and Bursaries
- iii. Misapplication of Empowerment Grants
- iv. Misappropriation of Empowerment Grants
- v. Unaccounted for Empowerment Grant Funds
- vi. Disbursements of Funds to Unapproved Beneficiaries
- vii. Failure to Issue Soft Loans
- viii. Failure to Claim Funds from Schools and Skills Training Institutions
- ix. Missing Payment Vouchers
- x. Unacquitted Payments
- xi. Unretired Accountable Imprest
- xii. Poor Execution of Projects



# **PART I**

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## **PREAMBLE**



## **1. Introduction**

This Report contains findings on the management of the Constituency Development Fund (CDF) for the financial year ended 31<sup>st</sup> December 2022. Section 13 (3) of the CDF Act No. 11 of 2018 require my Office to audit the CDF. The Constituency Development Fund Act No. 11 of 2018 provides for the management, disbursement, utilisation and accountability of the Constituency Development Fund established under the Constitution.

The Fund is being implemented in all the 156 constituencies and the Local Authorities are responsible for the project planning, budgeting, implementation and monitoring and evaluation.

The CDF is part of the Government initiative to operationalize the National Decentralization Policy.

The local authorities are at the centre stage in the implementation of the National Decentralisation Policy which is premised on Zambia's aspiration to attain the status of a prosperous middle-income nation by 2030. Through this Policy, the Government envisions "citizen-driven local governance within a unitary State for sustainable development". This is founded on Government's firm conviction of citizen and community participation in local governance.

The policy prioritises community engagement, citizen-driven local development and inclusiveness in the implementation of programmes. Further, the Policy empowers the citizens to hold their representatives accountable for service delivery and local developments, a key pillar for our country's socio-economic transformation agenda.

The operationalization of the CDF is guided by the Constituency Development Fund Guidelines of 2022. The Guidelines were developed to ensure effective coordination among stakeholders during the implementation of CDF programmes. The stakeholders include Constituency Development Fund Committees, Members of Parliament, Local Authorities, Cooperating Partners and members of the communities.

I am required to issue an opinion on the consolidated financial statements of the Constituency Development Fund at national level for the financial year ended 31<sup>st</sup> December 2022. Therefore, this report covers the audit findings of the 156 constituencies.

## 2. Background

The Constituency Development Fund (CDF) was introduced in 1995 after approval by the National Assembly as an “instrument” to facilitate the delivery of public goods and services to foster development for local communities. The Fund is further provided for under Article 162 of the Constitution of Zambia (Amendment) Act No. 2 of 2016. The objective of the CDF was to create an enabling environment for holistic development at Constituency level where Members of Parliament and the local community have the opportunity to make choices and implement projects which would improve the well-being of the people in the respective constituencies.

The constitutional provision was operationalized by the Constituency Development Fund Act No. 11 of 2018. The Act was enacted to provide for the management, disbursement, utilization and accountability of the Fund. The Constitution and the Act therefore provide an important legal framework to facilitate effective and enhanced community participation in decision making on local socio-economic development programs and challenges affecting their well-being.

In addition, in supporting the management, disbursement, utilisation and accountability of the CDF, the following statutes support its implementation:

- a. The Local Government Act No.2 of 2019;
- b. The Public Finance Management Act No.1 of 2018;
- c. The Public Procurement Act No.8 of 2020;
- d. The Urban and Regional Planning Act No.3 of 2015; and
- e. The National Planning and Budgeting Act No.1 of 2020;

In pursuant to Section 25 of the Constituency Development Fund Act No. 11 of 2018 and as a means of ensuring that there is effective coordination among the various stakeholders during the implementation of CDF projects and programmes, in February 2022, the Ministry of Local Government and Rural Development developed the Constituency Development Fund Guidelines

The objective of the CDF is to create an enabling environment for holistic development at Constituency level where Members of Parliament and the local community have the opportunity to make choices and implement projects which would improve the well-being of the people in the respective constituencies.

During the period under review, the funds for CDF projects increased from K1,600,000 to K25,739,911 per constituency.



In 2022, allocation guidelines were introduced. According to the CDF guidelines for 2022, the total allocation of the CDF per constituency was to be distributed among three (3) major components out of which 5% was for administrative cost. The remaining 95% was to be allocated as tabulated in table 1 below.

**Table 1: CDF Allocation**

No	Component	Percentage %
1	Community Projects • 5% Disaster Contingency	60%
2	Youth, Women and Community Empowerment • 40% Grants • 60% Soft Loans	20%
3	Secondary Boarding and Skills Development	20%
	<b>Total</b>	<b>100%</b>

### 3. Overview of Guidelines

Each Constituency has a Constituency Development Fund Committee (CDFC) whose functions are as follows:

- i. Ensure the compilation of proper records, returns and reports from the Constituency;
- ii. Receive and discuss annual reports and returns from the Constituency;
- iii. Receive a project list from the Ward Development Committee within the Constituency or proposals for joint projects with other Constituencies;
- iv. Deliberate on project proposals from the Wards; and
- v. Develop and submit a project list to the Local Authority for onward transmission to the Minister.

According to section 3.1.1 of the CDF Guidelines of 2022, the CDFC consists of:

- i. Two community representatives nominated by the Member of Parliament from the Constituency
- ii. Three Councillors in the Constituency, two of whom are elected by the Councillors in the Constituency and one of whom is nominated by the Member of Parliament from the Constituency

- iii. One representative of a Chief where a Constituency has one Chief, or two representatives of Chiefs where the Constituency has two or more Chiefs, nominated by those Chiefs from within the Constituency
- iv. A representative of the Director responsible for Planning at the Local Authority in which the constituency is located
- v. A representative of the Director responsible for Works or Engineering Services at the Local Authority in which the Constituency is located
- vi. A representative of a Civil Society Organisation operating in the Constituency nominated by the Member of Parliament from the Constituency
- vii. A representative of Religious Organisation in the Constituency nominated by the Member of Parliament from the Constituency
- viii. The Member of Parliament from the Constituency and
- ix. A representative of the Director responsible for Finance at the Local Authority in which the Constituency is located.

#### **4. Audit Scope and Methodology**

This Report is as a result of reviews, test checks, inspections and examination of accounting, stores, projects and other records maintained by public officers and others entrusted with the handling of public resources. The audit programmes were designed to give reasonable assurance that the funds disbursed by the Government have been utilised for the intended purposes. The Report is also intended to provide information that would assist Parliament in its oversight responsibilities over the application of resources and execution of programmes by the Executive. Accordingly, the programmes were designed to highlight areas of weakness to facilitate formulation of recommendations by Parliament for remedial action by the Executive. In the course of preparing the Report, the Controlling Officer at the Ministry of Local Government and Housing was sent appropriate draft paragraphs for comments and confirmation of the correctness of the facts presented. Where the comments varied with the facts presented, and were proved to be valid, the affected draft paragraphs were amended accordingly.

#### **5. Audit Methodology**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require to plan an audit, conduct risk assessment, design and conduct audit

procedures and report on the audit findings. The standards require us to consider the following five (5) steps:

**i. Planning**

During planning, we focus on obtaining an understanding of auditee business, its challenges and risks, organisational structure, key business and financial reporting processes and trends to heighten the effectiveness and efficiency of the audit.

**ii. Risk Assessment**

This process includes meeting with the audit committee and key financial and other key personnel of the auditee. It also involves reviewing the financial reporting implications arising from strategic goals, objectives, business plans and risk areas. During risk assessment we consider how fraud or error could result in a material misstatement of the auditee's financial statements.

**iii. Evaluation and Internal Controls**

In developing an audit strategy, the standards require us to obtain an understanding of the entity and its environment, including its internal controls and work performed by the Internal Audit department. We begin this process by evaluating controls at the entity level that relate to financial reporting. This assessment includes aspects of control environment, risk assessment, monitoring, information system (including information technology) and financial reporting processes. We also obtain an understanding of controls over financial reporting activities such as the recording and processing of transactions. This helps us to:

- identify the types of misstatements that could occur whether due to error or fraud;
- evaluate the internal control deficiencies that may increase the risk of material misstatement; and
- design internal control testing strategies, where such an approach would be appropriate.

**iv. Audit Testing**

Our audit approach focuses our audit efforts on those financial statement assertions that have an increased risk of material misstatement. Based on our understanding and knowledge of the auditee, we expect to perform a combination of tests of controls, substantive tests of details and analytical procedures, such as testing high value, unusual and other key items and items selected through sampling routines recalculation, inspection, observation procedures analytical procedures, including trend, ratio, and reasonableness tests. At this stage, we use different Computer Assisted Audit Tools (CAATs) such as IDEA.

**v. Concluding and Reporting**

Reporting is normally done in a management letter to the auditee, but the ISSAIs allow for verbal communication as an alternative. The management letter should describe the misstatements clearly, and when appropriate include recommendations.

While preparing the Report, each Controlling Officer was sent appropriate Interim Management Letters. A verification was done upon providing explanations and documents supporting the explanations to the issues raised in the management letter after which a status report was issued to the Controlling Officers indicating the resolved and unresolved issues.

A Draft Audit Report Paragraph (DARP) was then issued to the Controlling Officer for comments and confirmation of the correctness of the facts presented. Where the comments varied with the facts presented, and were proved to be valid, the affected DARP was amended accordingly.

In order to ensure optimal utilisation of resources at my disposal, a risk-based audit approach was used to prioritise clients so that resources were targeted towards the most - risky areas of Government operations.

**6. Limitation in Scope**

Audits were planned to obtain all the information and explanations which were considered necessary to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud, error or other irregularities. The execution of the audit programmes was limited by factors outside my control.

## **7. Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2022, a total provision of K4,016,325,163 was disbursed to the 116 local authorities to cater for CDF activities in the 156 constituencies against which amounts totalling K3,707,129,503 were released while amounts totalling K309,195,660 were retained by the Ministry of Local Government and Rural Development for the procurement of motor vehicles; one (1) for CDF operational motor vehicle and one (1) motor vehicles for the police for each of the constituencies.

In addition, amounts totalling K338,404,043 were brought forward from 2021 by the respective constituencies that did not exhaust the funded amounts. Further, interest in amounts totalling K12,406,703 was accrued in 2022.

As at 31<sup>st</sup> December 2022, amounts totalling K1,067,023,664 had been spent leaving a balance of K2,990,916,585. Refer to Appendix 1 for details.



## **PART II**

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## **PARAGRAPHS**

## **Cross-Cutting Findings**

Crosscutting audit observations pertain to findings that are commonly identified across multiple councils, highlighting recurring internal control deficiencies and instances of non-compliance with various legal provisions. The cross-cutting observations have been classified in line with the three (3) main components of the CDF and other areas that affect all the components under the CDF being, missing payment vouchers; unacquitted payments; unretired accountable imprest; misappropriation of funds; misapplication of funds. The following are the details on the cross-cutting audit observations:



**a. Community Projects**

In January 2022, there were 740 projects which were brought forward for implementation in 2022.

During the period under review, the Ministry of Local Government and Rural Development approved 4,168 community projects for implementation by the 156 constituencies through the 116 local authorities across the Country. The community projects included construction of classroom blocks, construction of health posts, construction of crossing points, procurement of school desks and drilling of boreholes.

As at 31<sup>st</sup> December 2022, the local authorities had completed 1,657 projects, 1,136 were work in progress and 2,115 had not been implemented.

**i. Failure to Spend**

Despite the availability of funds and the projects having been approved for implementation by the Minister of Local Government and Rural Development during the period under review, as at 31<sup>st</sup> December 2022, all the 116 local authorities had only spent K321,867,208 out of a total allocation of K1,979,193,688 to implement 1,657 out of the 4,168 approved projects.

Consequently, 40 percent of the approved projects had been implemented as at 31<sup>st</sup> December 2022. Refer to Appendix 2 for further details.

**b. Youth, Women and Community Empowerment - Empowerment Grants**

**i. Failure to Monitor Empowerment Grants**

Guideline No. 3.3.7 (d) of the CDF Guidelines confers on the Local Authorities the responsibility to implement, manage, monitor and evaluate the CDF projects.

During the period under review, there were various cooperatives and groups which were issued with empowerment grants. Contrary to the provision, it was observed that fifteen (15) local authorities did not carry out effective monitoring of the implementation of projects despite the availability of funds meant for monitoring.

**ii. Misapplication of Funds - Implementation of Unapproved Projects**

During the period under review, grants in amounts totalling K7,312,795.00 were disbursed to 353 clubs and cooperatives to support the execution of designated activities and projects outlined in their respective grant agreements. However, these groups and cooperatives deviated from the agreed upon projects without securing the approval of the Council thereby breaching the terms of the grant agreement.

This non-compliance poses a risk of unsuccessful project implementation, as the deviations were not subjected to proper and appropriate feasibility assessments before execution. Refer to Appendix 3 for further details.

**iii. Unaccounted for Grant Funds**

During the period under review, grants in amounts totalling K4,361,682 were disbursed to 387 clubs and cooperatives for the execution of various projects. However, there was no evidence supporting the implementation of the intended projects in that there was neither information on the expenditure nor were the funds found on hand raising concerns on how the funds were actually utilized.

As at 31<sup>st</sup> October 2023, the funds remained unaccounted for. Refer to Appendix 4 for further details.

**iv. Disbursements to Unapproved Beneficiaries**

According to Section 5.4 of the Constituency Development Fund guidelines, project approvals and the endorsement of empowerments and bursaries are subject to the Minister's approval, as sanctioned by the Constituency Development Fund Committee.

However, in violation of these guidelines, various local authorities irregularly disbursed empowerment grants in amounts totalling K90,000 to various beneficiaries. These disbursements were deemed irregular because the recipients were not included in the list approved by the Ministry of Local Government and Rural Development, as endorsed by the Constituency Development Fund Committee.

**v. Questionable Disbursement of Empowerment Funds to Unregistered Clubs**

Every beneficiary group receiving funds from the CDF Empowerment Fund is mandated

to be registered with institutions such as Patents and Companies Registration Agency (PACRA), Registrar of Non-Governmental Organisations, Zambia Agency for Persons with Disability and Registrar of Cooperatives before the funds are disbursed. However, in contravention of this requirement, 226 clubs and cooperatives received empowerment funds in amounts totalling K4,799,678 during the period under review, despite not being registered with any of the institutions under which they must be registered. Refer to Appendix 5 for further details.

**vi. Failure to Produce Monitoring Reports**

According to CDF Guidelines Part 8.1.4, the Ward Development and Empowerment Committee (WDEC) is tasked with forming a team to oversee project implementation at the ward level. The WDEC is then responsible for preparing and submitting monitoring reports to the Ward Development Committee (WDC), which in turn submits them to the Constituency Development Fund Executive Committee (CDFEC).

However, in violation of this guideline, fifteen (15) local authorities failed to produce the required monitoring reports as at 31<sup>st</sup> October 2023. Refer to Appendix 6 for further details.

**vii. Misappropriation of Funds**

During the period under review, fifteen (15) local authorities disbursed empowerment grants, in amounts totalling K2,130,486 to various groups to be utilized on projects set out in the respective grant agreements.

However, it was observed that the members of the 109 groups that were in receipt of these funds deviated from implementing the projects agreed upon by channelling the funds towards personal endeavours resulting in misappropriation of the funds. Refer to Appendix 6 for further details.

**viii. Soft Loans - Failure to Issue Loans**

During the period under review, various eligible applicants under ninety (90) constituencies submitted applications to seventy (70) local authorities seeking soft loans under the CDF empowerment program. During the period under review, the local authorities assessed and approved the application for which it was expected that loans

to the successful applicants would be disbursed not later than 31<sup>st</sup> December 2022.

Despite, the availability of funds in amounts totalling K245,375,960, as at 31<sup>st</sup> December 2022, the local authorities had not yet disbursed the approved loans to the successful applicants. As at 31<sup>st</sup> October 2023, the loans had not been disbursed. Refer to Appendix 7 for further details.

**c. Secondary Boarding and Skills Development - Bursaries – Secondary School and Skills Development**

During the period under review, the Local Authorities through CDF bursaries sponsored a total of 15,029 pupils for boarding school education and 23,327 students for skills training in various secondary schools and training colleges for which cumulative expenditure of K126,501,862 was incurred to facilitate the support.

The following were observed:

**i. Boarding Schools and Bursaries**

Among the beneficiaries of the bursaries sponsored under the CDF where 15,029 pupils and 23327 students for whom seventy (7) local authorities paid amounts totalling K126,501,862 as bursaries during the period under review but did not attend classes either from the inception of the sponsorship or withdrawal prior to the expiry of the sponsored period.

As the sponsored individuals did not attend the classes, the schools and colleges did not render the services that were charged under the sponsorship program and therefore not justified to retain the funds. However, as at 31<sup>st</sup> October 2023, the funds had neither been returned to the local authorities by the schools and colleges nor had the local authorities initiated claims against the schools and colleges to recover the funds. Refer to Appendix 8 for further details.

**ii. Unspent Funds**

During the period under review, the eighty-seven (87) Local Authorities received applications, for bursary support to secondary and skills development schools under the CDF, from various pupils and students. Subsequently, the Local Authorities approved applications for 41,115 pupils and students for which K499,542,066 were to

be spent as bursary support.

However, despite the available of funds, as at 31<sup>st</sup> December 2022, the Local Authorities had only provided bursary support at a cost of K126,501,862 leaving a balance of K374,602,413 unutilized, it was further observed that 2,759 pupils and students had not reported. Refer to Appendix 9(i) and 9(ii) for further details.

**d. Missing Payment Vouchers**

Regulation No. 72(1) of the Public Finance Management (General) Regulations of 2020 states that, “all payment vouchers with supporting documents, and any other forms which support a charge entered in the accounts, shall be carefully filed, secured against loss, and be readily available for audit”.

Contrary to the regulation, ninety-one (91) payment vouchers in amounts totalling K2,816,020 made at five (5) local authorities were not availed for audit as required. Refer to Appendix 10 for further details.

**e. Unacquitted Payments**

Regulation No. 68 (1) (a) of the Public Finance Management (General) Regulations of 2020 stipulates that a payment made through a third party should be supported with a receipt or acquittal sheet.

Contrary to the Regulation, imprest in amounts totalling K161,558 issued to various officers at one (1) local authority meant to facilitate the payment of allowances and other benefits to various beneficiaries had not been acquitted as at 31<sup>st</sup> October 2023.

**f. Unretired Accountable Imprest**

Regulation No. 104 (1) of the Public Finance Management (General) Regulations of 2020 states, “Special or accountable imprest shall be retired immediately after the purpose for which the imprest was issued is fulfilled”.

Contrary to the Regulation, accountable imprest in amounts totalling K271,226 issued to various officers at two (2) local authorities, during the period under review, had not been retired as at 31<sup>st</sup> October 2023. Refer to Appendix 10 for further details.

## **Specific Findings**

Specific audit findings refer to observations that specifically relate to individual Councils and are not cross cutting within the local government.

There are 107 Councils which have specific findings as follows:





## **8. Chadiza Town Council**

### **a. Chadiza Constituency - Community Projects - Use of Wrong Materials specification – Chathomba Primary School**

On 23<sup>rd</sup> August 2021, the Council procured building materials costing K38,365 from Fort Suppliers for the construction of 1x3 Classroom Block (CRB) at Chathomba Primary School. Among the building materials procured were IT4 roofing sheets with specification of 5 meters x 0.5gauge costing K625 each and 7 meters x 0.5 gauge at K 875 each,

Contrary to the Specifications in the Bill of Quantities (BOQ), the Council procured roofing sheets which were less than 0.5 gauge. See picture below.



*Roof at Chathomba Primary School*

### **b. Grants – Empowerment - Failure to Commence Poultry Business – Onani Ambidzi Youth Group**

During the period under review, empowerment grants in amounts totalling K1,811,591 were given to fifty one (51) selected applicants to undertake various projects such as poultry, goat keeping and piggery.

On 11<sup>th</sup> October 2022, the Council paid an amount of K19,174 to Onani Ambidzi Youth Group in respect of CDF grants for the purpose of starting up a poultry business.

An inspection of accounting records and physical inspection of the co-operatives carried out in September 2023 revealed that the co-operative constructed a chicken run, bought feeders and drinkers.

However, as at 30<sup>th</sup> September 2023, the co-operative had not yet started operating the poultry. See picture below.



*Non-operational Chicken Run*

## **9. Chama Town Council**

### **a. Chama North Constituency**

#### **i. Community Projects**

- **Borehole Siting, Drilling and Installation of 12 Hand Pumps – Chama North**

On 12<sup>th</sup> December 2022, the Council engaged Evelyn and Welcome Properties Limited for borehole siting, drilling and installation of twelve (12) hand pumps under Lot 1 and 4 at a contract sum of K1,230,000 VAT inclusive with a completion period of eight (8) weeks commencing from 12<sup>th</sup> December 2022 to 6<sup>th</sup> February 2023.

The payment terms included the following:

- ⊙ The employer to pay the contractor for successful completed water point only with the submission of correctly completed borehole completion forms; and
- ⊙ Performance security of 10%.

However, on 14<sup>th</sup> December 2022, two (2) days after entering into the contract, the Council paid the contractor an advance payment of K307,500 despite the contract agreement that required a payment to be made upon successful completion of a water point. As at 30<sup>th</sup> June 2023, six (6) months after the contract was entered, the contractor had failed to drill any water point.

In addition, the contract provided for performance security valued at K123,000 to be made by the contractor.

However, the Council failed to surcharge the contractor for failing to complete works within the stipulated eight (8) weeks.

Further, the Council failed to withhold VAT of K42,345 from the payment of K307,500 made to the contractor.

- **Management of CDF Projects**

A review of the accounting records revealed that the Council undertook to implement community projects out of the funds brought forward from 2021 CDF funding.

A physical inspection of selected projects conducted in June 2023 revealed weaknesses in the management of projects such as failure to complete projects on time and poor workmanship.

Construction of a 1x2 Classroom Block at Kaozi Primary School in Kaozi Ward of Chama North

On 2nd November 2022, the Council engaged Kwasu General Dealers for the construction of a 1x2 Classroom block at Kaozi Primary School with a contract price of K216,861. The duration of the contract was sixteen (16) weeks from 16th November 2022 to 16th March 2023.

The scope of works included excavation and earthwork, disposal, dump proof membrane, anti-termite treatment, brickwork, substructure, superstructure, roofing, carpentry, finishes, joinery, plastering, ironmongery, drainage, painting and decorations.

As of 31st December 2022, the contractor had been paid amounts totalling K127,586.

A physical inspection of the project carried out in June 2023, revealed that the works had not been completed, seven (7) months after the expected completion date and the contractor was not on site.

The outstanding works included fitting of doors and windowpanes, fitting of wardrobe, drainage, painting and decorating. See Picture below.



*Uncompleted 1x2 Classroom block*

- **Kambombo Water Reticulation Project Scheme in Kalinkhu Ward of Chama North**

On 2nd November 2022, the Council engaged Evelyn and Welcome Properties Limited for the installation of Kambombo water scheme at a contract price of K99,672. The duration of the contract was sixteen (16) weeks from 16th November 2022 to 16th March 2023.

The scope of works included excavation, backfilling, plumbing, installation of 300 watts solar panels with all connections to the borehole, cleaning and disinfection of tank, repair any leakages in the tank, spreading of crushed stones inside the fenced area, concrete works, fencing and erecting of poles.

As of 31st December 2022, the contractor had been paid K69,902.

In addition, the contract provided for retention of the toolbox and dies kit by the Council at the end of the contract.

A physical inspection of the project carried out in June 2023, revealed that the project had been completed. However, the following observations were made; crushed stones had not been spread inside the fenced area, control box was hanging using electric cables instead of fixing it with bolts and nuts as provided for and five (5) poles were not erected.

Due to poor workmanship, the tank had leakages and the taps could not close resulting in continuous loss of water.

Further, the toolbox and dies kit valued at K19,000 had not been retained to the Council by the contractor after the completion of works.

As of 30<sup>th</sup> September 2023, the Council had not taken any action. See pictures below.



*Defects on the Water Reticulation Scheme in Kambombo*



*Formation of Mwalala Road and Culvert Installation in Mwalala Ward of Chama North*

On 7th November 2022, the Council engaged Chaffor Contractors and Suppliers Limited for the formulation of Mwalala Road and installation of a culvert in Mwalala Ward at a contract price of K135,236. The duration of the contract was sixteen (16) weeks from 21st November 2022 to 21st March, 2023.

The scope of works included site mobilisation, excavation and earthwork, concrete works, embankment and construction of lined side drain to protect against erosion.

As of 31st December 2022, the contractor had been paid amounts totalling K97,793.

A physical verification carried out in September 2022, revealed that the contractor was on site. However, the following were still outstanding gravelling and slab on the base of the culvert, embankments, compacting and lined side drain. See Picture below.



*Uncompleted Culvert in Mwalala Ward*

**ii. Youth, Women and Community Empowerment - Grants**

During the period under review, the Council received an amount of K1,956,233 for empowerment grants out of which amounts totalling K1,953,200 were disbursed to 134 selected applicants to undertake various projects such as village banking, goat rearing and poultry.

As of 31st December 2022, amounts totalling K1,953,200 had been spent leaving a balance of K3,033.

The following were observed:

- **Failure to Implement Projects**

As of 31<sup>st</sup> December 2022, a total of 105 beneficiaries had implemented their projects while twenty-five (25) had not implemented any and four (4) were still implementing the projects.

- **Soft Loans**

During the period under review, thirty-one (31) applicants were selected and allocated soft loans in amounts totalling K2,929,620 to undertake various projects such as agriculture, farming and other activities.

- **Failure to Utilize Interest Earned**

Guideline No. 4.3.2 (d) of the CDF Guidelines states, “The interest earned on the revolving bank account shall be retained and used as part of the revolving fund.”

However, amounts totalling K228,878 earned as bank interest from the revolving fund account for Chama North had not been utilised as of June 2023.

**b. Chama South Constituency**

**i. Community Projects**

- **Construction of 1x3 Classroom Block at Mangwere Primary School in Lunzi Ward of Chama South**

On 2<sup>nd</sup> November 2022, the Council engaged Rayview Investments Limited for the construction of a 1x3 Classroom Block (CRB) at Mangwere Primary School at a contract price of K289,994. The duration of the contract was sixteen (16) weeks from 16<sup>th</sup> November 2022 to 16<sup>th</sup> March 2023.

The scope of works included the construction of substructure, superstructure, roofing, plastering, painting, fitting of doorframes and window frames, fitting of doors, glazing, carpentry, finishes and drainage works and decorations.

As of 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K84,399.

A physical inspection of the project carried out in September 2023, revealed that the works had not been completed, seven (7) months after the expected completion date.

The outstanding works included fitting of doors and windowpanes, painting, drainage works, finishes and decorations. See picture below.



*Uncompleted 1x3 Classroom Block*

- **Completion of Police Post in Vilimukulu Ward of Chama South**

On 16<sup>th</sup> September 2022, the Council engaged Caledonian Cleaning Services, Suppliers and General Dealers for the completion of a Police Post in Vilimukulu ward at a contract price of K97,640. The duration of the contract was sixteen (16) weeks from 2<sup>nd</sup> November 2022 to 2<sup>nd</sup> February 2023.

The scope of works included the construction of substructure, superstructure, roofing, plastering, painting, fitting of door frames and window frames, fitting of doors, glazing, carpentry, finishes, drainage works and decorations.

As of 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K14,646.

A physical inspection of the project carried out in September 2023, revealed that the works had not been completed, eight (8) months after the expected completion date and the contractor was not on site.

The outstanding works included burglar bars in the ceiling of the cell room, grille door to the cell room, flooring, painting interior and exterior and fitting of doors. See Picture below.



*Uncompleted Police Post in Vilimukulu*

- ii. **Youth, Women and Community Empowerment - Grants**

- **Failure to Implement Projects**

During the period under review, empowerment grants in amounts totalling K1,937,950 were awarded to seventy one (71) beneficiaries to undertake various projects such as poultry, village banking and goat rearing



However, as at 31<sup>st</sup> December 2022, fifty three (53) beneficiaries had implemented the projects while ten (10) had not and eight (8) were still implementing the projects.

- **Soft Loans**

During the period under review, twenty eight (28) applicants were selected to be funded amounts totalling K2,706,350 to undertake various projects such as agriculture, commercial fish farming and livestock.

The following were observed:

- **Failure to Utilize Interest Received from Revolving Fund Accounts**

Guideline No. 4.3.2 (d) of the CDF guideline states, “The interest earned on the revolving bank account shall be retained and used as part of the revolving fund.”

However, amounts totalling K225,330 earned as bank interest from the revolving fund accounts for Chama Constituency had not been utilised as at 30<sup>th</sup> June 2023.

### iii. **Other Observations**

- **Lack of Monitoring Reports**

Guideline No. 8.1.3 of the CDF Guidelines of 2022 requires that the Principal Officer of a Local Authority should constitute a team to monitor the implementation of projects at the district level and that the principal officer should submit monitoring reports to the Council.

Contrary to the Guideline, the Council paid amounts totalling K416,502 (K208,251 for ten officers each per constituency) as subsistence and fuel allowances when conducting site handovers and monitoring of various projects without preparing monitoring reports on the activities conducted.

- **Irregular Transfer of Funds - Chama North Constituency**

The Public Finance Management Regulation No. 60 (1) states, “A public body shall maintain a cash flow account for a program or activity for each head of expenditure.”

Contrary to the Regulation, the Council transferred an amount of K47,793 on 30<sup>th</sup> May 2022, from the Chama North Constituency Development Fund account to the District Fund Account without stating the purpose for the funds transferred.

## **10. Chasefu Town Council**

### **a. Delayed Completion of Projects**

A physical inspection carried in October 2023 revealed that out of thirty (30) projects, ten (10) with amounts totalling K5,754,532 had not yet been completed as at 18<sup>th</sup> October 2023. See table 1 below.

**Table 1: Delayed completion of Project**

No.	Project	Contractor	Contract Date	Contract		Contract Sum K	Amount Paid K	Scope of work	Project Status and Other Observations
				Start	End				
1	Rehabilitation of 1x3 classroom block room at Zovulume Primary School	Tigomezyani Construction and General Dealers	20.12.22	20.12.22	20.02.23	34,000	253,691	<ul style="list-style-type: none"> <li>○ Demolishing of bricks to window level</li> <li>○ Construction of reinforced ring</li> <li>○ Fabrication of spider trussels</li> <li>○ Roof construction</li> <li>○ Joinery and iron monger</li> <li>○ Glazing</li> <li>○ Painting and external works</li> </ul>	<p>The following works were still outstanding as at 31<sup>st</sup> October 2023:</p> <ul style="list-style-type: none"> <li>• Glazing Putting windowpanes in some windows.</li> <li>• Painting</li> </ul>

2	Construction of 1x3 classroom block at Mswazi Primary School	Madoca General Trading Ltd	22.03.23	22.03.23	22.06.23	797,924.87	494,924.87	<ul style="list-style-type: none"> <li>○ Substructure</li> <li>○ Block work, Superstructure</li> <li>○ Roofing, Carpentry, joinery and ironmongery</li> <li>○ Electrical installation</li> <li>○ Metal works</li> <li>○ Floor and wall finishing</li> <li>○ Painting and decorations</li> <li>○ Glazing</li> <li>○ External works</li> </ul>	<p>The following works were still outstanding as at 31<sup>st</sup> October 2023:</p> <ul style="list-style-type: none"> <li>• Electrical works</li> <li>• Plastering</li> <li>• Flooring</li> <li>• Glazing</li> </ul>
3	Rehabilitation of Chiweya Primary School	Malambo Business Innovations	06.06.23	06.06.23	06.08.23	35,000	183,058.90	<ul style="list-style-type: none"> <li>○ Demolishing of bricks to window level</li> <li>○ Construction of reinforced ring</li> <li>○ Fabrication of spider trussels</li> <li>○ Roof construction</li> <li>○ Joinery and iron monger</li> <li>○ Glazing</li> <li>○ Painting and external works</li> </ul>	<p>The following works were still outstanding as at 31<sup>st</sup> October 2023:</p> <ul style="list-style-type: none"> <li>• External and internal painting</li> <li>• Glazing</li> </ul>

#### **b. Failure to Complete Desk Refurbishment**

The Council allocated funds totalling K812,812 for refurbishment of 1,700 desks which was approved on 30<sup>th</sup> September 2022 by the Ministry.

A review of records revealed that amounts totalling K670,195 were spent leaving a balance of K142,617.

In this regard, the council signed labour based contracts with four (4) contractors namely Rumac Pharmacy Limited, Saniv Enterprises, Agreed Youth Cooperative and Sekelela Construction and General dealers on 26<sup>th</sup> April 2023 for the rehabilitation of one thousand seven hundred (1,700) desks at contract sums of K46,750 each.

The scope of works included the following:

- Assembly of desk frame pairs;
- Painting of desk frame pairs;
- Fabrication works;
- Cutting, joinery and vanishing.

Amounts totalling K670,195 (Labour – K99,860, Materials – K570,335) were spent leaving a balance of K142,617.

However, out of the 1,700 desks to be refurbished, only 500 desks were refurbished leaving 1,200 desks not refurbished.

#### **c. Failure to Complete Maintenance and Sport Gravelling of Feeder Roads**

The Council allocated funds totalling K500,000 for maintenance and sport gravelling of 100 km of feeder roads in 10 wards. The gravelling was to be done by the Council.

A physical inspection and review of records carried out on 18<sup>th</sup> October 2023 revealed that out of 100 km only 8km with amounts totalling K166,845 was graveled from Phikamalaza school to Chama Lundazi Road leaving a balance of K333,155.

## **11. Chavuma Town Council**

### **a. Delayed Submission of Proposed Projects by the CDF Committee**

The Constituency Development Fund (CDF) Guideline No. 5.4 (a) states that; The Constituency Development Fund Committee shall submit to the Minister proposed applications and the estimated costs before the end of the month of March in each year in the prescribed manner and form.

Contrary to the guideline, the Council submitted thirty-two (32) proposed project list for 2022 to the Minister for approval on 31<sup>st</sup> August 2022 five (5) months after the expected date prescribed by the Act.

### **b. Youth, Women and Community Empowerment - Grants – Empowerment - Failure to Disburse Amounts Applied for - Empowerment Grants**

During the period under review, empowerment grants in amounts totalling K1,304,400 were issued to 115 selected applicants to undertake various projects such as such as fish farming, rice cultivation, milling processing and poultry production business.

CDF Guideline No. 2.1.2 states that ‘Empowerment beneficiaries shall be equipped with seed money in form of grants given to Organized Groups, Clubs and Cooperatives.’

However, a review of accounting and other records revealed that seventy-eight (78) beneficiaries were paid empowerment grants in amounts totalling K903,000 instead of the applied for amounts totalling K3,120,000 despite receiving and approving the project proposals or estimates. This resulted in beneficiaries failing to implement the projects as planned.

## 12. Chembe Town Council

### a. Utilisation of CDF

#### i. Construction of 1 x 3 Classroom Block - Fikombo Primary School

On 12<sup>th</sup> August 2022, Chembe Town Council engaged Crisswood Engineering Limited of Kitwe to construct a 1 x 3 Classroom Block (CRB) at a contract sum of K380,000 which was revised to K428,558. The contract was for a period of sixteen (16) weeks starting from 24<sup>th</sup> August 2022 to 30<sup>th</sup> December 2022.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K387,115 leaving a balance of K47,443.

The scope of works included the following: construction of sub and super structure, roofing, electrical installations, joinery and ironmongery, glazing and painting and decorations.

A physical inspection carried out in October 2023 revealed that although the school was completed and in use, wall skirting had not been done while the floor was poorly done in that multiple potholes had developed in all the three (3) classrooms. See pictures below.



*Potholes developed in classroom No. 2 and classroom No. 3*

As of 12<sup>th</sup> October 2023, the contractor had demobilised and the defects had not been corrected, ten (10) months after the completion of the works.

#### ii. Construction of 1x3 Classroom Block - Chembe Primary School

On 12<sup>th</sup> August 2022, Chembe Town Council engaged Northen Shasa Limited of Kitwe to construct a 1 x 3 Classroom Block (CRB) at a contract sum of K380,000 which was revised to K533,391. The contract was for an initial period of sixteen

(16) weeks starting from 24<sup>th</sup> August 2022 to 30<sup>th</sup> December 2022, and the completion date was revised to 30<sup>th</sup> September 2023. On 21<sup>st</sup> August 2023, the completion date was further revised to 10<sup>th</sup> November 2023.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K437,422 leaving a balance of K95,969.

The scope of works included the following; construction of sub and super structure, roofing, electrical installations, joinery and ironmongery, glazing and painting and decorations.

A physical verification carried out in October 2023 revealed that although the school was roofed, the windows were fitted with Y10 burglar bars instead of Y12 and the veranda ring beam for classroom No. 1 was poorly done in that the roof was warping.

As of 26<sup>th</sup> October 2023, the following works were still outstanding.

- Reinforcement of trusses and ring beam to straighten the warping roof at the veranda to classroom No 1.
- Replacement of Y10 window burglar bars with Y12 on all twenty (20) windows.
- Glazing.
- Painting and decorations.
- Door installation.
- Electrical installations.

At the time of inspection, the contractor was on site.

### **iii. Construction of Staff House at Chipete**

On 5<sup>th</sup> December 2022, Chembe Town Council engaged Wafra Contractors Limited of Mansa to construct a staff house at a contract sum of K449,865. The contract was for a period of sixteen (16) weeks starting from 5<sup>th</sup> December 2022 to 31<sup>st</sup> March 2023, with a revised completion date of 30<sup>th</sup> September 2023.

As of 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K254,422 leaving a balance of K195,443.



The scope of works included the following: construction of sub and super structure, roofing, electrical installations, joinery and ironmongery, glazing, painting and decorations.

A physical verification carried out on 13<sup>th</sup> October 2023 revealed that the house was roofed and at 70% completion. However, the project had delayed by two (2) weeks, works had stalled and the contractor was not on site with the following works outstanding:

- Installation of doors,
- Glazing,
- Completion of plumbing works
- Painting, and
- Electrical installations. See picture below.



*Incomplete staff house at Chipete*

#### **iv. Construction of a Police Post at Chipete**

On 5<sup>th</sup> December 2022, Chembe Town Council engaged PI-Techlogistics Limited of Kitwe to construct a Police Post at a contract sum of K540,805. The contract was for a period of sixteen (16) weeks starting from 5<sup>th</sup> December 2022 to 31<sup>st</sup> March 2023, with a revised completion date of 30<sup>th</sup> October 2023. On 16<sup>th</sup> October 2023, the completion date was further revised to 22<sup>nd</sup> November 2023.

As of 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K247,590 leaving a balance of K293,215.

The scope of works included the following: construction of sub and super structure, roofing, electrical installations, joinery and ironmongery, glazing, painting and decorations.

A physical verification carried out on 12<sup>th</sup> October 2023 revealed that the Police Post was at wall plate and at 60% completion stage. Although the contractor was on site, the works stalled in September 2023 and the project had delayed by two (2) weeks with the following outstanding: -

- Completion of ring beam
- Roofing
- Fixing ceiling board
- Installation of doors,
- Glazing,
- Plumbing
- Painting, and
- Electrical installations. See picture below.



*Uncompleted Police Post at Chipete*

The delay in completing the project was attributed to poor road network.

**v. Construction of a Mortuary and Supply of Equipment at Chembe Mini Hospital**

In 2013, the Government of the Republic of Zambia established and gazetted Chembe as a District in Luapula Province. However, since its attainment of District status, there has hitherto been no mortuary facility resulting in dead bodies being ferried to Mansa General Hospital for storage before burial and in some cases, bodies being buried instantly to avoid decomposition.

In this regard, in an effort to address the problem, on 25<sup>th</sup> November 2022, Chembe Town Council engaged JKMM of Mansa to construct a Mortuary at a contract sum of K2,081,272. The contract was for a period of twenty-six (26) weeks starting from 15<sup>th</sup> December 2022 to 30<sup>th</sup> June 2023, with a revised completion date of 30<sup>th</sup> October 2023. On 26<sup>th</sup> September 2023, the completion date was further revised to 20<sup>th</sup> November 2023.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K1,874,629 leaving a balance of K206,643.

The scope of works included the following: construction of sub and super structure, roofing, electrical installations, joinery and ironmongery, glazing, painting and decorations, supply and installation of cadavers (Mortuary Units).

A physical verification carried out in October 2023 revealed that the mortuary was roofed and was at 80% complete with the following works outstanding.

- Installation of doors
- Fixing ceiling board
- Installation of doors,
- Glazing,
- Plumbing
- Supply and installation of Cavaders (Mortuary Units)
- Painting, and
- Electrical installations.
- As at the time of inspection, the contractor was not on site.

**vi. Youth, Women and Community Empowerment - Grants**

During the period under review, empowerment grants in amounts totalling K2,156,831 were awarded to 115 selected applicants to undertake various projects such as chicken rearing, gardening, and block making.

The following were observed:

- As at 13<sup>th</sup> October 2023, only one (1) out of seven (7) applicants visited in Luapula ward had implemented the projects while five (5) applicants had not implemented any projects and one (1) group were still implementing the project.
- As at 31<sup>st</sup> December 2022, amounts totalling K2,156,831 had been disbursed resulting in excess expenditure of K200,598.

**13. Chienge Town Council**

**a. Chienge Constituency**

**i. Community Projects**

- **Construction of a 1 x 3 Classroom Block at Chilimba Primary School – Phase One**

On 15<sup>th</sup> March 2022, the Council engaged Dmak Logistics Limited for the construction of a 1x3 classroom block at a contract price of K260,281 with a completion period of twelve (12) weeks commencing 12<sup>th</sup> July 2022 and ending on 12<sup>th</sup> October 2022.

The scope of works included substructure, concrete work, block work and brick work, roofing, carpentry, joinery and ironmongery, metal work, electrical, glazing, floor and wall finishes, painting and decorations.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K246,782 leaving a balance of K13,499.

A physical inspection carried out in October 2023 revealed that the contract had been completed, however there was poor workmanship as illustrated by the following observations and pictures.:

- The building has started developing cracks on the floor in all the three (3) classrooms.
- One grill gate has fallen off.
- Cracks have developed on the spoon drain.
- Cracks on the superstructure.



*Poor workmanship on the veranda*



*Cracks on the superstructure*

- **Construction of a 1 x 3 Classroom Block and a Double VIP Toilet at Bwafwano Community School**

On 14<sup>th</sup> July 2022, the Council engaged Jogore General Enterprises for the construction of a 1x 3 classroom block and a double VIP toilet at a contract price of K454,102 with a completion period of three (3) months commencing 21<sup>st</sup> July 2022 and ending on 21<sup>st</sup> October 2022.

The scope of works included substructure, concrete work, block work and brick work, roof covering, carpentry, joinery and ironmongery, metal work, structural steel work, glazing, floor, wall and ceiling finishing, painting and decoration.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K286,243 leaving a balance of K167,859

A physical inspection carried out in October 2023 revealed that, the contract had been completed.

However there was poor workmanship as illustrated by the following observations and pictures:

- The building has developed cracks on the floors and verandah.
- The spoon drain has developed cracks.
- The double VIP has developed cracks on the floor. See pictures below:



*Cracks on the veranda and the floor*



*Cracks developing on the spoon drain*



*Cracks developing on the floor of the double VIP toilet*

- **Construction of a 1 x 3 Classroom Block at Njelesani Community School**

On 18<sup>th</sup> July 2022, the Council engaged Joe Chang Construction Limited for the construction of a 1x3 classroom block at a contract price of K406,310 with a completion period of four (4) months commencing 1<sup>st</sup> August 2022 and ending on 1<sup>st</sup> December 2022.

The scope of works included substructure, concrete work, block work and brick work, roof covering, carpentry, joinery and ironmongery, metal work, electrical, glazing, floor and wall finishes, painting and decoration.

As at 31<sup>st</sup> December 2022, the contractor had been paid amount totalling K384,222 leaving a balance of K22,087

A physical inspection carried out in October 2023, revealed that the contract had been completed, however the following were observed:

- The building has developed cracks on the floor in all the three (3) classrooms and the verandah.
- Cracks developed on the spoon drain.



*Multiple cracks on the floor in all the three (3) classroom blocks*



*Cracks on the spoon drain and veranda*

## **14. Chifunabuli Town Council**

### **a. Chifunabuli Constituency**

#### **i. Community Projects**

- **Construction of 1x3 Classroom Block (CRB) at Chamalawa Primary School**

On 7<sup>th</sup> July 2022, the Council engaged Fungala Investment Limited for the construction of a 1x3 classroom block at Chamalawa Primary School at a contract price of K490,000 with completion period of sixteen (16) weeks commencing on 12<sup>th</sup> July 2022 and ending on 12<sup>th</sup> November 2022.

The scope of works included substructure, concrete work, brickwork and block work, roofing, carpentry, joinery and ironmongery, metal work, finishings, glazing, painting and decoration.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K318,500 leaving the balance of K 171,500.

A physical inspection carried out in July 2023 revealed that, although the classroom block had been completed, there was poor workmanship in that;



- Cracks had developed on the spoon drain.
- Multiple cracks in all the three (3) classrooms had developed.
- Window frames had fallen off the structure.
- The strong room had no grill gate. See pictures below:



*Poor workmanship on the step*



*Cracks on the spoon drain*



*Part of the window has fallen off*



*Strong room not fitted with the grill gate    Cracks on the spoon drain*

The delay in implementing the projects was attributed to the delayed approval of projects in 2022 due to the long process.

- **Construction of 1x3 CRB at Kapoma Primary School – Delayed Completion**

On 3<sup>rd</sup> May 2021, the Council engaged Glens Cort Construction for the construction of a 1x3 classroom block at Kapoma Primary School at a contract price of K258,240 with a contract period of sixteen (16) weeks commencing on 7<sup>th</sup> May and ending on 13<sup>th</sup> September 2021.

The scope of works included; substructure, superstructure, construction of ring beam, installation of trusses and roofing.

As at 30<sup>th</sup> September 2022, the contractor had been paid amounts totalling K167,856. A physical inspection carried out in September 2022, revealed that the project had not been completed twelve (12) months after the expected completion date. The outstanding works included installation of trusses and roofing. See picture below.



*Incomplete 1x3 CRB*

Further, the Council terminated the contract on 10<sup>th</sup> January 2022 due to non-performance of the contractor but had not engaged another contractor to complete the project as at 30<sup>th</sup> September 2022.

- **Construction of 1x3 Classroom Block at Kapumpe Primary School – Delayed Completion**

On 6<sup>th</sup> May 2021, the Council engaged Nkumbu Lubuto Enterprise for the construction of a 1x3 classroom block (CRB) at Kapumpe Primary School at a contract sum of K259,259 with a contract period of sixteen (16) weeks commencing on 7<sup>th</sup> May and ending on 13<sup>th</sup> August 2021.

The scope of works included; substructure, superstructure, construction of ring beam, installation of trusses and roofing, window frames, door frames, doors and grill gates, plastering, painting and finishes.

As at 30<sup>th</sup> September 2022, the contractor had been paid amounts totalling K116,666.

A physical inspection carried out in September 2022, revealed that the project had not been completed thirteen (13) months after the expected completion date. The outstanding works included installation of trusses and roofing, window frames, door frames, eight (8) doors, grill gates, plastering, painting and finishes. See picture below.



*Incomplete 1x3 CRB*

Further, the Council terminated the contract on 10<sup>th</sup> January 2022 due to non-performance of the contractor but had not engaged another contractor to complete the project as at 30<sup>th</sup> September 2022.

- **Construction of 1x3 Classroom Block at Shikamushile Primary School – Delayed Completion**

On 6<sup>th</sup> May 2021, the Council engaged Chanewa Enterprises for the construction of a 1x3 classroom block (CRB) at Shikamushile Primary School at a contract sum of K168,351 with a contract period of sixteen (16) weeks commencing on 7<sup>th</sup> May and ending on 13<sup>th</sup> August 2021.

The scope of works included; superstructure, construction of a ring beam, installation of trusses and roofing.

As at 30<sup>th</sup> September 2022, the contractor had been paid amounts totalling K117,846.

A physical inspection carried out in September 2022 revealed that the project had not been completed thirteen (13) months after the expected completion date with roofing outstanding. See picture below.



*Incomplete 1x3 CRB*

Further, the Council terminated the contract on 6<sup>th</sup> May 2022 due to non-performance of the contractor but had not engaged another contractor to complete the project as at 30<sup>th</sup> September 2022.

**ii. Irregular Cash Drawings**

Ministry of Finance Treasury and Financial Circular No.1 of 2020 guided Controlling Officers that no cash should be withdrawn for payment of subsistence allowances, fuel refunds and any other allowances as these should be paid directly into the beneficiary's account.

Contrary to the Circular, imprest in amounts totalling K37,126 was irregularly issued to an officer to facilitate payments of allowances to several officers instead of paying directly into the beneficiary's account.

## **Chikankata Town Council**

### **a. Chikankanta Constituency**

#### **i. Community Projects**

- **Delayed Completion - Construction of Laboratory at Ngangula Secondary School-2021**

On 13<sup>th</sup> May 2022, the Council engaged Conproc Zambia Ltd to construct a laboratory block at a contract sum of K434,469 for a contract period of twelve (12) weeks commencing in May 2022 and ending in August 2022. The scope of works included super structural block works, carpentry, plumbing works joinery and ironmongery, stormwater drainage, floor and wall finishings, glazing and painting.

As at 31<sup>st</sup> December 2022, amounts totalling K391,471 had been paid to the contractor.

Contrary to the terms of the contract, as of October 2023 the project had not been completed, fourteen (14) months after the expected date of completion and the contractor was not on site. The outstanding works included flooring, painting, fitting of door frames, doors and grille doors and plumbing. See pictures below.



*Unpainted and no floor screed laboratory and undone carpentry and iron mongery*

#### **ii. Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,922,740 were given to fifty - three (53) selected applicants to undertake various projects such as village banking, farming, hammer mill projects, fish farming, goat rearing, piggery and chicken rearing.

As at 31<sup>st</sup> December 2022, forty four (44) had implemented the projects while nine (9) had not implemented any projects.

## **15. Chililabombwe Municipal Council**

### **a. Chililabombwe Constituency**

#### **i. Youth, Women and Community Empowerment**

- **Unauthorised Change of Approved Grant Project/Misapplication of Project Funds by Recipients**

Section 16 (1) of the constituency development fund act No. 11 of 2018 states, “A Committee shall, prior to the submission of a proposed project list to the Minister, invite a ward development committee to submit proposals during the first quarter of every year preceding the year in which a project is proposed to be implemented by way of an advertisement, open meeting and fixing of a poster in conspicuous places.”

Contrary to the Regulation, during the period under review, ten (10) cooperatives which received grants in amounts totalling K200,000 changed the projects to other uses without authority. See table 1 below.

**Table 1: Unauthorised Change of Approved Grant Project**

No.	Name of Organisation	Project Approved	Grant Given K	Ward	Contact Number	Project Undertaken
1	Kamenza East Multi-Purpose	Block Making and Selling of Plumbing Materials	20,000	Kamenza East	0963305916/0 968601994	Savings and internal lending community
2	Lukundo Multi-Purpose Cooperative	Block Making	20,000	Kamenza East	0969587130/0 761486960	Village Banking
3	Dinewelise Multi-Purpose Cooperative	Block Making and Supplying of Cement	20,000	Kamenza East	0969598424/0 762393756	Savings and internal lending community (Silc) and Charcoal Business.
4	Impangwe Women Multi-Purpose Cooperative Society	Selling of Cement	20,000	Kamenza East	0965049201/0 969765668	Village Banking.
5	Youth Maker Multi-Purpose	Block Making Machines Block Making	20,000	Kamenza East	966293424	Buying and Selling of Maize
6	Mapage Multi-Purpose Co-operative	Gardening - water pump, Polly pipes, vegetable chemicals, sprayer	20,000	Ilute Yeta	0965594520/0 765889240	Sweet Potato Business and Chicken Rearing
7	Mopage Multi-Purpose Cooperative Society	Cement Retail	20,000	Hellen Kaunda	0963458122/0 966892229	Saving and internal lending community (Silc)
8	Lemmah Multi-Purpose Cooperative Society	Block Making	20,000	Kamima	0960178415/0 760075006	Savings and internal lending community (Silc) and Charcoal Business
9	Twilaitambafye Youth Multi-Purpose Co-operative	Brick Making	20,000	Joseph Mwilwa	0965503731/0 963971152	Chicken rearing
10	Lukabu MP co-op	Cement Retail and Block	20,000	Kafue		Gabbage collection
	<b>Total</b>		<b>200,000</b>			

## 16. Chilubi Town Council

### a. Chilubi Constituency

#### i. Supply and Installation of Step-Down Transformer

On 20<sup>th</sup> October 2021, the Council engaged the Zambia Electricity Supply Corporation (ZESCO) for the supply and installation of a step-down transformer in Chibula at a cost of K291,417 in order to provide service to Chibula Primary School and Mule Rural Health Centre in Kanchindi Ward.

The scope of works included the carrying out wayleave acquisition, bush clearing and pole pegging of 300m of 11KV line routes, insert a 12m pole on the existing complete with isolation links with stay wire, among others. As at 30<sup>th</sup> September 2023, the amount had been paid in full.

However, as at 30<sup>th</sup> September 2023, the transformer had not been supplied and installed along with the associated services despite ZESCO being paid in full.



**ii. Youth, Women and Community Empowerment**

• **Unauthorised Projects**

Nineteen (19) organised groups had used funds in amounts totalling K562,692 on projects that were not endorsed by the Constituency Development Fund Committee.

• **Failure to Prepare Consolidated Lists-Grants**

Guideline 5.2.3.2 (b) of the CDF Guidelines states, “the WDC shall submit a consolidated list of applicants for empowerment loans to the CDFC for information.”

Contrary to the Guidelines, during the period under review the WDCs did not prepare consolidated lists in respect of empowerment loans for subsequent submission to the CDFC.

**iii. Secondary Schools (Boarding) and Skills Development**

• **Questionable Award of Bursary**

Payments in amounts totalling K97,000 were made as bursaries in respect of twelve (12) students under the support to the nursing school.

However, there were no records to indicate that the students had applied for sponsorship making the award of the bursaries questionable.

• **Failure to Prepare Consolidated List-Bursaries**

Guideline 5.3.2 (ii) of the Constituency Development Fund Guidelines states, “the WDC shall submit a consolidated list of names of bursary applicants received from applicants for onward submission to the CDF Committee.”

Contrary to the Guidelines, the WDCs did not prepare a consolidated list of bursary applicants for onward submission to the CDFC.

**b. Administrative Costs Irregular Cash Withdrawals**

The Ministry of Finance Treasury and Finance Management Circular No. 1 of 2020 guided Controlling officers that no cash shall be withdrawn for payment of

subsistence allowances, fuel refunds and any other allowances as these should be paid directly into the beneficiary's account.

Contrary to the Circular, cash totalling K388,451 was drawn as imprest to facilitate payments of daily subsistence and fuel allowances and paid to forty (40) officers, instead of paying directly into the beneficiaries' accounts.

## 17. Chingola Municipal Council

### a. Nchanga Constituency

#### i. Poor Workmanship – Completion of a 1x3 Classroom Block at Nchanga School of Excellence

On 20<sup>th</sup> September 2022, the Council engaged Prodea Business Investments Ltd to complete a 1x3 classroom block at a contract sum of K368,508 over a period of twelve (12) weeks commencing in September 2022 and ending in January 2023.

The scope of works included; super structural block works, carpentry, joinery and ironmongery, stormwater drainage, floor and wall finishings, glazing and painting.

As at 9<sup>th</sup> May 2023, amounts totalling K323,620 had been paid to the contractor.

A physical inspection carried out in July 2023 revealed that the project was completed and handed over to the Council. However, the following poor workmanship were observed:

- The spoon drain and floor had developed cracks and the floor screed inside the classroom had been removed so that it can be redone. See pictures below.



*Floor screed removed*



*Cracked Staircase Floor*

- The wall was not done with a rough cast as per Bill of Quantity for which a K3,375 was quoted. See pictures below;



*No Rough Cast on Blockwork*

**ii. Delayed Implementation of Community Projects - Chifinsa Bridge (2021)**

On 22<sup>nd</sup> November, 2021, the Council engaged Cretans Zambia Ltd to complete a Chifinsa Bridge (2021) at a contract sum of K282,200 over a period of forty-eight (48) weeks commencing on 29<sup>th</sup> November, 2021 and ending on 19<sup>th</sup> October, 2022.

As at 9<sup>th</sup> May 2023, amounts totalling K228,163 had been paid to the contractor.

A physical inspection carried out in July 2023 revealed that the following works were outstanding; embankments and aprons of roads, top base and headwalls, guide poles and stone pitching on the sides. See pictures below.



*Chifinsa Bridge*

**iii. Youth, Women and Community Empowerment - Over Expenditure on Grants**

During the period under review, empowerment grants in amounts totalling K1,900,100 were given to 270 selected applicants to undertake various projects such as village banking, fish farming and poultry among others.

The Council received an amount of K1,956,233 for youth and women empowerment grant. However, a review of accounting records revealed that the council spent K2,110,100 resulting in excess expenditure of K153,876.

**b. Chingola Constituency**

**i. Completion of an Ablution Block and Min Water Scheme**

On 18<sup>th</sup> November 2022, the Council engaged Glenfield Engineering Ltd to complete the construction of an ablution block and min water scheme at a contract sum of K642,344 over a period of forty-eight (48) weeks commencing on 30<sup>th</sup> November 2022 and ending on 2<sup>nd</sup> March 2023.

As of 30<sup>th</sup> September 2023, amounts totalling K268,172 had been paid to the contractor.

A physical inspection revealed that the following were outstanding works; the mini water scheme had not been done yet, the ceiling board, plumbing installations, power connection and completion of wall fence building. See pictures below.



*Plumbing not done*



*Incomplete wall fence*



*Ceiling not done*

**ii. Construction of 1X3 Classroom Block at Kasompe Combined School**

On 18<sup>th</sup> November 2022, the Council engaged Jucitech Zambia Limited to complete the construction of 1X3 classroom block at Kasompe combined school at a contract sum of K805,456 over a period of twelve (12) weeks commencing on 28<sup>th</sup> September 2022 and ending on 29<sup>th</sup> February 2023.

The scope of works included substructure works, concrete works, roofing and steel roof structure, carpentry, joinery and ironmongery, metalwork, electrical works, floor, wall and ceiling finishes, painting and decorating.

As of 30<sup>th</sup> September 2023, amounts totalling K381,525 had been paid to the contractor.

A physical inspection revealed the following the outstanding works; roofing and steel roof structure, flooring, wall and ceiling finishes and painting and decorating and external works. See picture below.



*Incomplete IX 3 Classroom block*

### **iii. Youth, Women and Community Empowerment**

- **Grants - Over Expenditure**

During the period under review, empowerment grants in amounts totalling K1,961,800 were given to 216 selected applicants to undertake various projects such as such as poultry, village banking and fish farming.

The Council received from the treasury K1,956,233 for youth and women empowerment grant.

However, a review accounting records revealed that the council spent K1,961,800 resulting in excess expenditure of K5,567.

## **18. Chinsali Municipal Council**

### **a. Chinsali Constituency**

#### **i. Poor Implementation of Projects - Construction of Bwinambo Primary School 1x2 CRB.**

On 20<sup>th</sup> September 2022, the Council engaged Econegy Civil limited to complete Bwinambo Primary School in Chunga ward at contract sum of K44,839. The duration was twelve (12) weeks with an expected completion date of 20<sup>th</sup> December 2022.

The scope of works included metal work, glazing, painting and decorating of internal and external walls.

As at 30<sup>th</sup> December 2022, the contractor had been paid the full contract sum.

A Physical inspection conducted in September 2023, revealed that the project had not been completed with the following works outstanding:

fitting of two (2) doors and two (2) mortice locks, painting, glazing, installation of two (2) rubber door stoppers and drainage.

It was also observed that the contractor failed to follow the specifications in the bill of quantities and fitted 1200x1000mm window frames instead of 1900x1000mm.

#### **ii. Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,953,200 were given to 110 selected applicants to undertake various projects such as poultry, goat rearing and village banking.

However, the following were observed:

- **Fraudulent Acquisition of Empowerment Grants**

Section 5.2.4 of the Constituency Development Fund Guidelines stipulates that the Youth, Women and Community shall be eligible to access an empowerment grant upon satisfaction of being a cooperative, club, association and organised groups, must have a minimum of ten (10) members, must have proof of a bank account or mobile wallet registered for

the group, and applicants must have been residents in the Constituency for over 6 months.

On 5<sup>th</sup> September 2022, Shimukokotansono Youth Multipurpose Cooperative Society Limited, a community group that was purportedly based in Masandiko Village in Lubu Ward was paid an amount of K20,000 to undertake village banking activity.

However, a physical inspection and inquiries with community members revealed that the group members were not residents of Masandiko Village despite their application form having been signed by the Ward Development Chairperson for Lubu Ward. The Council could not locate the whereabouts of the members as at May 2023.

Further, a review of the application forms revealed that the approval of the application was questionable in that only one national registration card (NRC) for a member was attached contrary to the guideline.

- **Disbursement of Grants to Unknown Residents**

Clause 5.2.4 of the CDF guidelines requires that applicants must have been residents in the Constituency for over 6 months. The Council disbursed amounts totalling K422,200 to twenty-two (22) groups as grants for various activities.

A physical inspection in the respective ward revealed that these groups were not known by the Ward Development Chairperson, as a result, the physical existence of the group members could not be verified.

- iii. **Secondary Boarding and Skills Development**

A total of 152 pupils were sponsored under CDF to go to boarding schools and 112 students to undergo skills training at a total cost of K904,885.

As at 30<sup>th</sup> September 2023, no pupils had completed school while forty-two (42) students had graduated.

The following were observed:

- **Learners not Residents of the Constituency**

Section No. 5.3.4.1 (b) of CDF guideline requires that learners must be a resident of the Constituency in which the Fund is sitting.

Contrary to the Guideline, the Council irregularly paid boarding fees in amounts totalling K39,000 for thirteen (13) learners at Kenneth Kaunda and Chinsali Girls Secondary schools who were not resident in the Chinsali Constituency.

- **Double Sponsorship**

During the period under review, a Grade 12 learner at Chinsali Girls Secondary school was paid an amount of K3,000 to cater for boarding fees.

However, the learner was also under CAMFED sponsorship at the same time resulting in a double payment.

- **Payment of Sponsorships to Parents or Guardians in Formal Employment**

Section No. 5.3.4.1 (j) of Constituency Development Fund (CDF) guideline states that “Learners whose parents or guardians have no reliable source of income are eligible for Secondary boarding school bursary.”

Contrary to the Regulation, the Council paid amounts totalling K21,000 as boarding fees for seven (7) learners at Kenneth Kaunda and Chinsali Girls Secondary schools whose parents or guardians were in formal employment.

Further, Contrary to the guideline the Council paid an amount of K8,715 for two (2) learners leaving outstanding balance of K11,620 as boarding fees at Isoka trades Institute whose parents or guardians were working as a driver for the mayor and a clerk at Chinsali Municipal Council respectively.

- **Unregistered Institutions**

The Constituency Development Fund (CDF) guideline No.5.3.4.2 (c) states that “the applicant must be in possession of an admission or acceptance letter



from any of the Public TEVETA institutions or the Zambia National Service.”

Further, the Technical Education, Vocational and Entrepreneurship Training (TEVETA) Act Number 13 of 1998 Part (IV) (20) requires that the training institutions be registered with the TEVETA to be able to provide trade training.

However, the Council paid tuition fees in amounts totalling K149,400 for twenty (20) students to pursue skills development programmes at Excavator Operations Training Institute which was not registered under TEVETA.

## **19. Chipata City Council**

### **a. Chipata Central Constituency**

#### **i. Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,920,281 were disbursed to 132 selected applicants to undertake various projects such as poultry, goat keeping and piggery.

As at 31<sup>st</sup> December 2022, a total of 129 applicants had implemented the projects while three (3) had not implemented any projects.

The following were observed:

- **Approval of Incomplete Applications for Grants**

Section 5.2.3.1 of the CDF guidelines requires that Empowerment Applications for grants to the CDFC should be accompanied by the following documents:

- Signed Minutes of the Ward Development Executive Committee Meeting; and
- Signed application forms by the Ward Development Committee Chairperson.

Contrary to the Guideline, twenty (20) applications with an approved funding of K247,675 were processed and approved for payment without signed minutes of the Ward Development Executive Committee Minutes.

**b. Luangeni Constituency**

**i. Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,953,000 were given to eighty eight (88) selected applicants to undertake various projects such as poultry, goat keeping and piggery.

An examination of accounting records and a visit to ten (10) selected beneficiary cooperatives revealed the following:

- **Approval of Incomplete Applications for Grants**

Section 5.2.3.1 of the CDF Guidelines requires that Empowerment Applications for grants to the CDFC should be accompanied by the following documents:

- Signed Minutes of the Ward Development Executive Committee Meeting; and
- Signed application forms by the Ward Development Committee Chairperson.

Contrary to the Guidelines, twenty (20) applications with an approved funding of K503,975 were processed and approved for payment without signed minutes of the Ward Development Executive Committee Minutes.

## 20. Chipili Town Council

### a. Chipili Constituency - Community Projects

- **Construction of Staff House at Mulunda Primary School**

On 18<sup>th</sup> April 2022, the Council engaged Yambet General dealers for the construction of a Staff House at Mulunda Primary school at a contract price of K160,145. The duration of the contract was eight (8) weeks commencing on 18<sup>th</sup> April 2022 and ending on 18<sup>th</sup> June 2022. The defect liability period was one (1) year from the day the contractor handed over the project to the Council and a 15% advance payment was to be made to the contractor.

The scope of works included substructure, concrete work, brickwork and blockwork, roof covering, ceiling boards, doors, door and window frames, wall finishes, grazing, painting and decorating.

As at 31<sup>st</sup> December 2022, the contractor had been paid K24,022.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed seventeen (17) months after the expected completion date.

The outstanding works included; burglar bars, painting doors and concrete in the closet, two (2) doors for the toilet and bathroom, mortice locks for three (3) doors not fitted, floor and walls had developed cracks, five doors were fitted with three (3) leaver mortice lock and not eight doors, timber not treated with wood preservative in the bedroom, plumbing works and drainage. See pictures below.



*Staff House at Mulanda primary school*



*Cracks on the floor*

- **Construction of Maternity Wing - Kamami Rural Health Post**

On 18<sup>th</sup> April 2022, the Council engaged Sowers General dealers for the construction of a Maternity wing at Kamami Rural Health Post at a contract price of K212,280. The duration of the contract was twelve (12) weeks commencing 18<sup>th</sup> April 2022 and ending on 18<sup>th</sup> July 2022. The defect liability period was one (1) year from the day the contractor handed over the project to the Council and a 15% advance payment was to be made to the contractor.

The scope of works included among others substructure, superstructure, concrete work, brickwork, blockwork, roof covering, ceiling board, doors, wall finishes, grazing, painting, decorating, window and door frames.

As at 31<sup>st</sup> December 2022, the Contractor had been paid K95,766.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed, six (6) months after the expected completion date.

The outstanding works included; plumbing works, grill door, painting partially done, window handles on five windows. See picture below.



*Maternity Wing at Kamami Rural Health Post*

- **Completion of 1x3 Classroom Block at Mupeta Primary School**

On 23<sup>rd</sup> March 2022, the Council engaged Munale Constructors and General dealers for the completion of a 1x3 classroom block at Mupeta primary school at a contract price of K318,008. The duration of the contract was four (4) weeks commencing on 23<sup>rd</sup> March 2022 and ending on 23<sup>rd</sup> July 2022. The defect liability period was one (1) year from the day the contractor handed over the project to the Council.

The scope of works included, concrete work, brickwork, blockwork, roof covering, ceiling board, doors, window frames, external works, drainage, ramps, wall finishes, grazing, painting and decorating.

As at 31<sup>st</sup> December 2022, the contractor had been paid K318,008.

A physical inspection of the project carried out in October 2023, revealed that the project had been completed.

However, the following were observed; the floor had developed cracks in all the classrooms and offices and the roof had spaces which would leak during rainy season. See pictures below.



*Cracks on the floor at Mupeta Primary School*

- **Installation of Culverts - Mwenda to Fisheries Road**

On 18<sup>th</sup> April 2022, the Council engaged Wafra Contractors and general dealers for the installation of pipe culverts at Mwenda to Fisheries road at a contract price of K136,331. The duration of the contract was four (4) weeks commencing on 18<sup>th</sup> April 2022 and ending on 18<sup>th</sup> May 2022.

The scope of works included excavation, backfilling, drains, concrete, formworks, stone pitching and steel reinforcement.

As at 31<sup>st</sup> December 2022, the Contractor had been paid K122,302.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed seventeen (17) months after the expected completion date.

The outstanding works included construction of embankment of 150m long, fitting of culverts and top bed.

In addition, the following defects were observed; the bed had developed two (2) cracks and one head wall had developed cracks on the rings. See pictures below.



*Pipe Culvert on Mwenda - Fisheries Road*

The delay in implementing the projects was attributed to failure to source for local contractors while the poor workmanship was attributed to lack of adequate monitoring by the Council.

- **Youth, Women and Community Empowerment - Failure to Maintain Database for Individual Recipients in the Groups**

During the period under review, empowerment grants in amounts totalling K1,943,910 were given to fifty-one (51) selected applicants to undertake various projects such as poultry, cattle rearing and village banking out of K1,956,233 that was received.



On 23<sup>rd</sup> September 2022, the Ministry of Local Government and Rural Development on minute No. LUA/04/CHIP/58 approved fifty-one (51) beneficiaries for an allocation of an empowerment grant of K1,943,910 to undertake various projects they had applied for such as village banking, chicken rearing and farming among others. However, the Council failed to provide a database showing individual beneficiaries of the empowerment grant. Therefore, it was not possible to ascertain whether some beneficiaries belonged to more than one group or if any group or individuals were blacklisted.

## **21. Chirundu Town Council**

### **a. Community Projects**

On 17<sup>th</sup> August 2022, the Ministry of Local Government and Rural Development approved fifteen (15) community projects with a total allocation of K11,938,162 out of which amounts totalling K4,680,788 had been spent leaving a balance of K9,537,636 outstanding. The projects included drilling of boreholes, construction of 1x3 classroom blocks, purchase of desk and staff house among others. The projects were to be implemented in 2022. However, as at 31st October 2023, the Council had implemented twelve (12) projects while three (3) implemented projects had not been completed and were in progress.

In particular, the following observations were made:

Constituency	Project	Contractor	Contract Date		Contract Sum K	Amount Paid K	Scope of Works	Project Status and Other Observations
			Start	End				
Chirundu	Construction of a 1x3 Classroom Block-Mangaba Primary School	Naunga Contractors and General Dealers	16 <sup>th</sup> September 2022	30 <sup>th</sup> January 2023	525,300	349,504		<p>A physical inspection carried out on 18<sup>th</sup> September 2023, revealed that the project had been roofed, plastered, windows fitted and glazing done with the following works outstanding; final painting, skirting, electrical fittings and wiring, installation of solar panels, invertors, charge control and batteries and replacing of strong room door. See pictures below.</p> <div style="display: flex; justify-content: space-around;">   </div> <p style="text-align: center;"><i>Electrical fittings not done</i></p> <p>The construction of the classroom block had been delayed by thirty six (36) weeks after the expected completion date of 30<sup>th</sup> January 2023.</p>



The delay in implementing the projects was attributed to delayed approval and lengthy procurement procedures.

## **22. Chisamba Town Council**

### **a. Chisamba Constituency**

#### **i. Community Projects**

- **Delayed Construction – Construction of Chipandaike Community School (2021 Funds)**

On 18<sup>th</sup> July 2022, the Council engaged Silconet Solutions Limited for the construction of a 1x2 classroom block at Chipandaike Community School at a contract price of K344,611 with a completion period of twelve (12) weeks ending on 11<sup>th</sup> November 2022.

The scope of works included casting of reinforced concrete slab, construction of super structure, roofing, fixing of metal works, plastering, painting and glazing, fixing of doors and finishing.

As at 31<sup>st</sup> December 2022, amounts totalling had been paid K287,667 leaving a balance of K56,943.

A physical inspection carried out on 29<sup>th</sup> August 2023 revealed that the contractor was not on site and the project had not been completed as metal works, glazing, painting, flooring, fixing of doors and finishing were still outstanding.

In addition, the project had delayed by ten (10) months to be completed. See picture below.



*1x2 CRB at Chipandaike under construction*

- **Failure to Connect Power – Electrification of Malombe Primary School (2021 Funds)**

On 31<sup>st</sup> August 2022, the Council engaged Denmu General Dealers for the electrification of Malombe Primary School at a contract price of K112,913 with a completion period of ten (10) weeks.

The approved amount for the project was K100,000 and amounts totalling K112,913 were allocated.

The scope of works included wiring of the classroom block and connecting of ZESCO power supply to the classroom block.

As at 31<sup>st</sup> August 2023, amounts totalling K91,234 had been paid to the contractor leaving a balance of K21,679.

A physical inspection carried out on 31<sup>st</sup> August 2023 revealed that although wiring was completed, power had not been connected by ZESCO.

- ii. **Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,956,233 were paid to sixty-five (65) selected applicants to undertake various projects such as village banking, chicken rearing, goat rearing, piggery, oil machine expeller, hammer mill, and peanut butter making.

However, the following were observed:

- **Questionable Transfer of Grants to Beneficiaries**

During the period under review, the Council transferred K240,000 from the CDF account to NATSAVE Bank as empowerment grant for unknown beneficiaries.

Therefore, the transfer of funds in the absence of supporting documentation was questionable.

As at 31<sup>st</sup> October 2023, the council had not provided documents for audit to support the transfer of the funds.

- **Procurement of Non-functional Oil Expeller**

On 5<sup>th</sup> October 2022, the Council disbursed K40,000 to Mukumba Women's Club for the procurement of an Oil Expeller.

However, a physical inspection conducted in August 2023 revealed that the equipment procured was non- functional. See picture below.



*Non-functional Oil Expeller*

- **Procurement of Non-functional Hammer Mill**

On 5<sup>th</sup> October 2022, the Council disbursed K40,000 to Chikwata Development Club for the procurement of a hammermill.

However, a physical inspection conducted in August 2023, revealed that the equipment procured was non- functional in that the stand was damaged and two (2) fan belts were not connected due to the damaged stand.

- **Failure to Rear Pigs - Kasololo Women Club**

On 12<sup>th</sup> October 2022, the Council disbursed K30,000 to Kasololo

Womens Club for the procurement of pigs for the pigs rearing project.

However, a physical inspection conducted in August 2023 revealed that there were no pigs at the rearing project site and there was no evidence of how the money was utilised. See picture below.



*No pigs at - rearing projects*

- **Overpayments – Youth, Women and Community Empowerment grants**

A review of the expenditure files and the bank statement revealed that the Council had over paid amounts totalling K15,000 to two (2) groups in respect of empowerment grants. Although management indicated that the two (2) projects were viable, when in fact not rendering the upward adjustment wasteful. See table 1 below.

**Table 1: Overpayments of Empowerment Grants**

No	Date	Payee	Details	Project	Cheque No.	Amount Applied K	Amount Paid K	Overpayment K
1	10/5/2022	Mukumba Womens Club	Empowerment Grant	Oil Expeller	RTGS	30,000	40,000	10,000
2	10/5/2022	Chikwata Development Club	Empowerment Grant	Hammer Mill	RTGS	35,000	40,000	5,000
		<b>Total</b>				<b>65,000</b>	<b>80,000</b>	<b>15,000</b>

## **23. Chitambo Town Council**

### **a. Youth, Women and Community Empowerment**

During the period under review, an amount of K1,956,233 was allocated for empowerment grants to forty-nine (49) cooperatives.

However, as of 31<sup>st</sup> December 2022, only amounts totalling K410,795 had been paid to twenty-two (22) applicants to undertake various projects such as poultry, fish farming and goat rearing leaving a balance of K1,545,438

In particular, the following were observed.

#### **i. Failure to Recover Funds – Village Banking**

On 27<sup>th</sup> December 2022, the Council disbursed K35,000 and K40,000 to Sunbird Womens Club and Lapwing Womens Cooperatives respectively. The funds were lent to community members and civil servants at 10% interest and were to be repaid over six (6) months from January 2023.

However, as at 30<sup>th</sup> June, 2023, the cooperatives failed to recover the funds, six months from the time they paid out the funds making it difficult for the cooperatives to continue sustaining the village bank business.

Further the list of the people owing the cooperatives was not availed for audit.

#### **ii. Non-Operational Tailoring Business – Natwange Womens Club**

On 27<sup>th</sup> October 2022, the Council disbursed K40,000 to Natwange Womens Club to establish and operate a tailoring and design business. The cooperative used K13,000 to procure three (3) sewing machines and some materials for making primary school uniforms.

However, a physical inspection conducted in May 2023 revealed that no tailoring activities were being conducted and the sewing machines were still packed in boxes, six (6) months after being procured.

Further, no cash was found at hand and there were no records of how the balance of K27,000 was utilised.

**iii. Failure to Establish Maize and Rice Fields – Chipulilo Cooperative**

On 27<sup>th</sup> October 2022, the Council disbursed K40,000 to Chipulilo Cooperative to establish maize and rice fields.

However, a physical inspection conducted in May 2023 revealed that cooperative had not commenced the activity.

Further, no cash was found at hand and there were no records on how the K40,000 was utilised.

**iv. Failure to Procure a Hammer Mill**

On 27<sup>th</sup> December 2022, the Council disbursed K40,000 to Mipundu Women’s Club to procure a hammer mill for business.

However, a physical inspection conducted in May 2023 revealed that the cooperative had not yet procured the hammer mill and the K40,000 received had been withdrawn and used on unknown activities.

**v. Lack of Adequate Poultry Houses to Sustain Poultry Business**

On 27<sup>th</sup> December 2022, the Council disbursed K50,000 (K25,000 each to Bukanda Multi-Purpose Cooperative and Muchinka Central Multi-Purpose) for establishing poultry businesses.

However, a physical inspection conducted in May 2023 revealed that the cooperatives lacked adequate poultry houses to sustain the broiler chickens in that the space could only accommodate fifty (50) chickens. Consequently, the cooperatives:

- kept 100 chickens per slot resulting in higher mortality rate for the chickens (out of 100 chickens, as many as forty (40) mortality).
- lacked readily available market for the products forcing the cooperatives to sell on credit resulting in uncollected funds from their customers, and
- the cooperatives had no available cash to sustain the broiler businesses. See pictures below.



*1x2 meters poultry house*



*Stunted and lame chicken due to overcrowding.*

## **24. Choma Municipal Council**

### **a. Choma Central Constituency**

#### **i. Construction of 1 x 3 CRB at Simukanka Primary School**

On 10<sup>th</sup> May 2022, the Council engaged Rack Up General Dealers for the construction of a 1 x 3 classroom block at Simukanka Primary School in Nakeempa Ward at a contract sum of K298,533 with a contract period of twelve (12) weeks starting from 18<sup>th</sup> May 2022 to 21<sup>st</sup> August 2022.

The scope of works included construction of sub and superstructures, flooring, plastering, painting, iron mongery, roofing, fitting of doors, glazing and construction of strong room ramps, steps and spoon drain.

As at 31<sup>st</sup> July 2023, the contractor had been paid amounts totalling K284,241.

A physical inspection of the project carried out in July 2023, revealed that the project had been completed but not handed over. However, the following defects were observed; the roofs in all the classrooms including the office were leaking in between the ridges that were installed and the floor in the whole classroom block had started developing hairline cracks and in some parts the floor was peeling off. See pictures below.



*Hair Line cracks on the floor*



*Floor peeling off*

**b. Mbabala Constituency**

**i. Construction of a Police Post in Mapanza Ward**

On 2<sup>nd</sup> November 2022, the Council engaged Matview Construction for the construction of a Police Station in Mapanza Ward at a contract sum of K569,624 with a contract period of twelve(12) weeks starting from 9<sup>th</sup> November 2022 to 7<sup>th</sup> February 2023.

The scope of works included; concrete works, sub and superstructure, roofing and ceiling, metal works, finishings, carpentry joinery and iron mongery, painting, plumbing installations and septic tank.

As at 31<sup>st</sup> July 2023, the contractor had been paid amounts totalling K249,691.

A physical inspection of the project carried out in July 2023, revealed that the works were not complete twenty four (24) weeks after the expected completion date. The outstanding works included; r oofing, blockwork above ring beam, plastering , painting, plumbing, septic tank, fitting ceiling board, carpenty joinery and iron mongery and metal work. See picture below.



*Stalled Project- Mapaza Police Post*

Further, the contractor was not on site and the project had stalled since April 2023.



**ii. Construction of a 1x3 Classroom Block at Ndawana Primary School and Supply of Desks**

On 17<sup>th</sup> October 2022, the Council engaged Mulbec Investment Limited for the construction of 1 x 3 classroom block at Ndawana Primary School Kalundu ward and for the supply of sixty (60) desks at a contract sum of K662,129 with a contract period of twelve (12) weeks starting from 24<sup>th</sup> October 2022 to 24<sup>th</sup> January 2023.

The scope of works included; substructure, concrete works superstructure,roofing, metal works,finishings,carpentry,joinery and iron mongery, painting and glazing.

As at 31<sup>st</sup> July 2023, the contractor had been paid amounts totalling K578,130.

A physical inspection of the project carried out in July 2023, revealed that the works were not complete twenty four (24) weeks after the expected completion date. The outstanding works included fitting of doors, glass panes, painting,spoon drain and supply of sixty (60) desks. See pictures below.



*Incomplete 1 x 3 classroom block at Ndawana Primary School*

## **25. Chongwe Municipal Council**

### **a. Chongwe Constituency**

#### **i. Community Projects**

A total of twenty five (25) community projects such as construction of police post, schools and clinics, procurement of furniture at the police and drilling and equipping of boreholes were approved on 17<sup>th</sup> August 2022, for implementation in 2022 out of which twenty four (24) projects were implemented and completed while one (1) was in progress as at 31<sup>st</sup> December 2022.

In particular, the following were observed:

- **Construction of Lwimba Police Post - Failure to Adhere to Contract Conditions**

On 23<sup>rd</sup> September 2022, the Council engaged Chilisha Enterprise for the construction of Lwimba Police Post at a contract sum of K503,738 with a contract period of eight (8) weeks starting from 1<sup>st</sup> October 2022 to 26<sup>th</sup> November 2022.

As at 30<sup>th</sup> September 2023, amounts totalling K489,946 had been paid to the contractor.

However, the following were observed;

- Bid document, bid evaluations and first interim payment certificate (IPC) had a contract sum of K498,109. However, the amount was different from that in the contract of K503,738 resulting in an un-explained variance of K5629.
- Second and third interim payment certificates were certified and authorised based on the contract sum of K502,509 whose amount was different from the amount in the contract availed for audit.
- Special conditions of contract (SCC) required the Council to retain five percent (5%) of the contract sum in amounts totalling K25,187 from the completion of the project until after the defect liability period of six (6) months.

However, the Council had paid the contractor an amount of K11,396 which is 45% of the total retention amount within the month of issuance of final completion certificate contrary to the terms of the contract. See table 1 below.

**Table 1: Failure to Adhere to Contract Conditions**

No.	Name of Contractor	Date of Payment	Interim Payment Certificate Date	Amount K
1	Chilisha Enterprise Company Ltd	06.12.2022	30.11.2022	155,591.25
2	Chilisha Enterprise Company Ltd	28.12.2022	22.12.2022	220,628.00
3	Chilisha Enterprise Company Ltd	11.05.2023	26.04.2023	113,727.03
	<b>Total Paid</b>			<b>489,946.28</b>
	Contract Sum			503,737.50
	<b>Balance</b>			<b>13,791.22</b>
	Retention @ 5%			25,186.88
	<b>Advance Paid on Retention</b>			<b>(11,395.66)</b>

- **Irregular Procurement of Specialised Equipment**

Section 46 (1) and (2) of the Public Procurement Act of 2020 states, “The objective of direct bidding is to achieve timely and efficient procurement, where the circumstances or value of the procurement do not justify or permit the use of competition.”

Further, the Act states, “Direct bidding may be used where (a) the goods, works or non-consulting services are only available from a single source and no reasonable alternative or substitute exists; (b) due to an emergency, there is urgent need for the goods, works or non-consulting services making it impractical to use other methods of procurement because of the time involved in using those methods.”

In addition, Section 67 (1-4) of the Public Procurement Act of 2020 states, “A procuring entity may, where specified in the solicitation document, conduct a post-qualification of the best evaluated bidder to determine whether that bidder is qualified to perform the contract effectively, the criteria for post-qualification shall be set out in the solicitation document, as prescribed and a procuring entity shall, where a pre-qualification is conducted, use a post-qualification procedure to verify the information submitted by the bidder who submitted the best evaluated bid.”

On 25<sup>th</sup> August 2023, the Council engaged Saro Agro Industrial Limited to supply and deliver a motor grader and tractor backhoe loader at a contract sum of K4,571,100. On the same day, the Council engaged SDLG Investments Limited to supply and deliver a water bowser, tipper truck and roller compactor at a contract sum of K4,655,050 bring the total cost of procuring equipment to K9,226,150.

A scrutiny of pertinent records for the procurement of the equipment revealed the following:

- **Single Sourcing of Suppliers**

Contrary to the Act, the Council single sourced the procurement of these equipment from Saro Agro Industrial Limited and SDLG Investment Limited despite the same equipment being available with other suppliers and the procurement of the same was not an emergency. Therefore, the rationale for not subjecting the procurement process to open national bidding was questionable.

- **Questionable Performance of Due Diligence**

The Council spent a sum of K25,650 to conduct due diligence (post qualification) exercise on five (5) suppliers of equipment namely Higer Buses Zambia, SDLG Investments Ltd, Tata Zambia, Saro Agro Industrial Ltd and Barloworld between 27<sup>th</sup> April and 11<sup>th</sup> May 2023 for the purpose of appreciating the products and after sales services offered.

In addition, the Council solicited for bids from suppliers.

Contrary to the Act that requires the use of a post-qualification procedure to verify the information submitted by the bidder who submitted the best evaluated bid, the Council conducted due diligence to selected suppliers before soliciting for bids from them.

Further, the recommendation from the due diligence committee to procure the equipment from Saro Agro Industrial Limited and SDLG Investments limited was based on the availability of stock and spare parts a criterion that was not made available to other competing suppliers.

○ **Advance Payments and Performance Bonds**

The two (2) contracts with the suppliers provided for advance payments of twenty five percent (25%) of the contract price within twenty eight (28) days of signing the contracts against receipts of advance payment bonds or bank guarantees for the equivalent amounts.

Further, fifty 50% of the contract price was to be paid on receipt or delivery of the goods and the remaining twenty five percent (25%) was be paid to each supplier within twenty eight (28) days after the acceptance certificate was issued by the procuring entity. See table 2 below.

**Table 2: Advance Payments and Performance Bonds**

No	Name of Supplier	Contract Sum K	Advance - 25% K	Payment -50% K	Payment -25% K
1	Saro Agro Industrial Ltd	4,571,100	1,142,775	2,285,550	1,142,775
2	SDLG Investment Ltd	4,655,050	1,163,763	2,327,525	1,163,763
	<b>Total</b>	<b>9,226,150</b>	<b>2,306,538</b>	<b>4,613,075</b>	<b>2,306,538</b>

Contrary to the Special Contract Conditions (SCC)) that required the payment of twenty five (25%) of the contract price amounting to K1,142,775 and K1,163,763 to Saro Agro Industrial Limited and SDLG Industrial Limited respectively, on 4<sup>th</sup> September 2023 the Council paid Saro Agro Industrial Limited an amount of K3,491,288 and SDLG Industrial Limited an amount of K3,428,325 representing seventy six percent (76%).

According to the SCC each supplier was required to provide a performance bond equivalent to the advance payment. However, out of the advance of K2,306,538 paid to both suppliers, only a total of K922,615 performance bond was provided leaving a balance of K1,383,922 not covered contrary to the terms of the contracts.

Contrary to Special Contract Conditions (SCC) which required the payment of 50% after the goods were delivered, the Council paid various suppliers on 4<sup>th</sup> September 2023 nine days after signing the contracts before the equipment was delivered. SDLG Investment Ltd delivered part of the equipment on 11<sup>th</sup> September 2023 and Saro Agro Industrial Limited on 20<sup>th</sup> September 2023.

Further, it was observed that SDLG Investment Ltd had not delivered the water bowser costing K1,770,000 at the time of audit on 27<sup>th</sup> October 2023.

## **26. Gwembe Town Council**

### **a. Utilisation of CDF**

#### **i. Community Projects**

During the period under review, the Ministry of Local Government and Rural Development approved seven (7) community projects which included the construction of staff house, completion of classroom blocks and procurement of Earth Moving Equipment. The projects were to be implemented in 2022.

The following were observed:

- **Construction of Staff House - Chipepo**

The Council engaged Lyansa Contractors and Hardware Supplies Limited for construction of a staff house at Chipepo Local Court at a contract sum of K280,024. The contract duration was five (5) months commencing on 10<sup>th</sup> October 2022 and ending on 10<sup>th</sup> March 2023.

The scope of works included earth and concrete, block works, doors, windows, carpentry, joinery, ironmongery, metal work, floor, roofing, plumbing installations, electrical and electrical testing, drainage system, internal and external painting and decoration.

As at 31<sup>st</sup> October 2023, amounts totalling K270,181 had been paid to the contractor leaving a balance of K9,843.

A physical inspection carried out on 26<sup>th</sup> October 2023 revealed that the project had not been completed seven (7) months after the expected completion date. The remaining works included internal and external painting, fitting of four (4) doors, construction of the spoon drain and fitting of fascia board.

- **Completion of 1 x 2 Classroom Block at Chimanda Primary School**

On 6<sup>th</sup> June 2022, the Council engaged Kitov Investments Limited for the completion of a 1 x 2 Classroom Block at Chimanda Primary School at contract sum of K271,867 with a contract period of three (3) months starting from 16<sup>th</sup> June to 16<sup>th</sup> September 2022.

The scope of works included; metal works, flooring, plastering, glazing, carpentry, fixing of trusses, roofing, painting and external works.

As at 27<sup>th</sup> October 2023, amounts totalling K264,866 had been paid to the contractor leaving a balance of K7,001.

A physical inspection carried out on 25<sup>th</sup> October 2023 revealed that the project had been completed and handed over to the community. However, 10mm burglar bars had been fitted on 13 window frames of the building instead of Y16 as per BOQ and the floor was peeling off.

- ii. **Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,916,960 were issued to 110 selected applicants to undertake various projects such as piggery, fish rearing, village banking and goat rearing.

- iii. **Irregular Payments of Sitting Allowance**

A review of payments made during the period under review, revealed that the Council made payments in amounts totalling K52,150 involving six (6) transactions as sitting allowances to Constituency Development Fund Committee members.

However, it was observed that amounts totalling K9,000 were irregularly paid as sitting allowances to council employees who were attending the meetings during their normal working hours.

## 27. Ikelenge Town Council

### a. Ikelenge Constituency

#### i. Community Projects

- **Delayed Submission of Proposed Projects by the CDF Committee**

According to Section 15 (1) of the CDF Act 2018, a Committee shall submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Act, the Council submitted the 2022 proposed project lists to the Minister for approval on 21<sup>st</sup> July 2022, three (3) months after the expected date prescribed by the Act.

- **Failure to Follow Approved Standard Designs**

Section 5.1.4 b (iii) of the CDF Guidelines of 2022 requires that the projects to be undertaken should use approved designs by planning authorities.

Contrary to the guidelines, three (3) projects were implemented without following the approved designs as detailed below.

- **Construction of a Laboratory at Jimbe Secondary School Using a Classroom Design**

On 20<sup>th</sup> November 2022, the Council entered into a labour only contract with Kayombo Kajiko for the completion of a laboratory at Jimbe Secondary School in Jimbe Ward at a contract price of K60,500 for a contract duration of six (6) months.

The scope of work included: substructure, superstructure, block works, carpentry, steel works, roofing and external works.

As at 18<sup>th</sup> September 2022, K481,838 had been spent from the total allocation of K737,000 leaving a balance of K255,162.

However, the Lab was being built using specifications of a 1 x 3 classroom block instead of that of a laboratory.



The project was at roof level with the following works outstanding, flooring, glazing, plastering, painting & external works. See picture below.



*1 x 3 roofed CRB instead of a lab*

- **Construction of a Laboratory Using 1x 2 CRB Design at Kamata Primary School.**

On 9<sup>th</sup> February 2021, the Council contracted Mr Delphine Kabwita to construct the sub structure of a 1 x 2 classroom block at a labour only contract price of K6,500 and a contract period of six (6) months in Sakeji ward.

Further, on 13<sup>th</sup> September 2022, the Council entered into another labour only contract with Mr Delphine Kabwita for the construction of a 1 x 2 classroom block at Kamata Primary School at a Labour only contract price of K20,000 for a contract period of six (6) months. The scope of works included construction of a superstructure, metal works, carpentry and joinery, roofing, plastering, painting, decorations and external works.

The project had the following allocations: 2019 – K32,500, 2020- K100,000 and 2022 – K384,000 bringing the total allocation to K516,500.



As at 18<sup>th</sup> September 2022, K290,732 had been spent leaving a balance of K225,768.



A physical verification conducted on September 2023 revealed that the Council was constructing a laboratory using the specifications of a


classroom block contrary to the CDF guidelines making the building unsuitable for the intended purpose.



- **Delayed Completion of Projects**


In 2022, the Council embarked on several projects. An inquiry and a physical inspection carried out in September 2023 revealed that the projects had not been completed for periods ranging between four (4) months and seven (7) months from their expected dates of completion in 2023. In particular, the following were observed as shown in table 1 below.

No.	Project	Contractor	Contract Period	Start Date	Expected Completion Date	Amount Allocated K	Expenditure K	Scope of Works	Status as at 19 <sup>th</sup> September, 2023
1	Chiyokolo Rural Health Post	Kajiko Kayombo (Labour Based)	Six (6) Months	1/03/2020  20.11.2022	1/09/2020  20.05.2023	252,000	153,850	Substructure, Superstructure, block works, carpentry, steel works, roofing & external works	Project was at gable level with the following works outstanding; flooring, glazing, carpentry & joinery, roof structure and roofing, plastering, painting & decorating.  
2	Staff House at Kanyikolu	Kajiko Kayombo (Labour Based)	Six (6) Months	01/10/2020  June 2021  20/11/2022	1/03/2021  November, 2021  20/05/2023	256,000	248,265	Substructure, Superstructure, block works, carpentry & steel works, roofing, external works	The project was at finishes level with the following works outstanding; carpentry & joinery, external works  

3	1 x 3 CRB at Mbuya	Christopher Sondoyi	Six (6) Months	01/03/2020  March 2021  20/10/2022	01/09/2020  August 2021  20/04/2023	260,000	169,194	Substructure, Superstructure, block works, carpentry & steel works, roofing, external works	The project was roofed with the following works outstanding; flooring, glazing, plastering, painting & external works.  
4	Staff House at Yambeji Primary School	Charles Kapinga	Six (6) Months	01/02/2020  01/02/2021  20/11/2022	01/08/2020  01/07/2021  20/05/2023	256,000	231,203	Substructure, Superstructure, block works, carpentry & steel works, roofing, external works	The project was roofed with the following works outstanding; flooring, glazing, plastering, painting & external works.  
5	1 x 2 CRB at Kasalumuna	Jopco Construction	Six (6) Months	01/06/2020  June 2021	01/11/2020	237,000	211,355	Roofing, painting, finishes & external works	The following works were outstanding - Roofing incomplete, Plastering, painting, decorating,

				01/11/2022	November, 2021 01/04/2023				electrical works, glazing, fitting air vents, flooring, installation of ridges and fitting of doors.  Roofing not complete  No window panes  Air vents not fixed
6	1 x 3 CRB at Mavunda Community School	Meckson Mkandawire  (Labour based)	Six (6) Months	20.11.2022	20.05.2023	K130,000  (materials K75,000  Labour K55,000)	K165,119  (materials K26,592  Labour K37,500)	Roofing, painting, finishes and external works	The project was at wall plate level with following works still outstanding; roofing, finishes and external works.  

7	1 x 2 CRB at Samahina Primary School	Chiteta Fungamwa ngo	Six (6) Months	20.11.2022	20.05.2023	K112,000 (materials K88,500 Labour K23,000)	K67,153 (materials K51,153 Labour K16,000)	Roofing, painting, finishes and external works	<p>The project was almost complete with incomplete roofing, incomplete painting inside (only first coat done), spoon drain not done.</p>  <p><i>Part of structure not roofed</i></p>  <p>The following unsatisfactory observations were made: Iron sheets had holes and floors were cracked.</p>
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**ii. Secondary (Boarding) School and Skills Development**

- **Late Submission of Skills Development Bursary Applications for Approval**

Part 5.4 of the CDF Guidelines states, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

Contrary to the guidelines, the proposed applications and estimated costs were submitted in June 2022, three (3) months after the prescribed period.

**28. Isoka Town Council**

**a. Isoka Constituency**

**i. Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,953,200 were paid to 111 selected applicants to undertake various projects such as village banking, goat rearing, and poultry.

However, the following were observed:

- **Payment of Grants without Following the Application Procedure**

Guideline No. 5.2.3.1 of the Constituency Development Fund Guidelines 2022 states, “Empowerment Applications for grants to the CDFC shall be accompanied by the following documents: Signed Minutes of the Ward Development Executive Committee Meeting; and Signed application forms by the Ward Development Committee Chairperson. Where the Chairperson is not available, the Vice Chairperson shall sign and where the Vice Chairperson is not available, the Committee shall nominate a member amongst themselves who shall sign the applications.”



Contrary to the Guideline, the Council paid amounts totalling K143,961 to eight (8) empowerment groups that had no accompanying minutes.

In addition, amounts totalling K148,961 were paid to ten (10) groups that had application forms that were not signed by the WDC Chairperson.

Further, amounts totalling K808,200 were paid to thirty-eight (38) groups that had applications forms which were not signed by the Constituency Development Fund Committee Chairperson (CDFC).

- **Missing Applications**

During the period under review, the Council paid amounts totalling K120,000 to eight (8) groups as empowerment grants. However, the empowerment applications were not availed for audit as of March 2023.

- **Questionable WDC Chairperson Signatures**

The Council paid amounts totalling K279,239 to fourteen (14) empowerment groups for various purposes during the period under review.

However, a scrutiny of documents revealed that the applications had unmatching signatures bearing the same name of the chairperson rendering the empowerment applications questionable.

- **Poor Handling of Unsuccessful Applications**

Guideline No. 5.6 of the Constituency Development Fund Guidelines 2022 requires that where a proposal or application has not been considered by the Constituency Development Fund Committee (CDFC), the CDFC Secretariat shall provide written feedback to the Ward Development Committee (WDC) Secretariat on the list of rejected proposals, including the necessary actions that may be taken to correct and enhance the applications where necessary.

Contrary to the Guideline, the Council received a total of 357 applications for empowerment grants from fourteen (14) wards in the constituency out of which only 111 were successful.

A review of documents and an inquiry with management revealed that the Council did not provide feedback to the unsuccessful applicants for the rejection.

- **Soft Loans - Failure to Disburse Loans**

Guideline No. 2.2 of the Constituency Development Fund Guidelines 2022 requires that the Council should allocate 60% of the 20% Youth and Women Empowerment Constituency Development funds toward empowerment loans. In this regard, the council was supposed to transfer amounts totalling K2,934,350 to an interest-bearing bank for Empowerment loans.

However, the Council transferred K2,706,198 to the CDF revolving fund account for loan disbursements.

As at 31<sup>st</sup> October 2023, the Council had not spent the funds transferred for revolving loans.

Further, there was no evidence that the bank had credited interest to the revolving funds account during the period under review. Inquiries revealed that the council management had not been informed by the bank as to what rate of interest the revolving funds were to gain.

- **Failure to Provide Bank Agreement on Revolving Fund Account**

Guideline No. 4.3.2 of the of the Constituency Development Fund Guidelines 2022 requires that the Revolving Fund Bank Account for Youth, Women and Community Empowerment to be interest earning. The Council transferred amounts totalling K2,706,198 into the revolving account at an Atlasmara Account held in Isoka.

However, the Council failed to provide an agreement with the bank as an established disbursing institution. In addition, the council did not generate any revenue from the funds as interest receivable.

- ii. **Bursaries – Secondary (Boarding) School and Skills Development**

A total of 220 pupils were sponsored under CDF to go to boarding schools and 228 students to undergo skills training at a total cost of K386,783.

The following observations were made:

- **Learners Not Physically Verified**

The Council paid amounts totalling K12,000 on behalf of four (4) learners in grades 8 and 9 at Isoka Boys Secondary school for boarding fees.

However, as of March 2023, the physical presence of the learners could not be established making it difficult to ascertain their existence.

- **Sponsorship of Unapproved Beneficiaries**

During the period under review, amounts totalling K73,812 were paid to Isoka Trades Training Institute for nine (9) students enrolled under skills development Bursaries to pursue various skills for a period ranging from three (3) months to twelve (12) months.

However, a review of the documentation revealed that the students undertaking the programme were not on the approved list for sponsorship by the council.

- **Students not Physically Verified**

A physical inspection carried in March 2023, revealed that out of the sponsored students, forty-one (41) students who were sponsored for K320,513 to pursue various programmes at Isoka Trades were not available for head count at the institution. It was therefore, not clear whether, the students had actually reported for lessons.

## 29. Itezhi Tezhi Town Council

### a. Itezhi-tezhi Constituency

#### i. Community Projects

The Constituency had a funding of K11,938,162 to cater for community projects and an amount of K3,027,116 was spent on various projects leaving a balance of K8,911,046.

The following observations were made:

- **Delayed Completion – Construction of a 1x2 semi-detached staff house**

On 25<sup>th</sup> October 2022, the Council engaged Hach-man Engineering Limited and Mazumwaka Construction & Financial Solutions Limited in a joint venture to construct a 1x2 semi-detached staff house, ablution block, incinerator, septic tank and drilling of a solar powered borehole with a 10,000 litres water tank at Mauluzhi Health Post at a contract price of K909,096.

The contract period was four (4) months, the contract start date was seven (7) days after the contract date and the site was handed over to the contractor on 31<sup>st</sup> October 2022. The project was supposed to be completed by 28<sup>th</sup> February 2023.

The approved amount for the project was K950,000 and amounts totalling K950,000 were allocated.

As at 30<sup>th</sup> September 2023, an amount of K273,266 had been spent on the project leaving a balance of K676,734.

- **Staff House**

The scope of works for the staff house was construction of substructure, concrete works, carpentry, joinery and iron mongery, plumbing, painting and electrical installation and glazing, fixing of doors, finishes.

A physical verification conducted on 30<sup>th</sup> September 2023 revealed that the following works had been done: substructure, concrete works, plastering and roofing while the following works were still outstanding: carpentry, iron mongery, plumbing, paintings and electrical installations. See pictures below.



*1x2 Semi-detached Staff House*

- **Ablution Block**

The scope of works for the ablution block was construction of substructure, concrete works, carpentry, joinery & iron mongery, plumbing, painting and electrical installation and glazing, fixing of doors, finishes.

A physical verification conducted on 30<sup>th</sup> September 2023 revealed that the following works had been done: substructure, concrete works, roofing while the following works were still outstanding: carpentry, iron monger, plumbing, paintings, wall finishes and electrical installations. See pictures below.



*Ablution Block*

- **Septic Tank**

The scope of works for the septic tank was construction of septic tank, soakaway and manhole.

A physical verification conducted on 30<sup>th</sup> September 2023 revealed that all works were still outstanding.

- **Drilling of Solar Powered Borehole**

The scope of works for drilling of a solar powered borehole was borehole drilling, lining, testing, solar power pump, panels and panel stand installations, PVC tank and steel tank stand installations and water distribution and fencing.

A physical verification conducted on 30<sup>th</sup> September 2023 revealed that the following works had been done: borehole drilling, lining, testing, solar panels procured while the following works were still outstanding: solar power pump, panels and panel stand installations, PVC tank and steel tank stand installations. See pictures below.



*Drilled borehole*



*Uninstalled solar panels*

- **Incinerator**

The scope of works for the incinerator was substructure, concrete works, brickwork, roofing, carpentry, iron monegery, metal work and plumbing.

A physical verification conducted on 30<sup>th</sup> September 2023 revealed that all works were still outstanding.

The contractor was on site at the time of inspection and the project had delayed by seven (7) months.

**ii. Secondary Schools (Boarding) and Skills Development**

- **Late Submission of Secondary and Skills Development Bursary Applications for Approval**

CDF Guidelines Part 5.4 states that, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

During the period under review, the proposed applications and estimated costs were submitted in the month of June, three (3) months after the required prescribed period.

- **Excess Disbursement of Secondary School Bursaries**

Section 5.3.2 (iii) of the Constituency Development Fund (CDF) Guidelines states that, “The CDF Committee shall submit a consolidated final list of selected applicants from the Constituency to the Local Authority for processing of payments.”

Contrary to the Guideline, the CDF Committee submitted to the Ministry a list of forty-eight (48) applicants with amounts totalling K100,110 which was approved by the Ministry. However, a review of ledgers and payments vouchers revealed that an amount of K134,000 was disbursed as secondary school bursaries against the approved amount of K100,110 resulting in excess disbursement of K33,890 as tabulated in table 3 below.

As at the time of audit documentation for approval of excess disbursement was not availed.

### **30. Kabompo Town Council**

#### **a. Kabompo Constituency**

##### **i. Community Projects**

- **Delayed Submission of Proposed Projects by the CDF Committee**

The Constituency Development Fund (CDF) guideline No. 5.4 (a) states that; The Constituency Development Fund Committee shall submit to the Minister proposed applications and the estimated costs before the end of the month of March in each year in the prescribed manner and form.

Contrary to the guideline, the Council submitted two consolidated lists of applicants to the Minister for approval on 30<sup>th</sup> May 2022 and 31<sup>st</sup> August 2022 resulting in a delay of two (2) to five (5) months. Consequently, funds were not utilised during the intended financial year while implementation of projects was delayed.

- **Stalled Project – Construction of a 1x3 Classroom Block at Kamisamba Primary School (2021 CDF Project) - Delayed Completion**

On 5<sup>th</sup> April 2022, the Council engaged Amiros Construction and Money Lenders Limited for the construction of a 1x3 Classroom Block at Kamisamba Primary School at a contract sum of K399,496. The duration of the contract was three (3) months commencing on 5<sup>th</sup> April 2022 and ending on 5<sup>th</sup> July 2022.

The scope of works included; construction of sub and super structures, roofing, ironmongery, metal works, glazing, fixing of doors, plastering, painting.

As at 30<sup>th</sup> April 2023, the contractor had been paid amounts totalling K317,409 leaving a balance of K82,087.

A physical inspection carried out in April 2023 revealed that the school was not complete, eight (8) months after the expected completion date and the following works were outstanding: roofing (K63,320), carpentry, joinery and iron mongery (K52,750), glazing (K6,080), painting and decorating (K9,307) and drainage (K11,838). See picture below.



*Incomplete 1x3 Classroom block at Gable Level*

- ii. **Youth, Women and Community Empowerment - Failure to provide Ward Development Executive Committee Minutes**

According to the CDF Guideline 5.2.3.1 (a), empowerment applications for grants to the CDFC shall be accompanied by Signed Minutes of the Ward Development Executive Committee Meeting.

Contrary to the guideline, the Council disbursed empowerment grants in amounts totalling K188,000 to eight (8) applicants without Ward Development Executive Committee Minutes evidencing approval by the committee.



### **iii. Secondary Boarding and Skills Development**

- **Late Submission of Skills Development Bursary Applications for Approval**

CDF Guidelines Part 5.4 states that, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

Contrary to the guideline, proposed applications and estimated costs were submitted to the Minister for approval in the month of June 2023 two (2) months after the required prescribed period.

Consequently, sponsorship of beneficiaries was delayed.

- **Excess Expenditure**

During the period under review Kabompo Town Council enrolled sixty-five (65) students at Mufumbwe Youth Resource Centre under the CDF Skills Development Bursaries at a cost of K297,500 as approved by the Ministry. However, the Council had instead paid the institution amounts totalling K488,250 in respect of the sixty-five (65) students resulting in an excess payment of K190,750.

The excess payment was not approved by the Ministry and as at 31<sup>st</sup> October 2023, the excess payment had not been refunded to the Council.

- **Wasteful Expenditure**

- **Mufumbwe Youth Resources Centre**

A review of selected files and other records for Institutions that benefited from the CDF Secondary School and Skills Development Bursaries revealed that the Council had paid Mufumbwe Youth Resource Centre amounts totalling K387,600 in respect of fifty- one (51) students that had not reported for school.

- **Kabompo Boarding School**

During the period under review, the Council paid amounts totalling K270,000 for ninety (90) pupils sponsored under the CDF secondary school bursaries to Kabompo Secondary School.

However, a review of the Council minutes and a physical inspection conducted on 5<sup>th</sup> May 2023 at the school revealed that the institution had forty-two (42) pupils that had not reported to the school thereby rendering amounts totalling K126,000 paid as tuition fees wasteful.

### 31. Kabwe Municipal Council

#### a. Kabwe Central Constituency

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

Section 15(5) of the Constituency Development Act No.11 of 2018 states, “A project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period.”

However, a review of the approved list and progress reports for 2021 and 2022 Constituency Development Fund revealed that five (5) approved projects with a total allocated amount of K2,481,000 had not been implemented although the projects were approved by the Ministry of Local Government and Rural Development.

As at 30<sup>th</sup> April 2023, the projects had still not been implemented. See table 1 below.

**Table 1: Unimplemented Projects**

No.	Project	Year of Funding	Date of Project Approval	Period Delayed (Monthly)	Approved Amount K
1	Water Supply at Gombe Secondary & Primary school	2021	07.12.2021	28	40,000
2	Completion of Magandanyama Clinic	2022	08.08.2022	8	813,000
3	Completion of Market Shelter at Kamushanga Market	2022	08.08.2022	8	90,000
4	Completion of wall fence and installation of gate at Buyantanshi Community School	2022	08.08.2022	8	138,000
5	CDF Inspection vehicle	2022	08.08.2022	8	1,400,000
	<b>Total</b>				<b>2,481,000</b>

**ii. Stalled Works – Completion of Pupils Ablution Block at Gombe Primary School**

On 16<sup>th</sup> February 2022, the Council engaged Chaambya Richwell for the completion of a pupil’s ablution block at Gombe Primary School at a labour only contract price of K16,000. The commencement and the completion dates were not provided for in the contract.

The scope of works included: bricklaying and plumbing, carpentry and electrical, tiling and painting and general works.

The approved amount for the project was K190,000 from 2021 funds. As at 31<sup>st</sup> December 2022, amounts totalling K191,755 had been spent on the project comprising K9,500 labour expense and K182,255 materials resulting in an expenditure above the approved amount by K1,755.

A physical inspection conducted in April 2023 revealed that the following works were outstanding: completing the construction of a soak away, toilet pan fittings, and connection of water to the ablution block. Further, the contractor was not on site. See pictures below.



*Stalled works construction of -Ablution Block and Soakaway*

**iii. Stalled Works – Completion of Teachers Ablution Block at Gombe Primary School**

On 16<sup>th</sup> February 2022, the Council engaged Chaambya Richwell for completion of a teachers’ ablution block at Gombe Primary School at a labour only contract price of K10,000. The commencement and the completion dates were not indicated in the contract. Therefore, the contract period could not be ascertained.

The scope of works included: bricklaying and plumbing, carpentry and electrical, tiling and painting and general works.

The approved amount for the project was K76,000 from 2021 funds. As of 31<sup>st</sup> December 2022, amounts totalling K43,580.00 had been spent on the project comprising labour expense (K10,000) and materials (K33,580) leaving a balance of K32,420.

A physical inspection conducted in April 2023 revealed that the following works were outstanding: completion of the construction of a soak away, fitting of the toilet pan, connection of water to the ablution block, fitting of the toilet door and power connection although the materials were available on site. At the time of audit, the contractor was not on site.

**iv. Stalled Works – Completion of Ablution Block at Gombe Secondary School**

On 28<sup>th</sup> February 2022, the Council engaged Lackson Mambwe for the completion of an ablution block at Gombe Secondary School at a labour only contract price of K8,200 with a contract period of six (6) weeks. However, the start and end date for the contract were not indicated in the contract document.

The scope of works included: painting and decoration, carpentry, joinery and glazing, metal works, electrical works, wall and floor finishes.

The approved amount for the project was K72,000 from 2021 funds and amounts totalling K72,000 had been disbursed.

As at 31<sup>st</sup> December 2022, amounts totalling K95,383.00 had been spent on the project comprising labour expense (K6,910) and materials (K88,473) resulting in an expenditure over the approved amount by K23,383.

A review physical inspection conducted in April 2023 revealed that the following works were outstanding: completing construction of the soak away, second coat of painting both internally and externally, fitting back windows panes, connecting water and power to the ablution block. Although the building materials were available, the contractor was not on site.

**v. Delayed Construction – Completion of 1x3 CRB at Neemtrees Secondary School**

On 30<sup>th</sup> September 2022, the Council engaged Lima Agro Supplies Ltd to construct a 1X3 classroom block at Neemtrees Secondary School at a full contract price of K587,896. The contract period was twelve (12) weeks starting on 30<sup>th</sup> September 2022 and ending on 23<sup>rd</sup> December 2022.

The scope of works included constructing the super structure, metal works, electrical installation, carpentry and joinery, finishes, roofing, painting and external works.

As of 30<sup>th</sup> April 2023, amounts totalling K22,500 had been spent on the project leaving a balance of K565,396.

A physical verification conducted in April 2023 revealed that the following works had been done: brick and blockwork done from window level to wall plate and ring beam.

However, the following works were outstanding: metal work, electrical installation, carpentry and joinery, iron monger, structural steel, finishes (paintings), roofing and drainage works. Further, the contractor was not on site at the time of inspection and the project had delayed by seven (7) weeks. See pictures below.



*Classroom block under construction*

**vi. Stalled Works – Completion of 1 x 2 CRB at C-Gate Community School**

On 14<sup>th</sup> April 2021, the Council engaged Francis Muteba for the completion of 1x2 classroom block at C-Gate Community School at a labour only

contract price of K35,000. The commencement and the completion dates were not provided for in the contract.

The scope of works included casting of slab, construction of super structure to wall plate level. As at 31<sup>st</sup> December 2022, amounts totalling K384,028 (labour - K31,500 and K352,528 on materials) had been spent on the project.

A physical inspection conducted in April 2023 revealed that carpentry, joinery and ironmongery, painting and decoration and flooring works were outstanding.

The following were also observed:

- 130 pockets of cement costing K17,550 had started hardening thus rendering expenditure wasteful,
- building materials such as paint, window frames and flash doors were at site but the contractor was not on site thereby exposing the materials to loss through theft and expiry. See pictures below.



*Uncompleted Classroom block and Caked Cement*



*Unused materials*

**vii. Stalled Works – Completion of Nakoli Market Shelter**

On 28<sup>th</sup> November 2022, the Council engaged Patrick Tembo for the completion of Nakoli Market Shelter at a labour contract price of K13,500. The commencement and the completion dates were not provided for in the contract. The scope of works included roofing, painting and metal works.

The approved amount for the project was K300,000 from 2022 funds out of which amounts totalling K187,188 had been spent on materials leaving a balance of K112,812 as at 31<sup>st</sup> December 2022.

A physical inspection conducted in April 2023 revealed that roofing and metal works had been completed while painting and installation of two (2) pillars were outstanding.

Further, building materials such as blocks and paint were still on site at the time of audit while the contractor was not on site. See picture below.



*Stalled Nakoli Market Shelter*

**viii. Failure to Drill Boreholes - Drilling of Thirteen (13) Boreholes**

On 30<sup>th</sup> September 2022, the Council engaged Aquatech Drilling Company Limited for the siting, drilling and installation of thirteen (13) boreholes at a contract price of K645,993 with a completion period of thirty (30) days starting on 11<sup>th</sup> October 2022 and ending on 9<sup>th</sup> November 2022.

The scope of works included borehole drilling, borehole lining and installation, siting, development, pump testing and equipping with India Mark II hand pumps.

As at 30<sup>th</sup> April 2023, amounts totalling K325,393 had been paid to the contractor leaving a balance of K320,600.



A physical inspection carried out in April 2023, revealed that out of the thirteen (13) drilled boreholes, ten (10) were fully equipped and functional while one (1) borehole drilled at Waya Market was not functional as the installation of a submersible pump and tank stand had not been done. Further, one (1) borehole each drilled at Kafulamase Clinic and Mpima Dairy Primary School were dry and were buried.

However, as the time of verification, the two (2) dry boreholes had not been replaced.



*Dry and buried borehole at Mpima*

**ix. Other Observations-Overpayments on Projects**

CDF Guideline No. 2.2.1 requires “Variation of the CDF allocation across components at 2.2 Shall not be allowed unless with express permission by the Minister.”

A review of the expenditure ledgers revealed that the Council spent amounts totalling K107,770 on two (2) completed projects that were allocated amounts totalling K95,000 resulting in an overpayment of K12,770.

However, the authority to vary funds was not availed for audit. See table 2 below.

**Table 2: Overpayments on Projects**

No.	Project	Allocated Amount K	Expenditure K	Overpayment K
1	Completion of Gombe Primary CRB	10,000	12,350	2,350
2	Completion of CRB at Gombe Sec school	85,000	95,420	10,420
	<b>Total</b>	<b>95,000</b>	<b>107,770</b>	<b>12,770</b>



**b. Bwacha Constituency**

- **Implementation of projects not approved by the Constituency Development Fund Committee (CDFC)**

Guideline No 5.4 of the Constituency Development Fund Guidelines for 2022 stipulates that the Minister should approve projects, empowerments and bursaries endorsed by the CDFC.

Contrary to the Guideline, four (4) projects with a total allocated amount of K205,160 had been implemented without being approved by the CDFC. See table 3 below.

**Table 3: projects not approved by CDFC**

<b>No.</b>	<b>Project</b>	<b>Allocated Amount K</b>
1	Drilling of Boreholes and Hand pump	119,160
2	Construction of a water tank stand at Rapheal Kombe Secondary School	15,000
3	Improvement of Indeni Grounds	66,000
4	VIP toilet at Charity Primary School	5,000
	<b>Total</b>	<b>205,160</b>

- **Stalled Works – Construction of a 1x2 CRB at Katuntulu Primary School**

On 24<sup>th</sup> December 2020, the Council engaged Eswell Siwale to construct a 1x2 CRB at Katuntulu Primary School at a labour only contract price of K49,790. The commencement and the completion dates were not provided for in the contract.

The scope of works included construction of substructure, block work to wall plate level, roofing and ironmongery, electrical works, carpentry, painting and finishes.

The approved amount for the project was K419,967 and as at 31<sup>st</sup> December 2022, amounts totalling K404,776 had been spent on the project comprising labour expense (K35,000) and building materials (K369,776)

A physical inspection conducted in April 2023 revealed that the substructure, blockwork, iron monger and roofing had been completed. However, electrical works, carpentry, finishes, external works and painting were outstanding.

The following were also observed:

- The contractor was not on site.
- Fifty (50) pockets of cement costing K7,000 that remained at the school had gone to waste as it had hardened, and
- Eighteen (18) softwood timber which cost K4,200 was not used on the project despite having been procured and delivered. See pictures below.



*1x2 CRB at Katuntulu Primary*



*Hardened pockets of cement*

- **Delay in commencement of works – Completion of 1x2 CRB at Justine Kabwe Primary School – 2021 CDF**

During the year under review, an amount of K238,655 was used to procure building materials for the completion of a 1x2 classroom block at Justine Kabwe Primary School. The approved amount for the project was K238,000.

The scope of work included roofing, glazing, plastering and flooring among others.

However, as of April 2023, the works had not commenced despite the materials being at the school thereby exposing the building materials to loss through theft and obsolescence. Further, the contractor had not been engaged.

- **Youth, Women and Community Empowerment - Soft Loans**

During the period under review, the Council received K2,934,350 for soft loans and twenty-seven (27) applicants were selected and awarded soft loans in amounts totalling K2,868,390 to undertake various projects such as aquaculture, poultry farming, radio station, brick manufacturing and transportation.

### 32. Kafue Town Council

#### a. Kafue Constituency

##### i. Youth, Women and Community Empowerment - Secondary Boarding and Skills Development

- **Payment for Skills Development to Institution Not Registered with TEVETA**

The CDF Guidelines under annex 1 require that applications for Skills Training Bursary to be submitted together with an admission or acceptance letter from any public or private institution accredited by TEVETA or Zambia National Service.

Contrary to the guideline, the Council paid tuition fees in amounts totalling K229,534 for various students to two (2) Institutions which were not accredited with TEVETA. See table 1 below.

**Table 1: Institutions not Registered with TEVETA**

No.	DATE	PAYEE	DETAILS	No. of Students	AMOUNT K
1	27-Jun-22	Kasaka Fisheries Training	Skills Training	3	23,894.00
2	27-Jun-22	Kafue Youth Resource Center	Skills Training	82	205,640.00
					<b>229,534.00</b>

### 33. Kalabo Town Council

#### a. Kalabo Central Constituency

##### i. Community Projects

- **Construction of a Maternity Annex**

On 12<sup>th</sup> December 2022, the Council engaged Silverbay Limited to construct the maternity Annex at Mapungu Health Post at a contract sum of K303,630 for a period of twelve (12) weeks, commencing on 12<sup>th</sup> December 2022 and ending on 7<sup>th</sup> March 2023.

The scope of works included; substructure, concrete works, blockwork and brickwork, roofing, carpentry, joinery and ironmongery, metal works, plumbing and electrical installations, floor and wall finishing, glazing and painting and decorations.

As at 30<sup>th</sup> September 2023, amounts totalling K166,434 had been paid to the contractor leaving a balance of K137,196.

A physical inspection carried out in September 2022, revealed that the project had not been completed twenty-seven weeks (27) after expected completion date.

The following works were still outstanding; metal works, roofing, carpentry, ironmongery and joinery, plumbing works, electrical installation, floor finishes, wall finishes, glazing, painting and decorations.

Further, concrete works were poorly done in that the slab had developed cracks. See picture below.



*Incomplete maternity annex*

- **Construction of a Police Post in Lukona**

On 15<sup>th</sup> September 2022, the Council engaged Zamworks Enterprise Ltd to construct a Police Post in Lukona ward at a contract sum of K423,510 commencing on 15<sup>th</sup> September 2022 and ending on 7<sup>th</sup> December 2022.

The scope of works included construction of substructure, concrete works, brickwork and blockwork, roofing, carpentry joinery and ironmongery, metal works, electricals, plumbing, septic tank and soakaway, floor, wall and ceiling finishes, glazing, painting and decoration.

As at 30<sup>th</sup> September 2023, amounts totalling K274,492 had been paid to the contractor leaving a balance of K149,018 with thirty-nine (39) weeks beyond the completion date.

A physical inspection carried out in September 2022, revealed that the project had not been completed thirty-nine (39) weeks after the completion date.

The following works were outstanding; metal works, carpentry joinery and ironmongery in progress, wall finishes, glazing, painting and decorating in progress, external works, septic tank and soak way and both the male and female cells are not having a reinforced concrete roof cell cover.

## **ii. Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K2,030,000 were given to fifty-five (55) selected applicants to undertake various projects such as poultry, fishing farming, rice farming and cattle rearing.

As at 31<sup>st</sup> December 2022, amounts totalling K2,030,000 had been spent resulting into over- expenditure of K73,767.

However, the following were observed:

- **Failure to Implement Projects**

Out of the fifty five (55) applicants that were awarded loans fifty (50) had not implemented their projects while only three (3) applicants had implemented the projects and two (2) applicants projects were work in progress.

- **Failure to Utilise the Empowerment Grants**

During the period under review, the Council paid amounts totalling K2,030,000 to various beneficiaries to undertake projects in Kalabo Central Constituency.

However, a physical inspection carried out in September 2023, revealed that eight (8) groups that were funded amounts totalling K162,400 did not use the funds according to the business plan and there was neither evidence of any alternative business activities being carried out by the groups.

**iii. Secondary Boarding and Skills Development - Undelivered Desks**

During period under review, the Council made payments in amounts totalling K394,250 to procure 375 desks for various schools in Kalabo Central Constituency.

However, as 31<sup>st</sup> October 2023, 105 desks in amounts totalling K105,000 had not been delivered.

**b. Liuwa Constituency**

**i. Community Projects**

**• Construction of Staff House 1 at Kalumbu Primary School**

On 12<sup>th</sup> September 2022, the Council engaged Sasez Investment Limited for the construction of a staff house at Kalumbu Primary School in Luola Ward at a contract sum of K320,000 with a completion period of twelve (12) weeks commencing on 12<sup>th</sup> September 2022 and ending on 10<sup>th</sup> December 2022.

The scope of works included construction of substructure, concrete works, block, brick works, roofing, metal work carpentry, joinery and iron mongery, floor and wall finishes, wall, painting and decorations and external works.

As of September 2023, a total amount of K275,125 was paid to the contractor leaving a balance of K44,875.

A physical inspection carried out in September 2022, revealed that the project had not been completed thirty six (36) weeks after the completion date.

The following works were still outstanding; glazing, painting and decoration and external works-drainage still outstanding, fitting of doors and redoing the door frames See picture below.



*Incomplete staff house*

- **Construction of Staff House at Kalumbu Primary School – Abandoned Works**

On 12<sup>th</sup> September 2022, the Council engaged Transjos Zambia Limited for the construction of a staff house at Kalumbu Primary School at a contract sum of K317,535 with a completion period of twelve (12) weeks commencing on 12<sup>th</sup> September 2022 and ending on 10<sup>th</sup> December 2022.

The scope of works included construction of substructure, concrete works, block, brick work, roofing, metal work carpentry, joinery and ironmongery, floor and wall finishes, wall, painting and decorations and external works.

As at 30<sup>th</sup> September 2023, amounts totalling K79,384 had been paid to the contractor leaving a balance of K238, 151.

A physical inspection carried out in September 2022, revealed that the project had not been completed thirty-six (36) weeks after completion date.

- **Construction of 1x3 Classroom Block at Litapuya Primary School**

On 12<sup>th</sup> September 2022, the Council engaged Koshe Koshe Business Center to construct a 1X3 Classroom block at Litapuya Community School in Siluwe ward at a contract sum of K430,000 with a completion period of twelve (12) weeks commencing on 12<sup>th</sup> September 2022 and ending on 4<sup>th</sup> December 2022.

The scope of work included construction of substructure, concrete works, block, brick works, roofing, metal work carpentry, joinery and ironmongery, floor and wall finishes, wall painting and decorations and external works.

As at 30<sup>th</sup> September 2023, a total amount of K290,002 was paid to the contractor leaving a balance of K139,998

A physical inspection carried out in September 2022, revealed that the project had not been completed thirty nine (39) weeks after the expected completion date.

The following works were still outstanding; roofing, metal works, fitting of doors and door frames, glazing, drainage, painting and decoration and external works. See picture below.



*Incomplete 1x3 CRB*

- **Construction of a 1x2 CRB at Kuuli Primary School**

On the 12<sup>th</sup> of September 2022, the Council engaged Waguman Investment Limited to construct a 1x2 Classroom block at a contract price of K318,689 with a completion period of twelve (12) weeks commencing on 12<sup>th</sup> September 2022 and ending on 4<sup>th</sup> December 2022.

The scope of work included construction of substructure, concrete work, brick and block work, roofing, carpentry, joinery and ironmongery, metal work, flooring, wall and ceiling finishing and plastering, glazing, painting and decoration and external drainage works.

As at 30<sup>th</sup> September 2023, a total amount of K173,712 was paid to the contractor leaving a balance of K144,977.

A physical inspection carried out in September 2023, revealed that the project had not been completed thirty-nine (39) weeks after the expected completion date.

The following works were outstanding: block work up to wall plate, roofing, carpentry, joinery and ironmongery, metal work, flooring, wall and ceiling finishing and plastering, glazing, painting and decoration and external drainage works. See pictures below.



*Incomplete 1x3 classroom block*



### 34. Kalomo Town Council

#### a. Kalomo Central Constituency

##### i. Community Projects

- **Delayed Completion of 1 x 3 Classroom Block at Chifusa Secondary School**

The Council allocated an amount of K160,000 towards the completion of a 1 x 3 classroom block at Chifusa Secondary School in Chifusa ward of the Constituency. The amount was to cater for labour costs, materials and transportation expenses. In this regard, on 24<sup>th</sup> May 2022, the Council engaged Chizongo Jacobs for the completion of a 1 x 3 classroom block at a labour contract sum of K15,000 with a contract period of three (3) months starting from 30<sup>th</sup> May 2022 to 30<sup>th</sup> August 2022.

The scope of works included roofing, plastering, painting, concrete works for lab basin, metal works, flooring and external works.

As at 30<sup>th</sup> September 2023, amounts totalling K149,975 (materials - K141,975 and labour - K8,000) had been spent.

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed. Consequently, the project had delayed by forty (40) weeks and the outstanding works included painting-final coat, fitting of glass panes on three (3) window frames, doors and spoon drain. See pictures below.



*Glass panes and doors not fitted*



*Spoon drain final coat for paint not done*



- **Delayed Completion of Maternity Wing at Chifusa Rural Health Centre**

The Council allocated an amount of K105,802 towards the completion of a maternity wing at Chifusa Rural Health Centre in Chifusa Ward of the Constituency. The amount was to cater for labour costs, materials and transportation expenses. In this regard, on 20<sup>th</sup> August 2022, the Council engaged Fredson Sing'andu for the completion of a maternity wing at Chifusa Rural Health Centre at a labour contract sum of K10,000 with a contract period of three (3) months starting from 20<sup>th</sup> August 2022 to 20<sup>th</sup> November 2022.

The scope of works included casting substructure, slab, superstructure, ring beam, roofing, metal works and carpentry works.

As at September 2023, amounts totalling K100,519 (materials - K95,519 and labour - K5,000) had been spent.

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed ten (10) months after the expected completion date and the outstanding works included; roofing, plastering, metal works, painting and carpentry works.

Further, the project had stalled despite the materials being on site and the Council had not engaged another contractor after terminating the contract for Fredson Sing'andu 22<sup>nd</sup> August 2023. The materials were kept in the stores and included Y12 steel bars, iron sheets, timber, doors and door frames. See pictures below.



*Stalled project – Maternity wing*



*Materials in the stores at Chifusa Clinic*

## **b. Dundumwenzi Constituency**

### **i. Community Projects**

- **Delayed Completion of Staff House at Nakatala Primary School**

The Council allocated an amount of K70,000 towards the completion of a staff house at Nakatala Primary School. The amount was to cater for labour costs, materials and transportation expenses. In this regard, on 9<sup>th</sup> January 2023, the Council engaged Notty Simompo for the completion of a staff house at Nakatala Primary School in Kasukwe Ward of the Constituency at a labour only contract sum of K6,500 with a contract period of twelve (12) weeks starting from 9<sup>th</sup> January 2023 to 9<sup>th</sup> April 2023.

The scope of works included excavations, substructure and slab, superstructure blockwork, roofing, glazing, plastering and painting, internal and external wall finishes.

As at September 2023, amounts totalling K57,535 (materials -K53,535 and labour - K4,000) had been spent.

A review of expenditure records revealed that materials costing K53,535 for the project were procured on 26<sup>th</sup> May 2022 and labour payment of K3,000 was made on 5<sup>th</sup> April 2023.

A physical inspection carried out in September 2023 revealed that the project had not been completed and the outstanding works included; flooring, plastering -exterior, painting, spoon drain, fitting of glass panes and interior doors. See picture below.



*Staff house at Nakatala Primary School*

- **Completion of Staff House at Katanda Ward**

The Council allocated an amount of K40,000 towards the completion of a staff house in Katanda ward of the Constituency. The amount was to cater for labour costs, materials and transportation expenses. In this regard, on 11<sup>th</sup> July 2022, the Council engaged Spencer Mulinda for the completion of a staff house at a labour contract sum of K4,000 with a contract period of five (5) weeks starting from 11<sup>th</sup> July 2022 to 16<sup>th</sup> August 2022.

The scope of works included roofing, metal works, flooring, plastering, carpentry works and other general works.

As at 30<sup>th</sup> September 2023, amounts totalling K39,508 (materials - K35,508 and labour –K4,000) had spent been spent.

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed thirteen (13) months after the expected completion date. The outstanding works included plastering, painting, fitting of doors (interior) and spoon drain. See picture below.



*Incomplete staff house - Katanda Ward*

Further a scrutiny of expenditure records revealed that the Contractor had been paid the full labour cost of K4,000 before completing the works.

- **Construction of Staff House at Nachocho Community School**

The Council allocated an amount of K104,000 towards the construction of a staff house at Nachocho Community school. The amount was to cater for labour costs, materials and transportation expenses. In this regard, on 13<sup>th</sup> May 2022, the Council engaged Triplet Cornhill Moomba for the construction of a staff house at Nachocho Community School in Katanda ward of the Constituency at a labour contract sum of K8,000 with a contract period of ten (10) weeks starting from 6<sup>th</sup> June 2022 to 28<sup>th</sup> August 2022.

The scope of works included excavations, concrete works (footing, slab and ring beam), substructure, superstructure, roofing, metal works, flooring, plastering, glazing, carpentry works, painting and other general finishes.

As at 30<sup>th</sup> September 2023, amounts totalling K95,349 had been spent on materials.

A physical inspection carried out in September 2023 and a scrutiny of the bill of quantities revealed that the contractor had fitted a flush door at the veranda instead of mukwa door quoted in the BoQ.

Further, the project had delayed by thirteen (13) months and the outstanding works included painting, fitting of glasspanes and airvents. See pictures below.



*Incomplete staff house at Nachocho Community*



*Flush door fitted instead of mukwa*

- **Construction of Simwanda Bridge**

The Council allocated an amount of K483,763 towards the construction of a bridge in Simwanda Community of Naluja Ward in the Constituency. The amount was to cater for labour, materials and transportation expenses. In this regard, on 2<sup>nd</sup> December 2022, the Council engaged Rasco Sikalele for the construction of a bridge at a labour contract sum of K80,000 with a contract period of six (6) weeks starting from 5<sup>th</sup> December 2022 to 16<sup>th</sup> January 2023.

The scope of works included mobilization on site, excavations to a depth not less than 1m, concrete base 250mm, concrete works 250mm piers, 300mm concrete deck slab, installation of three (3) relief culverts, compacting of embankment and demobilization.

As at 30<sup>th</sup> September 2023, amounts totalling K380,111 (materials - K350,111 and labour - K30,000) had been spent.

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed thirty two (32) weeks after the expected completion date despite the contractor being given an extension period to the contract of eight (8) weeks starting on the 20<sup>th</sup> June to 9<sup>th</sup> August 2023. The outstanding works included backfilling of the embankment, decking (concrete deck slab) and casting of concrete on the middle section of the bridge. See pictures below.



*Simwanda bridge*

- **Construction of Ngole Bridge**

The Council allocated an amount of K267,031 towards the construction of Ngole Bridge in Chamuka Ward in the Constituency. The amount was to cater for labour, materials and transportation expenses. In this regard, on 17<sup>th</sup> November 2022, the Council engaged Ernest Phiri for the construction of Ngole bridge at a labour contract sum of K30,000 with a contract period of six (6) weeks starting from 18<sup>th</sup> November 2022 to 30<sup>th</sup> December 2022.

The scope of works included mobilization on site, excavations to a depth not less than 1m, concrete base 250mm, concrete works 250mm piers, 200mm concrete deck slab, compacting of embankment and demobilization.

As at 30<sup>th</sup> September 2023, amounts totalling K246,537 had been spent on materials.

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed twenty four (24) weeks after the



expected completion date. The outstanding works were backfilling of the embankment.

Further, it was observed that there was poor workmanship as cracks had developed on both sides of the embankment. See pictures below.



*Partially done bridge with cracks*

### **35. Kalulushi Municipal Council**

#### **a. Kalulushi Constituency**

##### **i. Community Projects – Failure to Implement Activities**

- **Poor workmanship-Construction of 1x2 Classroom block at Lukoshi Secondary School-2020**

On 25<sup>th</sup> January 2021, the Council engaged Sebenza Nawe Limited to construct a 1x2 classroom block at Lukoshi Secondary School at a contract sum of K310,752.50 with a contract period of eleven (11) weeks commencing in January 2021 and ending in April 2021.

The scope of works included; super structure, block works, carpentry, joinery and ironmongery, floor, wall and ceiling finishing's, glazing, painting and decorations and external works.

As of September 2023, a total of K293,493.82 had been paid leaving a balance of K17,258.68

A physical inspection carried out in September 2023 revealed that the project was completed but had defects such as the floor peeling off and the window frame and glass to one of the windows was detached.

Further, one (1) classroom was being used as a storeroom for construction materials. See pictures below.



*Peeling floor*



*Classroom being used as a storeroom*

### **36. Kalumbila Town Council**

#### **a. Solwezi West Constituency**

##### **i. Community Projects**

- **Delayed Submission of Proposed Projects by the CDF Committee**

Section 15 (1) of the Constituency Development Fund Act No. 11 of 2018 states, “Subject to section 6 (e) of the CDF Act 2018, a Committee shall submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.”

Contrary to the Guideline, the Council submitted the 2022 proposed project list to the Minister for approval on 22<sup>nd</sup> June 2022, three (3) months after due date.

- **Payments of VAT to non-VAT registered Contractors**

According to VAT Act No. 14 of 2019 of the Laws of Zambia, all businesses that qualify for registration of VAT are required to complete registration forms and be allocated a VAT registration number and a certificate.



An inquiry from the Zambia Revenue Authority (ZRA) revealed that contrary to the provisions of the Act, the Council awarded contracts to two (2) contractors to undertake various projects and paid amounts totalling K458,917 VAT inclusive to the contractors during the period under review. This resulted in loss of K63,299 being Value Added Tax (VAT) paid to the contractors who were not VAT registered.

**ii. Bursaries – Secondary School and Skills Development**

- **Late Submission of Skills Development Bursary Applications for Approval**

Guideline 5.4 of the CDF Guidelines states, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

Contrary to the Guidelines, the Council submitted for approval the proposed applications and estimated costs in June 2022, three (3) months after the required period.

- **Failure to Prepare and Submit Quarterly Implementation Reports**

According to the Conveyance of Notification for Approval of Skills Development Bursaries for Solwezi West Constituency (Kalumbila), the approval was made by the Minister subject to the condition that the Council prepared and submitted quarterly implementation reports to the Ministry and share with the Hon. Member of Parliament, beneficiaries and other stakeholders.

During the period under review, the Council did not prepare quarterly implementation reports for submission to the Ministry and other stakeholders.

- **Students Not on Approved List**

A physical verification conducted at Solwezi Trades Training Institute revealed that the Council paid amounts totalling K19,500 for five (5) students that were not on the approved list by the Ministry.

## 37. Kanchibiya Town Council

### a. Kanchibiya Constituency

#### i. Awarding of Contracts to Ineligible Bidders

Clause 7.4.6 of the CDF Guidelines of 2022 provides that preference should be given to local contractors in the Ward, Constituency, District or Province.

Contrary to the Guideline, a review of contract documents revealed that the Council awarded ten (10) out of fifteen (15) contracts with contract sums in amounts totalling K5,290,000 for the implementation of various projects to contractors that were not from Muchinga Province thereby disadvantaging the local contractors in the Province.

#### ii. Delayed Construction of the Civic Centre

On 13<sup>th</sup> December 2022, the Council engaged Diamond Palace Construction Limited for the construction of the Civic Centre at a contract price of K1,426,970. The duration of the contract was twelve (12) weeks commencing from 13<sup>th</sup> December 2022 and ending on 12<sup>th</sup> March 2023.

The scope of works included substructure, concrete work, brickwork and block work, roofing, carpentry, joinery and ironmongery, metal work, plumbing, electrical works, floor and wall finishes, painting and decoration, external works, drainage, solar installation, solar powered pump, supply and installation of tank stand and tank.

The Contractor had been paid K356,742 as at 31<sup>st</sup> December 2022.

A physical inspection carried out in June 2023 on the project, revealed that the project was at slab level while the rest of the works were still outstanding. Further, the project had delayed for (3) months. See pictures below.



*Civic Centre at Slab level*

**iii. Delayed Construction of the Kanchibiya Community Radio Station**

On 14<sup>th</sup> December 2022, the Council engaged Fungala Investment Limited for the construction of the Kanchibiya Community Radio Station at a contract price of K760,000. The duration of the contract was twelve (12) weeks commencing from 14<sup>th</sup> December 2022 and ending on 13<sup>th</sup> March 2023.

The scope of works included; substructure and earth work, reinforced concrete, blockwork, roof installations, carpentry, joinery and ironmongery, metal work and glazing, electrical installations, plumbing installations, finishings, painting and decorations.

The Contractor had been paid amounts totalling K134,000 as at 31<sup>st</sup> December 2022.

A physical inspection carried out in September 2023 revealed that the project had not been completed seven (7) months after the expected completion date and the contract had not been extended.

The outstanding works included; roofing, carpentry, joinery and ironmongery, metal work and glazing, electrical installations partially done, plumbing installations, plastering, finishing, painting and decorations. See pictures below.



*Delayed completion of Kanchibiya Community Radio Station*

The delay in the implementation of the projects was attributed to delay in delivery of building materials.

**iv. Youth, Women and Community Empowerment - Grants**

**• Wasteful Expenditure on Empowerment Project**

On 7<sup>th</sup> May 2021, the Permanent Secretary for the Ministry of Local Government and Rural Development authorised the implementation of five

community projects in amounts totalling K1,400,000 from the 2021 CDF. In this regard, the Council sought authority to vary an amount of K800,000 towards empowerments to cooperatives within the district. Inquiries made revealed that cooperatives undertook to cultivate beans with the aim of selling the harvest.

However, there was neither evidence of beans produced nor sell proceeds to indicate that cooperatives undertook the production of beans activity rendering the whole amount of K800,000 wasteful.

- **Irregular Use of Empowerment Fund**

The Council disbursed K130,000 to four groups for activities like village banking, chicken rearing, and farming. However, a physical inspection revealed that group members irregularly shared the funds for personal use, deviating from the intended purposes.

In addition, K466,130 could not be accounted for as documentation such as receipts or bank deposits to trace their utilization was lacking. Further, twenty one (21) groups misapplied amounts totalling K724,000 on unauthorized activities like village banking and unverified businesses, without prior authorization. No records were maintained, and despite withdrawing all the funds from the bank, group members had no cash on hand, raising concerns about the proper usage of the allocated funds.

### **38. Kaoma Town Council**

#### **a. Kaoma Central Constituency**

##### **i. Community Projects**

- **Contract for Construction of Staff House at Chilombo Health Post**

On 3<sup>rd</sup> October 2022, the Council engaged Moge Construction and Civil Engineering Limited for the construction of a staff house at Chilombo Health Post at a contract sum of K234,689 VAT inclusive with a completion period of four (4) months.

The scope of works included the following:

- Sub-structure and concrete works;

- Brick work and block work;
- Carpentry, joinery, ironmongery and roofing;
- Metal work, floor and wall finishes; and
- Glazing, painting, decorating and External works.

As of February 2023, the contractor had been paid amounts totalling K211,220 leaving a balance of K23,469.

A physical inspection conducted on 4<sup>th</sup> October 2023 revealed that the house was completed and in use.

However, there was poor workmanship in that;

- the floor had cracks in all rooms, and
- windows could not close.

See pictures below.



*Poor quality door*



*Evidence of cracks on floor*

- **Contract for construction of 1x2 Classroom at Mulamatila Secondary School**

On 3<sup>rd</sup> October 2022, the Council engaged Limuli Stationery and Hardware Limited in partnership with Lukao Enterprises for the construction of a 1x2 Classroom block at Mulamatila Secondary School at a contract sum of K366,045 VAT inclusive with a completion period of four (4) months.

The scope of works included the following:

- Sub-structure and concrete works;

- Brickwork and blockwork;
- Carpentry, joinery, ironmongery and roofing;
- Metal work, floor and wall finishes; and
- Glazing, painting, decorating and External works.

As at 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K329,441 leaving a balance of K36,605.

A physical inspection conducted on 4<sup>th</sup> October 2023, revealed that the classroom block was complete and in use.

However, there was poor workmanship in that the floor had cracks in all the rooms and windows were not closing. See pictures below.



*Poorly made window frame*



*Window frame without window*

## **b. Mangango Constituency**

### **i. Community Projects**

- **Contract for the Construction of Two Staff Houses at Kalumeyoyo and Lymunale Primary Schools**

On 3<sup>rd</sup> October 2022, the Council awarded two (2) contracts to Mbunge Ya Yesu Hardware and Construction Limited for the construction of two (2) staff houses at Kalumeyoyo and Lymunale Primary Schools in Mangango Constituency at a total contract sum of K541,450 for contract periods of four (4) months up to 3<sup>rd</sup> February 2022.

The scope of works included construction sub-structure, concrete works, brick and blockwork, roofing, carpentry, joinery and ironmongery, metalwork, floor

and wall finishes, glazing, painting and decorating, external works, electricals and plumbing works.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K487,305 leaving a balance of K54,145 to cater for the defect liability period.

Following the delay in completing the works within the contract period, the contractor, in a letter dated 6<sup>th</sup> June 2023, was granted a contract extension of four (4) weeks from 6<sup>th</sup> June to 4<sup>th</sup> July 2023.

The following were observed:

- **Variation without Authority**

Clause 7.4.20 of the CDF Guidelines stipulates that an amendment or variation to a contract should not be effected without the approval of the Treasury and the legal advice of the Attorney General. Although the contract period was extended for four (4) weeks, there was no authority from the procurement committee and the Attorney General.

- **Failure to Complete Works**

A physical inspection conducted in October 2023 revealed that works such as roofing, sub-structure, brickwork and blockwork and concrete works were completed.

However, the following works were outstanding:

- ⊙ Plumbing works, fisher boards and skating
- ⊙ Glazing of one (1) window
- ⊙ Soak away and septic tank at Lymunale Primary School had not been completed.
- ⊙ Electricals, floor finishes, painting, carpentry and joinery, ironmongery and metal works had not been completed at Kalumeyoyo.

- **Failure to Engage Contractor to Complete Remaining Works**

The Council had terminated the contract in October 2023

However, as of November 2023, no new contractor had been engaged to complete the remaining works. See pictures below.



*Uncompleted Staff houses at Kalumeyoyo*

- **Contract for the Construction of 1x3 Classroom Block in Shabo Community School – Mangango Constituency – Failure to Provide for Toilets**

On 3<sup>rd</sup> October 2022, the Council engaged Jasto Suppliers for the construction of a 1x3 classroom block at Shabo Community School in Mangango Constituency at a contract sum of K601,318 VAT inclusive for a contract period of four (4) months.

As at 31<sup>st</sup> December 2022, the contractor had been paid the full contract sum.

A physical inspection conducted on 6<sup>th</sup> October 2023 revealed that the contractor had completed the works and the school was in use.

However, it was observed that even if the project had been completed, the contract did not provide for toilets. Consequently, the school children and teaching staff were using thatched toilets. See pictures below.





*Completed school*



*Thatched toilet used by school staff and pupils*

### **c. Other Observations**

#### **i. Failure to Withhold VAT from Contracts-Kaoma Central**

The VAT Amendment Act of 2017 and Treasury and Financial Management Circular No. 6 of 2017 directed all institutions which were appointed as tax agents, to withhold and remit VAT from payments to suppliers of goods and services.

Contrary to the Circular, the Council failed to withhold VAT in amounts totalling K376,084 from contract sums in amounts totalling K2,726,609 VAT inclusive, incurred on capital projects under CDF.

#### **ii. Award of Contracts without Approval from the Attorney General-Mangango**

Section 72 (2) (e) of the Public Procurement Act No. 8 of 2020 stipulates that a contract, purchase order, letter of bid acceptance or other communication in any form conveying acceptance of a bid or award of contract shall not be issued prior to any other approvals required, including clearance of the contract by the Treasury and the legal advice of the Attorney General.

Contrary to the Act, the Council awarded six (6) contracts to various contractors at a contract sum of K3,026,993 without the Attorney General's legal advice.

In a letter dated 12<sup>th</sup> September 2022, Ministry of Justice guided that considering that the draft contracts were unacceptable in their current form, the contracts were to be redrafted in accordance with the template and to be resubmitted for further scrutiny and approval.

However, the Council did not redraft and resubmit the contracts.

**iii. Failure to Withhold VAT from Contracts - Mangango**

Contrary to the VAT Amendment Act of 2017 and Treasury and Financial Management Circular No. 6 of 2017, which directed all institutions which were appointed as tax agents, withhold and remit VAT from payments to suppliers of goods and services, the Council failed to withhold VAT in amounts totalling K417,516 from contract sums in amounts totalling K3,026,993 VAT inclusive, incurred on capital projects under CDF.

**39. Kapiri Mposhi Town Council**

**a. Kapiri Mposhi Constituency**

**i. Community Projects**

**• Failure to Implement Approved Projects**

Section 15(5) of the Constituency Development Fund Act No.11 of 2018 states, “a project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period.”

However, it was observed that as at 30<sup>th</sup> September 2023, thirty seven (37) approved projects with a total allocated amount of K13,531,815 had not been implemented despite being approved by the Ministry of Local Government and Rural Development on 26<sup>th</sup> August 2022.

**• Poor Workmanship and Delayed Completion – Rehabilitation of 1x2 CRB at Mobe Primary School**

On 27<sup>th</sup> July 2022, the Council engaged Divimus Enterprises for the rehabilitation of a 1x2 classroom block at Mobe primary school at a contract price of K84,000. The contract period was four (4) weeks, the contract start date was fourteen (14) days after the contract date. The contractor mobilized in August 2022.

The scope of works included re-roofing, metal and carpentry works, window glazing, painting, finishes (applying new floor screed).

As at 31<sup>st</sup> December, 2022 an amount of K73,778 was spent on the project

leaving a balance of K10,222.

- **Stalled Works – Construction of Luanchele Clinic Staff House**

On 27<sup>th</sup> July 2022, the Council engaged Chipope Mrich Construction and General Suppliers Ltd for the completion of Luanchele Clinic at a contract price of K84,000. The contract period was four (4) weeks. The scope of works included fitting of doors, glazing, plastering and painting.

However, on 20<sup>th</sup> June 2022, the Council changed works to the construction of a Staff House at the clinic purporting that the clinic was funded and worked on by World Vision.

A physical verification conducted on 11<sup>th</sup> July 2023 revealed the following:

- **Implementation of Unapproved Project**

According to CDF Guidelines No. 3.3.1 (c) The Minister shall be responsible for: Receipt, review and approval of project lists from CDFC; Contrary to the Guideline the Council implemented the construction of a staff house at Luanchele Clinic without approval from the Minister.

However, no documents were availed for verification despite the Council stating that “the contract at Luanchele Clinic had its scope changed at a CDF committee meeting held on 20<sup>th</sup> and 30<sup>th</sup> June 2022.

- **Failure to Provide Documents**

The Council did not provide documents which included the contract, bill of quantities (BOQ), scope of works and site possession certificate among others.

- **Stalled Works**

As at 30<sup>th</sup> September 2023, the works had stalled after completing the following works; sub structure, super structure to ring beam level and plastering of the exterior walls. In this regard, on 29<sup>th</sup> June 2023, the Council terminated the contract. See picture below.



*Staff house at Luanchele clinic*

- **Grants – Empowerment - Irregular Approval and Award of Grant**

A review of the 2022 CDF Empowerment Grants Monitoring Report from the Social Economic Planner dated 21<sup>st</sup> December 2022 and application forms for two (2) clubs revealed that, six (6) members of Kasanta Women’s club belonged to one (1) family and at the same time three (3) members were also members of Ukubombesha Ebwikashi club which was also a beneficiary of the CDF 2022 grants. Further, amounts totalling K54,000 (Kasanta women’s club – K27,000, Kemesha ebwikashi club – K27,000) were paid.

- **Other Observations**

- **Failure to Maintain a Register of Assets and Stores for the Constituency**

Section 6.4 (a) of the Constituency Development Fund guidelines states, “a Local Authority shall maintain a register of Assets and Stores for each Ward and Constituency.”

Contrary to the Guideline, as at 31<sup>st</sup> October 2023, the Council did not maintain a register of assets and stores for the Constituency.

- **Failure to Code Payments**

Section 49 (1) of the Public Finance Management (General) Regulations 2020, states, “A payment voucher shall be completed with details indicating coding allocations, date, serial number, quantity, rate, authority and any other relevant description.”

Contrary to the provision, as at 31<sup>st</sup> December 2023, seventy six (76) payment vouchers in amounts totalling to K3,074,089 made during the period under review were not coded.

## **40. Kaputa Town Council**

### **a. Kaputa Constituency**

#### **i. Failure to Implement Approved 2022 CDF Projects**

A total of seven (7) approved CDF activities such as procurement of earth-moving equipment, tipper truck and rehabilitation of schools were approved for implementation in 2022, out of which two (2) were implemented and completed whilst procurement of five (5) earth-moving equipment had not been implemented.

Further, two (2) activities brought forward from 2021 were in progress as at 30<sup>th</sup> September 2023, while one (1) activity brought forward from 2019 had stalled. In particular, the following were observed:

#### **ii. Failure to Fund Completion of Chief Kaputa's Palace (Chitandala)**

Section 17(2) of the Constituency Development Fund Act of 2018 states that an uncompleted project from a previous financial year shall remain on the project list, for purposes of the total number of projects.

On 22<sup>nd</sup> October 2020, the Council awarded a contract to Lovenic Construction Limited for the partial completion of Chitandala Palace at a cost of K99,045.

The scope of works involved building the structure to ring beam level.

As at 31<sup>st</sup> December 2022, amounts totalling K94,250 had been spent leaving a balance of K4,795.

A physical inspection of the Palace conducted on 8<sup>th</sup> October 2023 revealed that the Palace had been built up to roof level with the following works still outstanding: roofing, plastering, electrical wiring, plumbing works, and flooring.

Further, as at 30<sup>th</sup> September 2023, works had stalled and the contractor was not on site. See picture below.



*Stalled Chief Kaputa Palace Project*

**iii. Delayed Construction of 1x2 Classroom Block and one Double VIP Toilet at James Village**

On 12<sup>th</sup> August 2022, the Council awarded a contract to Chamchi general contractors for the construction of a 1x2 classroom block and one double VIP toilet at James village at a contract sum of K449,111.

The contract was for a period of ninety (90) days starting from 29<sup>th</sup> August 2022 to 29<sup>th</sup> November 2022.

The scope of works included strip foundation, slab, floor, ramp, block work, plastering, painting, rough cast, roofing, ring beam, windows, doors, making classroom boards, staff room shelves and one double VIP toilet.

As at 9<sup>th</sup> October 2023, the contractor had been paid a total amount of K386,267 leaving a balance of K62,844.

A physical inspection carried out in October 2023 revealed that the project had delayed to be completed by 323 days. The outstanding works included construction of doorstep on VIP toilets and provision of staff room shelves.

It was also observed that there was poor workmanship in that, there were cracks that had developed along the wall, floor and sections of drainage slab.

In addition, the floor for the slab of the VIP toilet had peeled off. See pictures below.



*Peeled VIP Toilet floor*



*Cracks on classroom block*

**iv. Delayed Construction of Staff House at Chimpatika Health Post and one Double VIP Toilet**

On 11<sup>th</sup> November 2022, the Council awarded a contract to Chamchi general contractors for the construction of a Staff house at Chimpatika health post and one double VIP toilet at a contract sum of K317,477. The contract was for a period of sixty (60) days starting from the date of contract signing.

The scope of works included strip foundation, slab, floor, block work, plastering, painting, roughcast, roofing, ring beam, windows, doors, plumbing works, electrical fittings and one double VIP toilet.

As at 18<sup>th</sup> September 2023, the contractor had been paid a total amount of K96,026 leaving a balance of K221,450.

A physical inspection carried out in October 2023 revealed that the structure had not been completed with the following works still outstanding: Plumbing works, electrical fittings, window frames/ doorframes, glazing and painting. The project had delayed to be completed by nine (9) months.

See pictures below.



*Incomplete Chimpatika Health post staff house and one double VIP toilet*

**v. Failure to Collect Amounts Due on Performance Bonds**

On 6<sup>th</sup> April 2022 Kaputa Town Council entered into a contract with InvestCorp Zambia Limited and Artic Equipment Zambia Limited for the two companies to supply and deliver seven (7) earth-moving equipment at a total cost of K12,599,400 with a delivery period of six (6) weeks ending on 20<sup>th</sup> May 2022.

Clause 7.1 and 7.2 of the contracts required successful bidders to furnish the Council with a performance security for proceeds payable to the Council as compensation for any loss resulting from the supplier's failure to complete its obligations under the contract. Consequently, the two suppliers issued seven (7) performance bonds totalling K1,751,500

An inspection of various documents such as the termination letter revealed that the Suppliers failed to supply and deliver the equipment within the agreed delivery date resulting in the Council terminating the contracts on 11<sup>th</sup> July 2023. The performance bonds for Investcorp amounting K764,500 remained in full force and effective up to 18<sup>th</sup> July 2023, whilst those for Arctic Equipment Zambia Limited amounting K987,000 remained in full force and effective up to 30<sup>th</sup> June 2023.

The failure by the Council to procure the earth-moving equipment resulted in the Council failing to service the area for residential and commercial plots.

Further, a physical inspection of various roads in Kaputa District revealed that the township and remote road network of Kaputa were in poor state due to depressions, potholes and lack of maintenance. See pictures below.



*Damaged road leading to Kaputa District Hospital Ungraded Road to Tembo Village*

**vi. Grants – Empowerment - Failure to Provide Information**

As at 30<sup>th</sup> September 2023, 145 applicants had received grants. However, the Council had no information on how many groups had implemented projects or not.

**41. Kasama Municipal Council**

**a. Kasama Central Constituency**

**i. Community Projects**

A total of twenty (20) community projects such as construction and rehabilitation of bridges, schools and health centres were approved for implementation in 2022.

However, the following were observed:

• **Delayed Completion**

Section (5) of the Constituency Development Fund Act No. 11 of 2018 states, “a project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period”.

Contrary to the Act, two (2) projects had delayed for periods ranging from three (3) to six (6) months. See table 1 below.



Constituency	Ward	Project	Contractor	Start Date	End Date	Allocated Amount K	Amount Spent K	Scope of Works	Remarks/Observations
Kasama Central	Lukulu	Construction of 1x3 classroom block at Kafula Primary School	Labour Based	20.06.22	20.08.22	78,837	69,679	<ul style="list-style-type: none"> <li>Roofing</li> <li>Beam filling</li> <li>Metal Works</li> </ul>	<p>A site visit conducted in February 2023 revealed that the project was at lintel level with the following works remaining:</p> <ul style="list-style-type: none"> <li>Beam filling</li> <li>Metal work</li> </ul> <p>Further, the project had delayed by six (6) months from the expected date of completion and there was no approval showing that the contract period had been extended.</p>
Kasama Central	Lukupa	Completion of Chikumanino market shelter	Labour Based	11.08.22	11.12.22	100,000	95,535	<ul style="list-style-type: none"> <li>Roofing</li> <li>Concrete slab</li> <li>Plastering</li> </ul>	<p>A site visit conducted in February 2023 revealed that the market shelter was at roof level with the following works remaining:</p> <ul style="list-style-type: none"> <li>Concrete slab</li> </ul>

									<ul style="list-style-type: none"><li>• Plastering</li></ul> <p>The project had delayed by three (3) months from the expected completion date and there was no approval showing that the contract period had been extended.</p> <p>Further, thirty (30) pockets cement costing K12,480 procured for the project had not been delivered to the project site.</p>
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**ii. Soft Loans – Failure to Disburse Funds**

During the period under review, an amount of K2,706,350 was received as funding towards the payment of soft loans.

However, as at 31<sup>st</sup> December 2022, the amount had not been disbursed despite the component being fully funded.

**iii. Grants – Empowerment**

During the period under review, empowerment grants in amounts totalling K1,952,845 were given to fifty two (52) selected applicants to undertake various projects such as fish farming, piggery, and poultry. As at 31<sup>st</sup> December 2022, the applicants were still implementing the projects.

The following were observed:

- **Unauthorised Projects**

Section 5.4 of the Constituency Development Fund guidelines states, “the Minister shall approve projects, empowerments and bursaries endorsed by the Constituency Development Fund Committee.”

Contrary to the Guidelines, nineteen (19) organised groups had used funds in amounts totalling K133,600 on projects that were not endorsed by the Constituency Development Fund Committee. See table 2 below.

Constituency	Ward	Group/Cooperative	Amount Applied for K	Amount Disbursed K	Amount Spent K	Sector Focus	Remarks/Observations
Kasama Central	Julia Chikamoneka	Kapoka Enterprises	40,000	40,000	24,800	Pig Farming	<p>A field inspection carried out in February 2023 revealed the following:</p> <ul style="list-style-type: none"> <li>An amount of K5,400 spent on the procurement of pigs, plot and bricks was not accounted for as there were no receipts to support the expenditure. Further, the pigs procured by the group were not found with the group during inspection.</li> <li>An amount of K16,600 was paid to members of the group as loans contrary to the purpose for which the funds were applied for without authority from the CDF committee.</li> </ul>
Kasama Central	Julia Chikamoneka	Itamina Charitas Saving Cooperative	40,000	40,000	40,000	Milling	<p>A field inspection carried out in February 2023 revealed the following:</p> <ul style="list-style-type: none"> <li>The group had not purchased the hammer mill according to the project proposal.</li> <li>An amount of K30,000 was paid out as loans to members of the group contrary to the purpose for which the grant</li> </ul>

							was paid without authority from the CDF committee.
Kasama Central	Mulilansolo	Mayo Mpapa naine Nkakupapa	40,000	40,000	33,800	Peanut Butter Making	A field inspection carried out in February 2023 revealed that the group had engaged in chicken rearing and crop production contrary to the purpose for which the grant was paid without authority from the CDF committee.
Kasama Central	Buseko	Passion of work youth Enterprise	40,000	40,000	35,000	Block Making	A field inspection carried out in February 2023 revealed that the group was operating a bar and restaurant contrary to the purpose for which the grant was disbursed without authority from the CDF committee.

## **b. Lukashya Constituency**

### **i. Community Projects**

A total of twenty four (24) community projects such as construction and rehabilitation of bridges, schools and health post were approved for implementation in 2022.

However, the following were observed:

- **Construction of a Staff House at Isashiba Primary School**

During the period under review, an amount of K62,000 was allocated towards the completion of a staff house at Isashiba Primary School through a labour-based contract.

The scope of works included concrete works, metal works, floor screed, plastering, carpentry, glazing and painting.

As at 28<sup>th</sup> February 2023, amounts totalling K52,055 had been spent on the project leaving a balance of K9,945.

The following were observed:

- ⊙ **Poor Project Management**

A site visit conducted in February 2023 revealed that the initial works funded using the Constituency Development Fund for 2020 were only done to box level despite amounts totalling K45,000 spent on the project. The scope of works included the substructure, concrete works, brick wall, roofing and carpentry. Further, fifty one (51) pockets of cement costing K7,140 had gone to waste as it had caked.



*Staff house at box level*

- ⊙ **Undelivered Building Materials**

Building materials costing K50,055 procured for the project from three (3) suppliers using the Constituency Development Fund 2021

allocation had not been delivered as of February 2023. See table 3 below.

**Table 3: Undelivered Building Materials**

No.	Date	Chq. No.	Payee	Description	Amount K
1	09.08.22	Transfer	Nkolelela General Dealers	Building Materials	30,705
2	11.08.22	002247	Barakas General Maintenance	Building Materials	14,050
3	15.11.22	002289	A. M. Nile	Building Materials	2,000
4	30.11.22	002300	Barakas General Maintenance	Building Materials	3,300
	<b>Total</b>				<b>50,055</b>

- **Delayed Completion**

Section (5) of the Constituency Development Fund Act No. 11 of 2018 states, “a project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period.”

Contrary to the Act, five (5) projects had delayed for periods ranging from two (2) to three (3) months. See table 4 below.

Constituency	Ward	Project	Contractor	Start Date	End Date	Allocated Amount K	Amount Spent K	Scope of Works	Remarks/Observations
Lukashya	Kupumaula	Completion of a maternity annex at Namulundu Health Post	Labour Based	08.07.22	08.12.22	106,561	94,544	<ul style="list-style-type: none"> <li>• Concrete works</li> <li>• Metal works</li> <li>• Electrical works</li> <li>• Plumbing works</li> <li>• Floor screed</li> <li>• Plastering</li> <li>• Beam filling</li> </ul>	<p>A site visit conducted in February 2023 revealed that concrete works, metal works, floor screed, plastering, beam filling and glazing were complete with following works remaining;</p> <ul style="list-style-type: none"> <li>• Electrical works</li> <li>• Plumbing works</li> <li>• Installation of interior doors</li> <li>• Painting</li> </ul> <p>Further, the project had delayed by three (3) months from the expected date of completion</p>
Lukashya	Chibundu	Completion of Mwelwa Outreach Post	Labour Based	29.06.22	29.09.22	48,676	42,370	<ul style="list-style-type: none"> <li>• Roofing</li> <li>• Concrete works</li> <li>• Metal works</li> </ul>	<p>A site visit conducted in February, 2023 revealed that roofing, concrete works, metal works, floor screed and beam filling were completed with the following works remaining;</p>



								<ul style="list-style-type: none"> <li>• Floor screed</li> <li>• Plastering</li> <li>• Beam filling</li> <li>• Fitting of doors</li> <li>• Glazing</li> <li>• Painting</li> </ul>	<ul style="list-style-type: none"> <li>• Plastering</li> <li>• Fitting of doors</li> <li>• Painting</li> </ul> <p>Further, the project had delayed by three (3) months from the expected date of completion</p>
Lukashya	Kupumaula	Grading and Gravelling of 2.5Km road Kasama College to Soft Katongo Cemetery and Soft Katongo Secondary School.	Force Account	N/a	N/a	334,527	318,319	Grading and gravelling of 2.5km road.	A site visit conducted in February 2023 revealed the 2.5Km of the road had been graded, while only 600 metres of the road had been gravelled leaving 1.9Km of the road not graded.
Lukashya	Lusenga	Completion of 1x2 CRB at Kashinka Primary School	Labour Based	13.09.22	13.12.22	73,712	64,006	<ul style="list-style-type: none"> <li>• Roofing</li> <li>• Floor screed</li> <li>• Plastering</li> <li>• Beam filling</li> </ul>	<p>A site visit conducted in February 2023 revealed that the project was at roofing stage with the following works remaining;</p> <ul style="list-style-type: none"> <li>• Floor screed</li> <li>• Plastering</li> </ul>

								<ul style="list-style-type: none"> <li>• Metal works</li> <li>• Installation of doors</li> <li>• Glazing</li> <li>• Painting</li> </ul>	<ul style="list-style-type: none"> <li>• Metal works</li> <li>• Installation of doors</li> <li>• Painting</li> </ul> <p>Further, the project had delayed by two (2) months from the expected date of completion.</p>
Lukashya	Lusenga	Completion of 2 No. staff house at Kondamu Primary School	Labour Based	07.09.22	07.01.23	63,699	55,742	<ul style="list-style-type: none"> <li>• Concrete works</li> <li>• Metal works</li> <li>• Floor screed</li> <li>• Plastering</li> <li>• Beam filling</li> <li>• Installation of doors</li> <li>• Glazing</li> <li>• Painting</li> </ul>	<p>A site visit conducted in February 2023 revealed that metal work, concrete works, floor screed, plastering and beam filling were complete with the following works remaining;</p> <ul style="list-style-type: none"> <li>• Installation of doors</li> <li>• Painting</li> <li>• Glazing</li> </ul> <p>Further, the project had delayed by two (2) months from the expected date of completion.</p>

**ii. Bursaries – Secondary School and Skills Development**

A total of sixty nine (69) pupils were sponsored under CDF to enrol into boarding schools and 581 students to undergo skills training at a total cost of K1,199,098.

As at 31<sup>st</sup> December 2022, none of the applicants had graduated as they were still undergoing training in their respective training institutions.

Further, 160 students had not reported to two (2) institutions that were paid amounts totalling K363,431 by the Council.

**iii. Soft Loans – Failure to Disburse**

During the period under review, an amount of K2,706,350 was received as funding towards the payment of soft loans.

However, as at 31<sup>st</sup> December 2022 the amount had not been disbursed despite the component being fully funded.

**iv. Grants – Empowerment**

During the period under review, empowerment grants in amounts totalling K1,950,866 were given to fifty-three (53) selected applicants to undertake various projects such as energy production, purchase of hammer mills and poultry farming. As at 31<sup>st</sup> December 2022, the applicants were still implementing the projects.

However, the following were observed:

- **Unauthorised Business**

During the period under review, Namulundu Kosapo Women’s Enterprises applied for a grant of K40,000 all of which was disbursed to the club. A review of their business proposal revealed that the club was to engage in a bakery business. As at 31<sup>st</sup> December 2022, amounts totalling K33,000 had been spent by the group leaving a balance of K7,000.

A site visit conducted in February 2023 revealed that the club was engaged in chicken rearing and village banking against the purpose for which the

funds were disbursed and there was no authority from the Constituency Development Fund Committee authorising the change of business.

## **42. Kasempa Town Council**

### **a. Kasempa Constituency**

#### **i. Delayed Submission of Proposed Projects by the CDF Committee**

Section 15 (1) of the CDF Act No. 11 of 2018 requires a CDF Committee to submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Act, the Council submitted the 2022 proposed project lists to the Minister for approval on 13<sup>th</sup> July 2022, three (3) months after the prescribed date.

#### **ii. Delayed Completion of 2020 and 2022 Projects**

During the period under review, the Council embarked on several projects.

Inquiries with management conducted in October 2023 revealed that two (2) projects from 2020 and five (5) projects from 2022 had not been completed within the specified timelines. In this regard, the delays ranged from 3 to 36 months. See table 1 below.

No.	Project	Contractor	Contract	Start Date	Completion I	Contract Amount K	Amount Paid K	Scope of Works	Status as at October 2023
1	Costruction of a 1*2 Class Room at Kakuyu community sch	Kalikonga Ent Ltd	5 months	26.11.20	20.02.21	186,251.00	46,563.00	included;roofing , painting, finishes & external works	Not Completed
2	Costruction Of A 1*2 Class Room At Kayefula Community Sch	Opulent Africa Ltd	5 months	26.11.20	20.02.21	201,011.00	48,750.00	included;roofing , painting, finishes & external works	Not Completed
3	Construction of 1x3 CRB at Lunga Sec School	Lexline Enterprises ltd	5 months	21.11.22	10.03.23	895,592.00	223,898.00	included;roofing , painting, finishes & external works	Not Completed
4	Construction of 1x2 CRB at Shikulukila Primary School	Krel Mining	5 months	21.11.22	10.03.23	445,609.00	145,609.00	included;roofing , painting, finishes & external works	Not Completed
5	Completion of abluion at Kasempa Boys	Morumo Innovations	5 months	21.11.22	10.03.23	253,130.00	63,283.00	included;roofing , painting, finishes & external works	Not Completed
6	Construction of Mekema Police Post	Dynamic and United Youth	5 months	21.11.22	10.03.23	443,584.00	415,626.00	included;roofing , painting, finishes & external works	Not Completed
7	Drilling and Installation of 20 Boreholes	ML Drilling and Exprolation	5 months	21.11.22	10.03.23	1,231,000.00	310,125.00	Drilling and Installation of 20 boreholes	Not Completed
			<b>Total</b>			3,656,177.00	1,253,854.00		

### iii. Delayed Construction of two (2) Staff Houses at Lubofu Secondary School

On 14<sup>th</sup> November 2022, the Council engaged Almon Construction and General Dealers Limited to construct two (2) staff houses at Lubofu Secondary School at a contract price of K579,229 with the contract period of twelve (12) weeks. The contract start date was 21<sup>st</sup> November 2022 with the expected completion date of 10<sup>th</sup> March 2023.

The scope of works included substructure works, concrete works, roofing and steel roof structure, carpentry and joinery, metal works including door flames and window flames, floor and wall finishes, plastering, painting and external works.

As at 30<sup>th</sup> September 2023, an amount of K384,199 had been spent on the project leaving a balance of K195,027.

A physical inspection conducted on 25<sup>th</sup> October 2023 revealed that the following works were still outstanding: substructure for kitchens, plastering, painting, metal works including window and door flames glazing, fixing of doors, drainages and external works. The project had delayed by thirty six (36) weeks. See pictures below.



*House 1 at roofing stage*



*House 2 at gable level*

**iv. Delayed Construction of a Health Post at Kamakunka**

On 21<sup>st</sup> November 2022, the Council engaged Morumo Innovation Limited to construct a health post at Kamakunka Rural Health Centre at a contract price of K419,866 with the contract period of fourteen (14) weeks. The contract start date was 21<sup>st</sup> November 2022 with the expected completion date of 10<sup>th</sup> March 2023.

The scope of works included substructure work, concrete works, brickworks, roofing, carpentry and joinery, metal works, plastering, painting, electricals and drainages.

As at 30<sup>th</sup> September 2023, an amount of K358,873 had been spent on the project leaving a balance of K60,994.

A physical inspection conducted on 25<sup>th</sup> October 2023 revealed that the following works were still outstanding: plastering, painting, glazing, woodwork, metal works, drainages and other external works. The project had delayed by thirty six (36) weeks. See pictures below.



*Window frames not done*



*Floor and plastering not done*

**v. Delayed Completion of a Public Library**

On 12<sup>th</sup> August 2022, the Council engaged Krel Mining and Construction Limited to complete the public library at a contract price of K517,425 with a period of twelve (12) weeks. The contract start date was 22<sup>nd</sup> August 2022 to 15<sup>th</sup> November 2022.

The scope of works included carpentry and joinery, ironmongery, metal works, drainage, floor and wall finishes, glazing, painting and ceiling, plumbing and electrical installations.

As at 31<sup>st</sup> December 2022, an amount of K491,553 had been spent on the project leaving a balance of K25,872.

A physical inspection conducted on 25<sup>th</sup> October 2023 revealed that plumbing works such as pipes and water connection were still outstanding forty four (44) weeks after the end of the contract period and the contractor was not on site.

**vi. Unaccounted for Borehole Spare Parts**

On 12<sup>th</sup> August 2022, the Council engaged Jomanya Enterprises Limited to supply borehole spare parts at a contract price of K197,950 with a contract period of four (4) weeks. The contract start date was 22<sup>nd</sup> August 2022 with the expected completion date of 19<sup>th</sup> September 2022.

The supply included cylinder, riser pipes handle, connecting rods, chain with coupling, rubber seals and ball bearing.

As at 31<sup>st</sup> December 2022, an amount of K199,350 had been spent. However, the receipt and disposal details for the materials such as delivery notes, goods received and issue notes were not availed for audit.

**vii. Drilling and Installation of twenty (20) Boreholes – Questionable Payments**

On 11<sup>th</sup> November 2022, the Council engaged Laxmi Srinivasa Drilling and Exploration Limited for drilling and installation of twenty (20) boreholes at a contract price of K1,231,000 with a contract period of sixteen (16) weeks. The contract start date was 21<sup>st</sup> November 2022 with the expected completion date of 10<sup>th</sup> March 2023.

The scope of works included: installation of hand pumps, borehole lining, pump and laboratory test, civil works and sterilisations.

As at 22<sup>nd</sup> February 2023, amounts totalling K1,169,450 had been spent on the project leaving a balance of K61,550.

The following observations were made:

- **Advance Payment**

Section VIII of the Special Conditions of the Contract stated that advance payment shall be 25% against bank guarantee or performance bond of an equivalent amount and shall be paid to the Contractor not later than seven (7) days from the date of contract signing.

Contrary to the special conditions, an advance payment of K903,450 was made on 20<sup>th</sup> December 2022 instead of an amount of K307,750 (25% of contract price) twenty-nine (29) days after awarding the contract and not within seven (7) days stated in the contract. Further, a bank guarantee or performance bond of an equivalent amount were not availed for audit.

- **Site Inspection Report**

A review of the site inspection report dated 19<sup>th</sup> December 2022 revealed that drilling of all twenty (20) boreholes and installation of fifteen (15) hand pumps were approved and complete. However, no details of the twenty (20) boreholes drilled and fifteen (15) hand pumps installed including water points and ward, depths, pump and water quality laboratory results were availed for audit.

**viii. Bursaries – Secondary School and Skills Development**

During the period under review, a total of 215 pupils were sponsored under CDF to enroll in boarding schools and 242 students to undergo skills training out of which forty four (44) pupils and fourteen (14) students graduated.

As at 31<sup>st</sup> December 2022 out of amounts totalling K4,938,370 received as funding, a total of K730,702 was spent leaving a balance K4,159,881. The following were observed:



- **Unaccounted for Pupils**

During the period under review, the Council approved the sponsorship of 215 pupils in various Schools with total cost of K236,780 per term. However, amounts totalling K85,550 were paid for seventy-two (72) pupils who could not be physically verified as having reported for school.

- **Wasteful Expenditure-Solwezi School for Continued Education**

During the period under review, the Council approved forty-nine (49) applications for skills training costing K115,500. However, a review of selected files and other records revealed that tuition fees amounting to K47,400 were paid for twenty (20) students out of which three (3) students reported and left the institution resulting in wasteful expenditure amounting to K7,725.

- **Failure to Follow Constituency Development Fund Guidelines-Bursaries**

Guideline 5.3.3.1 of the CDF Guidelines requires the following application procedures for Secondary Boarding School Bursary:

- Bursary application forms (Appendix G) to be obtained free of charge from the Local Authority, Parliamentary Constituency Office, District Education Board Office or any other Public Institution in the District as well as the Local Authority Website;
- Application forms to be typed or filled in a clear handwriting;
- Applications to the Constituency Development Fund Committee to be accompanied by the following documents:
  - ⊙ Signed Minutes of the Ward Development Executive Committee Meeting;
  - ⊙ A signed application forms by the Ward Development Committee Chairperson. Where the Chairperson is not available, the Vice Chairperson shall sign and where the Vice Chairperson is not available, the Committee shall nominate a member amongst themselves who shall sign the applications.

Contrary to the guidelines, the Council did not avail typed or written bursary application forms and signed minutes from Ward Development Executive Committee Meetings.

**ix. Soft Loans – Failure to Disburse Funds**

During the period under review, the Council received amounts totalling K2,934,350 for disbursement as loans. However, there were no disbursements made despite there being forty four (44) successful applicants.

**x. Grants – Empowerment**

During the period under review, amounts totalling K1,953,233 were received for empowerment out of which K1,025,278 was disbursed to fifty-two (52) selected applicants to undertake various projects such as poultry farming, hammer mill and pig farming leaving a balance of K930,955 unspent.

As at 31<sup>st</sup> December 2022, a total of twenty seven (27) projects were implemented, while twenty five (25) were not implemented.

The following were observed:

- **Failure to Provide Ward Development Executive Committee Minutes**

According to CDF Guideline 5.2.3.1 (a), empowerment applications for grants to the CDFC shall be accompanied by signed minutes of the Ward Development Executive Committee meeting.

Contrary to the Guidelines, minutes from the Ward Development Executive Committee meeting were not availed for audit. In this regard, approval of empowerment grants to fifty (50) successful applicants involving K1,827,200 could not be verified.

- **Late Submission of Youth and Women Empowerment Grants Applications for Approval**

Section 15 (1) of the CDF Act No. 11 of 2018 requires a committee to submit to the Minister a proposed project list and the estimated costs of the proposed

projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Act, it was observed that during the period under review, the proposed applications and estimated costs were submitted in the month of May, two (2) months after the prescribed period.

#### **43. Katete Town Council**

##### **a. Mkaika Constituency**

##### **i. Community Projects - Community Projects - Failure to Implement CDF Approved Projects**

As at 31<sup>st</sup> December 2022, amounts totalling K13,833,290 (K11,938,162 from 2022 approved plan and K1,895,128 from 2021) was available for CDF community project implementation against which amounts totalling K1,641,550 had been spent leaving a balance of K10,296,612.

A total of fourteen (14) community projects such as construction of staff houses for primary schools, health posts and maternity wing were approved for implementation in 2022 out of which none of the projects were implemented as at 31<sup>st</sup> December 2022. See table 1 below.

**Table 1: CDF Allocation and Number of Projects Approved**

No.	Name and Type of Project	Year of Project	Date of Approval	Amount K
1	Construction of 1*4 CRB at Kanjeza School in Kadula Ward	2022	07.02.2022	1,533,224
2	Construction of 1*4 CRB at Matunga School	2022	07.02.2022	1,495,500
3	Completion of Dormitory at Imena School in Vulamukoko	2022	07.02.2022	562,408
4	Construction of Health Post, Staff house, Placement Pit and Water Supply at Mkale	2022	07.02.2022	1,033,505
5	Construction of 1*2 CRB at Kachele School in Chilongamabwe	2022	07.02.2022	440,347
6	Construction of Health Post, State house, Placenta Pit and Water supply at Mtsanya	2022	07.02.2022	1,117,398
7	Construction of 1*2 CRB at Nyembe Primary	2022	07.02.2022	523,008
8	Completion of 1*3 CRB at Omelo Mumba School	2022	07.02.2022	470,170
9	Completion of 1*3 CRB at Tikondane Community School	2022	07.02.2022	625,480
10	Construction of Maternity Wing at Magobo Health Post in Kamiza ward	2022	07.02.2022	394,145
11	Construction of Staff houses for Vet at Chinkombe	2022	07.02.2022	325,699
12	Completion of Ablution Block at Katete Primary School in Mpangwe	2022	07.02.2022	189,501
13	Drilling of 9 Boreholes and 1 Rehabilitation	2022	07.02.2022	462,200
14	Construction of a Water scheme at Chisale	2022	07.02.2022	309,816
	<b>TOTAL</b>			<b>9,482,400</b>

**b. Milanzi Constituency - Community Projects - Failure to Implement Approved Projects**

As at 31<sup>st</sup> December 2022, amounts totalling K14,113,019 (K11,938,162 from 2022 approved plan and K2,174,857 from 2021) was available for CDF community project implementation against which amounts totalling K1,554,609 had been spent leaving a balance of K12,558.410.

A total of thirteen (13) community projects such as construction of staff houses for primary schools, health posts and maternity wing were approved by Ministry of Local Government and Rural Development for implementation in 2022 out of which none of the projects were implemented as at 31<sup>st</sup> December 2022. See table 2 below.

**Table 2: CDF Allocation and Number of Projects Approved**

No.	Name and Type of Project	Year of Project	Date of Approval	Amount K
1	Construction of staff houses at Umodzi Primary School	2022	9th February 2022	634,966
2	Construction of health facility and 1 staff house at Chimwalala Community	2022	9th February 2022	1,040,520
3	Construction of health post, staff house, placenta pit and water supply at Dole	2022	9th February 2022	1,067,367
4	Construction of 1x4 CRB at Katuila Day	2022	9th February 2022	1,561,015
5	Construction of admission ward at kagoro zonal health centre	2022	9th February 2022	642,391
6	Construction of maternity wing at kwaza health post	2022	9th February 2022	444,068
7	Construction of 1x4 CRB at Kamphmabe ward	2022	9th February 2022	1,573,866
8	Construction of two (2) staff houses at chibondo in chindwale ward	2022	9th February 2022	690,656
9	Rehabilitation of kagoro office	2022	9th February 2022	312,493
10	Construction of mother's shelter at kafumbwe health post	2022	9th February 2022	232,544
11	Construction of Police Post at Kagoro	2022	9th February 2022	870,053
12	Drilling of 15 boreholes in Milanzi	2022	9th February 2022	643,500
13	Construction of water scheme at Mthipia	2022	9th February 2022	309,884
	<b>Total</b>			<b>10,023,324</b>

During the period under review, empowerment grants in amounts totalling K1,414,385 had been disbursed to seventy five (75) selected applicants to undertake various projects such as Poultry, Piggery, Agro dealer, Oil processing and buying and selling of grain among others. Despite amounts totalling K1,414,385 being disbursed to all the seventy five (75) applicants, no project had been implemented as at 31<sup>st</sup> December 2022.

#### 44. Kawambwa Town Council

##### a. Kawambwa Central Constituency

##### i. Community Projects

- **Completion of 1 x 3 Classroom Block at Kawambwa School for Continuity Education**

On 22<sup>nd</sup> August 2022, the Council engaged Pamaos Investment Limited for the completion of a 1x3 classroom block (CRB) at Kawambwa School of Continuity Education at a contract price of K196,662.20 with completion period of nine (9) weeks commencing on 26<sup>th</sup> August 2022 and ending on 28<sup>th</sup> October 2022.

The scope of works included demolition/site clearing, substructure, concrete, formwork, brickwork and blockwork, structural steel work roof cladding, carpentry, joinery and ironmongery, metal work, glazing to summary, floor and wall finishes, electricals, painting and decorating and external works.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K179,913.

A physical inspection carried out in March 2023 revealed that although the works had been completed, the cracks had developed on the floor and grille gates were not properly mounted as they were not embedded in the wall. See pictures below.



*Cracked Floor*



*Grilled Door not Imbedded in Wall*

##### ii. Other Observations - Irregular Cash Drawings

Ministry of Finance Treasury and Financial Circular No.1 of 2020 guided Controlling Officers that no cash should be withdrawn for payment of subsistence allowances, fuel refunds and any other allowances as these should be paid directly into the beneficiary's account.

Contrary to the Circular, an imprest of K37,126 was issued on 7<sup>th</sup> June 2022 to an officer to facilitate payments of allowances to several officers instead of paying directly into the beneficiary's account.

**b. Pambashe Constituency**

**i. Community Projects**

**• Delayed Implementation of Approved Projects**

A review of the approved list and progress reports for the Constituency Development Fund revealed that the twenty five (25) approved projects with a total allocated amount of K12,356,649 were as at 30<sup>th</sup> September 2023 still being implemented, seventeen (17) months after the date of approval.

**• Construction of a Two Bedroomed Staff House at Chansenga Primary school**

On 22<sup>nd</sup> July 2022, the Council engaged Mwefew Suppliers and Contractors for the construction of a two (2) bedroomed staff house at Chansenga Primary school at a contract price of K314,000 with completion period of nine (9) weeks commencing on 25<sup>th</sup> July 2022, and ending on 25<sup>th</sup> September 2022.

The scope of works included demolition/site clearing, substructure, concrete, formwork, brickwork and blockwork, roof cladding, carpentry, joinery and ironmongery, metalwork, glazing, plumbing and engineering installation, floor and wall finishes, decorating and painting, electrical and external works.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K291,080

A physical inspection carried out in March 2023 revealed that although the house had been completed, the cracks had developed on the spoon drain and the galley was poorly done. See pictures below.



*Poor workmanship on the galley and spoon drain*

- **Construction of a Two Bedroomed Staff house at Chabanya Primary school**

On 22<sup>nd</sup> July 2022, the Council engaged Jenifu General Dealers for the construction of a two (2) bedroomed staff house at Chabanya Primary School at a contract price of K312,339 with completion period of nine (9) weeks commencing on 25<sup>th</sup> July 2022 and ending on 25<sup>th</sup> September 2022.

The scope of works included demolition/site clearing, substructure, concrete, formwork, brickwork and blockwork, roof cladding, carpentry, joinery and ironmongery, metalwork, glazing, plumbing and engineering installation, floor and wall finishes, decorating and painting, electrical and external works.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K261,394.

However, a physical inspection carried out in March 2023 revealed that though the works had been completed, one (1) window was not closing and the roof was leaking. See pictures below.



*Window not closing properly*



*Stained Ceiling Board*

- **Failure to Hand Over Completed Project**

On 22<sup>nd</sup> August 2022, the Council awarded a contract to Chamchi General Contractors for the construction of a 1x2 classroom block, two (2) bedroomed staff houses and two (2) VIP toilets at Chikoti Primary School in Pambashe ward at a contract sum of K619,111.40 VAT inclusive commencing on 26<sup>th</sup> August 2022. The contract was for eleven (11) weeks and the expected completion date was 11<sup>th</sup> November 2022.

The scope of works included foundation, floor, slab, super structure walls, structural roof, carpentry, joinery and ironmongery, metal work, glazing, painting and decoration, wiring, glazing and external works.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K532,083.



## **45. Kazungula Town Council**

### **a. Katombola Constituency**

#### **i. Community Project**

- **Delayed Implementation of Project**

The Constituency Development Fund Act No.11 of 2018 Section 21 (1) states, “A project under this Act shall be implemented by the Council, and where necessary with the assistance of a relevant department of the Government in the district in which the constituency is located”.

On 24<sup>th</sup> May 2022, the Council approved an amount of K5,557,550 for the construction of a secondary school in Moomba ward. The works were to include the construction of a 1x3 CRB, 1x2 CRB, four (4) staff houses, ablution block and water reticulation.

However, as at 30<sup>th</sup> September 2023 the project had not been implemented.

- **Rehabilitation of Piped Water Reticulation System**

On 20<sup>th</sup> October 2022, the council engaged Tarkisha Company Limited for rehabilitation of piped water reticulation system in Mukuni ward Katombola Constituency at a contract sum of K237,350 with a contract period of four (4) weeks starting 31<sup>st</sup> October 2022 to 30<sup>th</sup> November 2022.

The scope of works included supply and installing 5 x 10,000 litres and 1 x 5000 litres poly tank including all inlet, outlet and connections, distribution networks, supply and installation of twenty (20) three quarter inch tap stands and seven (7) kiosks.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K225,482 and the project had been completed.

However, A physical inspection carried out in September 2023 revealed that four (4) kiosks and ten (10) tap stands did not have running water from the time the project was completed. See pictures below.



*Three quarter Tap stand without running water*



*Kiosk without running water*

- **Construction of a Septic Tank at Makunka Primary School**

The Council allocated an amount of K50,000 towards the construction of a septic tank at Makunka Primary School. The amount was to cater for labour costs as well as materials and transportation expenses. In this regard on 7<sup>th</sup> November 2022, the Council procured materials costing K38,175.

Further, on 24<sup>th</sup> June 2023, the council engaged Oliver B and Sons Investments Steel Fabricators for the construction of a septic tank at Makunka Primary School at a labour contract of K8,005 with a contract period of two (2) months commencing 24<sup>th</sup> June to 24<sup>th</sup> August 2023.

The scope of works included excavation works, concrete, masonry, formwork and reinforcement.

A physical inspection carried out on 15<sup>th</sup> September 2023 revealed that the project had not been completed with plumbing, plastering, casting concrete lids and back filling outstanding. See pictures below.



*Delayed completion- Septic Tank at Makunka Primary School*

- **Construction of 1 x 3 Classroom Block at Kanchele Primary School**

On 19<sup>th</sup> October 2022, the Council engaged Golden Confort Enterprises Limited and Joint Partner White Chakama Contractors Limited at a contract price of K631,760 for the construction of a 1x3 classroom block at Kanchele primary school in

Kanchele ward. The contract period was twenty (20) weeks commencing 1<sup>st</sup> November 2022 to 31<sup>st</sup> March 2023.

The scope of works included substructure, superstructure, metal works and glazing, carpentry, joinery and ironmongery, painting and decoration, roofing and external works.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K368,642 leaving a balance of K263,118.

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed five (5) months after the expected completion date. The outstanding works included fitting of window frames, doors, glass panes, painting, construction of the spoon drain and floor screed. See picture below.



*1 x 3 Classroom Block at Kanchele Primary School*

- **Failure to Deliver Desks - Kabuyu Primary School**

On 19<sup>th</sup> October 2022, the Council engaged Millenium Tight Engineering for the construction of a 1x 3 classroom block at Kabuyu primary school in Simango ward at a contract sum of K373,400 with a contract period of twenty (20) weeks commencing 1<sup>st</sup> November 2022 to 31<sup>st</sup> March 2023.

The scope of works included substructure, superstructure, metal works and glazing, carpentry, joinery and ironmongery, painting and decoration, roofing, external works and supply of sixty (60) desks.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K270,810 leaving a balance of K102,590.

A physical inspection carried out in September 2023 revealed that the construction of the classroom block had been completed.

However, the contractor had not delivered the sixty (60) desks as at 30<sup>th</sup> September 2023.

#### **46. Kitwe City Council**

##### **a. Nkana Constituency**

##### **i. Community Projects**

- **Questionable Transfer of Constituency Development Funds – Nkana Water and Sewerage Company**

Guideline 4.2 (a) and (b) of the CDF Guidelines of 2022 states “The Local Authority shall make payments from the CDF and Revolving Bank Accounts based on invoices, certificates of works done, signed agreement forms and other required supporting documentation; and payments shall be made from the CDF and Revolving Bank Accounts on a regular basis based on request made for payments.”

Contrary to the Regulations, on 22<sup>nd</sup> November 2022, the Council paid Nkana Water Supply and Sanitation Company an amount of K850,000 to rehabilitate existing water network in selected areas of Bupe Ward without a contract, an invoice and certificate of works done.

A physical verification conducted in September 2023 revealed that the projects had not been implemented.

**b. Kamfinsa Constituency**

**i. Community Projects**

**• Completion of 1 x 3 Classroom Block – Kakolo Combined School – 2020**

On 8<sup>th</sup> April 2021, the Council awarded Ashbel Investment Limited a contract for the completion of a 1 x 3 classroom block at Kakolo combined school in Kamfinsa constituency at a contract sum of K374,469.

The scope of works included superstructure, roofing, steel roof structure, carpentry and joinery, ironmongery, metal work, floor and wall finishes, painting, decoration and glazing.

As at 30<sup>th</sup> June 2023, the contractor had been paid a total of K369,521 leaving a balance of K4,948.

A physical inspection carried out in June 2023, revealed that the classroom block had been completed. However, the works were poorly done in that;

- ⊙ Five (5) window frames had fallen off due to lack of hinges.
- ⊙ Window handles had fallen off.
- ⊙ The floor and spoon drain had developed cracks and potholes. See picture below.



*Cracks and potholes in spoon drain*



*Cracks and potholes inside CRB*

**c. Kwacha Constituency**

**i. Community Projects**

**• Failure to Commission Maternity Wing at Ipusukilo Clinic (2020)**

On 5<sup>th</sup> June 2021, the Council awarded the construction of the Maternity wing at Ipusukilo Clinic in Kwacha constituency to Saloba limited at a contract sum of K1,430,832.

The scope of works was the full construction of the maternity wing and drilling and equipping of a borehole with a tank for water reticulation for the maternity wing and the clinic.

As at 30<sup>th</sup> June 2023, the contractor had been paid a total of K1,312,387 leaving a balance of K118,445. The project was completed and the site handed over on 15<sup>th</sup> June 2022.

A physical inspection carried out in June 2023 revealed that the Maternity wing was not in use a year after the contractor had handed over the project.

Further, the following were observed:

- ⊙ The paint had peeled off from the building;
- ⊙ Security lights had stopped working;
- ⊙ Some manhole covers had been stolen; and
- ⊙ the borehole was not working as the pump had malfunctioned. See pictures below.



*Manhole without covers*

- **Construction of Tambalala and Shimwansa Foot Bridge along Kwacha Stream**

On 19<sup>th</sup> July 2022, the Council awarded a contract to Jacma Enterprises Limited for the construction of tambalala and shimwansa foot bridge in Kwacha constituency at a contract sum of K411,780.

The scope of works were site clearing of vegetation, removal of existing structures, establishing of detour temporary bridge, excavation of earthworks to receive concrete base pre-cast portal culverts positioning, pitching stonework and protection against erosion.

As of June 2023, the contractor had been paid a total of K370,780 leaving a balance of K41,178.

A physical inspection carried out in June 2023 revealed that the bridge was not serving its purpose as the stream had washed away the embankment just before the bridge. See pictures below.



*Foot Bridge*

## 47. Limulunga Town Council

### a. Luena Constituency

#### i. Community Projects

- **Construction of a 1x2 Classroom Block at Multi-purpose Skills Centre**

On 28<sup>th</sup> October 2022, the Council engaged Makalu Contractors and Hardware to construct a 1x2 CRB at the Multi-Skills Centre in Nang'oko at a contract sum of K289,612. The contract period was of eight (8) weeks commencing 11<sup>th</sup> November 2022 and ending 7<sup>th</sup> January 2023.

The scope of work included the construction of substructure, concrete work, brick and block work, roofing, carpentry, joinery and ironmongery, metal work, finishing and plastering, glazing, painting and decoration and external works.

As at 30<sup>th</sup> September 2023, the contractor had been paid a total amount of K232,881 leaving a balance K56,731.

A physical inspection conducted in September 2023, revealed that the construction of a 1x2 Classroom Block had not been completed with works such as fitting of doors, glazing, painting and decoration and external works outstanding. See picture below.



*Uncompleted CRB at Nang'oko Multi-Skilled Centre*

- **Construction of a Mortuary at Limulunga Health Centre**

On the 28<sup>th</sup> October 2022, the Council engaged Fungala Investment Ltd to construct a Mortuary at Limulunga Health Centre at a contract sum of K801,171. The contract was for a period of twelve (12) weeks commencing 11<sup>th</sup> November 2022 and ending 3<sup>rd</sup> February 2023.



The scope of works included construction of substructure, concrete work, brick and block work, roofing, carpentry, joinery and ironmongery, metal work, finishing and plastering, glazing, painting and decoration and external works. The contract also included supply and installation of the cold room in the mortuary.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K290,540.

A physical inspection carried out in September 2023, revealed the following:

- Installation of the refrigerator in cold room had not been done
- The sewer pipes for effluents from the mortuary to the septic tank was not fully buried in the soil, thus exposing it to the open environment. See pictures below.



*Structure without Ceiling*



*Exposed Sewer pipes*

- **Construction of a 1 x 3 Classroom Block at Sisiye Primary School**

On 28<sup>th</sup> October 2022, the Council engaged Brother Paul Chilemu Enterprises to construct a 1 X 3 Classroom block at Sisiye Primary School at a contract sum of K452,520 with a completion period of twelve (12) weeks commencing 11<sup>th</sup> November 2022 and ending 3<sup>rd</sup> February 2023.

The scope of work included construction of substructure, concrete works, superstructure masonry, roofing and steel roof structure, carpentry, joinery and iron mongery, metal work, floor, plastering, painting and decorations and external works.

As at 30<sup>th</sup> September 2023, the contractor had been paid a total of K216,462 leaving a balance K236,058.

A physical inspection carried out in September 2023 revealed that the project was at slab level with the rest of the works still outstanding. See picture below.



*Sisiye CRB at slab level*

## **ii. Youth, Women and Community Empowerment**

### **• Soft Loans- Delayed Utilisation of Empowerment Loans**

During the period under review, twenty three (23) eligible applicants made applications to the Council to obtain soft loans under the CDF. Subsequently, the Council approved twenty three (23) applications amounting to K2,923,300 for which the loans were to be disbursed to the successful applicants.

During the period under review, an amount of K2,934,350 was allocated towards Empowerment Loans in accordance with Constituency Development Fund Guideline No. 2.2.

In this regard, the Council transferred the allocated funds from the CDF Accounts to the Loan Revolving account on two separate instalments of K732,450 on 7<sup>th</sup> September 2022 and K2,201,900 on 14<sup>th</sup> April,2023.

However, the loans were disbursed to beneficiaries on 1<sup>st</sup> June 2023, ten (10) months after opening a ZANACO CDF Loan Revolving Account.

As at 30<sup>th</sup> September 2023, the projects had not been implemented.

### **• Secondary School (Boarding) and Skills Development - Unutilised funds**

During the period under review, amounts totalling K4,890,583 were allocated towards Secondary Boarding Schools and Skills Development Bursaries.

On 16<sup>th</sup> December 2022, the Ministry of Local Government and Rural Development authorised the Council to vary K3,888,280 out of the allocated amount of K4,890,583 meant for Secondary Boarding Schools and Skills Development Bursaries to Community Projects thereby leaving a balance of K1,002,303.

However, as at 31<sup>st</sup> December 2022, the Council had paid out amounts totalling K937,615 leaving an amount of K64,688 unutilised.

#### **48. Livingstone City Council**

##### **a. Livingstone Central Constituency**

##### **i. Community Project**

- **Delayed Completion of Rehabilitation of 4 km Road in Simonga Ward**

The Council allocated amounts totalling K228,976 towards the rehabilitation of 4km of a road in Simonga Ward. The materials for the works were procured on 31<sup>st</sup> October 2022.

However, despite the materials being available, the Council only embarked on the rehabilitation of the road using force account on 9<sup>th</sup> January 2023.

The scope of works included grading, gravelling and compacting of 4km of the road.

As at February 2023, the whole amount had been spent on the project.

A physical inspection of the works carried out in February 2023 revealed that works had not been completed and had stalled four (4) months after the payment for fuel had been made. It was observed that while the grading was done, graveling and compacting had not been done. See pictures below.



*Incomplete Road in Simonga Ward*

- **Delayed Completion of Construction of Lizuma Drainage**

On 8<sup>th</sup> November 2022, the Council engaged Kamaz Investment Limited for the construction of a 70m drainage in Lizuma Ward at a contract price of K174,504 with a contract period of eight (8) weeks starting from 15<sup>th</sup> November 2022 to 15<sup>th</sup> January 2023.

The scope of works included; marking out of alignment, haulage of gravel, excavation and shaping of the drainage into a trapezoid, gravel blinding, reinforcement positioning, casting of concrete C25, stone pitching of the sides and quality control of concrete.

As at 28<sup>th</sup> February 2023, the contractor had been paid amounts totalling K95,627.

A physical inspection carried out in February 2023 revealed that the project had not been completed six (6) weeks after the expected completion date. The outstanding works were compaction of fourteen (14) meters of the drainage.

It was also observed that there was poor workmanship in that there were cracks that had developed along the wall of the drainage and sections of the compaction of the drainage.

Further, the purpose for constructing the drainage which was to stop rain water from damaging the road had not been achieved as it was observed at the time of audit inspection that the road had been damaged despite the drainage having been constructed. See picture below.



*Cracks on the Compaction of the Lizuma Drainage*

- **Delayed Completion of Rehabilitation of Kariba Drainage**

On 4<sup>th</sup> November 2022, the Council engaged Techland Enterprises Limited for the construction of 300 metres of a drainage in Kariba Ward, at a contract price of K608,426 with a contract period of thirteen (13) weeks starting from 11<sup>th</sup> November 2022 to 9<sup>th</sup> February 2023.

The scope of works included; marking out of alignment (K11,000), excavation and shaping of the drainage into a trapezoid (K110,000), gravel blinding (K66,000), reinforcement positioning (K24,750), casting of concrete C25 (K88,825), stone pitching of the sides (K148,500), quality control of concrete (K2,700) and construction of drainage crossing (K23,964).

As at 31<sup>st</sup> October 2023, the contractor had been paid a total amount of K214,038.

A physical inspection carried out in February 2023 revealed that the project had not been completed fifteen (15) weeks after the expected completion date. The outstanding works were construction of the drainage crossing point.

- **Failure to Pay and Enrol Approved Skills Development Learners**

On 24<sup>th</sup> May 2022, the Minister of Local Government and Rural Development approved and recommended 783 learners to access the 2022 CDF Skills Development bursary with directives such as to revisit the bursary offered to the learners in private institutes in view of the CDF Guidelines, to disburse funds to public institutions with an exception of private institutions and not to alter the list of learners approved and recommended for sponsorship without consulting the CDFC.

However, a review of documents revealed that at the time of audit in February 2023 there was no conveyance that had been made to the Council on the enrolment of the learners that had been approved from private institutions of learning.

Consequently, a review of the approved list and physical head count carried out in February 2023 revealed that 173 approved learners from private institutes with approved amounts totalling K969,421 had neither been enrolled nor paid for.

- **Students not Physically Verified at LIBES**

During the period under review, the Council approved and paid amounts totalling K737,990 to Livingstone Institute of Business and Engineering Studies (LIBES) as bursaries for 359 learners for skills development.

A physical headcount of the learners at LIBES carried out in February 2023, revealed that 114 learners who were approved and recommended for training at LIBES were not available for the physical head count. The Council had paid amounts totalling K468,680 for the 114 learners.

As at 31<sup>st</sup> February 2023, eight (8) months after the payment, the Council had not claimed a refund for these learners.

## **49. Luampa Town Council**

### **a. Luampa Constituency**

#### **i. Youth, Women and Community Empowerment - Grants - Empowerment**

During the period under review, an amount of K1,956,233 was allocated towards grant empowerment against which amounts totalling K1,953,200 were issued to sixty (60) selected applicants to undertake various projects such as chicken rearing, goat rearing, piggery, carpentry, village banking, animal drafting, toiling and designing, block making, music production among others. However, as at 31<sup>st</sup> December 2022, thirty seven (37) applicants implemented the projects while twenty three (23) applicants had not implemented the projects.

The following were observed:

- **Diversion of Funds from Approved Business Plans**

Section 6 (d) (e) of the Constituency Development Fund Act No. 11 of 2018 stipulates that the function of the Constituency Development Fund Committee was among others, appraising project proposals from the wards and submit a list of projects to the local authority for onward transmission to the Minister.

However, a physical inspection carried out in October 2023 revealed that ten (10) cooperatives implemented projects that were different from those appraised and approved.

Further, twenty seven (27) clubs were underfunded in that they received amounts totalling K772,000 instead of K1,160,000 that the Ward Development Committee (WDC) had approved resulting in under funding of K388,000.

- **Excess Expenditure**

During the period under review, the Council paid amounts totalling K2,010,000 to sixty (60) cooperatives and clubs against the total allocated provision of K1,956,233 resulting in over expenditure of K53,767.

- **Village Banking Groups Without Money Lender's Certificate**

Village banking/savings groups are small savings and lending schemes organised outside the formal financial sector. Section 3 (3) (b) of the Money Lenders Act provides that if any person carries on business as a money-lender without having in force a proper money-lender's license authorizing him to do so he shall be guilty of an offence and shall be liable, on conviction by a subordinate court of the first or second class, to a fine not exceeding three thousand penalty units in respect of each offence.

Contrary to the provision, the Council paid amounts totalling K110,000 to four (4) village banking groups as grants for village banking purposes.

However, a review of documents supporting the application forms revealed that the four (4) village banking groups obtained the grants without money lenders certificates.

**ii. Bursaries – Secondary School and Skills Development**

• **Underutilisation of Funds**

During the period under review, amounts totalling K4,890,583 was apportioned towards Secondary Boarding Schools and Skills Development Bursaries.

However, as at 31<sup>st</sup> December 2022, the Council had only paid amounts totalling K646,868 for bursaries and skills development leaving a balance of K4,243,715.

• **Failure to Settle Student Bills – Kaoma Boarding School**

During the period under review, Luampa Town Council sponsored twenty three (23) students at Kaoma Boarding School at a total cost of K69,000, out of which fourteen (14) students had not reported. However, a scrutiny of documents availed for audit revealed that the Council had not settled boarding fees in amounts totalling K16,000 for the nine (9) students that reported as at 31<sup>st</sup> October 2023.

**50. Luanshya Municipal Council**

**a. Luanshya Constituency**

**i. Community Projects**

During the period under review, amounts totalling K11,938,162 were received as funding towards community projects out of which K950,458 had been spent leaving a balance of K10,987,704.

A total of twenty six (26) community projects such as rehabilitation of health facilities, feeder roads, bus shelters, markets, construction of primary schools, secondary schools, feeder roads, market and asset acquisition were approved for implementation in 2022 out of which seven (7) projects were implemented while nineteen (19) projects were not implemented as at 31<sup>st</sup> December 2022.



The following observations were made:

- **Delayed implementation/ Failure to Disburse Funds**

Section 15(5) of the Constituency Development Act No.11 of 2018 states, “a project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period.”

Contrary to the Act, the Council had not spent K10,987,704 on Community projects resulting in delayed implementation of nineteen (19) projects as at 31<sup>st</sup> December 2022 which were approved in August 2022.

- **Wasteful Expenditure-Purchase of Water Tank**

On 3<sup>rd</sup> August 2022, the Council purchased a 10,000 litres water tank at a cost of K24,887 for Fisenge Secondary School. The tank was delivered on 10<sup>th</sup> August 2022.

A physical inspection carried out in September 2023, thirteen (13) months after delivery revealed that the tank was still in stores at the Council workshop. See picture below.



*10,000ltr Water Tank*

**ii. Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,956,233 were received for disbursement out of which amounts totalling K1,915,800 were given to sixty (60) selected applicants to undertake various projects such as village banking, farming, hammer mill projects, fish farming, piggery, carpentry, chicken rearing, cooking oil production, peanut butter and tailoring.

**b. Roan Constituency**

**i. Completion of 1 x 2 Classroom Block – Mansansa Primary School (2021)**

On 12<sup>th</sup> July 2022, the Council engaged T and M Engineering Limited to construct a 1 x 2 classroom block at a contract sum of K350,000 over a period of twelve (12) weeks commencing in July 2022 and ending in October 2022.

The scope of works included; block work, concrete work, carpentry works, metal works, roofing and finishing works.

As at 30<sup>th</sup> September, 2023 amounts totalling K202,176 had been paid to the contractor leaving a balance of K147,824.

A physical inspection conducted in September 2023 revealed that all the works were complete and the classroom block was yet to be handed over to the school. However, due to poor workmanship, the following were observed:

- The inside and outside floor, outside wall and aprons had started cracking. See pictures below.



*Cracks on floors, walls, aprons*

**ii. Construction of a Market Shelter – Kawama Market (2021)**

On 12<sup>th</sup> July 2022, the Council engaged Jucitech Zambia Limited to construct a market shelter at a contract sum of K289,069 over a period of four (4) weeks commencing in July 2022 and ending in August 2022.

The scope of works included; block work, concrete works, installation of metallic structural poles, installation of timber truss poles, installation of roofing sheets, electricals and finishing works.

As at 30<sup>th</sup> September 2023, amounts totalling K274,616 had been paid to the contractor leaving a balance of K14,453.

A physical inspection conducted in September 2023 revealed that the market shelter was incomplete as electrical installations were yet to be done. It was also observed that due to poor workmanship the wall skating and market counters had started to disintegrate and cracks had developed on the floor, apron and spoon drain. See pictures below.



*Poor Workmanship*

## **51. Lufwanyama Town Council**

### **a. Lufwanyama Constituency**

#### **i. Construction of 1x3 Classroom Block at Mibila Zone – Delayed Completion**

On 12<sup>th</sup> February 2022 the Council engaged El Mech Zambia Limited for the construction of a 1x3 classroom block at Mibila at a contract price of K689,613 with a contract duration of twelve (12) weeks commencing on 12<sup>th</sup> February 2022 and ending on 11<sup>th</sup> May 2022.

The scope of works included site clearing and set out, excavation and earthwork, substructure, super structure, roofing, plastering, floor screed, iron works, glazing, carpentry and joinery, painting and other finishes.

As at 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K352,716.93 leaving a balance of K336,895.85.

A review of contract documents and physical inspection of the project conducted in October 2023 revealed that the project was at gable level with the following works still outstanding; roofing, plastering, floor screed, metal works, glazing, carpentry and joinery, painting and other finishes. See picture below:



*1x3 CRB at super structure*

**ii. Construction of Ablution block at Mushingashi Market – Delayed Completion and Abandonment of Site**

On 3<sup>rd</sup> October 2022, the Council engaged Jucitech Zambia Ltd to construct an ablution block at Mushingashi Market at a contract price of K416,429 with a contract duration of twelve (12) weeks commencing on 27<sup>th</sup> October 2022 and ending on 26<sup>th</sup> January 2023.

The scope of work included site clearing and set out, excavation and earthwork, substructure, super structure, roofing, plastering, floor screed, iron works, glazing, carpentry and joinery, painting and decorating, other concrete works and other finishes.

As of 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K348,891 leaving a balance of K67,538.

A review of contract documents and physical inspection of the project conducted in October 2023 revealed that the works had not been completed thirty six (36) weeks after the expected completion date as it was at roof level with plastering, painting, flooring, wood and metal works and electrical wiring completed

Outstanding works included the following: solar supply and connection, fixing of meter box and MCBs, door stops and water connection.

Further, the contractor had abandoned the site. See pictures below:



*Ablution block at Mushingashi      Market without Solar Connection*

### **iii. Youth, Women and Community Empowerment - Grants**

- **Failure to Disburse Approved Amounts**

Applicants had applied for grants ranging from K20,000 to K399,945 based on the cost for the projects they intended to undertake. It was however, observed that the Council disbursed K13,215 to each of the 153 organised groups, clubs and cooperatives. As a result, most clubs diverted into undertaking projects different from what they applied for.

- **Over Expenditure on Community Empowerment**

CDF guideline No 2.2 requires that Youth and Women Empowerment should be 40% of the total funds set aside for empowerment grants. It was however, observed that the Council spent K2,021,919 on grants instead of the allocated K1,956,233 resulting in over expenditure of K65,686.34.

## **52. Lukulu Town Council**

### **a. Lukulu East Constituency**

#### **i. Bursaries – Secondary School and Skills Development**

- **Low Student Turnout - Lukulu Skills Training Centre**

A review of confirmation letters at Lukulu Training Centre revealed that out of the sixty six (66) students who were awarded sponsorship for skills training only forty three (43) students reported to the training centre resulting in low turnout by twenty three (23) students.

- **Paid for Students but not on the Enrolled Class List**

A review of records at the Council for students revealed that four (4) students paid for by the Council to undertake skills training at Lukulu Skill Training Centre were not on the list of students that had reported at Lukulu Skill Training Centre.

#### **ii. Soft Loans - Failure to Avail Approved Loan Application Forms**

During the period under, the Council disbursed loans amounting to K2,890,000 to twenty four (24) applicants.

However, approved application forms and supporting documents were not availed for audit.

## **53. Lumezi Town Council**

### **a. Youth, Women and Community Empowerment**

#### **i. Failure to Provide Financial Records by Co-operatives**

Between September and October 2022, Lumezi Town Council paid an amount of K1,954,640 to 168 co-operatives in respect of CDF grants for the purpose of starting up various business ventures.

An inspection of accounting records and physical inspection of the co-operatives carried out in September 2023 revealed that three (3) co-operatives that received grants in amounts totalling K33,338 did not provide records such as minutes, expenditure and

sales records for the business ventures making it difficult to ascertain how the received funds were utilised.

**ii. Fixed Payment of Grants to Co-operatives**

The Council paid a sum of K1,954,640 for Youth, Women and Community Empowerment Grants to 168 co-operatives for starting up various business ventures as indicated in the application forms. However, a review of accounting documents and physical inspection of co-operatives carried out in September 2023 revealed that 158 co-operatives were paid a fixed amount of K11,113 each irrespective of the amounts applied for, therefore the rationale of how the fixed amount were arrived at is questionable. It was further observed that some co-operatives had engaged in business ventures which were different from the ones applied for and approved by the Council.

**iii. Unprofitable Co-operative – Kafukufuku Women’s Club**

On 30<sup>th</sup> September 2022, the Council paid out an amount of K11,113 to Kafukufuku Women’s Club in respect of a CDF grant for the purpose of opening up a poultry business.

However, an inspection of documents and physical inspection of the co-operative carried out in September 2023 revealed that the co-operative incurred expenses in amounts totalling K8,500 for seventy five (75) chicks ordered and didn’t realise anything as all the ordered chicks died before they could be ready to be sold thereby incurring a loss of K8,500.

**iv. Selling of Petroleum Product without a License – Vizenge Zenge Multi-Purpose Co-operative Limited**

Petroleum Act of 2008 states that “every application for a license to possess dangerous petroleum shall be in writing and shall be accompanied by a plan drawn to scale showing the site of the installation and design of the storage shed (if any) in all respects in sufficient detail to enable the project to be fully understood”.

Contrary to the Act, Vizenge Zenge Multi-Purpose Co-operative was paid an amount of K11,113 in respect of CDF grants for the purpose buying a Tractor Machine.

An inquiry with the group chairperson carried out in September 2023 revealed that the Co-operative had ventured into selling of diesel without a license.

#### **54. Lundazi Town Council**

##### **a. Lundazi Constituency**

###### **i. Community Projects – Failure to Complete Projects**

As at 31<sup>st</sup> December 2022, out of amounts totalling K11,938,162 received, amounts totalling K1,641,550 had been spent leaving a balance of K10,296,612.

A total of twenty-five (25) community projects such as construction of classroom blocks, rehabilitation of health posts and grading of roads were approved for implementation in 2022 out of which fourteen (14) were implemented and completed while one (1) had not been implemented and ten (10) were in progress as at 31<sup>st</sup> December 2022.

#### **55. Lunga Town Council**

##### **a. Lunga Constituency**

###### **i. Community Projects**

- **Construction of a 1 x 2 Classroom Block at Chikonde Primary School**

On 20<sup>th</sup> June 2022, the Council engaged Kasmuke Contractors and Suppliers Limited for the construction of a 1x2 classroom block at a contract price of K402,948 with completion period of ten (10) weeks with the commencement date of 20<sup>th</sup> June 2022 and ending on 29<sup>th</sup> August 2022.

The scope of works included substructure, concrete work, block work and brick work, roofing, carpentry, joinery and ironmongery, metal work, structural steel work, glazing, floor and wall finishes, painting and external works.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K382,800 leaving a balance of K20,147.



A physical inspection carried out in June 2023 revealed that the contract had been completed, however the following were observed:

- ⊙ The building has started developing cracks in the super structure at the main entrance.
- ⊙ The structure lacked a spoon drain thus compromising the building in that water was collecting around.
- ⊙ One window was not closing properly.
- ⊙ The structure was completed but not handed over.
- ⊙ The structure risked being a ‘white elephant’ in that there is no indication as to when it is likely to be put to use.
- ⊙ No security measures have been put in place to secure and protect the structure as it was in unkempt surroundings. See pictures below.



*Cracks on the walls*



*No spoon drain*



*Window not closing properly*

## **ii. Grants – Empowerment**

### **○ Failure to Implement Projects**

Contrary to the agreement, nineteen (19) applicants who were issued with grants in amounts totalling K592,000 to carry out various projects such as chicken rearing, duck rearing, tailoring, village banking and goat rearing had not implemented the projects as at 31<sup>st</sup> December 2022.

### **○ Failure to Provide Written Feedback - Handling of Unsuccessful Applicants**

Guideline 5.6 (a) and (b) of the Constituency Development Fund stipulates that the Constituency Development Fund Committee (CDFC) Secretariat shall provide written feedback to the Ward Development Committee (WDC) secretariat on the list of rejected proposals and the feedback to WDC Secretariat shall include the necessary actions that may be taken to correct and enhance the applications where necessary.

Contrary to the Guidelines, twenty-seven (27) project proposals were rejected by the CDFC without providing written feedback to the WDC.

## **56. Lunte Town Council**

### **a. Lunte Constituency**

#### **i. Youth, Women and Community Empowerment - Grants**

- **Failure to Implement Projects**

Contrary to the agreement, twenty one (21) applicants who were issued with grants in amounts totalling K540,000 had not implemented the projects as at 31<sup>st</sup> October 2023.

- **Soft Loans-Delayed Approval**

During the period under review, eighty three (83) applications were recommended by the Constituency Development Fund Committee in respect of the awarded soft loans in amounts totalling K2,929,700 to undertake various projects such as block making, milk production and seed growing.

In this regard, on 27<sup>th</sup> May 2022 the Council submitted the list of the recommended applicants to the Ministry for approval.

However, as at 31<sup>st</sup> December 2022 the Ministry of Local Government had not approved the applications.

## **57. Lupososhi Town Council**

### **a. Lupososhi Constituency**

#### **i. Community Projects**

- **Awarding of Contracts to Ineligible Bidders**

Guideline 7.4.6 of the Constituency Development Funds Guidelines 2022 provides that preference shall be given to local contractors in the Ward, Constituency, District or Province.

Contrary to the Requirement, during the period under review, the Council awarded four (4) out of six (6) contracts amounting to K1,105,967 for the implementation of various projects to contractors that were not from the Ward, Constituency, District or Province.

- **Delayed Completion of the Construction of a 1x2 Classroom Block at Ikamonga**

On 13<sup>th</sup> September 2022, the Council engaged Oval Builders and General Contractors Limited for the construction of a 1x2 Classroom Block at Ikamonga at a contract price of K340,392 with a duration three (3) months commencing on 13<sup>th</sup> September 2022 and ending on 12<sup>th</sup> December 2022.

The scope of works included; substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery and external works.

As at 30<sup>th</sup> September 2023 the contractor had been paid K279,826.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed ten (10) months after the expected completion date. Further, the floor had developed cracks.

The outstanding works included; fitting of window stays and handles, glazing, flooring, ramping, fitting of three (3) doors and painting one part of fisher board and store room. See pictures below.



*Delayed completion of 1x2 CRB at Ikamonga*

- **Completion of Ikamonga School Staff House**

On 13<sup>th</sup> September 2022, the Council engaged Messrs Oval Building and General Contractors Limited for the completion of Ikamonga School staff house at a contract price of K122,716.80 with a duration of twelve (12) weeks commencing on 13<sup>th</sup> September 2022 and ending on 6<sup>th</sup> December 2022.

The scope of works included; completion of superstructure from lintel level, roofing, metal works, structural steel works, glazing, wall and floor finishes, carpentry and joinery and external works.

The Contractor had been paid K90,113 as at 31<sup>st</sup> October 2023.

A physical inspection of the project carried out in September 2023, revealed that the project had been completed.

However, it was observed that the panels on top of the doors had been removed for both front and rear doors thereby weakening the doors. See pictures below.



*Completion of Ikamonga School Staff House*

- **Delayed Completion of a Maternity Annex at Shindaila Rural Health Post in Kafinsa**

On 13<sup>th</sup> September 2022, the Council engaged Mervisco General Dealers Limited for the construction of a Maternity Annex at Shindaila in Kafinsa ward at a contract price of K338,648.80 with a duration of fourteen (14) weeks commencing on 13<sup>th</sup> September 2022 and ending on 24<sup>th</sup> December 2022.

The scope of works included; substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery and external works.

The Contractor had been paid K283,629 as of September 2023, leaving a balance of K84,081.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed ten (10) months after the expected completion date.

The outstanding works included; ceiling board fitting, glazing, fitting of doors, painting, plumbing, installation of solar system, electrical fittings, water supply and sewer system.

A review of documents revealed that stage completion certificates were not issued and the total cost of the outstanding works is K102,070. The outstanding works included; plumbing works (K11,455), water reticulation (K9,090), electricals (K14,470), Ceiling (K37,055) and borehole accessories such as pipes, water tank and steel tank (K30,000).

The outstanding works are K102,070 while the outstanding balance as per contract amount was K84,081, resulting in an overpayment of K17,989.

Further, it was observed that the floor had developed cracks and one of the rooms had a stair posing a risk to expecting women. See pictures below;



*Delayed Completion of a Maternity Annex at Shindaila Rural Health*

- **Construction of 50x40 Wire Fence Around Fish Ponds at Musopelo in Ibale**

On 13<sup>th</sup> September 2022, the Council engaged Messrs Tachima Trust Company Limited for the construction of a 50mX40m wire fence around fish ponds at Musopelo in Ibale ward at a contract price of K71,643 with a duration of fourteen (14) weeks commencing on 13<sup>th</sup> September 2022 and ending on 24<sup>th</sup> December 2022.

The scope of works included; surveying, excavation of steel pole trenches and compaction of the trenches, casting of 50mm blind (foot) concrete, machining of 75mm steel poles, machining of 40mm steel pole support, installation of 75mm steel poles, curing of concrete, installation of 40mm steel support poles, installation of angle iron, installation of steel door frame (900x2000mm) and padlocks, installation of chicken wire, installation of barbed wire and installation of mesh wire.

The Contractor had been paid K67,344 as of September 2022 leaving a balance of K4,299.

A physical inspection of the project carried out in October 2023, revealed that the project had been completed.

However, it was observed that the contractor only installed 20 out of the 40 75mm G1 pipes, resulting in a loss of K7,000 and 10 out of the 20 50mm G1 pipes had not been installed resulting in a loss of K3,000. See pictures below;



*Construction of a Wire Fence*

## **ii. Grants – Empowerment**

- **Overpayment of Grant**

A review of application forms revealed that eight (8) groups had applied for grants in amounts totalling K225,000. However, amounts totalling K308,000 had been paid to the groups resulting in an overpayment of K83,000. As at 31<sup>st</sup> October 2023, the grants had not been recovered.

- **Failure to Recover Wrongly Paid Grant**

On 7<sup>th</sup> October 2022, the Council paid K40,000 to the Ministry of Agriculture FISP account domiciled in Lusaka instead of Fiteba Multipurpose Cooperative as an empowerment grant for cattle rearing.

The Council informed the bank on 4<sup>th</sup> October 2023. However, as at 31<sup>st</sup> October 2023, the funds had not been recovered.

- **Village Banking Groups Without Money Lender’s Certificate**

Village banking/savings groups are small savings and lending schemes organised outside the formal financial sector. Section 3 (3) (b) of the Money Lenders Act provides that if any person carries on business as a money-lender without having in force a proper money-lender's licence authorising him to do so he shall be guilty of an offence and shall be liable, on conviction by a subordinate court of the first or second class, to a fine not exceeding three thousand penalty units in respect of each offence.

Contrary to the Provision, the Council paid K20,000 to Kasakalabwe Multi-Purpose Cooperative as a grant for village banking purposes without a money lenders certificate.

## **58. Lusaka City Council**

### **a. Kabwata Constituency**

#### **i. Irregular Enrolment and Registration of CDF Beneficiaries**

The Constituency Development Fund Guideline No. 5.4 states, “the Minister shall approve projects, empowerments and bursaries endorsed by the CDF Committee”. Further, CDF Guideline No. 5.3.2 (ii) states that, “the ward development committee (WDC) shall submit a consolidated list of names of bursary applicants received from applicants for onward submission to the CDF Committee.”

Contrary to the Guidelines, it was observed that thirty three (33) beneficiaries who had been enrolled at the Lusaka Business and Technical College and paid for training fees in amounts totalling K230,212 were not on the approved list of beneficiaries from the Ministry. See table 1 below.



**Table 1: Beneficiaries not on Approved List**

No.	Constituency	No. of Beneficiaries	Amount K
1	Kabwata	26	177,152
2	Kanyama	1	7,580
3	Matero	2	15,160
4	Munali	4	30,320
	<b>Total</b>	<b>33</b>	<b>230,212</b>

**59. Lusangazi Town Council**

**a. Msanzala Constituency**

**i. Secondary Board and Skills Development - Students Pursuing Non-Skills Courses**

According to CDF guidelines, skills development bursaries covers skills in the following areas; Agro-Farming and Livestock, Creative Arts, Electrician, Plumbing, Carpentry, Bricklayer, Tailoring and designing, Welding, Mechanics and Painting among others.

However, a scrutiny of a list of students sponsored under skills development bursary component revealed that amounts totalling K79,100 had been paid to two (2) trades training institutes as tuition fees for five (5) students who were pursuing non-skills courses such as social work, and secretarial and office management.

**ii. Youth, Women and Community Empowerment**

**• Grants**

During the period under review, empowerment grants in amounts totalling K1,920,000 were awarded to 325 selected applicants to undertake various projects such as tailoring and poultry farming.

As at 31<sup>st</sup> December 2022, the Council had disbursed K1,920,000.

The following were observed:

- **Failure to Disburse Approved Amounts**

A review of application forms and interviews with members of benefiting groups revealed that all cooperatives had applied for project grants in the range of K40,000 to K45,000.

However, only K6,000 was approved and disbursed equally to each of the 326 participating cooperatives. The reduction in the approved project funds resulted into cooperatives changing the types of projects which also altered the expected impact of original proposed project such as creation of employment and generating members' income.

- **Preference for Contractors Outside the Province**

CDF Guideline No 7.4.6 states, "A bidder is eligible to participate in a procurement if the bidder has legal capacity to enter into a contract and is compliant with Section 89 of the Public Procurement Act, 2020. Preference shall be given to local contractors in the Ward, Constituency, District or Province."

Contrary to the Guideline, the Council engaged Agro-link Investment based in Lusaka to supply and deliver 250 school desks at a contract sum of K375,000 instead of engaging a contractor within the Province.

## **60. Luwingu Town Council**

- a. **Lubansenshi Constituency**

- i. **Grants**

- **Failure to Disburse Funds**

During the period under review, amounts totalling K2,934,350 were allocated for soft loans for various projects.

However, as at 31<sup>st</sup> December 2022, the funds had not been disbursed despite the component being fully funded.

○ **Failure to Implement Projects**

As at 31<sup>st</sup> December 2022, thirty (30) applicants had implemented the projects costing K1,697,459 while seven (7) applicants with projects costing K255,000 had not implemented the projects.

**61. Mafinga Town Council**

**a. Mafinga Constituency**

**i. Community Projects**

• **Construction of a Mortuary at Muyombe Level one Hospital**

On 16<sup>th</sup> September 2022, the Council engaged IC Perfect Contractors Limited on a full based contract at a contract price of K599,265 for the construction of a Mortuary at Muyombe level one hospital. The duration of the contract was three months commencing on 16<sup>th</sup> September 2022 and ending on 16<sup>th</sup> December 2022.

The scope of works included substructure and earth works, reinforced concrete, blockwork, roof installations, carpentry, joinery and iron monger, metal work and glazing, electrical installation, plumbing installation, finishing, painting and decoration.

As of September 2023, the contractor had been paid amounts totalling K555,759 leaving a balance of K43,506.

A physical inspection of the project carried out in September 2023, revealed that the project had not been completed twelve (12) months after the expected completion date.

The outstanding works and defects included brise soleil for ventilation for fridges was not fitted, washing basin had no slope, toilet interiors not painted, bristle lay not fitted, doors on toilet rooms not painted, toilet floor not tiled, drainages not done despite the contractor being on site. See pictures below.



*Mortuary not completed at Muyombe Level one Hospital*

- **Construction of a Mortuary at Thendele level one Hospital**

On 16<sup>th</sup> September 2022, the Council engaged IC Perfect Contractors Limited to construct a Mortuary at Thendele level one hospital on a full contract at a contract sum of K585,471. The duration of the contract was three months commencing on 16<sup>th</sup> September 2022 and ending on 16<sup>th</sup> December 2022.

The scope of works included substructure and earth works, reinforced concrete, blockwork, roof installations, carpentry, joinery and iron monger, metal work and glazing, electrical installation, plumbing installation, finishing, painting and decoration.

As at 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K571,548 leaving a balance of K13,923.

A physical inspection of the project carried out in September 2023, revealed that the project had not been completed nine (9) months after the expected completion date.

The outstanding works and defects included brise soleil for ventilation for fridges was not fitted, electricity was not connected, and painting was poorly done.



*Mortuary at Thendele Level one Hospital*

The delay in implementing the projects was attributed to the contractor deserting the sites while the poor workmanship was attributed to not following specifications on the bill of quantities.

## **62. Mambwe Town Council**

### **a. Malambo Constituency**

#### **i. Community Projects**

- **Poor Workmanship- Mthundumula Crossing Point**

In July 2022, the Council embarked on the project of constructing a box and ring culvert along Mthundumula stream using a force account with a total allocation of K1,400,000.

The scope of works included;

- Mobilising to site
- Clearing and grabbing
- Road alignment
- Road bed formation
- Construction of gravel-filled road layers to a total height of 1.5m over a stretch of 250m
- Cutting of embankments and installation of box and ring culverts.

- Stone pitching of the roadside slope to prevent erosion.

As at 30<sup>th</sup> September 2023, amounts totalling K1,386,788 had been spent.

A physical inspection carried out on 9<sup>th</sup> June 2023, revealed the following:

- 200 metres of stretch of embankment was done.
- 2 x 2.4 box culvert and 4x1 ring culvert installed.

However, a 10-metre stretch from the box culvert was eroded. See pictures below.



*Part of eroded bridge*

## **ii. Grants - Empowerment**

- **Failure to follow Constituency Development Fund (CDF) Guidelines**

During the period under review, amounts totalling K1,804,233 being 40% of the 20% received after deducting the 5% administration cost, were supposed to be spent on the Grants to Youths, Women and Cooperatives as per the 2022 Guidelines in pursuant to section 25 of the Constituency Development Fund (CDF).

Contrary to the Guidelines, the Council disbursed amounts totalling K2,033,300 as grants resulting in over expenditure of K229,067.

- **Irregular Disbursement of Grant – Nsenzi General Dealers**

On 9<sup>th</sup> November 2022, the Council paid an amount of K5,000 to Nsenzi General Dealers in respect of CDF grant for the purpose of starting up a grocery business.

A physical inspection and a review of records for the co-operative carried out in September 2023 revealed that the amount was paid to an individual instead

of a co-operative contrary to CDF guidelines in pursuant to Section 25 of the Constituency Development Fund (CDF) Act No. 11 of 2018 which requires a co-operative to have a minimum number of ten (10) members for it to be eligible to access the grant. In addition, it was observed that the funds had been misappropriated by the recipient in that no items were bought using the received funds.

- **Use of a Non-Existing Institution to Obtain Funds**

On 9<sup>th</sup> November 2022, the Council paid an amount of K30,000 to Kunenepa General Dealers in respect of CDF grant for the purpose of starting up a restaurant business.

A physical inspection and a review of records carried out in September 2023 revealed that there were no records of the existence of the beneficiary firm and no activity was undertaken. Further inquiry revealed that funds were shared among the six (6) members (the chairperson got a K10,000 while the other members got a K5,000 each).

In addition, the Council disbursed grants to a cooperative which had less than ten (10) members contrary to the requirements of the of the guidelines.

- **Nyamusafya Youth Co-operative – Abandoned Chicken Run**

The Council paid a sum of K15,000 to Nyamusafya Youth co-operative on 13<sup>th</sup> October 2022 in respect of CDF grant for the purpose of starting up a poultry business.

A physical inspection and a review of accounting records for the co-operative carried out in September 2023 revealed that the co-operative had ordered and received a batch of 100 chicks out of which only 25 survived and were sold. No financial records were provided as both the treasurer and the secretary resigned from the club. There was no more activity taking place.

- **Failure to Start Operating the Co-operative – Sichipandwe Multi-Purpose Co-operative.**

On 13<sup>th</sup> October 2022, the Council paid an amount of K40,000 to Sichipandwe Multi-Purpose co-operative in respect of CDF grants for the purpose of starting up a carpentry business. The cooperative bought a chain saw, two (2) bicycles, cooking pots, fuel among others and kept this equipment at the treasurer's place.

A physical inspection of the co-operative carried out in September 2023 revealed that although the co-operative begun the process of cutting down trees with a view of commencing the desk making business, the co-operative had not yet started making the desks.

Furthermore, one (1) bicycle was being used by the chairperson of the co-operative to run his personal errands as it was not found at the treasurer's house and 60.46 litres of fuel costing K1,470 which was misappropriated had not yet been paid back.

- **Non-Operational of Youth, Women and Community Empowerment Grant – Manthalaza Group**

On 13<sup>th</sup> October 2022, the Council paid an amount of K15,000 to Manthalaza Group in respect of CDF grants for the purpose of starting up a tailoring business. An amount of K3,500 was purported to be given to a club member as sponsorship to school to acquire tailoring skills, but there was no documentary evidence to support the sponsorship.

An inspection of accounting records and physical inspection of the co-operative carried out in September 2023 revealed that although the co-operative had paid back the misapplied amount of K3,000 to the Council leaving a balance of K500, the club had not yet started operating.



- **Chipako Women’s Club - Indebted Co-operative**

On 13<sup>th</sup> October 2022, the Council paid an amount of K40,000 to Chipako Women’s Club in respect of CDF grants for the purpose of starting up a grocery business.

An inspection of accounting records and physical inspection of the co-operative carried out in September 2023 revealed that the co-operative had spent the entire amount of K40,000 to build the grocery shop and had to borrow an additional K30,000 in order to complete the shop. The tenant occupying the shop pays a monthly rental of K500. See picture below.



*The Shop built by Chipako Women’s Club*

- **Underfunding to Cooperatives**

The Council paid a sum of K2,033,300 for Youth, Women and Community Empowerment Grants to 111 co-operatives for starting up various business ventures as indicated in the application forms. However, a review of accounting documents and physical inspection of co-operatives carried out in September 2023 revealed that some co-operatives were paid a smaller amount compared to the amount applied for in the project proposals submitted by the co-operatives. Consequently, most co-operatives made changes from their original business ventures which appeared in their approved application form to other business ventures due to inadequate funding by the Council.

## **63. Masaiti Town Council**

### **a. Kafulafuta Constituency**

#### **i. Community Projects**

- **Rehabilitation of a Staff House - Mutaba Combined School**

In 2022, the Council engaged Oggie Ngazhi on a labour based contract to rehabilitate a staff house at Mutaba Combined School. The contract was not availed for audit verification making it difficult to ascertain the scope of works, contract period and contract sum.

A scrutiny of the ledger accounts and bank statements revealed that as at 31<sup>st</sup> December 2022, amounts totalling K72,906 were spent on the purchase of building materials.

However, a review of the material schedule, goods issued voucher (GIV) and physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed the following:

- ⊙ On 21<sup>st</sup> June 2022, the Council procured twenty-six (26) roofing sheets 0.3 IBRx3.5m and six (6) roofing sheets 0.3 IBRx1m at a cost of K6,098.

However, the roofing sheets were rejected by the school due to poor quality and had not been used as of October 2023 thereby rendering the expenditure wasteful.

- ⊙ Although 5x20 litres of PVA paint costing K9,100 was procured, the house was partially painted inside. Inquiries made with school management revealed that the paint had expired.
- ⊙ Two (2) grill doors were procured at a total cost of K5,500 out of which one (1) was fitted. A physical verification revealed that the grill door fitted was poorly fitted in that it has no hooks.
- ⊖ Two (2) flush doors purchased at a cost of K950 could not be fitted as they had been damaged by termites.

- ⊙ Although the Council had procured three (3) doors at a total cost of K4,800, a physical inspection of the doors revealed that the house was fitted with two (2) mukwa doors thereby questioning the rationale for which the Council procured the three (3) doors.
- ⊙ Although five (5) rubber stoppers and ten (10) hook bolts were bought at a total cost of K445 and issued, the items were not delivered at the school.
- ⊙ The spoon drains and the apron were poorly done as they had developed cracks.
- ⊙ The timber used to roof the house was of poor quality.
- **Rehabilitation of 125 Desks – Mutaba Combined School**

On 2<sup>nd</sup> May 2022, the Council awarded a contract to Mwabombeni Youth Cooperative to rehabilitate 125 desks at Mutaba Combined School at a contract sum of K15,227 with a contract duration of twenty (20) days starting from 2<sup>nd</sup> May and ending on 22<sup>nd</sup> May 2022 and the whole amount was paid to the contractor.

A physical verification of the project carried out on 6<sup>th</sup> October 2023, revealed that the desks were of poor quality as the reinforced frames and planks were of substandard and the screws were not well fitted.

Further, twenty five (25) rehabilitated desks had broken down, a few months after being worked on. See pictures below.



*Broken down desks*



*Poorly rehabilitated desk*

- **Failure to Complete Works - Construction of Katonte Rural Health Centre**

On 22<sup>nd</sup> August 2022, the Council engaged Juctech Zambia Ltd for the completion of a mother's shelter at Katonte Clinic at a contract sum of K194,534 for a duration of four (4) weeks and completion date of 23<sup>rd</sup> September 2022.

The scope of the works included flooring, plastering, roofing, fitting of door frames, doors, window frames, glazing of glass panes and plumbing.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K184,775.

A physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed that the works had not been completed with works such as fitting of grille doors (2), window stays (8), handles (8), pad locks (2) and water connection still outstanding.

ii. **Youth, Women and Community Empowerment**

- **Grants - Failure to Provide WDC Minutes**

CDF Guideline number 5.2.3.1 stipulates that Empowerment Applications for grants to the Constituency Development Funds Committee (CDFC) should be accompanied by the following documents:

- Signed Minutes of the Ward Development Executive Committee Meeting; and
- Signed application forms by the Ward Development Committee Chairperson. Where the Chairperson is not available, the Vice Chairperson should sign and where the Vice Chairperson is not available, the Committee should nominate a member amongst themselves who should sign the applications.

Contrary to the Guidelines, amounts totalling K 964,000 paid to fifty five (55) applicants during the period under review were not supported with Ward Development Committee Minutes.

- **Failure to Provide Approved Consolidated List**

Constituency Development Funds (CDF) guideline No. 5.2.2 (ii) requires that the Constituency Development Funds Committee (CDFC) should receive and review applications submitted by the Ward Development Committee (WDC) and submit the consolidated list for approval by the Minister.

Contrary to the Guideline, amounts totalling K1,521,883 were paid as grants to eighty eight (88) cooperatives and clubs without evidence that the list was approved by the Minister.

- iii. **Secondary Boarding and Skills Development**

- **Irregular Payment of Bursaries to Non TEVETA Accredited Institutions**

Constituency Development Funds (CDF) guidelines No. 5.3.5.2 requires that the application for Skills Training Bursary should be submitted together with an admission or acceptance letter from any TEVETA accredited public or private institution or the Zambia National Service.

Contrary to the Guidelines, amounts totalling K28,400 were paid as bursaries for five (5) students at two (2) non TEVETA accredited institutions.

- b. **Masaiti Constituency**

- i. **Community Projects**

- **Completion of 1 x 2 Classroom Block – Musase Community School**

On 10<sup>th</sup> May 2022, the Council engaged Rodwelo Phiri on a labour-based contract for the completion of a 1x2 Classroom Block at Musase Community School at a contract sum of K6,800 with a contract duration of seven (7) days starting from 11<sup>th</sup> May to 17<sup>th</sup> May 2022.

The scope of work included the following: completion of Musase Community School, fitting of doors and frames, fitting of window frames and panes, plastering and painting.

As at 31<sup>st</sup> December 2022, a total amount of K53,690 had been spent on building materials.

A physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed that the works had not been completed with works such as such as fitting of a glass panes and peg stays outstanding.

Further, a review of stores records and physical count revealed that materials costing K9,600 were not accounted for. See table 1 below.

**Table 1: Unaccounted for Materials**

No	Items	Items Bought Qty	Fitted Qty	Unaccounted for Qty	Unit Cost K	Total Cost of unaccounted for stores K
1	Door Frames - 900mm x 2000mm	3	2	1	600	600
2	Mukwa doors 825mm x 1960mm	5	2	3	1,700	5,100
3	Window frames - 1100mm	5	4	1	450	450
4	Glass sheet	3	0	3	750	2,250
5	Window patty ( Kg )	5	0	5	150	750
6	Peg stays	5	0	5	90	450
	<b>Total</b>					<b>9,600</b>

- **Construction of 1x3 Classroom Block – Lisomona Day Secondary School**

On 26<sup>th</sup> October 2022, the Council engaged Chimuso Investment Ltd for the construction of a 1x3 Classroom Block at Lisomona Day Secondary School at a contract sum of K449,037 with a duration of eight (8) weeks starting from 26<sup>th</sup> October to 21<sup>st</sup> December 2022.

The scope of works included excavations, earth works, construction of sub and superstructures, concrete works, masonry works, metal works, steel roof structure and roofing.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K180,890.

A physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed that the works were not complete as the following works valued at K32,360 were outstanding:

- ⊙ Application of two (2) coats of bituminous black paint
- ⊙ Putting of 400mm X 400mm X 200mm concrete pad stone
- ⊙ Putting of sides concrete pad stones
- ⊙ Putting of air vents. See pictures below.



*1x3 Classroom Block with Incomplete Works*

- **Construction a Health Centre at Lumano**

On 26<sup>th</sup> October 2022, the Council engaged Trigger Inn Investments for the construction of a Health Centre at Lumano at a contract sum of K298,541 with a contract duration of eight (8) weeks ending on 21<sup>st</sup> December 2022.

The scope of works included construction of sub and superstructures, concrete works, brick work, block work, roofing, metal works, carpentry, joinery and ironmongery.

As at 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K142,500.

A physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed that the works were not complete as excavating of edge of lamp thickening and putting of 200mm x 200mm square PVC air brick were not done.

- **Construction of a Health Centre at Chinondo**

On 19<sup>th</sup> October 2022, the council engaged Gikal Enterprises for the construction of a Health Centre at Chinondo at a contract sum of K297,596

with a contract duration of eight (8) weeks starting on 23<sup>rd</sup> October and ending on 18<sup>th</sup> December 2022.

The scope of works included construction of sub and superstructures, concrete works, brick and block works, roof coverings, metal works, carpentry, joinery and ironmongery.

As of 31<sup>st</sup> December 2022, the contractor had been paid a total amount of K178,590

A physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed that the works were not complete as the following works were not done:

- ⊙ Putting sawn formwork to edge of surface bed and ramp
- ⊙ Application of two (2) coats of bituminous black paint
- ⊙ Putting of 200mm X 200mm square PVC air brick
- ⊙ Fitting of two (2) door frames. See picture below.



*Incomplete Health Centre*

- **Construction of Health Centre – Lumano Ward**

On 26<sup>th</sup> October 2022, the Council engaged Trigger Inn Investments for the construction of a Health Centre in Lumano ward at a contract sum of K283,093 with a contract duration of eight (8) weeks started ending on 21<sup>st</sup> December 2022.

The scope of works included the following: construction of sub and superstructures, concrete works, brick and block works, roof coverings, metal works, carpentry, joinery and iron mongery.



As at 31<sup>st</sup> December 2022, the contractor had been paid a total amount of K142,500.

A physical inspection of the project carried out on 6<sup>th</sup> October 2023 revealed that the construction works were completed. However, the contractor used 50mmX50mm timber instead of 75mmX50mm which was specified in the BOQ resulting in the compromising of the strength of the roof.

- **Electrification of Miputu Health Centre and Maternity Ward**

On 18<sup>th</sup> November 2022, the Council engaged Keelz Investment Ltd for the electrification of Miputu Health Centre and the Maternity Ward in Miputu ward at a contract sum of K140,828 with a contract duration of thirty (30) days starting from 24<sup>th</sup> November and ending on 23<sup>rd</sup> December 2022.

The scope of the work included supply of materials, installation and electrification of the facility.

As at 31<sup>st</sup> December 2022, the contractor had been paid a total amount of K21,124

A physical inspection carried out on 6<sup>th</sup> October 2023 revealed that the works were not completed as materials costing K8,945 were not fitted: See table 2 below.

**Table 2: Materials Not Fitted**

No	Items	Quantity	Unit Cost K	Total Cost K
1	Circuit breakers ( 60 Amp )	2	400	800
2	Circuit breakers ( 30 Amp )	3	230	690
3	Double Socket	3	140	420
4	Single switches	4	110	440
5	Double socket housing	3	165	495
6	Switch housing	11	320	3,520
7	Flourescent fittings	2	460	920
8	Flourescent tubes	2	110	220
9	Cooker control unit	2	720	1,440
10	<b>Total</b>			<b>8,945</b>

## **ii. Youth, Women and Community Empowerment**

### **○ Failure to Provide Application Forms**

Constituency Development Funds (CDF) guideline number 5.2.2 (i) requires that Cooperatives, Clubs, Associations and Organised Groups should apply for grants to the WDCs to be used as seed money to establish a revolving fund to support their members.

Contrary to the Guideline, grants in amounts totalling K280,000 were paid to seven (7) beneficiaries without filling in application forms.

### **○ Failure to Provide Ward Development Committee Minutes**

CDF Guideline number 5.2.3.1 stipulates that Empowerment Applications for grants to the CDFC should be accompanied by the following documents:

- ⊙ Signed Minutes of the Ward Development Executive Committee Meeting; and
- ⊙ Signed application forms by the Ward Development Committee Chairperson. Where the Chairperson is not available, the Vice Chairperson should sign and where the Vice Chairperson is not available, the Committee should nominate a member amongst themselves who should sign the applications.

Contrary to the Guideline, amounts totalling K657,116 paid to forty-two (42) applicants as grants during the period under review were not supported with Ward Development Committee Minutes.

### **○ Failure to Provide Approved Consolidated List**

Constituency Development Funds (CDF) guideline No. 5.2.2 (ii) requires that the CDFC should receive and review applications submitted by the WDC and submit the consolidated list for approval by the Minister.

Contrary to the Guidelines, amounts totalling K3,459,000 were paid as grants to various cooperatives and clubs without evidence that the list was approved by the Minister.

### **iii. Secondary Boarding and Skills Development**

- **Irregular Payment of Bursaries to Non TEVETA Accredited Institutions**

Constituency Development Funds (CDF) guideline No. 5.3.5.2 requires that the application for Skills Training Bursary should be submitted together with an admission or acceptance letter from any TEVETA accredited public or private institution or the Zambia National Service.

Contrary to the Guideline, amounts totalling K21,000 were paid for four (4) students who were on bursary at two (2) non TEVETA accredited institutions.

## **64. Mansa Municipal Council**

### **a. Mansa Central Constituency**

#### **i. Community Projects**

- **Completion of 1 x 3 CRB at Musenga Primary school (Namwandwe Ward)**

On 7<sup>th</sup> June 2022, the Council engaged Compstat Limited for the completion of a 1x3 Classroom Block (CRB) at Musenga Primary School at a contract sum of K281,257 with a completion period of 112 days commencing 7<sup>th</sup> June 2022 and ending on 28<sup>th</sup> September 2022.

The scope of works included brickwork and block work, roofing, carpentry, joinery and ironmongery, metalwork, electrical installation, flooring and wall finishes, glazing, painting and decoration and external works.

A physical inspection carried out in February 2023 revealed that the works had been completed. However, cracks had developed on the spoon drain and floor. See pictures below.



*Cracked Spoon drain and Floor*

## **65. Manyinga Town Council**

### **a. Manyinga Constituency**

#### **i. Late Submission of Skills Development Bursary Applications for Approval**

CDF Guidelines Part 5.4 states that the Constituency Development Fund Committee should submit to the Minister proposed applications and the estimated costs of bursaries before the end of March in each year in the prescribed manner and form.

Contrary to the Guidelines, proposed applications and estimated costs for the period under review were submitted in June 2022, two (2) months after the prescribed date.

#### **ii. Soft Loans - Failure to Avail Signed Loan Agreements**

A physical inspection and interviews carried out in October 2023 at the premises of two (2) soft loan beneficiaries revealed that they did not have copies of signed loan agreements thereby making it not possible to ascertain the terms of the loan agreement.

#### **iii. Grants - Empowerment**

##### **• Kuzatachakazenene Multi-Purpose Cooperative Society**

During the period under review, Kuzatachakazenene Multi-Purpose Cooperative Society of Kaula Ward was paid amounts totalling K37,310 for a poultry farming business.

A physical inspection carried out in October 2023 revealed that the cooperative bought 280 chickens out of which thirteen (13) died while amounts totalling K26,700 were realised from the sale of 267 chickens.

However, the Cooperative decided to change to Village Banking and shared amounts totalling K11,480.

Further, there were no records showing how much and how the loaned amounts were going to be recovered under the village banking cycle.

- **Failure to Provide Bank Statements**

CDF 5.2.4 (a) (ii) states that the Youth, Women and community shall be eligible to access an empowerment grant by availing proof of a bank account.

Contrary to the Guidelines, the Cooperative did not avail for audit verification the bank statements to show proof of use of the funds and receipts.

- **Seha Wesekele Youth Club**

The Seha Wesekele Youth Club of Chongo Ward had an approved amount of K40,000 for a poultry and gardening farming business which was disbursed directly to the bank account of the Club on 12th December 2022. A physical inspection carried out in October 2023 revealed that the Youth Club did not venture into the Poultry and Farming Project but instead bought a hammer mill for K27,000 and the difference of K13,000 was spent on transportation of the hammer mill and purchase of materials for operations.

Although the hammer mill business was operational, the Club was not depositing the sales. Further a physical cash count witnessed at the Club's premises revealed an amount of K1,335 was being kept as cash on hand.

There was poor record keeping resulting in non-availability of expenditure details for the hammer mill and records of sales and cash kept by members.

- **Dadika Multipurpose**

Dadika Multi-Purpose Cooperative of Kaula Ward had an approved amount of K40,000 for poultry farming business.

As at 31<sup>st</sup> December 2022, amounts totalling K37,310 had been disbursed resulting in an underfunding of K2,690.

As at 30<sup>th</sup> September 2023, the Cooperative had bought a hammer mill for K17,000 while the difference of K20,310 had been used on transport for the hammer mill and construction of a chicken run with all the accessories.

However, although the hammer mill business was operational, there were no records of funds deposited and records sales and expenditure details, availed for audit.

- **Failure to Provide Bank Statements**

CDF 5.2.4 (a) (ii) states that the Youth, Women and community shall be eligible to access an empowerment grant by availing proof of a bank account.

Contrary to the Guidelines, the Cooperative did not avail the bank statements to show proof of use of the funds and receipts.

## **66. Mazabuka Municipal Council**

### **a. Magoye Constituency**

#### **i. Community Projects**

- **Completion of a 1 x 3 Classroom Block at Choobana Primary School**

On 10<sup>th</sup> August 2022, the Council engaged Luntech Pro Business Solution for the completion of 1x3 Classroom Block at Choobana Primary School at a contract sum of K105,858 with a contract period of eight (8) weeks commencing 19<sup>th</sup> August 2022 and ending on 19<sup>th</sup> October 2022.

The scope of works included, carpentry joinery and ironmongery, metal work, wall and floor finishes, painting and decoration, external works .

As at 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K96,566.

A physical inspection carried out in October 2023 revealed that the structure had not been completed with painting of the final coat both inside and out still outstanding.

However, it was observed that the plastering and under-coat painting was poorly done in that the plastered wall was rough, cracked and the painted surfaces were uneven. In addition, cracks had started developing on the wall. See pictures below.



*Rough and uneven plastered Surface-Interior part of the strong room*



*Cracked wall*

## **67. Mbala Municipal Council**

### **a. Mbala Central Constituency**

#### **i. Youth, Women and Community Empowerment**

- **Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,910,000 were issued to forty-eight (48) selected applicants to undertake various projects such as fish farming, poultry farming and village banking.

However, the following were observed:

- **Failure to Implement Projects**

Thirty six (36) applicants had implemented the projects while thirteen (13) applicants with grants amounts totalling K520,000 had not implemented the projects as at 31<sup>st</sup> October 2023.

- **Unapproved Disbursements**

Section 5.2.2 (a) ii of the Constituency Development Fund Guidelines requires that the Constituency Development Fund Committee shall receive and review applications submitted by the Ward Development Committee and submit the consolidated list for approval by the Minister.

However, the Council disbursed an amount of K32,000 to Town Centre Multipurpose Cooperative an organisation that was not part of the list approved by the Minister.

- ii. **Administrative Costs - Irregular Cash Withdrawals**

Ministry of Finance Treasury and Finance Management Circular No. 1 of 2021, stipulates that no cash should be withdrawn for payment of subsistence allowances, fuel refunds and any other allowances and that the allowances should be paid directly into the beneficiary's bank account.

Contrary to the Circular, the Council issued imprest in amounts totalling K218,950 to seven (7) officers to facilitate the payment of daily subsistence and meal allowances to other officers instead of paying directly into the beneficiary's account.



## 68. Milenge Town Council

### a. Milenge Constituency

#### i. Community Projects

- **Construction of Mother's Shelter - Sokontwe Rural Health Centre**

On 23<sup>rd</sup> May 2022, the Council engaged Zaneva General Dealers for the completion of the Mother's Shelter at Sokontwe Health Post at the contract sum of K118,462 with the contract period of twelve (12) weeks.

The scope of works included; substructure, superstructure, metal work, carpentry, joinery and ironmongery and roofing.

As at 30<sup>th</sup> September 2023, the contractor had completed all the works and had been paid the full contract sum.

A physical inspection conducted in September 2023 revealed that the roof had visible depressions. Further, it was observed that the windowpanes were poorly done resulting in the windows not closing properly. See picture below.



*Roof with depression*

- **Completion of a 1 x 2 Classroom Block – Butimbwe Secondary School**

On 12<sup>th</sup> May 2022, the Council engaged Eastwest Investment Limited for the construction of a 1 x 2 Classroom block at Butimbwe Secondary School at a revised contract sum of K313,508.46. with a contract duration of 85 days.

The scope of works included; superstructure, roof structure, metal work, Carpentry, Joinery and Ironmongery, flooring and plastering

As at 30<sup>th</sup> September 2023, the contractor had completed all the works and had been paid the full contract price.

A physical inspection carried out in September 2023 revealed that the plaster had peeled off the walls in the classrooms, the floor had cracks, there were depressions in the classrooms and the door to the office leading to the strong room had a crack. See pictures below.



*Plaster peeling off the wall*



*Wall with peeled off plaster*

- **Installation of Mechanised Water Scheme - Milenge District Hospital**

On 12<sup>th</sup> May 2022, the Council engaged Pro-specs Zambia Limited for the installation of a mechanised water scheme at Milenge District Hospital at the contract sum of K136,114 with a contract period of five (5) weeks.

The scope of works included:

- Supply and erection of a 6 meters high steel tank stand.
- Supply and installation of 10,000 litres polyclone tank
- Supply and installation of electric pump
- Laying of 1000 meters water distribution network
- Installation of Stand taps.

However, in November 2022, the Council terminated the contract citing the failure by the contractor to complete the works on time and the contractor had

been paid amounts totalling K76,516 for the works that were completed representing 56% of the contract price.

Among the works that the contractor was paid for was the supply of a polyclone water tank costing K12,000 and electrical works at K2,000.

However, a physical inspection conducted on 10<sup>th</sup> October 2023, revealed that the contractor supplied a 5,000 litres polyclone water tank instead of 10,000 litres as per BOQ.

- **Irregular Selection of Ineligible Bidders**

Public Procurement Regulations No. 70 (1) of 2022 stipulates that an award of contract shall be recommended to the best evaluated bidder as determined by the evaluation methodology and criteria specified in the solicitation document.

However, the Council awarded three (3) contracts in amounts totalling K558,880 to three (3) bidders who were not responsive at either preliminary or technical evaluation stages leaving out other bidders who were responsive. See table 1 below.

**Table 1: Bidders who were not Responsive at Technical Evaluation Stage**

No.	Contractor	Contract Amount K	Details	Comment
1	Zaneva General Dealers	K118,462.10	Completion of Mothers' Shelter – Sokontwe RHC	Bidder was not responsive at technical evaluation stage
2	Eastwest Investment Limited	313,508.46	Construction of 1 x 2 Classroom Block – Butimbwe Secondary	Bidder was not responsive at technical evaluation stage
3	Kenfred Company Limited	167,928.85	Completion of Health Post – Fishikwa Ward	Bidder was not responsive at preliminary and technical evaluation stages

**ii. Youth, Women and Community Empowerment - Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,953,000 were given to 124 selected applicants to undertake various projects such as farming, small scale mining and village banking.

However, as at 30<sup>th</sup> September 2023, the majority of applicants had not implemented any projects.

**iii. Secondary Boarding and Skills Development**

During the period under review, a total of 272 pupils were sponsored under CDF for boarding schools and 104 students for skills training at a total cost of K1,397,635.

As at 31<sup>st</sup> December 2022, thirty two (32) pupils and thirty nine (39) students had graduated.

However, the following were observed:

- **Payment of Boarding Fees for Unknown Pupils – Milenge Boarding Secondary School**

Section. 5.3.4.1 (a) of the CDF guidelines requires among other conditions that, to be eligible for secondary boarding school bursary, a learner must be enrolled at a particular public boarding school.

During the period under review, the Council sponsored a total of 188 pupils at Milenge Boarding School and paid amounts totalling K558,000 in respect of boarding fees.

However, a review of the pupils' database for the year 2022 obtained from Milenge Boarding Secondary School revealed that thirty nine (39) pupils whose boarding fees amounted to K117,000 were unknown by the school management in that the pupils were not appearing on the school's pupils' database for the year 2022.

- **Overpayment of Boarding Fees – Lwela Secondary School**

The Council sponsored eighty one (81) pupils at Lwela Secondary School for three (3) terms at the rate of K1,000 per term, thus translating into a total of K243,000.

However, in June 2022, the Council paid Lwela Secondary School amounts totalling K246,000 for eighty one (81) pupils instead of K243,000 resulting in an overpayment of K3,000.

As at 31<sup>st</sup> October 2023, the overpayment had not been recovered.

- **Irregular Payment of Boarding Fees for Pupils Sponsored by another Institution – Milenge Secondary School.**

The CDF Guidelines Section. 5.3.4.1 stipulates that the following eligibility criteria shall apply for Secondary Boarding School:

- A learner must be enrolled at a particular public boarding school;
- A learner must have qualified to grade eight or already enrolled in grade 9 to 12;
- School drop-outs who failed to pay school fees shall be eligible for a bursary;
- Learners that are enrolled in the boarding schools but are accommodated in the nearby villages due to failure to pay boarding fees;
- Double Orphaned where the guardian has no reliable source of income; and
- Single Orphaned where the surviving parent has no reliable source of income among others.

In June 2022, amounts totalling K21,000 were irregularly paid for seven (7) pupils in respect of boarding fees at Milenge Secondary School.

However, the payment was irregular in that the same pupils boarding fees were already paid for by the Zambia Campaign for Female Education (CAMFED).

As at 31<sup>st</sup> October 2023, the matter had not been rectified.

- **Double Payments of Boarding Fees – Milenge Boarding Secondary School**

A comparison of the pupils' database maintained at Milenge boarding Secondary School and the approved list of pupils used for the payment of boarding fees revealed that eight (8) pupils had their boarding fees paid for twice as their names were captured twice on the payment list.

In this regard, the Council paid amounts totalling K48,000 in respect of the eight (8) pupils instead of K24,000 resulting in an excess payment of K24,000.

As at 31<sup>st</sup> October 2023, the excess payment had not been reimbursed.

- **Questionable Payment of Fees for an Extra Term for Pupils in Examination Classes**

The Council sponsored a total of 272 pupils at three (3) boarding schools namely, Samfya, Lwela and Milenge Secondary Schools. The bursaries application forms for the pupils were approved in June 2022.

In this regard, the Council paid a total amount of K816,000 for three (3) school terms for all the 272 pupils whose applications were approved. The boarding fees were meant to cater for the second and third school terms of 2022 and the first term of 2023.

It was however, observed that, out of K816,000 paid, were boarding fees in amounts totalling K429,000 for 143 pupils in their final examination classes who were paid for three (3) terms at the rate of K1,000 per term instead of K286,000 had the fees been paid for two (2) terms. This resulted in an overpayment of K143,000.

## **69. Mitete Town Council**

### **a. Mitete Constituency - Administrative Costs**

#### **i. Unauthorised Payments**

Public Finance Management (General) Regulation No. 54 (1) of 2020 stipulates that where a hard copy payment voucher is used, the original of a payment voucher should be signed by a warrant holder, sub warrant holder or by any other authorized office holder.

Contrary to the Regulation, payments in amounts totalling K142,948 involving five (5) transactions were processed without authority from the Council Secretary or any authorised person.

## **70. Mkushi Town Council**

### **a. Mkushi North Constituency**

#### **i. Youth, Women and Community Empowerment - Grants – Empowerment**

##### **• Failure to Implement Funded Projects**

During the period under review, amounts totalling K465,000 were disbursed to fifty-one (51) groups to carry out various projects such as fish farming, goat rearing, poultry and piggery.

However, the funds were either shared by members or used on other purposes thereby negatively impacting financially on the growth of the cooperatives. See table 1 below.



No.	NAME OF GROUP	NAME OF PROJECT APPLIED FOR	AMOUNT APPLIED K	AMOUNT APPROVED AND PAID K	NAME OF PROJECT IMPLEMENTED	OBSERVATIONS MADE	COMMENTS
1	Mapinda Multipurpose Cooperative	Fish Farming	K116,526	K10,000	Poultry	<p>On 20<sup>th</sup> March 2022, Mapinda Multipurpose Cooperative applied for K116,526 grant for the purpose of fish farming. The council approved and disbursed K10,000 to the cooperative on 19<sup>th</sup> September 2022. A visit to the cooperative and an interview with the cooperative members revealed that the cooperative spent funds amounting K10,724 on the construction of a poultry house in order to start a poultry farming business saying that the money received was not enough for establishment of a fish farming business.</p> <p>Further, the cooperative could not start the poultry business due to lack of funds for procuring chicks.</p>	Intended purpose was not achieved
2	Umodzi Women's Club	Peanut Butter Making Business	K50,000	K10,000		<p>On 20<sup>th</sup> March 2022, Umodzi Women's Club applied for K50,000 grant for the purpose of a Peanut Butter Making Business. The Council approved and disbursed K10,000 to the club on 19<sup>th</sup> September 2022. A visit to the club revealed that the club had a peanut butter making machine which they procured from their own funds. Upon receiving the grant, the club spent the funds on buying 3 bags (50kgs) of groundnuts at a total cost of K3,240 and 800 containers costing K1,600, the balance of K5,160 was used to procure a smart phone and uniforms for the group, saying that the money received was not enough for constructing a shop where the peanut butter machine was to be placed. Further, the club had no cash in the bank and on hand.</p>	Intended purpose was not achieved

3	Nsansa Women's Club	Goat Rearing	K32,300	K10,000		<p>On 1<sup>st</sup> April 2022, Nsansa Women's club applied for K32,300 grant for the purpose of goat rearing. The council approved and disbursed K10,000 to the cooperative on 19<sup>th</sup> September 2022. A visit to the club and an interview with the members of the club revealed that the club shared the funds amongst themselves as follows; Group A K3,000 to be used on buying maize seeds for resale, Group B K5,000 to be used on procuring fish for resale, Group C K2,000 to be used on village banking, saying that the money received was not enough to start a goat rearing business from scratch. The club generated a total amount of K16,625 from the seed and fish businesses.</p> <p>However, the funds could not be verified as the club did not have any cash in the bank nor on hand.</p>	Intended purpose was not achieved
4	Prosper Youth Club	Piggery	K55,000	K10,000		<p>On 1<sup>st</sup> April 2022, Prosper Youth Club applied for K55,000 grant in order to venture into piggery farming. The council approved and disbursed K10,000 to the club on 19<sup>th</sup> September 2022. A visit to the club revealed that the club spent a total amount K8,800 (K8,100 spent on procuring materials for piggery construction and labour for bush clearing, K700 was spent on sausage production) leaving a balance of K1,000 unverified as the club did not have proof of the funds being in the bank account. As of June 2023, the piggery had not been constructed due to a lack of funds.</p>	Intended purpose was not achieved
5	Nkumbi Women's Club	Poultry	K21,110	K10,000		<p>On 1<sup>st</sup> April 2022, Nkumbi Women's Club applied for K21,110 grant for the purpose of venturing into a poultry farming business. The council approved and disbursed K10,000 to the club on 19<sup>th</sup> September 2022. A visit to the club and an interview with the club chairperson revealed that the funds were shared among the members. The chairperson explained that the funds received were not enough for to start a poultry farming business.</p>	Intended purpose was not achieved
6	Kashiba Youth Club	Poultry	K40,000	K10,000	Farming	<p>During the period under review, Kashiba Youth Club applied for a grant for the sole purpose of starting a Poultry farming Business. The council approved and disbursed K10,000 to the club on 19<sup>th</sup> September 2022. A visit to the club revealed that the</p>	Intended purpose was not achieved

						club decided to venture into farming, saying that the money received was not enough to start a poultry farming from scratch as they needed to also construct a poultry. The club spent a total amount of K8,150 by growing maize, groundnuts and soya beans with expected proceeds amounting to K28,900. At the time of inspection, the maize produce was still in the field, the groundnuts field could not be verified, and the 7 bags of soya beans said to have been harvested could also not be verified as the club did not have any bags of soya beans.	
7	Kawama Women's Club	Bee Keeping	K35,000	K10,000	Bee Keeping	On 19 <sup>th</sup> March 2022, Kawama Women's Club applied for K35,000 grant in order to start a bee keeping business. The council approved and disbursed K10,000 to the club on 19 <sup>th</sup> September 2022. A visit to the club revealed that the club spent a total amount K8,000 (K2,500 was spent on procuring 10 bee hives, while K5,500 was shared among the members) leaving a balance of K2,000 which was used to settle the club's debt. In addition, only five (5) out of the ten (10) bee hives procured were delivered.	Intended purpose was not achieved

## 71. Mongu Municipal Council

### a. Mongu Central Constituency

#### i. Community Projects

- **Construction of 1x3 Classroom Block at Ngalama Primary School**

On 25<sup>th</sup> November 2022, the Council engaged Kulibanga Enterprise for the construction of a 1x3 classroom block at Ngalama Primary School at a contract price of K739,731 with a contract period of twelve (12) weeks commencing on 25<sup>th</sup> November 2022 and ending on 17<sup>th</sup> February 2023.

The scope of works included; construction of sub and superstructure, masonry works, roofing, carpentry and joinery, ironmongery, metal works, electrical installation, floor, wall and ceiling finishes, painting and external works.

As at 30<sup>th</sup> September 2023, the contractor had been paid an amount of K488,536.

A physical inspection carried out in August 2023, revealed that the contractor had been given an extension period of thirty-six (36) weeks up to 16<sup>th</sup> November 2023. The outstanding works included; plastering, fitting of windows and doors, glazing, roofing and painting. See picture below.



A physical inspection carried out in August 2023 revealed that the police post had not been completed and the Council had paid amounts totalling K68,611 towards the completion of the police post.

The payment of additional funds to the contractor was questionable as the Council did not avail details of the works paid for. See pictures below.



## **ii. Soft Loans - Failure to Avail the List of Beneficiaries**

During the period under review, an amount of K2,934,350 was received as funding for soft loans.

As at 31<sup>st</sup> December 2022, amounts totalling K2,706,350 had been disbursed to nineteen (19) applicants to undertake various projects such as cattle ranching, milling company and goat farming among others.

Guideline 5.2.5 (f) of the CDF Guidelines requires that applicants for empowerment loans must have been residents in the constituency for over six (6) months.

The Council paid loans in amounts totalling K2,050,290 through the National Savings and Credit Bank. Contrary to the guideline, there were no documents availed for audit scrutiny to determine whether the beneficiaries of the loans resided in the constituency.

## **b. Nalikwanda Constituency**

### **i. Community Projects**

- **Construction of Simulima Health Post**

On 29<sup>th</sup> November 2022, the Council engaged Caetami Enterprise Limited to construct Simulima Health Post in Looma ward at a contract price of K279,086 with a contract period of six (6) weeks commencing on 29<sup>th</sup> November 2022 and ending on 14<sup>th</sup> January 2023.

The scope of works included; construction of sub and super structures, carpentry and joinery, ironmongery, metal work, electrical installation, floor and wall finishing, painting and decorating.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K233,670.

A physical inspection carried out on 25<sup>th</sup> August 2023 revealed that the project had not been completed twenty (20) weeks after the expected

completion date. The outstanding works included: electrical installation, painting and decorating.

- **Construction of Staff House - Nandinga Health Post**

On 24<sup>th</sup> November 2022, the Council engaged Machisa Contractor Supply Limited to construct a staff house, waterborne toilets and water reticulation system at Nandinga Health Post at a contract price of K797,072 with a contract period of sixteen (16) weeks commencing on 24<sup>th</sup> November 2022 and ending on 16<sup>th</sup> March 2023.

The scope of works included:

- **Low-Cost Staff House**

Construction of substructure, concrete works, brickwork and block work, roofing, carpentry and joinery, ironmongery, structural steel, metal work, plumbing installation, electrical installation, tiling, painting, decorating and glazing.

- **Ablution Block**

Erection of substructure, concrete works, brickwork and blockwork, roofing, carpentry and joinery, ironmongery, metalwork, plumbing, electrical works, floor and wall finishes, painting and decorating, external works and drainages.

- **Water Reticulation System**

Borehole siting, borehole drilling and casing, borehole development, pumping test, supply and installation of submersible motor pumps, rising main fittings, supply and installation of solar panels and accessories, supply and installation of borehole accessories, supply and installation of PVC tank and tank stand, civil works and sterilization.

- As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K488,536.

A physical inspection carried out in August 2023 revealed the following:

- **Low-Cost Staff House**

The substructure, concrete works, brickwork and block work, roofing, structural steel, metal work, electrical installation had been done with plumbing installation, glazing, tiling, painting and decorating still outstanding. See picture below.



- **Ablution Block**

The substructure, superstructure, roofing, metalwork, plumbing, electrical works, floor and wall finishes were completed with fixing of doors and air vents, tiling, glazing painting, decorating, external works and drainages still outstanding. See picture below.



**ii. Soft Loans - Failure to Avail the List of Beneficiaries**

During the period under review, amounts totalling K2,934,350 were received as funding for soft loans and twelve (12) applicants were selected and awarded soft loans to undertake various projects such as cattle ranching, milling company and goat farming among others.

As at 31<sup>st</sup> December 2022, amounts totalling K2,799,340 had been disbursed leaving a balance of K135,010.

Guideline 5.2.5 (f) of the CDF Guidelines requires that applicants for empowerment loans must have been residents in the constituency for over six (6) months.

During the period under review, the Council paid loans in amounts totalling K1,898,524. Contrary to the Guideline, there were no documents availed for audit scrutiny to determine whether the beneficiaries of the loans resided in the constituency.

## **72. Monze Town Council**

### **a. Monze Central Constituency**

#### **i. Community Project**

- **Drilling of Borehole and Mechanized Water Reticulation System**

On 3<sup>rd</sup> November 2022, the Council engaged Imperial Contracts and Supplies Limited for the drilling of a borehole and installation of a mechanized water reticulation system at Monze Mission Hospital at a contract sum of K474,593.70 with a contract period of eight (8) weeks starting from 17<sup>th</sup> November 2022 to 14<sup>th</sup> January 2023.

The scope of works included borehole drilling lining and testing; solar power pump, panels and panel stand installation; PVC tank and steel stand installation (5000 Litres x 03, 10,000 Litres x 03); water distribution and fencing.

As at 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K474,594 representing 100% of the contract sum.

A physical inspection carried out on 21<sup>st</sup> October 2023 revealed that the project had been completed.

The following were observed:

- the borehole was non-functional as silt had accumulated and blocked the flow of water; and
- installation of 63mm diameter class 6 high density polyethylene (HD-PE) pipes, bends, reducers, tees and elbows for one of the 5000 Litres PVC water tank had not been done.





*Non-functional borehole*

**i. Questionable Payments**

During the period under review, the Council made payments in amounts totalling K1,269,174 involving thirty eight (38) transactions to various Schools and Skills Training Centres for students sponsored under CDF.

However, the payments were made without invoices, demand notices from the learning and training institutions showing the names of students being paid for and amounts. Further, it was also observed that the Council did not attach lists of students to the payment vouchers.

In this regard, it was not possible to ascertain the completeness and accuracy of the amounts paid.

**b. Bweengwa Constituency**

**i. Grants – Over Expenditure**

During the period under review, empowerment grants in amounts totalling K2,199,894 were disbursed to forty-eight (48) selected applicants to undertake various projects such as gardening, chicken and goat rearing among others resulting in over expenditure of K243,661

**ii. Soft Loans - Delayed Utilisation of Funds**

A review of payments for the period under review, revealed that amounts totalling K2,934,350 were allocated towards soft loans for Youth and Women Empowerment in accordance with Constituency Development Fund Guideline number 2.2.

However, a review of expenditure records and bank statements revealed that the funds had not been disbursed to beneficiaries as at 31<sup>st</sup> October 2023.

**c. Moomba Constituency**

**i. Secondary Boarding and Skills Development**

The Council received an amount of K4,890,583 for bursaries and disbursed amounts totalling K735,888 as at 31<sup>st</sup> December 2023.

The following were observed:

• **Questionable Payments**

During the period under review, the Council made payments in amounts totalling K197,970 involving twenty one (21) transactions to various Schools and Skills Training Centres for students sponsored under CDF.

However, the payments were made without invoices, demand notices from the learning and training institutions showing the names of students being paid for and amounts. Further, it was also observed that the Council did not attach list of students to the payment vouchers.

In this regard, it was not possible to ascertain the completeness and accuracy of the amounts paid.

**d. Other Observations**

**i. Failure to Follow Procurement Procedures – Bweengwa Constituency**

Section 143 (3) of the Public Procurement Regulations of 2022 states, “A Procurement Unit shall maintain a record of bidders to whom the request for quotations was issued and the reasons for their inclusion and where a shortlist consists of less than three bidders, the record shall include the reasons thereof.”

Contrary to the Regulations, on 12<sup>th</sup> January 2022, the Council procured goods and services in amounts totalling K23,645 from Ubone Enterprises Limited without obtaining competitive bids. Further, no reason was availed as to why the procurement was single sourced.

## **73. Mpika Town Council**

### **a. Mpika Central Constituency**

#### **i. Community Projects**

- **Delayed Submission and Implementation of Projects**

Guideline 5.4 (a) of the Constituency Development Funds Guidelines 2022 provides that the CDFC shall submit to the Minister proposed applications and the estimated costs before the end of the month of March in each year in the prescribed manner and form.

Contrary to the Guideline, the Council on 4<sup>th</sup> August 2022 submitted fifty (50) proposed projects with an estimated cost of K13,738,162 for approval to the Minister of Local Government and Rural development

In addition, although the Minister approved the projects in September 2022, the projects had not been implemented as at 31<sup>st</sup> October 2023.

- **Completion of 1 x 3 Classroom Block at Chitulika Secondary School**

During the period under review, the Council allocated amounts totalling K82,980 towards the completion of a 1 x 3 classroom block at Chitulika Secondary School in Kamwanya ward in Mpika Central Constituency. The funds were meant to cater for labour costs as well as materials and transportation expenses. In this regard on 31<sup>st</sup> May 2022, the Council engaged Ngolonganeni General Suppliers for the completion of a 1 x 3 classroom block at a contract sum of K82,980 with a contract period of fifty eight (58) days.

The scope of works included roofing, plastering, painting, metal works, flooring and external works.

As at 31<sup>st</sup> October 2023, amounts totalling K76,333 had been spent on materials and labour.

A physical inspection conducted on 11<sup>th</sup> October 2023 revealed that substandard iron sheets were used for roofing in that they were different from the required 0.4mm which was in the bill of quantity and the floor had developed cracks. Enquiries from management revealed that the roof was

blown off and the contractor decided to put back the same substandard iron sheets. See the pictures below.



*Floor with Cracks*

*Substandard Iron sheets*

Enquiries from Chitulika Secondary School management revealed that the poor workmanship was attributed to the use of companies without good track records.

**ii. Bursaries – Secondary School and Skills Development**

- **Sponsorship of Unapproved Beneficiaries**

Guideline No. 5.4 of the Constituency Development Fund Guidelines, 2020 states, “The Minister shall approve projects, empowerments and bursaries endorsed by the Constituency Development Fund Committee.”

Contrary to the Guideline, the Council paid amounts totalling K34,965 in respect of skill development bursaries for twelve (12) students who were not on the list approved by the Constituency Development Fund Committee.

**iii. Other Observations**

- **Irregular Use of Accountable Imprest**

Regulation No. 94 (3) defines accountable imprest as imprest issued to facilitate the purchase of goods and services whose value cannot be ascertained at the time.

Contrary to the Regulation, accountable imprest in amounts totalling K41,510 was issued to seventeen (17) officers to procure goods and services whose values could be ascertained at the time of payment.

## **74. Mpongwe Town Council**

### **a. Mpongwe Constituency**

#### **i. Community Projects**

- **Construction of 1 x 3 Classroom Block**

On 18<sup>th</sup> August 2022, the Council engaged Jucitech Zambia Limited to construct a 1x 3 Classroom Block at Mpondwa Community School at a contract sum of K525,000 with a completion period of thirteen (13) weeks.

The scope of works included construction of sub and superstructure, roofing works, metal works, carpentry and joinery and ironmongery, glazing, painting and decorating and external works.

As of 31<sup>st</sup> December 2022, the contractor had been paid amounts totalling K254,376

A physical inspection carried out on 12<sup>th</sup> October 2023 revealed that the works were completed.

However, it was observed that the floor in the classrooms had cracks and the spoon drain in front of the classroom block was crumbling. See picture below.



*Cracks on the floor of the Classroom Block*

#### **ii. Youth, Women and Community Empowerment**

- **Grants**

- **Irregular Use of Empowerment Grant**

The CDF Guideline No. 5.2.4 a (iv) provides that the proposed project should be undertaken within the Constituency.

Contrary to the Guideline, a review of the Internal Audit Report dated 18<sup>th</sup> November 2022 revealed that, Kamabwe Multipurpose Cooperative, which

was paid a grant of K40,000 for village chicken rearing, invested part of the funds i.e. K 16,000 by entering into a six-month contract with Chibanga Free Range Farm in Kabwe Central Province for rearing of the Cooperatives Chickens.

As 31<sup>st</sup> October 2023, the Cooperative had not received any chickens from Chibanga Free Range Farm.

- **Abandoned Project**

On 31<sup>st</sup> August 2022, a grant of K40,000 was paid to Shingwa Youth Multipurpose Cooperative for pig rearing.

However, a physical inspection of the site carried on 16<sup>th</sup> October 2023 revealed that the project had eleven (11) malnourished pigs and the Youth Cooperative had abandoned the Project.

- **Delayed Implementation of a Project**

On 12<sup>th</sup> August 2022, a grant of K40,000 was paid to Kimye Multipurpose Cooperative for bee keeping. However, as at 31<sup>st</sup> October, 2023 the project had not been implemented.

- **Poor Management of Empowerment Projects**

CDF guideline No. 5.2.2 stipulates that Cooperatives, Clubs, Associations and Organised Groups should apply for grants to the WDCs to be used as seed money to establish a revolving fund to support their Members.

On 12<sup>th</sup> August 2022, grants in amounts totalling K80,000(K40,000 each) were paid to two (2) Cooperatives namely Tofwane Multipurpose and Filengwa Cooperative for pig rearing.

A physical inspection carried out on 16<sup>th</sup> October 2023 at Tofwane Multipurpose revealed that K24,973 most of the funds for the project were spent on the construction of the pig pen and the Cooperative had purchased six (6) piglets that would take a very long time to start producing offspring.

Consequently, the Cooperative risks running out of funds to feed the pigs thereby rendering the project not viable.



*Sows purchased by Tofwane Cooperative*

- **Soft Loans - Failure to Disburse Funds**

During the period under review, the council received amounts totalling K2,934,350 for soft loans for youth and women empowerment.

However, the funds had not been disbursed as at 31<sup>st</sup> December 2022.

**iii. Secondary Boarding and Skills Development**

- **Failure to Avail Monthly Reports**

The CDF Guideline No. 8.2.1 requires that monthly monitoring reports should be prepared and should provide information on the progress of the community projects, youth and women empowerment and bursaries program. The reports should highlight the expenditure incurred on the projects. Further, the reports should highlight the successes, challenges and lessons learnt in the implementation of the projects done monthly on key aspects of the CDF based on agreed positions of the Community through the WDCs.

However, no monthly reports were availed for audit verification making it difficult to ascertain the successes/challenges and the number of students and pupils that had graduated.

## **75. Mporokoso Town Council**

### **a. Community Projects**

#### **i. Completion of 1x3 Classroom Block at Mukanga Day Secondary School**

On 7<sup>th</sup> March 2022, the Council engaged Daluk Stationary and General Dealers for the construction of a 1x3 classroom block at a contract sum of K314,231 with a completion period of twelve weeks commencing on 23<sup>rd</sup> March 2022 and ending on 23<sup>rd</sup> June 2022.

The scope of works included; the substructure, concrete works, brickwork and blockwork, roofing, carpentry joinery and ironmongery, structural steel works, metalwork, flooring and wall finishes, glazing, painting and decoration and external drainage.

As at 30<sup>th</sup> September 2023, the contractor had been paid an amount of K294,010 leaving a balance of K20,222.

A physical inspection carried out in September 2023 revealed that the project was complete and handed over.

It was however observed that the floor screed in the classroom blocks had started developing cracks. In addition, the shelves had not been installed in the storeroom despite being provided for in the Bill of Quantity (BOS). See picture below.



*Cracking classroom floor*

#### **ii. Irregular Engagement of a Subcontractor - Construction of 1x2 Classroom Block at Mibamba Primary School.**

On 21<sup>st</sup> April 2021, the Council engaged Trammel Engineering Solutions Limited for the construction of a 1x2 classroom block at a contract sum of K292,379 with a completion period of five (5) months commencing on 29<sup>th</sup> April 2021 and ending on 29<sup>th</sup> September 2021.



The scope of works included the substructure, concrete works, brickwork and blockwork, roofing, carpentry joinery and ironmongery, structural steel works, metalwork, flooring and wall finishes, glazing, painting and decoration and external drainage.

As at 30<sup>th</sup> May 2022, the contractor was paid an amount of K105,428 leaving a balance of K186,951.

Section 7.1 of the General Conditions of Contract states that “the contractor may subcontract with the approval of the project manager but may not assign the contract without the approval the employer in writing. Subcontracting shall not alter the contractor’s obligations”.

Contrary to the Conditions of the Contract, the contractor subcontracted Chowali General Suppliers and Construction without the approval of the Council in writing.

On 20<sup>th</sup> May 2022, the contract was terminated citing consistently being behind schedule, poor workmanship evidenced by consistent failure to adhere to specifications, failure to update securities and poor site management.

## **76. Mpulungu Town Council**

### **a. Mpulungu Constituency**

#### **i. Grants – Empowerment - Unauthorised Projects**

During the period under review, empowerment grants in amounts totalling K1,953,200 were given to 140 selected applicants to undertake various projects such as pig farming, goat rearing and cattle rearing.

Section 5.4 of the Constituency Development Fund guidelines states that “the Minister shall approve projects, empowerments and bursaries endorsed by the Constituency Development Fund Committee”.

Contrary to the Guidelines, eight (8) organised groups had used funds in amounts totalling K140,000 on projects that were not endorsed by the Constituency Development Fund Committee.

## **ii. Other Observations - Irregular Cash Withdrawals**

The Ministry of Finance Treasury and Finance Management Circular No. 1 of 2022 guided Controlling Officers that no cash should be withdrawn for payment of subsistence allowances, fuel refunds and any other allowances. Further, it states that the allowances should be paid directly into the beneficiary's bank account.

Contrary to the Circular, accountable imprest in amounts totalling K92,588 was paid to various officers to facilitate payment of daily subsistence to officers instead of paying directly into the beneficiaries' accounts.

## **77. Mufulira Municipal Council**

### **a. Mufulira Constituency**

#### **i. Community Projects**

- **Completion of the Science Laboratory at Kalanga Secondary School-2021**

On 7<sup>th</sup> June 2022, the Council engaged Darlen Limited to complete the science laboratory at a contract sum of K210,000 with a completion period of twelve (12) weeks commencing on 7<sup>th</sup> June 2022 and ending on 6<sup>th</sup> September 2022.

The scope of works included; carpentry, joinery and ironmongery, plumbing installations, glazing, painting and decorating, external works and electrical works.

As of September 2023, the contractor had been paid amounts totalling K79,459 leaving a balance of K130,541.

A physical inspection carried out in August 2023, eleven (11) months after the expected completion date revealed that works had not been completed. The outstanding works included joinery, iron mongery, painting and decorating, electrical works, plumbing, glazing and external works.

See pictures below.



*Unfinished glazing*



*Uninstalled plumbing installations*

As at 31<sup>st</sup> August 2023, the project had stalled and the contractor was not on site.

- **Delayed Completion- Water Reticulation in Seven sites-2021**

On 3<sup>rd</sup> November 2022, the Council engaged Jozanga Investment Limited for water reticulation at seven (7) sites namely Gasto Primary School, Kansuswa Secondary School, Kamuchanga Primary School, Mufulira central school, Buyantanshi Primary School, Kawama Primary School and Kalanga Secondary School at a contract sum of K480,000 with a completion period of eight (8) weeks commencing on 3<sup>rd</sup> November 2022 ending on 5<sup>th</sup> January 2023.

The scope of works included; drilling of a borehole and installation of casing from top to bottom at two (2) sites, construction of tank stand and installation of poly tank and plumbing works and electricals (at all the seven sites).

As 30<sup>th</sup> June 2023, the contractor had been paid amounts totalling K72,000 leaving a balance of K408,000.

A physical inspection carried out in June 2023, revealed that four (4) months after the expected completion date, works at three (3) sites had not been completed with the following outstanding;

- Gasto Primary school - the borehole had not been drilled, the tank had not been mounted and electricals had not been fitted.
- Kansuswa Secondary School -the tank had not been mounted, plumbing works and electrical fittings had not been installed.

- Kamuchanga Primary School - the electrical fittings and plumbing works had been installed.

**b. Kankoyo Constituency**

**i. Community Projects**

- **Construction of a Basketball Court and Levelling of a Volleyball Court and a Football Pitch at Butondo Skills Centre Phase 1-2020**

In July 2021, the Council engaged Metal Lake Mining and Logistics Limited on a contract to construct a basketball court, levelling of a volleyball court and football pitch at Butondo Skills and Recreation centre at a contract price of K196,692 with a completion period of three (3) months commencing in July and ending in October 2021.

The scope of works included; excavation and earthworks, concrete works, carpentry and metal work. As at 24<sup>th</sup> June 2023 the Council had spent amounts totalling K156,296 on the project.

A physical inspection carried out in June and inquiries made with management revealed that the project was completed and the contractor demanded final payment of the project. However, as 30<sup>th</sup> September 2023, the recreation centre was not in use and the center was being used as a dumping site for waste and a footpath for people in the community.

It was also noticed that there was poor workmanship as the recommended hardwood from the BOQ was not used and the backboard of the basketball court was getting damaged. The concrete slab of the basketball court was also of substandard and was cracking even though the court was not being used by members of the community. See pictures below.



**c. Kantanshi Constituency**

**i. Community Projects**

The Ministry of Local Government and Rural Development approved forty six (46) community projects which included drilling of boreholes, construction of a market shelter and the procurement of desks. The projects were to be implemented in 2022.

However, as at 31<sup>st</sup> December 2022, the Council had completed thirty-eight (38), six (6) had not been implemented and two (2) were work in progress as at 30<sup>th</sup> September, 2023.

A total of forty six (46) community projects such as drilling of boreholes, construction of a market shelter and the procurement of desks were approved for implementation in 2022 out of which thirty eight (38) were implemented and completed while six (6) with allocated amount of K1,212,200 had not commenced and two (2) were work in progress as at 31<sup>st</sup> October 2023.

The following were observed:

- **Unutilised Funds**

The Council received a total of K11,938,162 for community projects out of which only an amount of K864,998 representing 7% of the funded amounts had been spent leaving a balance of K11,073,164 as at 31<sup>st</sup> December 2022.

- **Construction of a 1x3 CRB Kasumba Primary School**

On 27<sup>th</sup> May 2022, the Council engaged Neptune General Contractors Limited to construct a 1x3 classroom block at a revised contract sum of K633,167 with a completion period of twelve (12) weeks commencing in June 2022 and ending in September 2022.

The scope of works included; concrete work, brickwork and blockwork, roofing, metal work, carpentry, joinery and ironmongery, electrical installation, floor and wall finishings, glazing, painting, decorating and external works.

As at 31<sup>st</sup> December 2022, amounts totalling K610,184 had been paid to the contractor.

A physical inspection carried out in September 2023, revealed that the classroom block had been completed. However, the block had developed cracks on the floor and spoon drain; and the paint around the skating had peeled off. See pictures below.



*Cracks on Spoon drain*



*Paint peeled off*

**ii. Youth, Women and Community Empowerment - Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,946,812 were issued to 176 selected applicants to undertake various projects such as fish farming, goat selling and sausage processing.

However, the following were observed:

- **Unauthorized Change of Approved Grant Project**

Section 4 (c) of the Constituency Development Fund Act No. 11 of 2018 states that “The Minister is responsible for receipt, review and approval of project lists from Committees”.

Contrary to the Regulation, eighteen (18) Cooperatives, Clubs, Associations and Organized Groups which received grants in amounts totalling K638,100 changed the use of the grants from the approved activities without authority from the Minister.

- **Soft Loans**

During the period under review, the Council approved seventeen (17) applications amounting K1,468,409 for issuance of soft loans.

However as at 31<sup>st</sup> October 2023, the loans had not been disbursed to successful applicants.

**iii. Secondary Boarding and Skills Development**

A total of twenty-four (24) pupils were sponsored under CDF to go to boarding schools and 558 students to undergo skills training at a total cost of K3,527,947. As at 31<sup>st</sup> December 2022.

As at 30<sup>th</sup> September 2023, 290 students had graduated while 268 students and twenty-four (24) pupils were still in school.

**78. Mufumbwe Town Council**

**a. Mufumbwe Constituency**

**i. Community Projects**

**• Delayed Submission of Proposed Projects by the CDF Committee**

Section 15 (1) Subject to section 6 (e) of the CDF Act 2018, states that “A Committee shall submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.”

Contrary to the Act, the Council submitted the 2022 proposed project lists to the Minister for approval on 30<sup>th</sup> June 2022, three (3) months after the expected date prescribed by the Act.

**• Failure to Implement Approved Projects**

Section 15(5) of the Constituency Development Act No.11 of 2018 states that “a project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period.”

On 5<sup>th</sup> August 2022 the Ministry of Local Government and Rural Development approved twenty three (23) community projects at a total cost of K13,470,000 which included construction and completion of classroom blocks, market structure and water schemes.

Contrary to the Act, eleven (11) approved projects with a total allocated amount of K6,066,288 had not been implemented as at 28<sup>th</sup> June 2023 despite being approved by the Ministry of Local Government and Rural Development on 27<sup>th</sup> September 2022. See table 1 below.

**Table 1: Unimplemented Projects**

No.	Name and Type of Project	Ward	Year of Project	Date of Approval	Amount K
1	Construction of Police Post at Matushi Community	Matushi	2022	27.09.2022	500,000
2	Construction of a Staff House at Matushi Police post	Matushi	2022	27.09.2022	300,000
3	Construction of a 1*2 CRB at Kikonge Day Secondary School	Kikonge	2022	27.09.2022	500,000
4	Construction of a Market Shelter in Kikonge	Kikonge	2022	27.09.2022	170,000
5	Construction of a 1*3 CRB at Mushima Day Secondary School (Phase 10)	Mushima	2022	27.09.2022	900,000
6	Construction of a Mini-Hospital (Phase 1)	Kalambo	2022	27.09.2022	800,000
7	Construction of a 1*3 CRB at Kamabuta Day Secondary School.	Kamabuta	2022	27.09.2022	780,000
8	Construction of Staff house for an Agricultural Extension Officer	Musonweji	2022	27.09.2022	250,000
9	Construction of 1*3 CRB at Kyalusula Community School		2022	27.09.2022	591,288
10	Construction of Maternity Annex at Kilale Rural Health Post.	Kilale	2022	27.09.2022	425,000
11	Construction of a 1 x 3 CRB at Kashima east Secondary School	Kashima East	2022	27.09.2022	850,000
	<b>TOTAL</b>				<b>6,066,288</b>

The remaining twelve (12) projects were not implemented as at 28<sup>th</sup> June 2023

**ii. Secondary Boarding and Skills Development**

A total of nine (9) pupils were sponsored under CDF to go to boarding schools and 245 students to undergo skills training at a total cost of K1,448,460.

The following were observed:

- **Late Submission of Skills Development Bursary Applications for Approval**

CDF Guidelines Part 5.4 states that, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”



However, the proposed applications and estimated costs were submitted to the Minister in June 2022, two (2) months after the prescribed period.

- **Unauthorised Change of Training and Wasteful Expenditure - Mufumbwe Youth Resources Centre**

Section 12 of the 2018 Constituency Development Fund Act provides that, “the Fund shall not be used for any purposes other than disbursements to constituency accounts to meet costs of approved projects and administrative expenses not exceeding five per cent of the Fund.”

The Council was required to pay amounts totalling K8,800 for three (3) students sponsored under the CDF skills development bursaries but paid amounts totalling K15,017 resulting in overpaid amounts totalling K6,217. The three students undertook driving training courses which was not approved by CDF Committee and the Minister instead of the approved Electrical Technology, Tailoring and General Agriculture courses contrary to the CDF Act of 2018.

Furthermore, another student who was supposed to undertake training as a tipper truck operator undertook computer studies which was not approved by the CDF committee and the Ministry. The Council paid K4,900 for two (2) terms as at 31<sup>st</sup> December 2022.

## **79. Mulobezi Town Council**

### **a. Mulobezi Constituency**

#### **i. Community Projects**

- **Delayed Completion - Construction of 1x3 CRB at Machile Primary School**

On 14<sup>th</sup> November 2022, the Council engaged Cliffham Construction Limited for the construction of a 1x3 Classroom Block at Mulobezi in machele ward at a contract sum of K481,972 with a contract period of four (4) months starting from 22<sup>nd</sup> November 2022 to 25<sup>th</sup> March 2023.

The scope of works included construction of sub and superstructures, roofing and steel work, metal work, iron mongery and glazing, flooring, plastering and drainage, electricals wiring, painting and decorations and external works.

As at 30<sup>th</sup> October 2023, the contractor had been paid amounts totalling K393,518.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed. The outstanding works included; flooring, carpentry joinery and ironmongery and glazing. See picture below.



*Incomplete 1x3 CRB at Machile Primary School*

- **Grants – Empowerment - Failure to Implement Funded Projects by Grant Beneficiaries**

During the period under review, empowerment grants in amounts totalling K647,390 were issued to forty three (43) selected applicants to undertake various projects such as cattle, piggery and goat rearing, groundnut and vegetable business, poultry, block making and welding business and hardware, among others.

However, as at 10<sup>th</sup> October 2023, fifteen (15) applicants issued with grants in amounts totalling K216,120 had implemented the projects while twenty eight (28) applicants who were issued with grants in amounts totalling K403,340 had not implemented the projects for a delayed period of between nine (9) and twelve (12) months from the time the loans were disbursed.

## 80. Mumbwa Town Council

### a. Mumbwa Central Constituency

#### i. Soft Loans - Failure to Collect Loan Repayments

According to the CDF Guidelines on Loan Repayment b (i) states that the first payment shall be 60 days from the date of getting the loan; (ii) the subsequent instalments shall be paid at the end of each month.

During the period under review, sixty (60) applicants were selected and awarded soft loans in amounts totalling K2,557,090 to undertake various projects.

However, it was observed that the sixty (60) beneficiaries were required to pay monthly amounts totalling K112,336 with repayment periods ranging from twelve (12) to thirty six (36) months.

Contrary to the guidelines, 31<sup>st</sup> October 2023, the Council only collected K78,525 as loan repayment for the months of August and September 2023 leaving a balance of K149,147. See table 1 below.

**Table 1: Uncollected Loan Repayment**

<b>Month Ending</b>	<b>Loan Amount Expected K</b>	<b>Loan Amount Paid K</b>	<b>Balance K</b>
August	112,336	50,034	62,302
September	112,336	28,490	83,846
<b>Total</b>	<b>224,672</b>	<b>78,525</b>	<b>146,147</b>

#### ii. Nangoma Constituency

##### • Secondary Schools (Boarding) and Skills Development

During the period under review, amounts totalling K4,890,583 was received as funding for secondary school boarding and skills development bursaries.

As at 31<sup>st</sup> December 2022, amounts totalling K1,261,140 had been spent leaving a balance of K3,629,443.

## 81. Mungwi Town Council

### a. Malole Constituency

#### i. Bursaries – Secondary School and Skills Development

During the period under review, the Council approved to sponsor seventy five (75) pupils at boarding schools and 198 students at skills training schools at a cost K1,961,740.

As at 31<sup>st</sup> December 2022, the Council had sent amounts totalling K1,225,322 from the funds meant for Bursaries leaving a balance of K3,665,261. Despite the availability of funds, the Council did not sponsor the pupils who had applied for the bursary in 2022.

#### ii. Grants - Empowerment

During the period under review, empowerment grants in amounts totalling K1,464,239 were issued to eighty three (83) selected applicants to undertake various projects such as poultry farming, piggery and cattle keeping.

However, the following were observed:

- **Questionable Disbursement of Empowerment Funds**

Contrary to the provision, there were five (5) clubs to which amounts totalling K120,000 were disbursed as Empowerment Funds during the period under review which were not registered. See table 1 below.

**Table 1: Unregistered Groups**

No	Group/Cooperative	Ward	Proposed Project to be Funded	Amount Disbursed K
1	Kalulu Fish Cooperative	Lubala	Fish Farming/Village banking	25,000
2	Kasoma Youth Club	Kabisha	Fish Farming	30,000
3	Chimanga Multipurpose Cooperative	Kabisha	Village banking/Savings	25,000
4	Natumbeshe Youth Club	Katumba	Fish Farming	20,000
5	Fibwekula Multipurpose Cooperative	Katumba	Fish Farming	20,000
	<b>Total</b>			<b>120,000</b>

- **Unapproved Payments - Constituency Development Fund Committee**

Section 15 (1) of the Constituency Development Fund Act No. 1 of 2018 stipulates that Subject to section 6 (e), a Committee shall submit to The Minister a proposed project list and the estimated costs of the proposed

projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Act, amounts totalling K19,000 were disbursed to two (2) groups without the approval of the Constituency Development Fund Committee.

## **82. Mushindamo Town Council**

### **a. Solwezi East Constituency**

#### **i. Construction of 1x3 Classroom Block at Kichile Primary School – Brico Multi-Purpose Cooperative Society Limited**

On 22<sup>nd</sup> July 2022, the Council awarded a contract to Brico Multi-Purpose Cooperative Society Limited to rehabilitate a 1x2 classroom block at Kichile Primary school at a cost of K178,609.

The scope of works included; removal of existing roof, repairing of selected cracked walls and beam filling, construction of strong room in the office, installation of new roof using lip channels, installation of window frames with burglar bars, electrification, execution of carpentry and joinery, among others.

On 8<sup>th</sup> September 2022, the Council wrote to the contractor to stop the rehabilitation works with a view of revising the contract for the contractor to construct 1x 3 classroom block.

On 12<sup>th</sup> October 2022, the Council revised the contract and amended the contract from rehabilitation of 1x2 classroom block to construction of a new 1x3 classroom block at a contract sum of K811,301. The contract was for a period from 24<sup>th</sup> October 2022 to 23<sup>rd</sup> February 2023.

The revised scope of works included construction of substructure, roofing using lip channels and IBR sheets, electrification, execution of carpentry and joinery including installation.

As at 28<sup>th</sup> September 2023, amounts totalling K477,755 had been paid. The following were observed:

- **Irregular Amendment/Variation without Approval**

Section 77 (1) and (2) of the Public Procurement Act No. 8 of 2020 states, “an amendment to a contract shall not be effected without the approval of the Treasury and the legal advice of the Attorney-General; and subject to subsection (1), a proposed amendment or variation to a contract shall not be submitted to the Attorney - General without prior written authorisation of the appropriate approvals authority.”

Contrary to the Act, the Council amended the contract from K178,609 to K811,301 without the prior written authorisation of the appropriate approvals authority, approval by the Treasury and the legal advice of the Attorney-General.

- **Delay in Completion**

A physical inspection carried out on 12<sup>th</sup> October 2023 revealed that the building had not been completed eight (8) months after the expected completion date. The outstanding works included; beam filling, plastering, flooring, doors, grazing, apron and spoon drain, five (5) window frames, mortice locks, chalk boards and painting.

Further, it was observed that Y12 burglar bars were used instead of Y16 contrary to the specifications in the bill of quantities.

As at 30<sup>th</sup> September 2023, the contractor was not on site. See picture below.



*Incomplete 1x3 Classroom Block*

**ii. Failure to Follow Tender Procedures**

Section 60 (1-5) of the Public Procurement Act No. 8 of 2020 state that a solicitation document shall be in the form issued by the Authority or any other document approved by the Authority and it shall contain clear instructions on the management of the procurement process and the applicable rules, a clear description of the object of the procurement in the form of a statement of requirements, a clear description of the eligibility requirements in respect of bidders and specification of documentary evidence required as proof of eligibility, the proposed form and conditions of contract or a statement of the form and conditions of contract, clearly state the methodology and criteria to be used in the evaluation of bids and the determination of the best evaluated bidder.

Contrary to the Act, a review of fifteen (15) contracts for rehabilitation, construction of classrooms, clinics and bridges which were awarded at a total contract sum of K5,767,281 revealed that the contracts were awarded without following tender procedures as the contracts lacked supporting documents such as site possession certificate, adverts, bid documents, evaluation reports, contracts and approval by the Attorney General. See 1 table below.

**Table 1: Contracts Awarded Without Following Tender Procedures**

No.	Project	Contractor	Contract Amount K	Observation
1	Rehabilitation of 1x4 classroom block	Calamus Enterprises Limited	431,820	No site possession certificate, no solicitation documents (Adverts, bid documents and evaluation reports) & no Approval from Attorney General.
2	Construction of Bridge and embarkment at Mulalashi stream	Hossain Enterprises Limited	802,937	Evaluation reports and no approval from Attorney.
3	Completion of Sub structure on the 1x2 classroom block at Misangwa and Kashinge Primary School	Morumo Innovation Limited	303,871	No site possession certificate, and evaluation reports, no contract and no approval from Attorney General.

4	Construction of Culverts on Mwibale stream in Mapunga ward	Naltan Investments Limited	125,530	No solicitation document such as advert, bid documents, evaluation reports and contracts availed.
5	Rehabilitation of 1x3 classroom block at Luamfula Primary School	Naltan Investments Limited	309,858	No site possession certificate, and evaluation reports, no contract and no Approval from Attorney General.
9	Construction of a 1x3 classroom block at Kichile Primary School	Brico Multi-Purpose Cooperative	811,300	No site possession certificate, no bank guarantee for advance payment, no solicitation documents (Adverts, bid documents and no approval from Attorney General.
10	construction of culverts and embankment on Kyambulumina and Kafwemba streams	Hossain Enterprises Limited	806,151	no bank guarantee for advance payment, and evaluation reports) and no approval from Attorney General.
11	Completion of 1X3 Classroom block at Yowela Secondary School	Robucon Construction Limited	596,838	No site possession certificate and evaluation reports. No approval from Attorney General.
12	Construction of a water scheme at Chief Musaka's Palace.	SARO Agro Industrial Limited	150,085.69	Single sourced as there were no quotations from other companies.
13	Construction of Kingovwa Rural Health Post	Shapron Construction and Logistics	388,931	No site possession certificate, no approval from Attorney General.
14	Borehole sitting, drilling, construction of civil works and installation of 2 hand pumps at Mushingwa community and Kibombomene	Sts Drilling and Exploration Ltd	98,060	Single sourced as there were no quotations from other companies
15	Drilling of five hand pump boreholes in Katemo community, chief Chikola's palace, Kasalamakanga, Kamilombe Primary School and Kibuye Primary	Sts Drilling and Exploration Ltd	243,150	No site possession certificate, no solicitation documents such as adverts, bid documents & evaluation reports. No contract.
	<b>Totals</b>		<b>5,068,531.69</b>	



**iii. Failure to Claim Advance Payments**

On 22<sup>nd</sup> August 2022, Hossain Enterprises Limited was awarded two (2) contracts for the construction of culverts and embarkment on Kyambuluma and Kafwemba streams and construction of bridge and embarkment on Mulalashi streams at contract sums of K806,151 and K802,937 respectively for a duration of fourteen (14) weeks. On 24<sup>th</sup> August 2022, the contractor was paid an advance in amounts totalling K241,363 against advance bond guarantee dated 11<sup>th</sup> August 2022 with an expiry date of 11<sup>th</sup> January 2023.

Clause 6.4 of the Special Conditions of Contract of the contracts stated that advance for mobilisation, materials and supplies shall be 15 percent of the contract and be paid on the commencement date against the submission of a bank guarantee for the same.

A physical inspection carried out in October 2023 revealed that the contractor did not perform any works on the two projects.

Contrary to the clause, the Council had not claimed the advance payments of K241,363 from the insurance company and the advance bond guarantee expired on 11<sup>th</sup> January 2023.

- **Infrastructure Community Project Status**

A physical inspection of selected projects carried out in September 2023 revealed the following. See 2 table below.

**Table 2: Status of Community Projects**


No.	Constituency	Project	Contractor	Contract		Contract Sum K	Amounts Paid K	Scope of Works	Project Status and Other observations as at 12 <sup>th</sup> October 2023
				Start	End				
1	Solwezi East	Completion of Male and Female Wards	Photo Four Enterprise	10/08/2022	09/10/2022	224,750	192,643	Completion of all substructure works, construction of superstructure works, installation of roof, installation of iron morgery, execution of carpentry and joinery, electrical installation and installation of metal works	The wards had been completed, however, both wards had cracked floors and were not operational. No handing over report was availed for audit.  Further, one of the wards was used as a chicken run.


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*Cracked Floor*



									
									<i>Ward Used as a Chicken Run</i>
2	Solwezi East	Completion of Construction of Health Post at Kingovwa	Shapron Construction & Logistics Limited	08/08/2022	07/11/2022	333,944	269,463	Removal of exiting roof, repairing of selected cracked walls and beam feeling, Construction of strong room in the office, Installation of new roof using lip channels, installation of window frames with burglar bars, electrification,	<p>The contract price was revised from 333,943.70 to K388,930.70, however, no evidence of written authority to revise was availed.</p> <p>The building had not been completed eleven (11) months after the expected completion date. The outstanding works included; painting and flooring as the existing floor had been removed.</p>

								execution of carpentry and joinery including installation of doors, notice and chalk boards, external works on spoon drain and concrete aprons, painting and decoration and Glazing.	Further, the contractor was not on site.   <i>Undone Floor</i>
3	Solwezi East	Completion of sub-structure on the 1x2 classroom block at Misangwa and Kashinge Primary School	Morumo Innovations Limited			303,871	227, 819	Installation of floor, review of wall finishes, carpentry and joinery including door fixing, installation of chalk and notice boards, iron morgery works,	There was poor workmanship on flooring as the floor was cracking.

								painting and decorations, external works including ramps, spoon drain and concrete apron	 <p><i>Cracked Floor</i></p>
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**iv. Soft Loans - Unrecovered Loan Instalments**

During the period under review, fifteen (15) applicants were selected and awarded soft loans in amounts totalling K2,199,930 to undertake various projects such as fish farming, agro business, cooking oil processing among others.

Appendix F (b) (i) to (iv) of the Constituency Development Fund Guideline of 2022 on loan repayment states, “the first payment shall be 60 days from the date of getting the loan; the subsequent instalments shall be paid at the end of the month; delayed payments shall not exceed 5 days after the end of the month; and payments made after 5 days shall attract a charge of 2% of the instalment amount.”

Contrary to the Guidelines, the Council had not recovered any amounts from five (5) beneficiaries with loans in amounts totalling K55,734.

Further, no interest had been claimed.

**v. Grants – Empowerment**

During the period under review, empowerment grants in amounts totalling K1,953,233 were disbursed to sixty six (66) selected applicants to undertake various projects such as purchase of farming inputs, purchase of hammer mills and chicken layering among others.

As at 12<sup>th</sup> October 2023, twenty-nine (29) projects were implemented, thirty three (33) were work in progress and four (4) applicants were not implemented.

The following was observed:

- **Unauthorised Transfer of Funds between Accounts**

Section 32 (5) of the Public Finance Management Act No.1 of 2018 states, “a transfer of public money should not be made between accounts at the same bank or different banks without the written approval of the Secretary to the Treasury.”

Contrary to the Act, on 21<sup>st</sup> September 2022, the council transferred an amount of K58,528 from the CDF Account to the District Fund Account without prior authority from the Secretary to the Treasury.

### **83. Mwandu Town Council**

#### **a. Mwandu Constituency**

##### **i. Community Projects**

- **Construction of Lwanza community school**

On 3<sup>rd</sup> October 2022 the Council issued a local purchase order to engage Samazuka General Dealer Ltd for the construction of 1X3 Classroom block in Lwanza at a contract sum of K747,895 for the contract period of twelve (12) months commencing on 3<sup>rd</sup> April 2022 to 3<sup>rd</sup> April 2023

At the time of the audit amounts totalling K360,179 were paid to the contract with the balance of K 381,715.60 still outstanding.

The following observations were made:

Contrary to the procurement Act No. 72(2), the Council awarded the contract without following the procurement procedures in that there was no evidence of the following:

- An award decision by the appropriate approvals authority in accordance with section 70;
- Publication and dispatch of the notice of the best evaluated bidder;
- Confirmation that the procurement is not subject to review by the authority;
- Any other approvals required, including clearance of the contract by the treasury and the legal advice of the attorney General.

Further there was no BOQ availed for audit to show the scope of works to be done and it was not clear why the completion period was twelve (12) months when the funds were available. See picture below.





*School under construction*

**ii. Bursaries – Secondary School and Skills Development - Failure to Provide Attendance Registers-LIBES**

During the period under review the Council, sponsored 179 pupils to boarding schools and 105 students to undergo skills training at a total cost of K1,138,685.

During the period under review the Council paid amounts totalling K769,650 for students on skilled development to Livingstone Institute of business and engineering. At the time of the audit the Council failed to provide class attendance registers for students making it difficult to ascertain the participation of students in their different faculties in terms of attendance.

**Grants – Empowerment - Under Funding of Women Empowerment Groups**

During the period under review, empowerment grants in amounts totalling K1,690,000 were given to ninety seven (97) selected applicants to undertake various projects such as portray, fishing farming, rice farming, village banking and goat rearing among others out of amounts totalling K1,956,233 that was received.

In the year under review the Council approved applications for ninety-seven (97) clubs and cooperatives at the maximum approved amount of K40,000. In this regard amounts totalling K3,880,000 were supposed to be paid to qualified clubs to venture in different business activities and projects.

A verification carried out in October on sampled clubs and cooperatives revealed that the clubs were only funded amounts ranging from K10,000 to K30,000. Amounts totalling K1,690,000 were disbursed resulting in under

funding by K2,190,000 making it difficult for cooperatives to fully implement their planned for businesses and projects.

#### **84. Mwansabombwe Town Council**

##### **a. Mwansabombwe Constituency**

##### **i. Youth, Women and Community Empowerment**

- **Grants – Empowerment**

During the period under review, empowerment grants in amounts totalling K1,923,200 were issued to 120 selected applicants to undertake various projects such as farming, carpentry and village banking.

However, out of the total number of applicants, twenty two (22) groups could not be reached and there were no records at the Council to ascertain their status.

#### **85. Mwense Town Council**

##### **a. Mwense Central Constituency**

##### **i. Delayed Completion of Project - Electrification and Partial Completion of Muposhi Rural Health Post**

On 26<sup>th</sup> August 2022, the Council engaged Mujado General Dealers for the Electrification and Partial completion of Muposhi Rural Health Post at a contract price of K262,085 with a completion period of ten (10) weeks commencing on 26<sup>th</sup> August 2022 and ending 18<sup>th</sup> November 2022.

The scope of works included blockwork, ring beam, plaster and floor screed, brickwork sundries, pain-instu C20 concrete, screed, metalwork, glazing to steel with putty, doors, locks, paint work, electrical installation, connection of facility to ZESCO, LV 400V distribution 3 spans, finishes and external works.

As of 31<sup>st</sup> December 2022, the contractor had been paid the total contract price of K122,964.

A physical inspection carried out in May 2023 revealed that, the works had not been completed six (6) months after the date of contract signing. See pictures below.



*Unkempt surrounding*



*No electrification had been done*



*One side of the window failing off*



*Crack on the veranda floor*



*Window not closing properly*



*Poor workmanship on the veranda*

## **86. Mwinilunga Town Council**

### **a. Mwinilunga Constituency**

#### **i. Community Projects**

- **Delayed Submission of Proposed Projects by the CDF Committee**

According to Section 15 (1) Subject to section 6 (e) of the CDF Act 2018, a Committee shall submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Act, the Council submitted the 2022 proposed project lists to the Minister for approval on 6<sup>th</sup> September 2022, five (5) months after the expected date prescribed by the Act.

- **Construction of a 1 x 3 CRB at Kapemba - Failure to Follow Approved Standard Designs**

On 10<sup>th</sup> October 2022, the Council entered into a contract with Basis of Faith General Dealers & Contractors Ltd for the completion of a 1X3 CRB at Kapemba Secondary School in Kapemba Ward at a contract sum of K215,000 with a contract duration of three (3) months.

The scope of works included; Substructure, Superstructure, block works, carpentry, roofing, painting, finishes & external works.

It was however, observed that the design of the classroom block was altered to having 21 (1.8 X 1.1mm) windows instead of 12 (1.8 X 1.1) windows thereby leaving just pillars instead of wall plates between windows and inclusion of two (2) offices instead of one as per contract and standard design as prescribed by Ministry of Education. See pictures below:



*Four (4) windows on one side of the classroom instead of two Two (2) offices in one classroom instead of one*

## **ii. Bursaries – Secondary School and Skills Development**

A total of 294 pupils were sponsored under CDF to go to boarding schools and 152 students to undergo skills training at a total cost of K1,435,593.

However, the following were observed:

- **Late Submission of Skills Development Bursary Applications for Approval**

CDF Guidelines Part 5.4 states that, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

It was observed that during the period under review, the proposed applications and estimated costs were submitted in June 2022, two (2) months after the prescribed period.

## **iii. Grants – Empowerment**

During the period under review, empowerment grants in amounts totalling K1,955,840 were given to 184 selected applicants to undertake various projects such as fishing, livestock and general agriculture.

However, the following were observed:

- **Failure to Provide Ward Development Executive Committee Minutes**

The CDF Guideline 5.2.3.1 (a) which states that “Empowerment applications for grants to the CDFC shall be accompanied by the following documents: (a) Signed Minutes of the Ward Development Executive Committee Meeting”.

Contrary to the guideline, the Council did not avail for audit the minutes of the Ward Development Executive Committee Meetings that were held to deliberate on the awarding of empowerment grants in amounts totalling K1,366,280 to 128 successful applicants.

- **Failure to provide Application forms for Youth and Women Empowerment Grant Applicants**

The CDF Guideline 5.2.2 (a) which states, “Cooperatives, Clubs, Associations and Organised Groups shall apply for grants to the WDCs to be used as seed money to establish a revolving fund to support their Members; and that the CDFC shall receive and review applications submitted by the WDC and submit the consolidated list for approval by the Minister.”

Contrary to the guideline, there were no application forms availed for audit in respect of seven (7) recipients of empowerment grant in amounts totalling K71,000 rendering questionable as to how the grants were awarded.

## 87. Nakonde Town Council

### a. Utilisation of CDF- Nakonde Constituency

A total amount of K25,684,041 was available for utilisation to cater for various CDF components in the Constituency out of which K6,209,661 was utilised leaving a balance of K19,474,380 as at 31<sup>st</sup> December 2022. See table 1 below.

**Table 1: Utilisation of CDF – Nakonde Constituency**

No	Details	Funding K	Expenditure K	Unspent Funds K
1	Balance b/f	1,944,130	1,944,130	-
2	Community Based projects	11,938,162		11,938,162
3	Bursaries-Secondary School and Skills Development	4,890,583	1,339,140	3,551,443
4	Soft Loans	2,934,350		2,934,350
5	Grants-Empowerment	1,956,233	1,914,230	42,003
6	Disaster Contingency	733,587	183,398	550,189
7	Administrative Cost	1,286,996	828,763	458,233
	<b>Total</b>	<b>25,684,041</b>	<b>6,209,661</b>	<b>19,474,380</b>

The following were observed:

#### i. Community Projects

- **Failure to Procure Desks**

During the period under review, the Council budgeted to procure desks in amounts totalling K800,000 to be distributed schools.

However, as at 31<sup>st</sup> December 2022, the desks had had not been procured, despite the project being approved by the Ministry of Local Government and Rural Development on 12<sup>th</sup> August 2022.

- **Completion of 1x4 Classroom Block at Waitwika Secondary School**

On 17<sup>th</sup> March 2022, the Council awarded Derrick Sintumfya a labour-based contract with a contract price of K20,000 to complete a 1x4 classroom block at Waitwika Secondary School. The contract period was one month commencing on 30<sup>th</sup> March 2022 and ending on 30<sup>th</sup> April 2022.

The scope of works included carpentry and joinery, ironmongery, metalwork, electrical installations, flooring, finishing and painting.

As at 31<sup>st</sup> December 2022, the Council had spent amounts totalling K99,800 (materials - K79,800 and labour - K20,000).

A physical inspection of the project carried out in September 2023 revealed that the project had not been completed fifteen (15) months after the expected completion date.

The outstanding works included installation of doorframes and doors, fitting of window frames and windowpanes, flooring, brickwork, wiring, roofing and painting. See pictures below;



*Incomplete 1x4 Classroom Block at Waitwika Secondary School*

- **Completion of 1x2 Classroom Block at Chiwale Primary School**

On 4<sup>th</sup> August 2022, the Council awarded Silungwe Jafeli a labour based contract with a contract price of K17,500 for the completion of a 1x2 classroom block at Chiwale Primary School. The contract period was two (2) months commencing on 11<sup>th</sup> August 2022 and ending on 11<sup>th</sup> October 2022.

The scope of works included completion of superstructure, brickwork including reinforced concrete ring beam, roofing, installation of doors, fitting of windowpanes and painting.

As at 31<sup>st</sup> December 2022, the Council had spent amounts totalling K59,965 (materials - K52,465 and labour - K7,500) on the project.



A physical inspection of the project carried out in September 2023 revealed that the project had not been completed eight (8) months after the expected completion date.

The outstanding works included roofing, flooring, painting, installation of doors and glass. See picture below.



*Incomplete 1x2 Classroom block*

Further, it was observed that as at 30<sup>th</sup> September 2023, 129 corrugated iron sheets costing K21,285, five (5) litres of wood preservative costing K2,700, ridges costing K910 and deformed bars costing K840 had not been delivered to the school by the Council.

## **ii. Grants - Empowerment**

### **• Failure to Monitor Projects**

Guideline 8.2 of the CDF Guidelines requires the Council to monitor and generate monthly, quarterly, semi-annually and annually project progress reports.

Contrary to the Guideline, the Council paid amounts totalling K1,914,230 for eighty six (86) projects. However, the Council failed to monitor thirty nine (39) projects in amounts totalling K905,000.

### **• Payment of Grants without Following the Application Procedure**

Guideline 5.2.3.1 of the CDF Guidelines of 2022 requires Empowerment Applications for grants to the CDFC to be accompanied by signed Minutes of the Ward Development Executive Committee; and signed application

forms by the Ward Development Committee (WDC) Chairperson. Where the Chairperson is not available, the Vice Chairperson shall sign and where the Vice Chairperson is not available, the Committee shall nominate a member amongst themselves who shall sign the applications.

The Council paid amounts totalling K65,000 to three (3) empowerment groups that had no accompanying minutes to the application for approval.

- **Failure to Maintain Database for Individual Recipients in the Groups**

During the period under review, the ministry approved eighty six empowerment projects and amounts totalling K1,914,230 were paid out to given to eighty six qualifying applicants to undertake various projects such as village banking, goat keeping and poultry among others.

However, as at 30<sup>th</sup> September 2023, no documents had been provided on the implementation of the projects.

## **88. Nalolo Town Council**

### **a. Nalolo Constituency**

#### **i. Community Projects**

- **Use of the Disaster Contingency without Authority**

The Ministry of Local Government and Rural Development in the Minute No. MLGRD/71/1/121 dated 6<sup>th</sup> September 2022 allocated 5% of community project funds as contingency for disasters which may occur from natural occurrences (Part 5.1.1 of 2022 CDF Guidelines).

The procedure for implementation of activities under this component required the community, through the Ward Development Fund Committee to notify the Constituency Development Fund Committee (CDFC) which would in turn notify the Local Authority to facilitate the holding of the CDFC meeting to address the emergency situation.

Contrary to the Guideline, the Council implemented two (2) community projects under the disaster component at a cost of K608,283 without approval by the Ministry of Local Government and Rural Development. See table 1 below.

**Table 1: Projects implemented using the Disaster Contingency Component**

No.	Project Name	Amount K	Project Status at the time of Audit
1	Rehabilitation of a 1 X 2 CRB at Shekela School	209,696	100% complete
2	Rehabilitation of a 1 X 2 CRB at Sipungu School	398,587	80% complete, painting
	<b>Total</b>	<b>608,283</b>	

- **Rehabilitation of the veterinary staff house in Silowana (Kaunga Lueti)**

The Council engaged Tatumwi General Dealers on 1<sup>st</sup> June 2022 to rehabilitate the veterinary staff house in Silowana Ward at a cost of K89,520, for a period of two (2) months.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling of K40,940.

A physical inspection carried out on 30<sup>th</sup> September 2023 revealed that there was poor workmanship in that the roof overlap was too short, the floor and walls had developed cracks and the doors had started separating.

However, it was difficult to ascertain the scope of works in that the bill of quantities were not availed for audit. See pictures below.



*Staff house at Silowana with cracked walls, poor doors and frames*

- **Construction of Staff House at Nasilimwe Agriculture House**

The Council allocated a total of K200,000 towards the construction of a staff house at Nasilimwe in Kambai Ward. On 26<sup>th</sup> May 2022, the Council engaged New Mapalo General Dealers on a labour-based contract to construct the staff house at a contract sum of K46,225 with a contract period of 120 days commencing on 26<sup>th</sup> May 2022 to 27<sup>th</sup> September 2022.

The scope of works included: molding blocks, construction of substructure, concrete works, block works, construction of superstructure, roofing, carpentry, joinery and ironmongery, metal works, flooring, plastering, glazing, painting and decoration.

As at 30<sup>th</sup> September 2023, a total of K37,025 had been paid to the contractor leaving a balance of K9,200.

A physical verification carried out on 30<sup>th</sup> September 2023 revealed that the staff house had not been completed twelve (12) months after the expected completion date and works had stalled with the following works still outstanding:

- glazing;
- completion of plastering;
- completion of flooring;
- fixing of internal doors and mortice locks;
- external works such as drainages around the structure; and
- Painting and decoration. See picture below.



*The uncompleted Staff House at Nasilimwe RHC*

- **Bursaries – Secondary School and Skills Development**

A total of thirty three (33) pupils were sponsored under CDF to go to boarding schools and 166 students to undergo skills training at a total cost of K1,199,518.

As at 30<sup>th</sup> September 2023, no pupil had completed school and eighty three (83) students had graduated.

- **Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,956,233 were given to 120 selected applicants (cooperatives) to undertake various projects such as rice farming, poultry/piggery and village banking businesses.

The following was observed:

- **Failure to Implement Projects by Beneficiaries of Empowerment Grants**

A verification of thirty (30) clubs and cooperatives that received grants in amounts totalling K482,800 revealed that they had not implemented the approved projects after receiving the capital grants. See table 2 below.

**Table 2: Unimplemented Projects**

No.	Business Type	No. of Beneficiaries	Amount Applied for K	Amount Disbursed K
1	Agro Business	5	360,000	80,500
2	Bakery/Taxi Business	3	277,000	48,300
3	Livestock/Fishing	11	440,000	177,000
4	Hammer Mill	11	442,000	177,000
	<b>Total</b>	<b>30</b>	<b>1,519,000</b>	<b>482,800</b>

## **89. Namwala Town Council**

### **a. Namwala Constituency**

#### **i. Soft Loans - Weaknesses in the Management of Soft Loans**

During the period under review, the Council disbursed soft loans in amounts totalling K3,739,510 to twenty one (21) applicants to undertake various projects such as dairy farming, feedlot farming, fish farming, piggery, gardening, hammer mill and groceries and hardware trading and beef production.

Guideline No 5.2.1(b) of the Constituency Development Fund Guidelines of 2020 states the following:

- The CDFC, working with the Local Authority shall invite Financial Institutions to apply for consideration to manage the CDF Revolving Fund and disburse loans to qualifying applicants in the Constituency;
- The CDFC shall receive and review applications and recommend eligible Financial Institutions for approval by the Minister to disburse loans; and
- Small and Medium Scale Enterprises, Cooperatives, Associations, Clubs and Individuals shall apply for loans to the approved Financial Institutions.

Further, Guideline No 5.2.7(c) states that where an applicant succeeds, they shall be required to sign a grant or loan agreement. The agreement shall be made between the Local Authority, or an identified Financial Institution and the applicant as may be applicable.

During the period under review, ZANACO Limited had disbursed loans in amounts totalling K3,789,510 in respect of twenty-one (21) successful applicants. However, as at 31<sup>st</sup> October 2023, the Council had not provided the Memorandum of Understanding (MoU) with ZANACO, the signed loan agreements and the loan statements for the twenty one (21) successful applicants.

#### **ii. Grants – Empowerment**

During the period under review, the Constituency disbursed empowerment grants in amounts totalling K1,457,000 to sixty nine (69) selected applicants to undertake

various projects such as farm animals rearing, poultry, fish farming, gardening, hammer mill, oil extraction, peanut butter making, agro vet, feedlot farming and welding.

However, the following were observed:

- **Missing Application Form**

Guideline 5.2.3.1 of the CDF Guidelines states that Empowerment applications for grants shall be accompanied by signed application forms by the Ward Development Committee Chairperson.

It was however observed that one (1) co-operative was issued with a grant amounting to K15,000 without attaching or filling in the prescribed application form.

- **Failure to Attach Accompanying Documents**

Guideline 5.2.6 of the CDF Guidelines states that accompanying documents for Empowerment fund applications shall include Green National Registration Card (where applicable for all project members), a letter of recommendation from a Civic Leader, Religious Leader, Traditional Leader, a Commissioner of Oaths or a Bank Manager and proof of a bank account or mobile wallet registered for the group, among others.

Contrary to the above Guideline, it was observed that:

- Two (2) clubs/cooperatives were issued with grants in amounts totalling K60,000 without attaching NRC's for their members.
- Eleven (11) clubs/cooperatives were issued with grants in amounts totalling K225,000 without attaching recommendation letters, thereby making it difficult to ascertain whether the members belong to the community.
- Seven (7) beneficiaries were awarded grants in amounts totalling K125,000 without attaching any proof of bank account or mobile wallet.

- **Missing Grant Agreement Form**

Guideline 5.2.7 of the CDF Guidelines provides for the Terms and Conditions for Grants and Empowerment Loans which require a successful applicant to sign a grant or loan agreement.

Contrary to the Guideline, one (1) beneficiary club was awarded a grant amounting to K20,000 without signing a Grant Agreement form.

- **Failure to Provide Information for Audit**

Section 73 (1) of the Public Finance Management Act No. 1 of 2018 requires that the Auditor General and an office holder, agent or specialist consultant authorised by the Auditor General, shall in the performance of duties under the Constitution, or any other law, have access to all books, records, returns, reports, other documents and financial management systems, in electronic or any other form, relating to the accounts of public bodies as the Auditor General considers necessary.

Contrary to the Act, management failed to provide twelve (12) files for youth, women and community grants in amounts totalling K265,000 awarded during the period under review.

- **Irregular Award of Contracts**

Section 2.1.1 of the Council's Bidding Document requires bidders to submit audited financial statements for the past one (1) year.

Further Section 2.2 of the Council Bidding Document requires bidders to indicate their history of non-performing contracts and their litigation status

Contrary to the above, five (5) contracts were irregularly awarded contracts in amounts total K1,820,446 without submitting the audited financial statements for one (1) year and history of non-performing contracts and litigation status at the time of bidding. See table 1 below.



**Table 1: Non-submission of Audited Financial Statements by Bidders**

No.	Bidder / Contractor	Contract Details	Amount K	Comment
1	Mivo Logistics	Rehabilitation of Solar Powered Borehole at Kantengwa Primary School	605,488.00	No Financial Statement
2	Money Hardware	Construction of Waterborne Facility and Mechanizing Borehole at Namusondwe Primary School	705,488.00	No Financial Statement
3	Money Hardware	Construction of 1 x 2 Classroom Block at Chinyemu Community School	509,470.06	No Financial Statement
4	Mivo Logistics	Rehabilitation of Solar Powered Borehole at Kantengwa Primary School	605,488.00	No history of Non-Performing Contracts and Litigation Status
5	Money Hardware	Construction of Waterborne Facility and Mechanizing Borehole at Namusondwe Primary School	705,488.00	No history of Non-Performing Contracts and Litigation Status
		<b>Total</b>	<b>3,131,422.06</b>	

- **Failure to Avail Documentation.**

Section 73 (1) of the Public Finance Management Act No. 1 of 2018 requires that the Auditor General and an office holder, agent or specialist consultant authorised by the Auditor General, shall in the performance of duties under the Constitution, or any other law, have access to all books, records, returns, reports, other documents and financial management systems, in electronic or any other form, relating to the accounts of public bodies as the Auditor General considers necessary.

Contrary to the Act, management failed to provide contract, variation authority and progress reports for three (3) contracts amounting to K700, 214 that were availed during the period under review.

## **90. Nchelenge Town Council**

### **a. Nchelenge Constituency**

#### **i. Community Projects**

- Poor Quality of Desks Supplied to Schools**

During the period under review Nchelenge Town Council gave contracts to twelve (12) contractors for the supply and delivery of 650 desks with a total budgeted cost of K975,000.

As of September 2023, all the desks had been delivered.

However, a verification carried out on 29<sup>th</sup> September 2023 revealed that the quality of these desks were not up to standard as they had started separating, breaking and bending. See pictures below.



*Bent desk*



*Broken desk*



*Desks have started separating*

**ii. Empowerment Grants - Failure to Implement Projects**

During the period under review, empowerment grants in amounts totalling K1,873,200 were given to eighty one (81) selected applicants to undertake various projects such as Chicken rearing, fish farming, village banking, pig rearing and hammer mill operations.

Out of the eighty one (81) selected applicants only fifty five (55) applicants had implemented while twenty six (26) either misused the funds or had not implemented the projects as at 31<sup>st</sup> December 2022 with a total cost of K609,100.

**91. Ndola City Council**

**a. Ndola Central Constituency**

**i. Community Projects – Failure Implement Approved Projects**

During the period under review amounts totalling K11,938,162 were received out of which amounts totalling K1,094,093 were spent leaving a balance of K10,844,069.

As at 31<sup>st</sup> December 2022, a total of eleven (11) community projects such as class room block, rehabilitation of bridges and installation of street lights, among others were approved for implementation in 2022.

However, a review of the approved list and progress reports for Constituency Development Fund revealed that three (3) projects which were allocated amounts totalling K2,466,896 had not been implemented as at 8<sup>th</sup> September, 2023 despite having received the funds by 31<sup>st</sup> December, 2022.

**ii. Bursaries – Secondary School and Skills Development**

• **Questionable Approved List of Skills Bursaries**

Constituency Development Funds (CDF) guidelines 5.3.2 state that (i) Eligible applicants shall submit a duly completed application form for bursary to the WDCs with the acceptance letter from a public school or training institution; (ii) The WDC shall submit a consolidated list of names of bursary applicants received from applicants for onward submission to the CDF Committee; and (iii) The CDF Committee shall submit a consolidated final list of selected applicants from the Constituency to the Local Authority for processing of payments.

Contrary to the CDF guidelines, the Council had fourteen (14) students who applied for skill bursaries in amounts totalling K79,250 had duplicated details, including instances where the same student names appeared under different colleges, same NRC numbers were associated with different student names, and identical names/NRC numbers appearing under different wards.

• **Failure to Pay Institutions for Skill Bursaries**

During the year under review, Ndola Central Constituency had received a total of K4,890,583 out of which it had not paid tuition fees for two hundred and thirty one (231) students in amounts totalling K1,196,087.00 who were being trained at various training institutions as of 30th September, 2023.

**b. Kabushi Constituency**

**i. Community Projects – Failure to Implement Projects**

However, a review of the approved list and progress reports for Constituency Development Fund revealed that five (5) projects which were allocated amounts

totalling K4,352,394 had not been implemented as at 8<sup>th</sup> September 2023 despite having received the funds by 31<sup>st</sup> December 2022.

**c. Bwana Mukubwa Constituency**

**i. Bursaries – Secondary School and Skills Development**

• **Questionable Approved List of Skills Bursaries**

Constituency Development Funds (CDF) guidelines 5.3.2 state that (i) Eligible applicants shall submit a duly completed application form for bursary to the WDCs with the acceptance letter from a public school or training institution; (ii) The WDC shall submit a consolidated list of names of bursary applicants received from applicants for onward submission to the CDF Committee; and (iii) The CDF Committee shall submit a consolidated final list of selected applicants from the Constituency to the Local Authority for processing of payments.

Contrary to the CDF guidelines, the Council had eighty two (82) students who applied for skill bursaries in amounts totalling K367,270 had duplicated details, including instances where the same student names appeared under different colleges, same NRC numbers were associated with different student names, and identical names/NRC numbers appearing under different wards.

• **Failure to Pay Institutions for Skill Bursaries**

During the year under review, Bwana Mukubwa Constituency had received a total of K4,890,583 out of which it had not paid tuition fees for sixty (60) students in amounts totalling K194,020 who were being trained at various training institutions as of 8<sup>th</sup> September,2023.

**d. Chifubu Constituency**

**i. Bursaries – Secondary School and Skills Development**

• **Failure to Pay Institutions for Skill Bursaries**

During the year under review, Chifubu Constituency had received a total of K4,890,583 out of which it had not paid tuition fees for sixty eight (68) students

in amounts totalling K171,600 who were being trained at various training institutions as at 30<sup>th</sup> September 2023.

## **92. Ngabwe Town Council**

### **a. Lufubu Constituency**

#### **i. Community Projects**

- **Delayed Submission of Proposed Projects by the CDF Committee**

Section 15 (1) of the Constituency Development Fund Act No. 11 of 2018 requires that the Committee should submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the provision, the Council submitted eighteen (18) proposed projects to the Minister for approval on 15<sup>th</sup> May 2022 and 25<sup>th</sup> August 2022.

In this regard, the submissions for approval delayed for two (2) and five (5) months respectively.

#### **ii. Failure to locate club members – Kashitu Women’s Group (Cattle Rearing) Mukubwe Ward**

On 22<sup>nd</sup> October 2022 the Council disbursed K40,000 to Kashitu women’s group for the purpose of rearing cattle for diary production. However, the club and the project site could not be located making it difficult to verify the existence of the club and the said project.

As at 31<sup>st</sup> October 2023 the Council could not locate the Cooperative.

#### **iii. Over Expenditure on Administrative Costs**

During the period under review, amounts totalling K1,286,996 were allocated as administrative cost representing 5% of the 2022 funding. However, amounts totalling K1,385,550 were spent resulting in an over expenditure of K98,554.

### 93. Nkeyema Town Council

#### a. Nkeyema Constituency

##### i. Community Projects

- **Construction of 1x3 CRB at Sipalo Primary School – Delayed Completion**

On 27<sup>th</sup> September 2022, the Council engaged Kezo Business Solutions for the construction of a 1x3 classroom block at Sipalo Primary School at a contract price of K553,348 with a contract period of twenty four (24) weeks commencing on 27<sup>th</sup> September 2022 and ending on 26<sup>th</sup> March 2023.

The scope of works included; Substructure, Superstructure, concrete work, brickwork and block work, roofing, metal work, carpentry joinery and iron mongery, flooring, plastering, and ceiling finishes, glazing, painting and decorating, external works.

As at 2<sup>nd</sup> October 2023, the contractor was on site and had been paid amounts totalling K418,644 leaving a balance of K134,704.

A physical inspection carried out on 2<sup>nd</sup> October 2023, revealed that the project had not been completed six (6) months after the expected completion date in that the following works were still outstanding:

- carpentry joinery and ironmongery,
- flooring, and ceiling finishes,
- painting and decorating, external works. See picture below.



*1x3 Classroom Block at Sipalo Primary School*

The delay in implementing the project was attributed to poor road network in the rain season in that transportation of materials to the site was difficult.

- **Delayed Completion - Construction of 1x3 CRB at Shishamba Primary School**

On 28<sup>th</sup> September 2022, the Council engaged Janzu Engineering Limited for the construction of a 1x3 classroom block at Shishamba Primary School at a contract price of K541,227 with a contract period of twenty four (24) weeks commencing on 28<sup>th</sup> September 2022 and ending on 27<sup>th</sup> March 2023.

The scope of works included; substructure, superstructure, concrete work, brick work and block work, roofing, metal work, carpentry joinery and ironmongery, flooring, plastering and ceiling finishes, glazing, painting and decorating, external works.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K283,330 leaving a balance of K257,897.

A physical inspection carried out on 22<sup>nd</sup> October 2023, revealed that the project had not been completed six (6) months after the expected completion date and the contractor was not on site.

The outstanding works included; carpentry joinery and ironmonger, flooring, and ceiling finishes, glazing, painting and decorating, external works. See picture below.



*1x3 Classroom Block at Shishamba Primary School*



- **Delayed Completion - Construction of 1x3 CRB at Mabumbu Community School**

On 27<sup>th</sup> September 2022, the Council engaged Litoya Comforts Limited for the construction of a 1x3 classroom block at Mabumbu Primary School at a contract price of K550,000 with a contract period of twenty four (24) weeks commencing on 23<sup>rd</sup> November 2022 and ending on 23<sup>rd</sup> May 2023.

The scope of works included; Substructure, Superstructure, concrete work, brickwork and block work, roofing, metal work, carpentry joinery and iron monger, floor, plastering and ceiling finishes, glazing, painting and decorating, external works

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K148,851 leaving a balance of K401,149.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K283,330 leaving a balance of K257,897.

A physical inspection carried out on 2<sup>nd</sup> October 2023, revealed that the project had not been completed five (5) months after the expected completion date and the contractor was not on site.

A physical inspection carried out on 2<sup>nd</sup> October 2023, revealed that the project had not been completed five (5) months after the expected completion date.

The outstanding works included; roofing, plastering, carpentry joinery and ironmongery, flooring, ceiling finishes, glazing, painting and decorating, external works. See picture below.



*1x3 Classroom Block at Mabumbu Community School*

- **Construction of 1x3 CRB at Kankwanda Primary School – Delayed Completion**

On 27<sup>th</sup> September 2022, the Council engaged Litoya Comforts Limited for the construction of a 1x3 classroom block at Kankwanda Primary School at a contract price of K548,635 with a contract period of twenty four (24) weeks commencing on 27<sup>th</sup> September 2022 and ending on 26<sup>th</sup> March 2023.

The scope of works included; substructure, superstructure, concrete work, brickwork and block work, roofing, metal work, carpentry joinery and iron monger, flooring, plastering, ceiling finishes, glazing, painting and decorating, external works.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K127,815 leaving the balance of K420,820.

A physical inspection carried out on 2<sup>nd</sup> October 2023, revealed that the project had not been completed six (6) months after the expected completion date.

The outstanding works included; roofing, carpentry joinery and iron monger, flooring, plastering, ceiling finishes, glazing, painting and decorating, external works. See picture below.



*1x3 Classroom Block at Kankwanda Primary School*

Further, the contractor was not on site and works had stalled.

- **Construction of a 1x3 Classroom Block at Mushokela Primary School.**

On 28<sup>th</sup> September 2022, the Council engaged Frena and Company Limited for the construction of a 1x3 Classroom Block at Mushokela Primary School on a

full based contract with a contract price of K548,635. The duration of the contract was six (6) months commencing from 28<sup>th</sup> September 2022 and ending on 27<sup>th</sup> March 2023.

The scope of works included; the construction of substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery, external works.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K332,064 leaving a balance of K216,571

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed six (6) months after the expected completion date.

The outstanding works included; roofing, carpentry joinery and iron monger, flooring, plastering, ceiling finishes, glazing, painting and decorating, external works. See pictures below.



*Delayed completion of 1x3 CRB at Mushokela*

Further, the contractor was not on site and works had stalled.

- **Construction Construction of a 1x3 Classroom Block at Kalapu Primary School.**

On 29<sup>th</sup> September 2022, the Council engaged Litoya Comforts Limited for the construction of a 1x3 Classroom Block at Kapulu Primary School on a full based contract with a contract price of K599,999. The duration of the contract was six (6) months commencing on 4<sup>th</sup> November 2022 and ending on 4<sup>th</sup> May 2023.

The scope of works included; the construction of substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery, external works and electrical installations.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K315,388 leaving a balance of K284,611.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed five (5) months after the expected completion date.

The outstanding works included; roofing, carpentry joinery and ironmongery, floor, plastering, wall and ceiling finishes, glazing, painting and decorating, external works. However, the contractor was not on Site. See picture below.



*Delayed completion of 1x2 CRB at Kalapu*

Further, the contractor was not on site and works had stalled.

- **Construction of a 1x3 Classroom Block at Mbumisha Community School.**

On 29<sup>th</sup> September 2022, the Council engaged Litoya Comforts Limited for the construction of a 1x3 Classroom Block at Mbumisha Community School on a full based contract with a contract price of K584,973. The duration of the contract was six (6) months commencing on 29<sup>th</sup> September 2022 and ending on 28<sup>th</sup> March 2023.

The scope of works included; the construction of substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery, external works and electrical installations.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K117,995

leaving a balance of K466,978.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed six (6) months after the expected completion date.

The outstanding works included; roofing, carpentry joinery and ironmongery, floor, plastering, wall and ceiling finishes, glazing, painting and decorating, external works. See picture below.



*Delayed completion of 1x2 CRB at Mbumisha Community School*

Further, the contractor was not on site and works had stalled.

- **Construction of a 1x3 Classroom Block at Mikube Primary School.**

On 29<sup>th</sup> September 2022, the Council engaged Edmas General Dealers Limited for the construction of a 1x3 Classroom Block at Mikube Primary School on a full based contract with a contract price of K594,328. The duration of the contract was six (6) months commencing on 24<sup>th</sup> November 2022, and ending on 24<sup>th</sup> May 2023.

The scope of works included; the construction of substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery, external works and electrical installations.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K250,977 leaving a balance of K343,35.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed five (5) months after the expected completion

date.

The outstanding works included; roofing, carpentry joinery and iron mongery, floor, plastering, wall and ceiling finishes, glazing, painting and decorating, external works. See picture below.



*Delayed completion of 1x2 CRB at Mikube Primary School*

Further, the contractor was not on site and works had stalled.

- **Construction of a 1x3 Classroom Block at Kambai Primary School.**

On 30th September 2022, the Council engaged Brother Paul Chilemu Limited for the construction of a 1x3 Classroom Block at Kambai Primary School on a full based contract with a contract price of K574,945. The duration of the contract was six (6) months commencing on 23<sup>rd</sup> October 2022 and ending on 23<sup>rd</sup> May 2023.

The scope of works included; the construction of substructure, superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and joinery, external works and electrical installations.

As of 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K271,792 leaving a balance of K303,153.

A physical inspection of the project carried out in October 2023, revealed that the project had not been completed five (5) months after the expected completion date.

The outstanding works included; superstructure, roofing, metal works, structural steel works, glazing, wall and floor finishes and decorations, carpentry and

joinery, external works. See pictures below:



*Delayed completion of 1x2 CRB at Kambai*

- **Delayed Works - Construction of a 1x3 Classroom Block at Munkuye Secondary School.**

On 28<sup>th</sup> September 2022, the Council engaged Marichan Technologies for the construction of a 1x3 Classroom Block at Munkuye Primary School on a full based contract with a contract price of K530,000. The duration of the contract was six (6) months commencing on 28<sup>th</sup> September 2022 and ending on 27<sup>th</sup> March 2023.

The scope of works included; the construction of substructure, superstructure, roofing, metal works, carpentry, joinery, ironmongery, floor finishes, structural steel works, glazing, glazing painting and Decorating External works and decorations, external works and electrical installations.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K133,071 leaving a balance of K396,929. In addition, on 21<sup>st</sup> April 2023, the Council paid amounts totalling K53,571 for works which were not supported with interim payment certificate.

A physical inspection carried out in October 2023, revealed that the project had not been completed six (6) months after the expected completion date and the contractor was not on site. However, contrary to the provision of the contract, the Council had not claimed liquidated damages.

The outstanding works included superstructure, roofing, metal works, carpentry, joinery, ironmongery, floor finishes, structural steel works, glazing, glazing

painting and Decorating External works and decorations, external works and electrical installations. See picture below.



*Stalled works at munkuye Secondary School*

- **Unimplemented Approved Project**

Section 21(1) of the Constituency Development Fund Act No. 11 of 2018 states that, “a project under this Act shall be implemented by the Council, and where necessary with the assistance of a relevant department of the Government in the district in which the constituency is located”.

On 3<sup>rd</sup> June 2022, the Ministry of Local Government and Rural Development approved the procurement of a Grader and the construction of a staff house at Kaposhi Rural Health Centre under Community Projects. Subsequently, amounts totalling K2,982,000 were set aside for the implementation of the projects.

However, the two (2) projects had not been implemented as of October 2023 as the contractors were yet to be cleared by the Attorney General.

- ii. **Bursaries – Secondary School and Skills Development**

- **Failure to Provide Proof of Students Skill Training Completion.**

The Council paid amounts totalling K128,598 to Mongu Trades Training Institute as bursaries for training skills to twenty seven (27) students under Nkeyema Constituency. The students are reported to have completed the training. However, there was no evidence provided to confirm that the students had completed their trainings.



### **iii. Soft Loans**

- **Failure to earn interest**

Section 4.3.2 of the 2022 CDF Guidelines requires that the Revolving Fund Bank Account for Youth, Women and Community Empowerment to be interest earning.

In January 2022, the Council opened an account with Atlas mara in which amounts totalling K2,934,350 were transferred. Contrary to the Guidelines, the account was not an interest generating account.

### **iv. Grants – Empowerment**

- **Failure to Provide Financial Records by Empowerment Groups**

Fourteen (14) co-operatives which received grants amounts totalling K350,000 as empowerment funds to facilitate the implementation of various business plans had not provided expenditure returns as at 31<sup>st</sup> October 2023.

- **Payment of Grants without Signed Applications Forms**

Section 2.3.1 of the CDF Guidelines of 2022 which requires Empowerment Applications for grants to the CDFC to be accompanied by signed Minutes of the Ward Development Executive Committee Meeting; and signed application forms by the WDC Chairperson. Where the Chairperson is not available, the Vice Chairperson shall sign and where the Vice Chairperson is not available, the Committee shall nominate a member amongst themselves who shall sign the applications.

The Council paid amounts totalling K800,000 to thirty-two (32) groups with application forms that were not signed by the WDC Chairperson. In addition, the applications were not accompanied by signed Minutes of the Ward Development Executive Committee Meeting.

- **Irregular Cash Withdrawals**

Ministry of Finance Treasury and Finance Management Circular No.1 of 2022 guided Controlling officers that no cash shall be withdrawn for payment of

subsistence allowances, fuel refunds and any other allowances as these should be paid directly into the beneficiary's account.

Contrary to the Circular, during the period under review, accountable imprest in amounts totalling K24,905 was issued to various officers to facilitate payment of daily subsistence and transport allowances instead of paying directly into the beneficiaries' bank accounts.

#### **94. Nsama Town Council**

##### **a. Chimbamilonga Constituency**

##### **i. Community Projects**

- **Completion of 1 x 3 Classroom Block at Nsumbu Day Secondary School**

On 16<sup>th</sup> March 2022, the Council engaged R. K. Chomba General Dealers for the completion of 1x3 classroom block at Nsumbu Day Secondary School at a contract price of K139,780 with a completion period of ninety (90) days commencing 30<sup>th</sup> March 2022 and ending 30<sup>th</sup> September 2022.

The scope of works included constructing of superstructure, metal works and glazing, carpentry, joinery and ironmongery , painting and decoration, roofing and external works.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K139,780.

A physical inspection of the project carried out in October 2023 revealed that the project had been completed. However, it was observed that cracks had developed on the floor and the walls. See picture below



*Floor of the classroom block*

**ii. Youth, Women and Community Empowerment**

During the period under review, empowerment grants in amounts totalling K1,463,955 were issued to forty eight (48) selected applicants to undertake various projects such as poultry and goat farming and hammer mill operations among others.

A physical inspection of selected projects carried out in October 2023, revealed that there was poor implementation of the projects. In particular, the following were observed for nine (9) projects visited:

No.	Name of Beneficiary Group	Ward	Amount Disbursed K	Project Description	Status
1	Chishingile Multipurpose	Lusangwe Ward	40,000	Procurement/ Running of Hammer Mill	As at 31 <sup>st</sup> October 2023, the Hammer Mill had not been procured.
2	Kashile Nsama Multipurpose	Mwambeshi	35,000	Procurement/ Running of Hammer Mill	<p>In September 2022, the Council disbursed an amount of K35,000 to the project out of which the cooperative procured a hammer mill at a cost of K22,500 leaving a balance of K12,500. However, the hammer mill was sold for K15,000 in September 2023 as it was reported to have malfunctioned and the members shared the proceeds.</p> <p>In addition, as of October 2023 the balance of K12,500 could not be accounted for in that there was no cash at hand.</p>

## 95. Nyimba Town Council

### a. Nyimba Constituency

#### i. Community Projects

- **Construction of Chimpaje Rural Health Centre**

On 15<sup>th</sup> December 2022, the Council engaged Pasal General Supplies Limited for the construction of a rural health post at a contract sum of K535,380.95 with a contract period of twelve (12) weeks, commencing on 15<sup>th</sup> December 2022 and ending on 15<sup>th</sup> March 2023.

The scope of works included sub-structure block, roofing, plastering, iron monger, carpentry, flooring, glazing, windows and door frames, electricals, and painting.

As at 31<sup>st</sup> August 2023, amounts totalling K263,737 had been spent leaving a balance of K271,644.

A physical inspection carried out in October 2023 revealed that the project had not been completed twenty four (24) weeks after the expected completion date. The outstanding works included flooring, glazing, windows and door frames, electricals, and painting.

In addition, the contractor was not on site and the project had stalled. See picture below:



*Rural Health Centre – Chimpaje*

- **Construction of a Semi-detached house at Kalulu Primary School**

On 21<sup>st</sup> October 2022, the Council engaged Themat Limited for the construction of a semi-detached house at a contract sum of K304,207 with a contract period of twelve (12) weeks, commencing on 21<sup>st</sup> October 2022 and

ending on 6<sup>th</sup> January 2023.

The scope of works included construction of substructure, concrete works, brickwork and block work, roofing, carpentry, joinery, furnishing, glazing, painting and decorating.

As at 31<sup>st</sup> August 2023, amounts totalling K51,502 had been paid to the contractor leaving a balance of K252,705.

A scrutiny of records revealed that on 13<sup>th</sup> April 2023 the Council terminated the contract due to poor workmanship.

However, there was no evidence or approval from the Attorney General to terminate the contract and acknowledgement from the contractor in respect of the terminated contract.

As at 31<sup>st</sup> October 2023, works had stalled and the project had been abandoned. See picture below.



*Abandoned Project Kalulu Primary School*

- **Construction of a Semi-detached house at Kalulu Primary School**

On 21<sup>st</sup> October 2022, the Council engaged Themat Limited for the construction a semi-detached house at a contract sum of K304,207 with a contract period of twelve (12) weeks commencing on 21<sup>st</sup> October 2022 and ending on 6<sup>th</sup> January 2023.

The scope of works included construction of substructure, concrete works, brickwork and block work, roofing, carpentry, joinery, furnishing, glazing, painting and decorating.

As at 31<sup>st</sup> August 2023, amounts totalling K51,502 had been paid to the contractor leaving a balance of K252,705.

A scrutiny of records revealed that on 2<sup>nd</sup> April 2023 the Council terminated

the contract due to poor workmanship.

However, there was no evidence or approval from the Attorney General to terminate the contract and acknowledgement from contractor in respect of the terminated contract.

As at 30<sup>th</sup> September 2023, works had stalled and the project had been abandoned. See picture below.



*Abandoned Project Kalulu Primary School*

## **96. Pemba Town Council**

### **a. Pemba Constituency**

#### **i. Other Observations**

- **Irregular Use of Accountable Imprest**

Regulation 94 (3) of the Public Finance Management (General) Regulation of 2020 states that, “accountable imprest means imprest that is issued as payment to facilitate the purchase of goods and services whose value cannot be ascertained at the time of payment for which the imprest holder is required to submit receipts after the purchase of those goods and services.

Contrary to the Regulation, during the period under review, accountable imprest in amounts totalling K13,775 was issued to two (2) officers to procure goods and services whose values were obtainable on the market.

## 97. Petauke Town Council

### a. Petauke Central Constituency

#### i. Soft Loans - Failure to Avail Loan Agreements

Part 5.2.7 c (i) of the 2022 CDF guidelines requires that where an applicant succeeds, they shall be required to sign a grant or loan agreement. The agreement shall be made between the Local Authority or an identified Financial Institution and the applicant as may be applicable.

Contrary to the Guidelines, the Council had not availed the signed loan agreements involving seven (7) beneficiaries who had received loan empowerment groups in amounts totalling K798,700.

### b. Kaumbwe Constituency

#### i. Grants - Empowerment

- **Inadequate Disbursement of Grants to Cooperatives**

Part 5.2.4 (v) of the CDF Guidelines on empowerment of grants states that Cooperatives, clubs, associations and organized groups may qualify for a maximum of K40,000 as a one-off grant.

A review of minutes and disbursement schedules for grants given to the beneficiaries revealed that the amounts recommended and paid were as low as K10,000 compared to the amounts applied for.

As a result, two (2) out of the three (3) beneficiaries visited in October 2023 could not undertake the initial businesses applied for. See table 1 below.

**Table 1: Inadequate Disbursement of Grants**

No.	Name	Business Applied for	Current Business	Amount Applied for K	Amount Paid K
1	Tisauke Mwanza Women's Development	Poultry	Piggery	40,000	10,000
2	Nyamanja Agri Cooperative	Goat Keeping	Goat Keeping	40,000	10,000
3	Nyama Agriculture MPC	Piggery	Poultry	40,000	10,000



## 98. Rufunsa Town Council

### a. Community Projects

#### i. Procurement and Supply of School Desks

The Council engaged twenty seven (27) suppliers for the supply and delivery of 2,097 desks to sixty six (66) Schools in the district. According to the specifications the suppliers were to supply 2-seater desk CKD 1152 X400X22-25mm thick hardwood timber and steel prom.

A review of financial and other records revealed that as at 30<sup>th</sup> September 2023 amounts totalling K3,070,095 had been paid to the suppliers.

A scrutiny of stores records revealed that two (2) schools namely, Luangwa Bridge Secondary school and Chamulimba Primary school had received seventy five (75) desks each.

An inspection carried on 29<sup>th</sup> October 2023 revealed that twenty nine (29) desks supplied to Luangwa Bridge and Chamulimba Schools were defective as they had cracks on them. See table 1 below.

**Table 1: Supply of Defective School Desks**

No	Description	Name of School	Received	With Cracks
1	2 –Seater hardwood desk	Luangwa Bridge	75	15
2	2 – seater hardwood desk	Chamulimba	75	14
	<b>Total</b>		<b>150</b>	<b>29</b>



Cracked desk at Luangwa Bridge School

**ii. Delayed Completion of Projects**

**• Completion of Health Post at Chamulimba Primary School – Mwachilela Ward**

In 2019, the Council entered into a labour-based contract with various suppliers for the complete construction of a health Post in Mwachilele ward at contract price of K133,809.

The scope of works included; substructure, concrete works, carpentry and joinery, ironmongery, metal work, plumbing installation, electrical installation, floor, wall glazing and painting.

As at 31<sup>st</sup> October 2023, amounts totalling K103,653 had been spent (labour - K16,000 and building materials - K87,653) leaving a balance of K30,151.

A physical inspection carried out on 31<sup>st</sup> October 2023, revealed that although the health Post had been complete, it did not have electricity connectivity. See pictures below.



*Chamulimba Health Post without Power*

**b. Soft Loans - Failure to Collect Repayments on Loans**

Contrary to the Guidelines, eleven (11) soft loan beneficiaries who received amounts totalling to K1,175,625 had not started repaying back the loans two (2) months after the funds were disbursed. Further, it was observed that the Council did not charge 2% for delayed loan repayment. See table 2 below.

**Table 2: Delayed Loan Repayments**

No	Date	Name	Project	Amount K	Pay Period	Outstanding months
1	16.06.2023	Kantunikako women Club	Goat keeping	102,125	48Months	2
2	16.06.2023	Kamana Inter trade	Agriculture	84,500	24 Months	2
3	16.06.2023	Great Hope youth	Fish farming	100,000	36 Months	2
4	16.06.2023	Mutonka Saving group	Village Banking	100,000	36 Months	2
6	16.06.2023	Mutonka youth group		150,000	48Months	2
7	16.06.2023	Mindest changes	Piggery	180,000	48 Months	2
8	16.06.2023	Tithandizane saving for change group	Piggery	110,000	48 Months	2
9	16.06.2023	Twakalwana nkondo club	Hammer Mill	150,000	24Months	2
10	16.06.2023	Collusion	Poultry	45,000	24 Months	2
11	16.06.2023	Kakoma muilt purpose cooperative		154,000	48Months	2
		<b>Total</b>		<b>1,175,625</b>		

**99. Samfya Town Council**

**a. Bangweulu Constituency**

**i. Community Projects**

- **Construction of 1 x 2 Classroom Block at Lukankala Primary School-Samfya Town council**

During the period under review the Council paid amount totalling K201,222 for the construction of the primary school. However, the contract was not availed for audit scrutiny as such the contract price and the duration of the project could not be ascertained.

Physical inspection carried out 31<sup>st</sup> May 2023 revealed that, though the Classroom Block (CRB) had been completed the veranda floor had started peeling off and the spoon drain had started developing cracks.

## **100. Senanga Town Council**

### **a. Senanga Central Constituency**

#### **i. Community Projects**

- **Construction of 1x3 CRB Sibukali Primary School**

On 29<sup>th</sup> April 2021 the Council engaged Napaul Investments to construct a 1x3 CRB at Sibukali Secondary School at a contract sum of K414,828 with a contract period of twelve (12) weeks commencing on 29<sup>th</sup> April 2021 to 29<sup>th</sup> August 2021.

The scope of works included were substructure, superstructure, roofing, carpentry and ironmongery, metal work, floor and wall finishing, painting and decorating.

As at September 2023, the contractor had been paid amounts totalling K257,534.

A physical inspection of the works revealed that the works had delayed in being completed by twenty six (26) months and the contractor was not on site.



*Sibukali Primary School 1x3 CRB*

- **Completion of Namukokoba Rural Health Post**

In 2019 the Council approved the construction of Namukokoba Rural Health Clinic at a cost of K400,000. In this regard on 11<sup>th</sup> December 2019 the Council engaged Napaul Investment Limited at a contract sum of K392,407 to construction of a Rural Health Post.

The scope of works included excavation, slab, super structure, plastering, ironmongery and roofing, two (2) VIP toilets and two (2) bathing cubicals.

Further on 14<sup>th</sup> March 2021, the Council engaged Nepal Investments at a contract sum of K70,000 with a contract period of twelve (12) weeks to complete a Rural Health Post.

The scope of works included: flooring, internal and external wall finishing, installation of solar electrical and also procurement and installation of the solar battery 200AH and all accessories (inventor and regulator).

As of September 2023, the Council had spent amounts totalling K409,907 (1<sup>st</sup> Contractor - K392,407 and 2<sup>nd</sup> Contractor - K17,500)

As of September 2023, the works had not been completed twenty six (26) months after the expected completion date. The outstanding works included: final coat painting, fixing of broken windows and installation of solar light and the contractor was not on site.



*Namukokoba Rural Health Post*



*Broken windows at the Health Post*



*VIP toilets and mothers' shelter*

## **ii. Bursaries – Secondary School and Skills Development**

### **• Pupils on Irregular Dual Sponsorship**

During the period under review the Council approved and sponsored 217 pupils ranging from grade eight (8) to grade twelve (12) at Senanga Secondary School. In this regard amounts totalling K602,000 were paid to the School for three terms.

A review of documents availed for audit revealed that six (6) pupils on CDF sponsorship were also sponsored by either CHAZ or CAMFED.

As at 30<sup>th</sup> September 2023, amounts totalling K18,000 had been paid to Senanga secondary for the pupils who were already on sponsorship had not been recovered by the Council.

## **iii. Soft Loans**

### **• Failure to Provide Documentation-Loan Applicants**

Section 5.1.1 (i) (ii) of the Constituency Development Fund Guidelines of 2022 states that the CDFC, working with the Local Authority shall through a Financial Institutions manage the CDF Revolving Fund and disburse loans to qualifying applicants in the Constituencies of residence and further applicants must have projects in those particular constituencies.

The Council paid amounts totalling K 2,926,000 in form of loans through the Zanaco Account.

However, there was no documentations availed for audit to show that the beneficiaries of the Loans where residents of Senanga Constituency.

**iv. Grants – Empowerment**

**• Underfunding of Women Empowerment Groups**

During the period under review, 412 clubs and cooperatives applied for an amount of K40,000 each for them to implement their various business plans and projects.

However, an examination of the loan disbursements revealed that most of the clubs and cooperatives were only funded amounts in the range of K7,000 to K10,000 for their various projects, making it difficult for cooperatives to fully implement their planned businesses and projects.

**101.Senga Hill Town Council**

**a. Senga Hill Constituency**

**i. Community Projects**

**• Delayed Completion of Projects**

Section (5) of the Constituency Development Fund Act No. 11 of 2018 states that “a project that is approved by the Minister shall be funded and the implementation of the approved project shall be completed within the agreed contractual period”.

Contrary to the Act, two (2) projects had delayed for periods ranging from ten (10) to twenty (20) months. See table 1 below.

**Table 1: Delayed 2021 Projects**

S/No.	Project	Contractor	Contract Period	Start Date	Expected Completion Date	Amount Allocated (K)	Expenditure (K)	Scope of Works	Status at 31 <sup>st</sup> July 2023
1.	Completion of Mothers Shelter at Sumbi	Bernard Silwimba	16 Weeks	01.10.21	31.01.22	75,000	67,663 Materials- K51,663  Labour- K16,000	Substructure, superstructure, roofing, plastering, painting, fixing of doors and doorframes, construction of soak away and septic tank.	The project was not complete with plastering, painting, installation of doors and doorframes, construction of soak away and septic tank remained uncompleted twenty (20) months after award of the first contract.
2.	Completion of 1x4 classroom block at Chomba Primary School	Iceman Investment Limited	10 Weeks	08.04.22	22.06.22	196,440	120,000	Roofing, Metal works, Finishes, Electrical, Glazing and Carpentry	The project was not completed with roofing, plastering, floor screed, electrical tubing, glazing and carpentry works still outstanding thirteen (13) months after the expected completion date.



**ii. Youth, Women and Community Empowerment - Failure to Implement Projects**

During the period under review, empowerment grants in amounts totalling K125,000 were issued to five (5) selected applicants to undertake various projects such as poultry farming and goat keeping.

However as at 31<sup>st</sup> October 2023, the respective projects had not been implemented.

**iii. Administrative Costs- Irregular Cash Withdrawals**

Ministry of Finance Treasury and Finance Management Circular No. 1 of 2022 guided Controlling Officers that no cash should be withdrawn for payment of subsistence allowances, fuel refunds and any other allowances. Further, it states that the allowances should be paid directly into the beneficiary's bank account.

Contrary to the Circular, imprest in amounts totalling K154,784 was irregularly issued to various officers to facilitate the payment of daily subsistence to officers instead of paying directly into the beneficiary's account.

**102. Serenje Town Council**

**a. Serenje Central Constituency**

**i. Grants - Empowerment**

**• Questionable Recommendation and Approval of Grants to Cooperatives**

A review of documents related to disbursements of the funds, physical inspection and interviews with members of selected cooperatives revealed that reduced disbursed funds hindered the cooperatives from implementing intended projects on which the funds were applied for. Consequently, the inadequately disbursed funds were either shared by members or used on other purposes thereby negatively affecting the implementation of the projects. The following are examples of selected cooperatives which received inadequate disbursements visited during the period under review.

- **Failure to Start Selling Plank Bess - Holy Angels Womens Club**

On 1<sup>st</sup> June 2022 Holy Angels Womens Club applied for K40,000 grant for the purpose of Selling Planks. The Council approved and disbursed K10,000 to the cooperative on 30<sup>th</sup> December 2022.

A visit to the cooperative in Serenje constituency and an interview with the cooperative members revealed that the plank business was not undertaken due to inadequate disbursement of funds applied for to start the business. As a result, the cooperative bought K2,500.00 (10 bags X 50 kgs of soya beans at K5.00) to resell at K5.50 (K2,750). However, no documents were availed to show how much was raised from K10,000 investments. As of 31<sup>st</sup> August, 2023 and the cooperative had no cash in the bank and on hand.

- **Failure to start a Poultry business - Kwatu Women Club**

On 4<sup>th</sup> April 2022 Kwatu Women's Club applied for K40,000 grant for the purpose of Chicken (Broiler) rearing. The Council approved and disbursed K10,000 to the cooperative on 30<sup>th</sup> December 2022.

A visit to the cooperative and an interview with the cooperative members revealed that the broiler business was not undertaken as the funds were not enough to build a poultry house.

Further, no documents were availed to show how much was raised from K10,000 investments.

As at 30<sup>th</sup> September 2023, the cooperative had no cash in the bank and on hand.

**b. Muchinga Constituency**

**i. Grants - Empowerment**

- **Under Utilization of Funds**

As at 31<sup>st</sup> December 2022, the Council disbursed amounts totalling K847,500 to various applicants out of the K1,956,233 funding received leaving a balance of K1,108,733.

Consequently, the disbursement of empowerment grants was partially undertaken.

- **Questionable Recommendation and Approval of Grants to Cooperatives**

A review of documents related to disbursements of the funds, physical inspection and interviews conducted with members of selected cooperatives revealed that a reduction in funds disbursed hindered the cooperatives from achieving their objectives for which the funds were applied for. The funds were either shared by members or used on other purposes thereby negatively affecting the implementation of projects. The following are selected cooperatives visited during the audit in May 2023:

- **Failure to Start up Onion Farming -Serenje Forex Entrepreneurs Youth Club**

On 2<sup>nd</sup> May 2022, Serenje Forex Entrepreneurs Youth Club applied for K40,000 grant for the purpose of Onion farming. The Council approved and disbursed K19,500 to the cooperative on 30<sup>th</sup> October 2022. A visit to the cooperative in Muchinga constituency revealed that the cooperative planted sweet potatoes worth K6,000 leaving the rest of the funds unaccounted for in that no documents were availed to indicate how the funds were utilised. As of September 2023, no documents were provided to show how much had been realized from the sweet potatoes.

- **Failure to Commence Poultry Business - Nabalala Womens Club**

On 2<sup>nd</sup> May 2022, Nabala Women’s Club applied for K36,950 grant for the purpose of Chicken Rearing (Layers). The Council approved and disbursed K19,500 to the cooperative on 25<sup>th</sup> October 2022.

A visit to the cooperative in Muchinga constituency and an interview with the cooperative members revealed that the cooperative spent funds on buying 63 bags of soya beans at K5.50 per 50Kgs whose expected proceeds is K17,325, the members stated that the money received was not enough to establish a chicken rearing business.

As of September 2023, no evidence such as the physical bags or documents on which the cooperatives sold the soya beans were availed for verification. Further,

the cooperative had no soya beans field, cash in the bank and on hand. The cooperatives had not recovered the funds from the soya beans and the poultry business which was the purpose for which cooperative had received the CDF funds had not commenced.

○ **Failure to Procure a Maize Sheller- Chimina Nswanswa**

On 1<sup>st</sup> May 2022, Chimina Nswanswa cooperatives applied for K40,000 grant for the purpose of procurement of a Maize Sheller Machine. The Council approved and disbursed K19,500 to the cooperative on 25<sup>th</sup> October 2022.

A visit to the cooperative in Muchinga constituency and an interview conducted with the cooperative members in May 2023 revealed that the funds were shared among members. The members explained that the funds received were not enough for the procurement of a Maize Sheller Machine. The cooperative did not procure the maize sheller. Further no documents were provided to indicate the effort the council had put, of sensitizing this cooperative on the empowerment funds.

○ **Failure to Procure a Hammer Mill - Chifukaushi/ Nkundalila Youth Club**

On 20<sup>th</sup> May 2022, Chimina Nswanswa cooperatives applied for K40,000 grant for the purpose of procurement of a Hammer Mill. The Council approved and disbursed K10,000 to the cooperative on 25<sup>th</sup> October 2022.

A visit to the cooperative in Muchinga constituency and an interview conducted with the cooperative members revealed that the hammer mill was not procured as the funds were not enough. However, the cooperative bought ten (10) village chickens costing K600 and K400 was used on administrative costs. At the time of audit inspection on 30<sup>th</sup> May 2023 the cooperative only had four (4) hens and twenty (20) chicks. The balance of the funds of K9,000 was shared among the members. Further, in September 2023 during audit verification, the council stated that the cooperative beneficiary members shared the money and the cooperatives failed to achieve their objective.

## 103. Sesheke Town Council

### a. Sesheke Constituency

#### i. Community Projects

- **Construction of 1x2 CRB at Kabuyu Primary School**

On 17<sup>th</sup> May 2021, the Council awarded a contract to Tre Simz Enterprises at a contract sum of K246,932 with a completion period of twelve (12) weeks.

As at 6<sup>th</sup> October 2021, amounts totalling K120,442 was paid leaving a balance of K129,558.

However, the following were observed.

- **Failure to Correct the Defects**

Clause 30.1 of the signed contract required the contractor to attend to any defects before the end of the liability periods, which began at the completion date.

A review of the notice of defects dated 19<sup>th</sup> June 2023, revealed that after the completion of the project in November 2022, the contractor had been instructed to remobilize on site to correct all the notable defects such as demolition of the floor screed and laying of a new floor screed and remedying all cracks on the walls.

However, as of October 2023, the defects had not been corrected.

- **Questionable Variation**

On 17<sup>th</sup> May 2021, the Council engaged Tre-Simz Enterprises for the construction of 1x2CRB at Kabuyu Primary School at an initial contract sum of K246,932.

However, in June and August 2022, the Council made two (2) variations to the contract of K116,391 with amounts totalling K72,938 and K43,453 respectively, bringing the total contract sum to K363,323 without authority from the Secretary to Treasury.

- **Lack of Performance Security**

The general condition of the contract (SCC) No.48.1 of the signed contract, required the supplier to provide performance security to the procuring entity no later than (fourteen) 14 days from the date of execution/ signing of the contract whichever is earlier.

However, the contractor had not provided the 10% performance security as required by the signed contract as at 30<sup>th</sup> September 2023.

#### **104.Shangombo Town Council**

##### **a. Shangombo Constituency**

##### **i. Community Projects**

- **Wasteful Use of Disaster Contingency – Repair of Police Van and an Ambulance**

The Ministry of Local Government in the Minute No. MLGRD/101/22/154 dated 4<sup>th</sup> October 2022 approved the repair of district ambulance and a police Nissan Vehicle at a total cost of K225,000.

As at 31<sup>st</sup> October 2023, the Council had spent a total of K233,329 on the repair of one (1) vehicle (Nissan for the Police) against an approved budget of K225,000 thereby resulting in an excess expenditure of K8,329.

An inspection carried at the police station and the at the District Health Office revealed that the Nissan van for the police was not in the running condition despite incurring an expenditure of K233,329.

In addition, the ambulance was taken to Lusaka in February 2023 for repair and not been returned as at 30<sup>th</sup> September 2023, eight (8) months after it was taken to Lusaka.

- **Completion of 1 x 3 Classroom Block at Makulibiya Primary School**

On 27<sup>th</sup> December 2022, the Council engaged Olemuke General Dealers to

complete the construction of a 1 x 3 Classroom Block at Makulibiya in Mambolomoka Ward on a labour-based contract of K98,000.

In addition, amounts totalling K377,000 were allocated towards procurement of building materials. The project was to be completed in eleven (11) weeks after the signing of the contract.

The scope of works included: construction of superstructure, reinforcing the ring beam, fixing lipped channels and roofing, plastering internally and externally, glazing, metal works and carpentry, painting internally and externally and construction of concrete drainage apron.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K83,000 and amounts totalling K164,940 had been spent on the procurement of materials and transportation leaving a balance of K227,060.

A physical inspection of the works carried out on 19<sup>th</sup> October 2023, revealed that the the classroom block had not been completed with the following major works still outstanding: plastering, fixing doors and door frames, fitting glass panes, floor screeding, some external works like drainage and painting and decorations.



- **Completion of 1 x 3 Classroom Block at Maweleya Community School**

On 27<sup>th</sup> December 2022, the Council engaged Dimukeyoke General Dealers on a labor-based contract to complete the construction of a 1 x 3 classroom block at Maweleya in Namono Ward at a cost of K98,000. In addition, amounts totalling K377,000 were allocated to the procurement of building materials.

The scope of works included: construction of superstructure, reinforcing the ring beam, fixing lipped channels and roofing, plastering internally and externally,

glazing, metal works and carpentry, painting internally and externally and construction of concrete drainage apron.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling of K83,000 and amounts totalling K375,988 had been spent on the procurement of building materials and transportation.

A physical inspection of the works carried out on 19<sup>th</sup> October 2023, revealed that the the classroom block was not complete with the following major works still outstanding: plastering, fixing doors and door frames, fitting glass panes, floor screeding, some external works like drainage, painting and decoration and the roofing was partially done.



- **Lack of Acquittal/ Distribution Sheets for Corrugated Roofing Sheets**

During the period under review, amounts totalling K345,000 were spent on the procurement of 1,071 roofing sheets and 100 ridges to be distributed across all the community schools in the wards.

A physical inspection carried out in October 2023, revealed that although some schools received the iron sheets and roofed temporary learning shelters, there were no acquittal sheets to confirm how many corrugated roofing sheets and ridges were received by beneficiary schools.



*Partly roofed Community School*



ii. **Youth, Women and Community Empowerment**

• **Empowerment Grants – Failure to Implement Projects**

During the period under review, empowerment grants in amounts totalling K1,502,214 were given to 130 selected applicants to undertake various projects such as agriculture, livestock and village banking businesses.

As of October 2023, a total of 110 applicants had implemented the projects while twenty (20) applicants who received grants totalling K301,020 had not implemented the projects. See table 1 below.

**Table 1: Unimplemented Projects**

No.	Business Type	No. of Beneficiaries	Amount Applied for K	Amount Paid K
1	Village Banking	5	250,000	75,255
2	Cattle Rearing	4	200,000	60,204
3	Gardening	11	440,000	165,561
	<b>Total</b>	<b>20</b>	<b>890,000</b>	<b>301,020</b>

• **Sponsorship of Over Aged Students**

The Constituency Development Fund Guideline No. 5.3.4.2 stipulates that only individuals with ages ranging from 16 years to 35 years are eligible to be considered for sponsorship for skills development.

Contrary to the guideline, nineteen (19) individuals whose ages were above 35 years were sponsored to Mongu Trades and Muoyo Youth Resource Centre at the total cost of K78,000. There were no records to confirm that the sponsored students graduated from the skills training institutions they were sponsored.

## 105. Shibuyunji Town Council

### a. Mwembezi constituency

#### i. Community Projects

- **Construction of a Rural Health Centre and VIP toilet at Mukobela Village in Nampeya Ward**

On 2<sup>nd</sup> March 2022, the Council entered into a labour-based contract with Advert Lupiya to construct a clinic and a VIP toilet at Mukobela Village in Nampeya at a contract sum of K60,000. The contract was for a period of sixteen (16) weeks starting from 6<sup>th</sup> June 2022 to 28<sup>th</sup> August 2022.

The scope of works included excavations, concrete works (footing, slab and ring beam), substructure, superstructure, roofing, metal works, flooring, plastering, glazing and electrical works, painting, other general finishes and construction of a VIP Toilet.

As at 28<sup>th</sup> September 2023, the contractor had been paid the whole amount of K60,000 inclusive of retention and K274,359 had been spent on building materials.

A physical inspection carried out on 2<sup>nd</sup> October 2023 revealed that although the project had been completed, the works done were of poor quality in that they were leakages on the roof in the maternity ward and the screening room of the clinic.

- **Construction of a Staff House at Mukobela Village in Nampeya Ward**

On 28<sup>th</sup> March 2022, the Council entered into a labour-based contract with Cleacious Chitwabulondo to construct a staff house at Mukobela Village in Nampeya ward at a contract sum of K57,500. The contract was for a period of sixteen (16) weeks starting from 28<sup>th</sup> March 2022 to 28<sup>th</sup> July 2022.

The scope of works included excavations, concrete works (footing, slab and ring beam), substructure, superstructure, roofing, metal works, flooring, plastering, glazing and electrical works, painting and other general finishes.

As at 2<sup>nd</sup> October 2023, the contractor had been paid amounts totalling K54,624 leaving a balance of K2,875 being the retention amount and K231,183 had been spent on building materials.

A physical inspection carried out on 2<sup>nd</sup> October 2023 revealed that although the project had been completed and handed over, the works done were of poor quality in that they were leakages on the roof in the living room and, the constructed soak aways lids were crumbling. See pictures below.



*crumbling soak aways lids*



*Leakages in the leaving room*

- **Construction of Staff House and Rural Health Center - Mutombe**

On 4<sup>th</sup> March 2022, the Council entered into a labour-based contract with Bay-Cup General Dealers to construct a staff house at Mwanamumbula Village in Mutombe ward at a contract sum of K60,450. The contract was for a period of sixteen (16) weeks starting from 4<sup>th</sup> March 2022 to 4<sup>th</sup> June 2022

The scope of works included excavations, concrete works (footing, slab and ring beam), substructure, superstructure, roofing, metal works, flooring, plastering, glazing and electrical works, painting and other general finishes.

As at 30<sup>th</sup> September 2023, the contractor had been paid K57,428 leaving a balance of K3,023 being the retention amount and K224,718 had been spent on building materials.

A physical inspection carried out on 2<sup>nd</sup> October 2023 revealed that although the project had been completed and handed over, the works done were of poor quality as the house had cracks. See pictures below.



*Cracked walls inside and outside the leaving room.*

## **106. Shiwang'andu Town Council**

### **a. Poor Implementation of Projects**

#### **i. Completion of 1x3 Class Room Block at Chilombo Primary School**

On 17<sup>th</sup> July 2022, the Council engaged Allaka Construction Drilling and Exploration to complete the construction of a 1x3 class room block at Chilombo Primary School at a contract sum of K159,249. The duration of the contract was 16 weeks commencing 19<sup>th</sup> July 2022 and ending 19<sup>th</sup> November 2022.

The scope of the works included the following; carpentry, joinery and ironmongery, metal works, finishes, painting with three (3) coats, flooring and glazing.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K138,043 leaving a balance of K21,206.

A physical inspection carried out on 12<sup>th</sup> October 2023 revealed that the works had been completed and the classrooms were in use.

However, the following defects were observed;

- Due to poor workmanship, the floors in the classrooms had developed cracks and had been eroded resulting in the formation of holes.
- Painting of the third coat had not been done. See pictures below.



*Holes and cracks – Classroom 1*



*Holes and cracks – Classroom 2*

## **b. Youth, Women and Community Empowerment**

### **i. Grants - Empowerment**

During the period under review, empowerment grants in amounts totalling K1,916,233 were issued to forty eight (48) selected applicants to undertake various projects such as such as goat rearing, gardening and entrepreneurial activities.

However, the following were observed:

- **Irregular Recommendation of Beneficiaries**

The Constituency Development Fund (CDF) guidelines working definition defines a youth as a person who has attained the age of nineteen years (19) and is below the age of thirty-five years. Further the guidelines define a Woman as a female person who has attained the age of thirty five (35) years and above.

However, it was observed that the Council did not follow the guideline in recommending the women's clubs in that six (6) clubs had male members and one (1) youth club had five (5) members who were above the age of thirty five (35) who had received grants in amounts totalling K240,000 and K40,000 respectively.

- **Failure to Submit Consolidated List of Applicants to the Minister on Time for Approval**

The Constituency Development Fund (CDF) guideline No. 5.4 (a) states that; The Constituency Development Fund Committee shall submit to the Minister proposed applications and the estimated costs before the end of the month of March in each year in the prescribed manner and form.

Contrary to the guideline, the Council submitted the consolidated list of applicants on 24<sup>th</sup> August 2022 and 30<sup>th</sup> August 2022 with the Ministry of Local Government and Urban Development. The approval by the Ministry was done on 19<sup>th</sup> September 2022.

## **107.Sikongo Town Council**

### **a. Sikongo Constituency**

#### **i. Community Projects**

- **Procurement of Paddling Crossing Boats**

On 11<sup>th</sup> July 2022, the Council engaged Njambi Kwali Business Venture to supply six (6) paddling crossing boats at a contract sum of K54,000 with a delivery period of sixteen (16) weeks ending 24<sup>th</sup> October 2022. On 11<sup>th</sup> July 2022, the contractor was paid the full contract amount.

As at 15<sup>th</sup> September 2023, eleven (11) months after the expected date of delivery, the supplier had only supplied four (4) boats leaving a balance of two (2) costing K18,000. It was also observed that the boats supplied were not inscribed with identification marks to show that they were properties of Sikongo Constituency. See picture below.



*One of the procured paddling boats*

- **Completion of a Classroom Block at Lumbamba Primary School**

The Council engaged Makalu General Dealers on 27<sup>th</sup> October 2022 to complete a 1 x 2 Classroom block in Lubamba Ward at a contract price of K178,553 and a completion period of twelve (12) weeks ending 19<sup>th</sup> January 2023.

The scope of work included reworking on the substructure, roofing, metal work,

carpentry, joinery and ironmongery, floor and wall finishes, glazing, painting and decoration and other external works.

As at 30<sup>th</sup> September 2023, a total of K86,700 had been paid to the contractor leaving a balance of K91,853.

An inspection carried out on 18<sup>th</sup> September 2023 revealed that external works such as drainage had not been done, five (5) months after the expected completion date.

Further, there were some shoddy works on the roof as the J-hooks were not hooked to the ripped channels, the walls were poorly plastered and the window frames were poorly welded.

- **Completion of Staff House at Nene Primary School**

On 27<sup>th</sup> October 2022, Ronbon Construction & General Dealers was engaged to complete construction of a staff house at Nene Primary School at a contract sum of K120,000 with a completion period of eight (8) weeks ending on 22<sup>nd</sup> December 2022.

The scope of work included completing the block and brick works lintel level, roofing using roofing sheets that already were on site, electrical installation, fitting window and door frames which were also already on site, flooring and wall finishes, glazing, painting and decoration and other external works.

As at 30<sup>th</sup> September 2023, the Contractor had been paid a total of K113,700 leaving a balance of K6,300.

A physical inspection carried out in September 2023 revealed that the house had not been completed with the following works still outstanding; roofing, electrical installation, final coat of painting and door frames were not firmly fitted with mortar and decoration and other external works.

It was also observed that the contractor did not erect internal walls up to the gable level of the house and did not put a ceiling board inside the house. See picture below.



## ii. Bursaries – Secondary School and Skills Development

- **Sponsoring Pupils from Other Constituencies**

The 2022 Constituency Development Fund Guidelines stipulates that pupils on CDF sponsorship should be residents of the constituency who are identified by the Constituency Development Fund Committee and confirmed by the Department of Social Welfare.

Contrary to the guidelines, the Council sponsored nineteen (19) pupils at Sikongo Boarding School at the cost of K57,000 who were not residents of Sikongo Constituency.

- **Sponsoring Children for Civil Servants /Public Service Workers**

According to the CDF Guidelines of 2022, to qualify for bursary the learner should have parents/guardians who have no reliable source of income among others.

Contrary to the eligibility criterion above, Sikongo Constituency Development Fund Committee approved and sponsored ten (10) children for civil servants a total cost of K36,000 whose parents had reliable source of income in form of salaries.

- **Students without Proof of Completing Skills Courses**

Sikongo Town Council Constituency Development Committee approved and sponsored 192 students at a total cost of K1,146,779 to acquire trade skills at various Trade Schools. As at 18<sup>th</sup> September, 2023, 176 students had graduated from the short-term sponsored courses. However, there was no proof that 76 students had graduated or not.



### **iii. Grants - Empowerment**

- **Failure to Realise Revenue – Rice Farming Businesses**

During the period under review amounts totalling K1,956,233 were allocated to cater for empowerment grants against which amounts totalling K1,940,000 were disbursed to 226 cooperatives and clubs.

However, a physical inspection carried out in June and in September 2023 revealed that 193 clubs/cooperatives which received amounts totalling K1,737,000 for rice farming did not realise any revenue.

## **108. Sinazongwe Town Council**

### **a. Sinazongwe Constituency**

#### **i. Community Projects**

- **Failure to Sign formal Contracts**

Guideline No 7.4.17 of the CDF stipulates that A Local Authority shall use a standard contract approved by the Attorney-General and issued by Zambia Public Procurement Authority (ZPPA) or any other contract approved by the ZPPA.

A review of documentation regarding CDF projects revealed that the Council did not use standard contracts approved by the Attorney General for works involving amounts totalling K4,509,394 for contractors who were engaged to construct schools, clinics and water reticulation systems within the Constituency. It was observed in this regard that contractors were engaged to execute civil works using Local Purchase Orders. See table 1 below.

**Table 1: List of Projects with No Formal Contracts**

No.	Project Site/Location	Project Name	Approved Amount K	Amount on LPO K	Contract Start Date	Actual Start Date
1	Kafwambila school	1x2 Classroom block	595,825	485,742	12/27/2022	12/27/2022
2	Sianzovu, School	Health Post	409,010	397,609	12/27/2022	12/27/2022
3	Siawaza Health Post	Health Post	385,120	356,543	12/27/2022	12/27/2022
4	Dengeza Health Post	Health Post	449,726	437,535	12/27/2022	12/27/2022
5	Sulwegonde Village	Water Reticulation System	276,570	275,384	12/27/2022	12/27/2022
6	Chuunga School	Borehole	90,000	89,000	12/27/2022	12/27/2022
7	Mayanda School	Installation of Electricity at classroom block	33,571	33,000		
8	Nambisya Community School	1x3 Classroom block	595,825	507,801	12/27/2022	12/27/2022
9	Sinazongwe School	1x3 Classroom block	851,500	730,363	12/27/2022	12/27/2022
10	Sinazongwe Radio Station	Antenna at Radio Station	110,000	88,780	12/27/2022	12/27/2022
11	Syanyuka Village	Maternity Block	276,570	275,384	12/27/2022	12/27/2022
12	Lutuwa Village	Water Reticulation System	276,570	275,384	12/27/2022	12/27/2022
13	Malozi lozi	Rehabilitation of Bridge	556,869	556,869	12/27/2022	12/27/2022
	<b>Total</b>		<b>4,907,156</b>	<b>4,509,394</b>		

## ii. Bursaries – Secondary School and Skills Development

### • Failure to Adhere to CDF Guideline – Non TEVETA Accredited School

Guideline 5.3.5.2 Part a & b of the CDF Guideline states, “the application for Skills Training Bursary shall be submitted together with an admission or acceptance letter from any TEVETA accredited public or private institution or the Zambia National Service. Any of the following certified documents shall accompany the application: a) Disability card or letter from the hospital denoting disability; b) Recommendation letters from the Church/Chief/Headman/Head Teacher of previous school.”

On 30<sup>th</sup> August 2022, the Council paid K523,000 in respect of sixty-nine (69) youths of the district for a course of fifteen days. A review of the payment details and confirmation of documentation from the school revealed that the School was not a TEVETA accredited training institute. In this regard, the payment made was wasteful in that the youths could not be issued with valid certificates as proof of having been trained by the institute.

In addition, sixty seven (67) beneficiaries had not submitted duly signed application forms with all required documentations and fifteen (15) Ward Development

Executive Committees did not submit minutes to accompany the applications that were submitted to the CDF Committee thereby casting doubt as to the authenticity of the beneficiaries.

- **Payments Not Supported by Approved Application Forms**

Guideline 5.3.5.2 states, “the application for Skills Training Bursary shall be submitted together with an admission or acceptance letter from any TEVETA accredited public or private institution or the Zambia National Service. Any of the following certified documents shall accompany the application: a) Disability card or letter from the hospital denoting disability; b) Recommendation letters from the Church/Chief/Headman/Head Teacher of previous school; and c) Where applicable, the applicant must be in possession of a full Grade 12 School Certificate or GCE with Five (5) O-levels or equivalent or Grade 9 or 7 Certificates.”

Contrary to Guideline 5.3.5.2, the Council paid amounts totalling K94,550 to five (5) institutions as bursaries for skills development without approved application forms.

## **109.Sinda Town Council**

### **a. Kapoche Constituency**

#### **i. Irregular Award of Contracts to the Highest Bidder**

Section 98 (1) of the Public Procurement Regulation of 2022, states that the methodology for the evaluation of bids shall consist of:

(a) a comparison of each bid to the technical requirements of the statement of requirements on a pass or fail basis, to determine whether the bids are substantially responsive; and

(b) the determination of the bid with the lowest evaluated price.

Further, the award criteria in the bid instruction provided that the Employer will award the Contract to the Bidder whose Bid has been determined to be substantially responsive and who has offered lowest evaluated Bid price, provided that such Bidder

has been determined to be eligible in accordance with the provisions of Clauses 4 to 19 above.

Contrary to the regulation and award instructions, the council did not award three (3) to the lowest bidder who had met all the selection criteria. See table 1 below.

**Table 1: Contracts not awarded to lowest bidders**

No.	Project Name	Selected Bid K	Lowest Bid K	Variance K
1	Completion of 1x3 Science Lab at Nyanje Day Secondary	298,396.00	288,163.00	10,233.00
2	Construction of Culvate box at Matamabzi bridge	911,178.84	828,532.95	82,645.89
3	Construction of water borne toilettes box at Mtandaza day	407,600.00	349,090.00	58,510.00

Further, no justifications were recorded in the minutes produced.

**ii. Secondary Boarding and Skills Development**

During the period under review, a total of forty five (45) pupils were sponsored under CDF for boarding schools and twenty one (21) students for skills training at a total cost of K251,330. In addition, the Council planned to procure 3,260 desks at a total cost of K1,783,730.

As at 31<sup>st</sup> October 2023, five (5) pupils and seven (7) students had graduated whilst only 2,180 desks had been procured. See table 2 below.

**Table 2: Bursaries and Procurement of Desks**

No.	Details	Applications	Approved	Expenditure K
1	Secondary Bursaries	46	45	123,100
2	Skills Development Bursaries	21	21	128,230
3	Desks	3620	3620	1,783,730
	<b>Total</b>			<b>2,035,060</b>

As at 30<sup>th</sup> September 2023, 2,180 desks had been procured. However, the following were observed:

- **Non-Delivery of Desks**

Two (2) contractors engaged to supply 560 desks with a delivery period of five (5) weeks and had been paid advance payments in amounts totalling K307,430 had not delivered the desks as at 30<sup>th</sup> September 2023 resulting in a delay of more than six (6) weeks. See table 3 below.

**Table 3: Undelivered Desks**

Date	Contractor	Details	Payments K	No. of Desks	Contract Sum K
19.06.2023	Sydlyd Construction	25% Advance Payment For Purchase & Delivery Of 270 Desk's - lot 19	99,030	270	396,120
27.07.2023	Quadoshi Investments Ltd	50% Advance Payment For Purchase & Delivery Of 290 Desk's - lot 13	208,400	290	416,800
	<b>Total</b>		<b>307,430</b>	<b>560</b>	<b>812,920</b>

- **Supply and Delivery of Substandard Desk**


According to the Bill of Quantity, a two (2) seater desk was supposed to have top which was made of hardwood measuring 1150 x 400 x 25 mm while the seat was to measure 1150 x 250 x 25 mm.

A site visit to selected schools revealed the three (3) suppliers who were engaged to supply 870 desks at a contract sum of K1,268,800 supplied desks which were of substandard in that they were not meeting the 1150 x 400 x 25 mm measurements for the desktop, the desktops and seaters had cracks and some had spaces on the joints and the desks had no bookshelf. See table 4 below.

**Table 4: Suppliers with Substandard Desks**

Date	Contractor	Details	Payments	No. of Desks	Contract Sum K
19.06.2023	Lovevic Construction	25% Advance Payment For Purchase & Delivery Of 260 Desk's - lot 16	97,500	260	390,000
19.06.2023	Muhamme Innovations	Payment For Purchase & Delivery Of 310 Desk's - lot 12	435,800	310	458,800
19.06.2023	Midrand Construction	25% Advance Payment For Purchase & Delivery Of 300 Desk's - lot 15	105,000	300	420,000
<b>Total</b>			<b>638,300</b>	<b>870</b>	<b>1,268,800</b>

**b. Sinda Constituency**

No.	Project	Contractor	Contract Date	Contract		Contract Sum (K)	Amount Paid (K)	Scope of Works	Project Status and other observation
				Start	End				
1	Construction of 1 x 3 CRB – Chimunsi Primary School	Fungala Investments	07/10/2022	07/10/2022	07/01/2023	200,000.00	190,000.00	Completion of 1x3 CRB at Chimunsi Primary School	<p>The following works were still outstanding as at 31<sup>st</sup> October 2023:</p> <ul style="list-style-type: none"> <li>• Plastering</li> <li>• Flooring and fitting of air vents</li> <li>• Fiting of doors and windowpanes</li> <li>• Painting and apron</li> </ul> 
2	Construction of 1 x 2 CRB at Kasasule	Raal Construction Limited	08/09/2022	08/09/2022	08/12/2022	199,440.10	189,368.39	Construction of superstructure	<p>The following works were still outstanding as at 31<sup>st</sup> October 2023:</p>

	Community School							Roofing, Plastering, iron monger, flooring and finishing	<ul style="list-style-type: none"> <li>• Beam filling</li> <li>• Plastering inside and outside</li> <li>• Flooring</li> <li>• Fiting of doors and windowpanes</li> <li>• Painting inside and outside</li> </ul>
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## 110.Sioma Town Council

### a. Sioma Constituency

#### i. Community Projects

- **Completion of Philip Meyer Community Schools**

In August and October 2022, the Council procured 1,410 roofing sheets and roofing nails at a cost of K292,550 to be used on the construction of staff houses and roofing of forty (40) community schools. Further, a total amount of K64,160 was spent on timber rafters and delivery of roofing sheets to the sites.

However, a site visit to Philip Meyer School which was earmarked to benefit from materials procured carried out in September 2023 revealed that the materials were not being utilised on the school as the school was being constructed using pole and mud. See picture below.



*CRB at Philip Meyer School*

#### ii. Grants - Empowerment

- **Lack of Hammermill Business Proposals**

On 24<sup>th</sup> November 2022, the Council procured eighteen (18) diesel propelled gravity hammer mills at total cost of K651,600 which were distributed to eighteen (18) clubs in the constituency.

However, it was observed that the clubs which benefited from the hammer mills did not have business proposals presented to the Constituency Development Fund Committee.



In addition, there was no feasibility study done to show how the capital investment of K40,000 (being the purchase price and cost of delivery) used to procure the hammer mills would be recouped.

- **Sale of Hammer mill**

A physical inspection carried out at Mapilelo Club in Mutomena revealed that the Club had exchanged the hammer mill for six (6) calves without authority. At the time of the audit, the six (6) calves received as consideration for the sale of the hammer mill were not found at the cooperative.

- **Failure to Implement Businesses Activities**

Amounts totalling K1,171,000 were disbursed to sixty-one (61) clubs to venture in various businesses.

A physical inspection carried out in September 2023 revealed that a total of thirty (30) clubs that received grants in amounts totalling K600,000 had not implemented the businesses activities.

## **111.Solwezi Municipal Council**

### **a. Solwezi Central Constituency**

#### **i. Community Projects**

- **Delayed Submission of Proposed Projects by the CDF Committee**

According to Section 15 (1) of the CDF Act No. 11 of 2018, a Committee shall submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Act, the Council submitted the 2022 proposed project list to the Minister for approval on 21<sup>st</sup> June 2022, three (3) months after due date.

- **Construction of a 1x3 Classroom Block at Mitukutuku Secondary School - Delayed Completion of the Project**

On 25<sup>th</sup> July 2022, the Council engaged Mumusa Business Solutions Limited to construct the classroom block at a contract sum of K498,225. The works

commenced on 1<sup>st</sup> August 2022 and were expected to be completed on 1<sup>st</sup> February 2023.

The scope of works included substructure, concrete works, brickwork and blockwork, roofing, structural steel, carpentry, joinery and iron mongery, metal work, electrical installation, floor and wall finishing, glazing, painting and decoration and external works.

As at 28<sup>th</sup> February 2023, amounts totalling K117,046 had been spent leaving a balance of K381,179.

However, a physical inspection carried out in October 2023, revealed that the works had not been completed eight (8) month from the expected date of completion. The outstanding works included; roofing, structural steel, carpentry, joinery and iron mongery, metal work, electrical installation, floor and wall finishing, glazing, painting and decoration and external works. See pictures below.



*Uncompleted classroom block*

- **Construction of a Maternity Wing at Kapijimpanga Rural Health Post**

On 25<sup>th</sup> July 2022, the Council engaged Compstat Limited to construct the maternity wing at Kapijimpanga Rural Health Post at a contract sum of K590,000. The project commenced on 2<sup>nd</sup> August 2022 and the expected date of completion was 18<sup>th</sup> October 2022.

The scope of work included substructure, concrete works, brickwork and block work, roofing, structural steel, carpentry, joinery and iron mongery, metal work, plumbing works, electrical installation, floor and wall finishes, glazing, painting and decoration and external works.

As at 28<sup>th</sup> February 2023, amounts totalling K203,671 had been paid to the contractor leaving a balance of K386,329. The following were observed:

- **Delayed Completion of the Project**

A physical inspection carried out in September 2023, revealed that the works had not been completed seven (7) months after the expected completion date. The outstanding works included; flooring, glazing, painting and decoration and external works. See picture below.



*Front view of the maternity wing*

- **Wrong specification of materials**

A physical inspection of the spider trusses and grill doors fitted revealed that instead of using Y16 deformed bars, the contractor used Y12 bars. In addition, the contractor used R12 mild steel burglar bars for the fourteen (14) windows instead of R16 as specified in the BOQ.

- ii. **Secondary Boarding and Skills Development - Late Submission of Skills Development Bursary Applications for Approval**

Section 5.4 of the CDF guidelines states that, “the CDF Committee shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

However, the committee submitted the proposed applications and estimated costs in May 2022, two (2) months after the prescribed period.

- iii. **Failure to Settle Outstanding Fees**

During the period under review, the Council enrolled 365 students at Solwezi Trades Training Institute under the CDF Skills Development bursaries at a cost of K4,178,550.

However, as at 31<sup>st</sup> October 2023, the Council had paid amounts totalling K2,608,862 leaving a balance of K1,569,688

## 112. Vubwi Town Council

### a. Reduction of amounts applied for

Out of eleven (11) groups visited, five (5) groups had applied for grants in amounts totalling K200,000 to undertake various business activities out of which the Council only disbursed amounts totalling K145,000 to the five (5) groups. This resulted in a reduction of disbursements in amounts totalling K55,000. Consequently, the implementation of projects was adversely affected due to lack of funds.

### b. Failure to maintain financial records

A physical inspection of eleven (11) beneficiary groups carried out in October 2023 revealed that nine (9) groups that received a total amount of K305,000 did not maintain adequate financial records such as receipt and expenditure details as well as sales records among others. It was therefore difficult to ascertain how the funds were utilized as well as the performance of the business undertakings.

### c. Non-operational Cooperative

During the period under review, four (4) beneficiary groups received grants in amounts totalling K130,000 to undertake various business activities.

However, a physical inspection of the projects carried out in October 2023 revealed that the businesses were not operational as there were no activities going on at the sites. See table 1 below.

**Table 1: Non-operational Beneficiary Cooperatives**

No.	Name of Beneficiary	Amount Received K	Comments
1	Solokoto MPC	40,000	No business activities at the place of operation at the time of the visit
2	Mbande Youth MPC	40,000	No business activities at the place of operation at the time of the visit
3	Chifunilo MPC	25,000	No business activities at the place of operation at the time of the visit
4	Chigozo Youth MPC	25,000	No business activities at the place of operation at the time of the visit
	<b>Total</b>	<b>130,000</b>	

## **113.Zambezi Town Council**

### **a. Zambezi East Constituency**

#### **i. Delayed Submission of Proposed Projects by the CDF Committee**

According to Section 15 (1) Subject to section 6 (e) of the CDF Act 2018, a Committee shall submit to the Minister a proposed project list and the estimated costs of the proposed projects before the end of the month of March in each year in the prescribed manner and form to ensure timely release of funds.

Contrary to the Provision, the Council submitted the 2022 proposed project lists to the Minister for approval on 7<sup>th</sup> October 2022, six (6) months after the expected date prescribed by the Act.

#### **ii. Delayed Implementation of Approved Projects**

Section 21(1) of the Constituency Development Fund Act No. 11 of 2018 states, “A project under this Act shall be implemented by the Council, and where necessary with the assistance of a relevant department of the Government in the district in which the constituency is located.”

However, a review of the approved list of projects and progress reports for Constituency Development Fund revealed that implementation of eighteen (18) projects with a total allocation of K8,168,741 only commenced in 2023 despite being approved in 2022. See table 1 below.

**Table 1: Delayed Implementation of Projects**

No.	Name and Type of Project	Ward	Year of Project	Date of Approval	Date Contract Signed	Amount K
1	Construction of 1x3 CRB at Mpidi Central Secondary School	Mpidi / Kakonga	2022	07.10.2022	25.08.2023	729,097
2	Construction of 1x3 CRB at Chizozu	Mpidi / Kakonga	2022	07.10.2022	25.08.2023	679,140
3	Construction of a 1x3 CRB at Kaleji Community School	Mpidi / Kakonga	2022	12.10.2022	05.12.2022	441,676
4	Completion of 1x2 CRB at Kanyitota	Mpidi / Kakonga	2022	12.10.2022	02.12.2022	381,522
5	Construction of a 1x3 CRB at Mayenu	Chitokoloki	2022	12.10.2022	02.12.2022	581,177
6	Construction of 1x3 CRB at Lwitadi	Lwatembu / Lwitadi	2022	07.10.2022	02.06.2023	628,864
7	Construction of Health post at kayisaka	Dipalata	2022	12.10.2022	20.03.2023	332,540
8	Construction of 1x3 CRB at Kasesi Secondary School	Kasesi Chivweji	2022	07.10.2022	02.06.2023	628,864
9	Completed of a Health post at Musekelebwa	Kasesi Chivweji	2022	07.10.2022	20.03.2023	389,146
10	Construction of a 1x2 CRB at Kateji (Phase 2)	Nyakulenga	2022	07.10.2022	20.03.2023	315,031
11	Construction of a 1x3 CRB at Kakeki	Nyakulenga	2022	07.10.2020	02.06.2023	630,757
12	Construction of a 1x2 CRB at Sutu	Lunkunyi	2022	12.10.2022	20.03.2023	142,897
13	Construction of 1x3 CRB at a Chafwenda (Kasombu)	Lunkunyi	2022	07.10.2022	02.06.2023	626,986
14	Completion and electrification of a 1x2 CRB at Kamakala	Chilenga	2022	12.10.2022	20.03.2023	150,000
15	Construction of a Staff House with VIP toilet at Kanyilaba Health Post	Chilenga	2022	07.10.2022	02.06.2023	451,388
16	Construction of 1x2 CRB at Kalola	Mukandankunda	2022	07.10.2022	20.02.2023	431,401
17	Construction of Staff House at Kanunu	Mukandankunda	2022	12.10.2022	02.12.2023	191,747
18	Construction of a Staff house and VIP Toilets at Lwatembu Health post	Lwatembu	2022	07.10.2022	02.06.2023	436,508
	<b>Grand Total</b>					<b>8,168,741</b>

**iii. Construction of 1x3 CRB at Mayenu**

On 2<sup>nd</sup> December 2022, the Council engaged Frankson Muzaza Stores to construct a 1x3 Classroom Block (CRB) at a contract price of K581,177 with a completion period of sixteen (16) weeks commencing on 2<sup>nd</sup> December 2022 and ending on 24<sup>th</sup> March 2023.

The scope of works included construction of sub and superstructures, structural steel works, glazing, flooring, plastering, decorating, painting and external works.

As at 30<sup>th</sup> September 2023, the contractor had been paid amounts totalling K377,765.

A review of progress reports and physical inspection carried out in 30<sup>th</sup> September 2023, revealed that the project had not been completed six (6) months after the expected completion date.

The outstanding works included; external works, painting and decorating, flooring, glazing and fixing of window panes and apron and drainages. See picture below.



*Incomplete 1x3 Classroom Block - Mayenu*

**iv. Construction of a 1x2 CRB at Kaleji Community School**

On 5<sup>th</sup> December 2022, the Council engaged Chispak Industrial Solution Ltd to construct a 1x2 classroom block at Kaleji Community School at a contract price of K441,676 with the contract period of sixteen (16) weeks. The contract start date was 5<sup>th</sup> December 2022 with the expected completion date of 26<sup>th</sup> March 2023.

The scope of works included Sub-structure, super structure, block works, roofing, fixing of metal works, plastering, painting and glazing, fixing of doors and finishes.

As at 30<sup>th</sup> September 2023 an amount of K397,508 had been spent on the project leaving a balance of K44,168

A review of progress reports and physical inspection carried out in September 2023, revealed that the project had not been completed six (6) months after the expected completion date.

The outstanding works included; external works, painting and decorating, flooring, glazing and fixing of window panes, apron and drainages and Other finishes. See pictures below.



**v. Bursaries – Secondary School and Skills Development - Late Submission of Bursary Applications for Approval**

Guideline 5.4 of the CDF Guidelines states, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

However, it was observed that during the period under review, the proposed applications and estimated costs were submitted in the month of June two (2) months after the required prescribed period

**vi. Grants - Empowerment**

**• Late Submission of Empowerment Grants Applications for Approval**

Section 5.4 of the CDF Guidelines states, “the CDFC shall submit to the Minister proposed applications and the estimated costs of Youth and Women Empowerment Grants before the end of the month of March in each year in the prescribed manner and form.”

However, it was observed that during the period under review, the proposed applications and estimated costs were submitted in the month of May 2022, two (2) months after the prescribed period.

**• Failure to Account for Empowerment Funds**

On 14<sup>th</sup> February 2022, the Ministry of Local Government and Rural Development approved an amount of K90,000 towards the fish business project for Kisu Ya Nzambi Club. The project involved supplying of fish on Zambezi Market and the surrounding Districts.

A review of the bank statements for the club records revealed that the funds were drawn on 8<sup>th</sup> April 2022.



However, the club could not substantiate what the funds were used for as at September 2023.

- **Unaccounted for Grants**

An examination of accounting and other records and a visit to the cooperatives in October 2023 revealed that two (2) cooperatives with an allocation of K35,000 could not substantiate how the grants were utilised. See table 2 below.

No	Corporative	Purpose	Activity taken	Constituency	Amount K
1	Nyachiteta Cooperative	Grocery Shop	Nil	Zambezi East	20,000
2	Chiyahala Youth club	Honey & Wax Production	Nil	Zambezi East	15,000
	<b>Total</b>				<b>35,000</b>

**b. Zambezi West Constituency**

**i. Community Projects**

- **Delayed Implementation of Approved Projects**

Section 21(1) of the Constituency Development Fund Act No. 11 of 2018 states, “A project under this Act shall be implemented by the Council, and where necessary with the assistance of a relevant department of the Government in the district in which the constituency is located.”



However, a review of the approved list of projects and progress reports for Constituency Development Fund revealed that implementation of ten (10) projects with a total allocation of K4,366,684 only commenced in 2023 despite being approved in 2022. See table 3 below.


**Table 3: Delayed Implementation of Projects**

No.	Name and Type of Project	Ward	Year of Project	Date Contract Signed	Amount K
1	Construction of a health post at Muswiza (phase 1)	Liyovu	2022	25.08.2023	450,000
2	Construction of a health post at Chifwelu (phase 1)	Matondo Nyachikayi	2022	25.08.2023	447,563
3	Construction of a health post at Chinguvu	Matondo Nyachikayi	2022	20.03.2023	342,182
4	Construction of a 1x3 CRB at Pungu Primary School	Liyovu	2022	02.12.2022	450,000
5	Construction of CRB at Chinyingi	Mapachi	2022	03.12.2022	300,000
6	Construction of 1x3 CRB at Kapele	Mwange	2022	03.12.2022	450,000
7	Construction of 2 staff houses at Kakundu	Likungu	2022	02.12.2022	592,000
8	Construction of 2 staff houses at Kangulunga	Muyembe Kangulunga	2022	25.08.2023	588,656
9	Completion of Lweji health post	Muyembe	2024	03.12.2022	361,074
10	Construction of an ablution block at Mapachi Primary School	Mapachi	2022	25.08.2023	385,210
<b>Grand Total</b>					<b>4,366,684</b>

- **Delayed Completion of Projects**

In 2022, the Council embarked on a number of projects. A review of progress reports and physical inspection carried out in June 2023 revealed that the projects had not been completed for periods ranging between 5 to 6 months from their expected dates of completion. Furthermore, the following were observed as shown in table 4 below:

No.	Project	Contractor	Contract Period	Start Date	Expected Completion Date	Allocated Amount K	Expenditure K	Scope of Works	Status as at 30 <sup>th</sup> September 2023
1	Construction of a 1x3 CRB at Pungu Primary School	Walyakazamu Construction & General Dealers	16 Weeks	02.12.2022	24.03.2023	450,000	337,500	Scope of works included; Substructure, Superstructure, block works, carpentry, roofing, painting, finishes and external works.	The project was at substructure with outstanding works including; roofing, plastering, metal work, joinery and ironmongery glazing, flooring, painting and decoration. 
2	Construction of a 1x3 CRB at Chinyingi	Chimo Innovation	16 Weeks	03.12.2022	24.03.2023	500,000	270,000	Substructure, Superstructure, block works, carpentry, roofing, painting, finishes and external works	The project was at completion stage with outstanding works including; metal work, joinery and ironmongery glazing, flooring, painting and decoration. 

3	Construction of 2 staff Houses at Kakunda	Maklas Construction and general Dealers	16 weeks	02.12.2022	24.03.2023	592,000	384,800	Scope of works included; Substructure, Superstructure, block works, carpentry, roofing, painting, finishes and external works	<p>The project was at gable level and completion stage with outstanding works including; one staff house required roofing, plastering, metal work, joinery and ironmongery glazing, flooring, painting and decoration.</p> 
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**ii. Bursaries – Secondary School and Skills Development**

- **Late Submission of Bursary Applications for Approval**

Guideline 5.4 (a) of the CDF Guidelines states, “the CDFC shall submit to the Minister proposed applications and the estimated costs of bursaries before the end of the month of March in each year in the prescribed manner and form.”

Contrary to the guidelines, the proposed applications and estimated costs were submitted in the month of June, two (2) months after the prescribed period.

**iii. Grants – Empowerment**

- **Late Submission of Empowerment Grant Applications for Approval**

Guideline 5.4 of the CDF Guidelines states, “the CDFC shall submit to the Minister proposed applications and the estimated costs of Youth and Women Empowerment Grants before the end of the month of March in each year in the prescribed manner and form.”

Contrary to the Guidelines, proposed applications and estimated costs were submitted in the month of May, two (2) months after the prescribed period.

- **Failure to Secure Hammer Mills**

During the period under review, Samuyanja and Liyovu cooperatives were funded K40,000 each to procure hammer mills under the 2022 CDF youth and women empowerment programme.

A visit to the cooperatives revealed the following:

- **Samuyanja Cooperative (Lunkunyi Ward)**

The cooperative of thirty six (36) members had not built a concrete shelter for the hammer mill but were using a grass thatched house. See Pictures below.



*Grass thatched shelter*



*Inside the shelter*

## 114. Zimba Town Council

### a. Mapatizya Constituency

#### i. Community Project

- **Delayed Implementation of Projects.**

The Constituency Development Fund Act No.11 of 2018 section 21 (1) states that, “A project under this Act shall be implemented by the Council, and where necessary with the assistance of a relevant department of the Government in the district in which the constituency is located “.

During the period under review, the Ministry approved the construction of a 1 x 3 classroom block at Mwanachoongo School for which an allocation of K500,000 was made to facilitate the construction.

However, as at 31<sup>st</sup> October 2023, the project had not been implemented.

- **Delayed Completion - Construction of a Health Centre at Sikakai**

On 25<sup>th</sup> November 2022, the Council engaged Messrs Jamashu Enterprises Limited for the construction of a Health Centre at Sikakai in Chidi ward at a contract sum of K947,796 with a contract period of five (5) months starting from 9<sup>th</sup> December 2022 to 9<sup>th</sup> May 2023.

The scope of works included construction of sub and superstructures, concrete works, masonry works, roofing and steel roof structure, carpentry ,joinery and

ironmongery, metal work , electrical installation, floor,wall and ceiling finishes, painting and decoration, external works.

As at 31<sup>st</sup> October 2023, the contractor had been paid amounts totalling K186,370.

A physical inspection of the project carried out in September 2023, revealed that the project had not been completed. The outstanding works included; roofing and steel roof structure, carpentry ,joinery and ironmongery, metal work , electrical installation, floor,wall and ceiling finishes, painting and decoration and external works. See pictures below.



*Delayed completion- Sikalai Health Centre*

## **115. Acknowledgements**

I wish to extend my gratitude to my dedicated staff, whose hard work throughout the audit process has been instrumental in producing this report and overcoming various challenges. I also express my appreciation and sincere gratitude to the Minister and the Permanent Secretary for the Ministry of Local Government and Rural Development, along with the Principal Officers of the Local Authorities and their staff, for their valuable cooperation. Their collaboration facilitated the objective, efficient and effective conduct of the audits.

## **116. Recommendations**

In order to guarantee the effective, economical and efficient management, disbursement and utilisation of the Constituency Development Funds and to enhance accountability and transparency within the framework of the Constituency Development Fund Act No. 11 of 2018 and its accompanying guidelines, the following recommendations are hereby made:

- i. The Controlling Officer and the Principal Officers should consider revising the legal framework governing the procurement process for CDF projects to incorporate special considerations aimed at minimising the lead time in the implementation of the projects.
- ii. The Principal Officers should ensure that the awarding of contracts for community projects is promptly done in order to ensure that there are no delays in the execution of the projects which are meant to address the challenges of inadequate infrastructure such as schools, health facilities, police posts, feeder roads and crossing points for the benefit of the communities within the respective constituencies.
- iii. The Principal Officers should ensure that community projects are executed in accordance with the provisions of the contracts and in a timely manner. The Principal Officers should therefore ensure that payments to contractors are only made when they are satisfied that the works meet the expected standards.
- iv. The Principal Officers should ensure that grants provided for secondary schools and skills training are timely disbursed to actualise the true intention of the CDF which is to provide vulnerable learners with access to secondary schools and skills training institutions with



the aim of enhancing human development and drive the entrepreneurship agenda at the local level.

- v. The Principal Officers should ensure that Monitoring and Evaluation is consistently and timely undertaken in order to eliminate aspects of misapplication and misappropriation of empowerment grants by the cooperatives to which the funds are disbursed. The Monitoring and Evaluation will act as a platform to sensitise the beneficiaries on the provisions of the CDF guidelines on how the funds are to be utilised.
- vi. The Controlling Officer and Principal Officers should consider revising the CDF Guidelines to provide for punitive measures against beneficiaries (cooperatives and groups) who misappropriate or misapply constituency development funds.

## **117. Conclusion**

The report has identified several weaknesses in the management of the Constituency Development Fund. It is imperative that that these weaknesses are addressed in order to ensure the effective realisation of the Constituency Development Fund's objective in delivering essential social and economic ser to the Zambian people.

# **PART III**



# **APPENDICES**



**118. Appendix 1: Budget Performance**

No.	Councils	Constituency	Approved K	Income K	Variance K	Interest K	Balance B/F K	Expenditure K	Unspent Funds K
1	Chadiza Town Council	Chadiza	25,739,911	23,739,911	2,000,000	271,994	2,176,722	5,679,510	20,509,117
2	Chama Town Council	Chama - South	25,739,911	23,739,911	2,000,000	225,330	1,448,022	4,114,386	21,298,877
		Chama - North	25,739,911	23,739,911	2,000,000	228,878	1,027,350	4,144,285	20,851,854
3	Chasefu Town Council	Chasefu	25,489,170	25,489,170	-			8,406,860	17,082,310
4	Chavuma Town Council	Chavuma	25,739,911	23,739,911	2,000,000		2,315,189	2,430,662	23,624,438
5	Chembe Town Council	Chembe	25,739,911	23,739,911	2,000,000	167,254	2,400,790	6,370,833	19,937,122
6	Chibombo Town Council	Katuba	25,739,911	23,739,911	2,000,000	18,652	2,351,496	13,238,228	12,871,831
		Keembe	25,739,911	23,739,911	2,000,000	18,708	1,600,105	4,666,208	20,692,516
7	Chienge Town Council	Chienge	25,739,911	23,739,911	2,000,000	33,931	1,674,568	6,132,459	19,315,951
8	Chifunabuli Town Council	Chifunabuli	25,739,911	23,739,911	2,000,000		2,265,657	3,230,054	22,775,514
9	Chikankata Town Council	Chikankata	25,739,911	23,739,911	2,000,000		2,579,112	5,568,897	20,750,126
10	Chilanga Town Council	Chilanga	25,700,000	23,749,911	1,950,089		2,769,156	20,690,498	5,828,569
11	Chililabombwe Municipal Council		25,739,911	23,739,911	2,000,000		2,092,731	8,762,858	17,069,784
12	Chilubi Town Council	Chilubi	25,700,000	23,739,911	1,960,089	260,218	2,406,139	4,993,657	21,412,611
13	Chingola Municipal Council	Nchanga	25,739,911	23,739,911	2,000,000		2,322,939	7,098,635	18,964,215
		Chingola	25,739,911	23,739,911	2,000,000		1,901,589	8,660,707	16,980,793
14	Chinsali Municipal Council	Chinsali	25,739,911	23,739,911	2,000,000		1,689,248	3,993,332	21,435,827
15	Chipangali Town Council	Chipangali	25,739,911	23,739,911	2,000,000	36,400	1,306,958	11,690,021	13,393,248
16	Chipata City Council	Chipata Central	25,739,911	23,739,911	2,000,000	133,075	2,490,930	5,742,170	20,621,746
		Luangeni	25,739,911	23,739,911	2,000,000	272,884	1,964,525	5,453,430	20,523,890
17	Chipili Town Council	Chipili	25,739,911	23,739,911	2,000,000	193,947	2,542,156	5,436,438	21,039,576
18	Chirundu Town Council	Chirundu	25,739,911	23,739,911	2,000,000		2,280,262	8,716,667	17,303,506
19	Chisamba Town Council	Chisamba	25,739,911	23,739,911	2,000,000		2,381,429	4,183,509	21,937,831
20	Chitambo Town Council	Chitambo	25,739,911	23,739,911	2,000,000	29,983	2,074,621	2,670,426	23,174,089
21	Choma Municipal Council	Choma Central	25,739,911	23,739,911	2,000,000	255,631	2,231,889	7,187,379	19,040,052

No.	Councils	Constituency	Approved K	Income K	Variance K	Interest K	Balance B/F K	Expenditure K	Unspent Funds K
		Mbabala	25,739,911	23,739,911	2,000,000	202,677	2,232,568	7,390,012	18,785,144
22	Chongwe Municipal Council	Chongwe	25,739,911	23,739,911	2,000,000		3,013,899	10,849,100	15,904,710
23	Gwembe Town Council	Gwembe	25,739,911	23,739,911	2,000,000		2,071,870	4,173,630	21,638,151
24	Ikelenge Town Council	Ikelenge	25,739,911	23,739,911	2,000,000		3,706,378	7,542,965	19,903,324
25	Isoka Town Council	Isoka	25,739,911	23,739,911	2,000,000		1,717,654	3,979,308	21,478,257
26	Itezhi Tezhi Town Council	Itezhi - Tezhi	25,739,911	23,739,911	2,000,000	262,620	2,275,025	6,458,376	19,819,180
27	Kabompo Town Council	Kabompo	25,739,911	23,739,911	2,000,000		1,836,950	3,514,525	22,062,336
28	Kabwe Municipal Council	Kabwe Central	25,700,000	23,739,911	1,960,089	24,667	2,177,328	6,026,400	19,915,506
		Bwacha	25,700,000	23,739,911	1,960,089	24,667	1,825,149	4,686,583	20,903,144
29	Kafue Town Council	Kafue	25,739,911	23,739,911	2,000,000		2,926,224	5,319,175	21,346,960
30	Kalabo Town Council	Kalabo Central	25,739,911	23,739,911	2,000,000	147,840	2,317,520	7,592,364	18,612,907
		Liuwa	25,739,911	23,739,911	2,000,000	145,638	2,687,852	9,167,474	17,405,927
31	Kalomo Town Council	Kalomo Central	25,739,911	23,739,911	2,000,000		1,836,747	5,820,320	19,756,338
		Dudumwezi	25,739,911	23,739,911	2,000,000		2,037,107	4,899,420	20,877,598
32	Kalulushi Municipal Council	Kalulushi	25,739,911	23,739,911	2,000,000		1,940,057	4,681,486	20,998,482
33	Kalumbila Town Council	Solwezi West	25,700,000	23,739,911	1,960,089	214,280	2,201,225	11,143,718	15,011,698
34	Kanchibiya Town Council	Kanchibiya	25,739,911	23,739,911	2,000,000	20,220	2,187,771	9,020,111	16,927,791
35	Kaoma Town Council	Kaoma Central	25,739,911	23,739,911	2,000,000		2,193,258	6,809,881	19,123,288
		Mangango	25,739,911	23,739,911	2,000,000		2,167,784	5,982,494	19,925,201
36	Kapiri Mposhi Town Council	Kapiri Mposhi	25,700,000	23,739,911	1,960,089		2,436,823	4,829,668	21,347,066
37	Kaputa Town Council	Kaputa	25,739,911	23,739,911	2,000,000	272,185	1,914,211	5,687,380	20,238,927
38	Kasama Municipal Council	Kasama Central	25,734,783	23,739,911	1,994,872	25,650	1,841,507	4,730,663	20,876,405
		Lukashya	25,734,783	23,739,911	1,994,872		1,821,765	4,867,679	20,693,997
39	Kasempa Town Council	Kasempa	25,700,000	23,739,911	1,960,089		2,220,317	7,476,138	18,484,090
40	Kasenengwa Town Council	Kasenengwa	25,739,911	23,739,911	2,000,000	121,498	1,923,896	8,265,465	17,519,840
41	Katete Town Council	Mkaika	25,739,910	23,739,910	2,000,000	21,612	1,895,128	3,453,726	22,202,924
		Milanzi	25,739,910	23,739,910	2,000,000	21,612	2,174,857	3,700,246	22,236,133

No.	Councils	Constituency	Approved K	Income K	Variance K	Interest K	Balance B/F K	Expenditure K	Unspent Funds K
42	Kawambwa Town Council	Kawambwa Central	25,739,911	23,739,911	2,000,000	277,259	1,872,926	2,542,458	23,347,638
		Pambashe	25,739,911	23,739,911	2,000,000	275,209	1,859,595	2,580,027	23,294,688
43	Kazungula Town Council	Katombola	25,739,911	23,739,911	2,000,000	262,424	2,792,652	7,544,168	19,250,819
44	Kitwe City Council	Nkana	25,739,911	23,739,911	2,000,000	24,164	<b>2,251,509</b>	7,690,756	18,324,828
		Kamfinsa	25,739,911	23,739,911	2,000,000	24,164	2,281,383	8,854,024	17,191,434
		Kwacha	25,739,911	23,739,911	2,000,000	33,422	3,575,225	5,769,140	21,579,418
		Chimwemwe	25,739,911	23,739,911	2,000,000		2,064,296	4,670,292	21,133,915
		Usakile	25,739,911	23,739,911	2,000,000	3,888	2,082,598	6,546,261	19,280,136
45	Lavushimanda Town Council	Mfuwe	25,739,911	23,739,911	2,000,000		1,881,715	5,429,866	20,191,760
46	Limulunga Town Council	Luenia	25,739,911	23,739,911	2,000,000	262,873	1,628,037	8,975,621	16,655,200
47	Livingstone City Council	Livingstone Central	25,739,911	23,739,911	2,000,000		1,914,334	12,617,356	13,036,889
48	Luampa Town Council	Luampa	25,739,911	23,739,911	2,000,000	38,988	1,988,994	4,597,995	21,169,898
49	Luangwa Town Council	Feira	25,739,911	23,739,911	2,000,000	137,813	2,028,097	3,677,565	22,228,256
50	Luano Town Council	Mkushi	25,739,911	23,739,911	2,000,000	34,212	1,649,119	5,217,038	20,206,204
51	Luanshya Municipal Council	Luanshya	25,739,911	23,739,911	2,000,000	252,054	1,703,386	6,697,148	18,998,203
		Roan	25,739,911	23,739,911	2,000,000	258,714	1,674,955	4,336,076	21,337,504
52	Lufwanyama Town Council	Lufwanyama	25,739,911	23,739,911	2,000,000	84,139	1,938,887	8,284,908	17,478,029
53	Lukulu Town Council	Lukulu East	25,739,911	23,739,911	2,000,000		2,793,070	4,547,533	21,985,448
54	Lumezi Town Council	Lumezi	25,739,911	23,739,911	2,000,000	86,000	1,803,669	7,380,684	18,248,896
55	Lundazi Town Council	Lundazi	25,739,911	23,739,911	2,000,000	243,713	1,635,643	6,599,182	19,020,085
56	Lunga Town Council	Lunga	25,739,911	23,739,911	2,000,000		1,652,750	3,327,874	22,064,787
57	Lunte Town Council	Lunte	25,739,911	23,739,911	2,000,000	23,353	1,578,712	4,333,778	21,008,198
58	Lupososhi Town Council	Lupososhi	25,739,911	23,739,911	2,000,000	15,573	2,073,894	6,852,127	18,977,251
59	Lusaka City Council	Chawama	25,739,911	23,739,911	2,000,000	294,948	2,457,983	5,853,255	20,639,587
		Kabwata	25,739,911	23,739,911	2,000,000	344,185	4,864,897	7,185,122	21,763,871
		Kanyama	25,739,911	23,739,911	2,000,000	290,711	2,372,569	6,931,926	19,471,265
		Lusaka Central	25,739,911	23,739,911	2,000,000	331,108	2,372,569	6,276,334	20,167,254
		Mandevu	25,739,911	23,739,911	2,000,000	288,887	2,291,902	6,167,762	20,152,938

No.	Councils	Constituency	Approved K	Income K	Variance K	Interest K	Balance B/F K	Expenditure K	Unspent Funds K
		Matero	25,739,911	23,739,911	2,000,000	296,404	2,343,570	5,912,271	20,467,614
		Munali	25,739,911	23,739,911	2,000,000	290,074	2,399,938	5,905,079	20,524,844
60	Lusangazi Town Council	Msanzala	25,739,911	23,739,911	2,000,000	156,289	1,697,966	5,193,049	20,401,117
61	Luwingu Town Council	Lubansenshi	25,739,911	23,739,911	2,000,000	16,542	2,033,193	3,894,966	21,894,680
62	Mafinga Town Council	Mafinga	25,739,911	23,739,911	2,000,000	143,700	1,758,343	7,400,376	18,241,578
63	Mambwe Town Council	Malambo	25,739,911	23,739,911	2,000,000	28,648	2,777,505	12,464,136	14,081,928
64	Mansa Municipal Council	Mansa Central	25,739,911	23,739,911	2,000,000	-	2,023,278	4,555,868	21,207,321
		Bahati	25,739,911	23,739,911	2,000,000	-	2,399,161	4,657,582	21,481,490
65	Manyinga Town Council	Manyinga	25,739,911	23,739,911	2,000,000	-	2,048,652	3,690,912	22,097,651
66	Masaiti Town Council	Kafulafuta	25,739,911	23,739,911	2,000,000	210,886	1,714,163	4,460,818	21,204,142
		Masaiti	25,739,911	23,739,911	2,000,000	216,956	2,675,839	3,534,262	23,098,444
67	Mazabuka Municipal Council	Mazabuka Central	25,739,911	23,739,911	2,000,000	41,304	2,506,059	19,971,179	6,316,095
		Magoye	25,739,911	23,739,911	2,000,000	41,750	2,643,486	23,668,436	2,756,711
68	Mbala Municipal Council	Mbala Central	25,739,911	23,739,911	2,000,000	20,279	2,128,515	4,280,089	21,608,616
69	Milenge Town Council	Milenge	25,739,911	23,739,911	2,000,000	132,996	1,916,172	11,272,576	14,516,503
70	Mitete Town Council	Mitete	25,739,911	23,739,911	2,000,000	-	2,206,485	6,665,098	19,281,298
71	Mkushi Town Council	Mkushi North	25,739,911	23,739,911	2,000,000	14,114	1,957,962	2,766,534	22,945,453
72	Mongu Municipal Council	Mongu Central	25,739,911	23,739,911	2,000,000	238,493	4,038,016	12,262,504	15,753,916
		Nalikwanda	25,739,911	23,739,911	2,000,000	264,723	1,864,883	9,938,758	15,930,759
73	Monze Town Council	Monze Central	25,739,911	23,739,911	2,000,000	-	1,737,231	7,854,912	17,622,230
		Bwengwa	25,739,911	23,739,911	2,000,000	-	1,882,110	10,166,437	15,455,584
		Moomba	25,739,911	23,739,911	2,000,000	-	2,082,637	10,765,080	15,057,468
74	Mpika Town Council	Mpika Central	25,466,778	23,739,911	1,726,867	-	1,726,867	4,829,801	20,636,977
75	Mpongwe Town Council	Mpongwe Central	25,739,911	23,739,911	2,000,000	-	2,079,837	6,584,553	19,235,195
76	Mporokoso Town Council	Mporokoso	25,739,911	23,739,911	2,000,000	242,057	2,442,517	6,127,454	20,297,031
77	Mpulungu Town Council	Mpulungu	25,700,000	23,739,911	1,960,089	17,631	1,771,207	3,595,656	21,933,093
78	Mufulira Municipal Council	Mufulira	27,100,120	23,739,911	3,360,209	-	3,360,209	7,567,588	19,532,532
		Kankoyo	26,538,440	23,739,911	2,798,529	-	2,798,529	6,587,868	19,950,572

No.	Councils	Constituency	Approved K	Income K	Variance K	Interest K	Balance B/F K	Expenditure K	Unspent Funds K
		Kantanshi	26,298,325	23,739,911	2,558,414	-	2,558,414	5,341,916	20,956,409
79	Mufumbwe Town Council	Mufumbwe	25,739,911	23,739,911	2,000,000	-	1,321,020	5,778,524	19,282,407
80	Mulobezi Town Council	Mulobezi	25,739,911	23,739,911	2,000,000	-	2,533,673	6,005,765	20,267,819
81	Mumbwa Town Council	Mumbwa Central	24,971,319	23,739,911	1,231,408	51,323	1,180,085	23,609,014	1,362,305
		Nangoma	25,442,383	23,739,911	1,702,472	81,426	1,621,046	17,599,729	7,842,654
82	Mungwi Town Council	Malole	25,700,000	23,739,911	1,960,089	13,564	3,196,978	5,675,759	21,274,694
83	Mushindamo Town Council	Solwezi East	25,739,911	23,739,911	2,000,000	257,958	2,938,290	9,981,669	16,954,490
84	Mwandi Town Council	Mwandi	25,739,911	23,739,911	2,000,000	-	2,012,425	11,016,670	14,735,666
85	Mwansabombwe Town Council	Mwansabombwe	25,739,911	23,739,911	2,000,000	246,279	2,235,791	5,905,617	20,316,364
86	Mwense Town Council	Mwense	25,739,911	23,739,911	2,000,000	-	1,745,115	2,635,615	22,849,411
		Mambilima	25,739,911	23,739,911	2,000,000	-	1,767,075	2,290,039	23,216,947
87	Mwinilunga Town Council	Mwinilunga	25,739,911	23,739,911	2,000,000	-	2,129,659	7,217,601	18,651,969
88	Nakonde Town Council	Nakonde	25,684,041	25,684,041	-	-	1,944,130	6,209,661	21,418,510
89	Nalolo Town Council	Nalolo	25,739,911	23,739,911	2,000,000	-	1,370,834	5,979,286	19,131,459
90	Namwala Town Council	Namwala	25,739,911	23,739,911	2,000,000	-	1,959,117	6,599,524	19,099,504
91	Nchelenge Town Council	Nchelenge	25,739,911	23,739,911	2,000,000	257,025	1,863,029	6,657,401	19,202,564
92	Ndola City Council	Ndola	25,739,911	23,739,911	2,000,000	-	2,618,245	9,605,937	16,752,219
		Kabushi	25,739,911	23,739,911	2,000,000	-	2,618,245	6,270,441	20,087,715
		Bwana Mukubwa	25,739,911	23,739,911	2,000,000	-	2,618,245	5,045,635	21,312,521
		Chifubu	25,739,911	23,739,911	2,000,000	-	2,618,245	9,152,391	17,205,765
93	Ngabwe Town Council	Lufubu	25,739,911	23,739,911	2,000,000	13,343	1,629,912	5,346,682	20,036,484
94	Nkeyema Town Council	Nkeyema	25,739,911	23,739,911	2,000,000	-	2,557,436	5,697,690	20,599,657
95	Nsama Town Council	Chimbamilonga	25,700,000	23,739,911	1,960,089	278,513	1,747,655	3,234,849	22,531,230
96	Nyimba Town Council	Nyimba	25,739,911	23,739,911	2,000,000	-	2,509,210	5,871,226	20,377,895
97	Pemba Town Council	Pemba	25,739,911	23,739,911	2,000,000	-	1,563,854	5,203,362	20,100,403
98	Petauke Town Council	Petauke	25,739,911	23,739,911	2,000,000	-	1,934,788	4,358,899	21,315,800
		Kaumbwe	25,739,911	23,739,911	2,000,000	-	1,838,997	2,808,508	22,770,400
99	Rufunsa Town Council	Rufunsa	25,739,911	23,739,911	2,000,000	110,101	1,802,332	21,018,085	4,634,259



No.	Councils	Constituency	Approved K	Income K	Variance K	Interest K	Balance B/F K	Expenditure K	Unspent Funds K
100	Samfya Town Council	Bangweulu	25,739,911	23,739,911	2,000,000		1,726,141	4,315,441	21,150,611
101	Senanga Town Council	Senanga	25,739,911	23,739,911	2,000,000	83,014	2,848,025	10,880,850	15,790,100
102	Senga Hill Town Council	Senga Hill	25,739,911	23,739,911	2,000,000	-	1,735,121	4,249,075	21,225,957
103	Serenje Town Council	Serenje	25,739,911	23,739,911	2,000,000	-	2,767,107	3,374,384	23,132,634
		Muchinga	25,739,911	23,739,911	2,000,000	-	2,333,276	2,629,859	23,443,328
104	Sesheke Town Council	Sesheke	25,739,911	23,739,911	2,000,000	6,772	6,733,996	6,733,996	23,746,683
105	Shangombo Town Council	Shangombo	25,739,911	23,739,911	2,000,000	26,828	1,685,915	9,309,994	16,142,660
106	Shibuyunji Town Council	Mwembezi	25,739,911	23,739,911	2,000,000	169,500	1,840,206	6,649,797	19,099,820
107	Shiwang'andu Town Council	Shiwang'andu	25,739,911	23,739,911	2,000,000	233,668	2,304,098	6,576,085	19,701,592
108	Siavonga Town Council	Siavonga	25,739,911	23,739,911	2,000,000	-	2,361,814	5,631,956	20,469,769
109	Sinda Town Council	Kopche	25,739,911	23,739,911	2,000,000	146,295	2,090,832	3,534,952	22,442,086
		Sinda	25,977,038	23,739,911	2,237,127	-	-	2,966,507	20,773,404
110	Sinazongwe Town Council	Sinazongwe	25,739,911	23,739,911	2,000,000	16,575	3,274,250	5,695,855	21,334,881
111	Sikongo Town Council	Sikongo	25,739,911	23,739,911	2,000,000	-	2,114,753	10,495,451	15,359,213
112	Sioma Town Council	Sioma	25,739,911	23,739,911	2,000,000	19,008	1,899,392	9,633,808	16,024,503
113	Solwezi Municipal Council	Solwezi	25,739,911	23,739,911	2,000,000	273,558	1,755,561	6,101,403	19,667,627
114	Vubwi Town Council	Vubwi	25,739,911	23,739,911	2,000,000	184,888	1,747,493	5,658,312	20,013,980
115	Zambezi Town Council	Zambezi East	25,739,911	23,739,911	2,000,000	-	2,360,122	4,376,238	21,723,795
		Zambezi West	25,739,911	23,739,911	2,000,000	-	2,686,023	3,886,406	22,539,528
116	Zimba Town Council	Mapatizya	25,739,911	23,739,911	2,000,000	24,367	1,731,924	16,815,266	8,680,936
			<b>4,016,325,163</b>	<b>3,707,129,503</b>	<b>309,195,660</b>	<b>12,406,703</b>	<b>338,404,043</b>	<b>1,067,023,664</b>	<b>2,990,916,585</b>

**119. Appendix 2: Failure to Spend**

No.	Councils	Constituency	Total Allocation K	Amount Spent K	Variance K	No. of Project Brought forward from 2021 to 2022	No. of Approved Projects in 2022	No. of Projects Completed	No. of WIP Projects	No. of Outstanding Projects
1	Chadiza Town Council	Chadiza	11,938,162	307,500	11,630,662	3	19	3	17	2
2	Chama Town Council	Chama - South	11,938,162	-	11,938,162	5	22	0	5	22
		Chama - North	11,938,162	307,500	11,630,662	4	41	0	4	41
3	Chasefu Town Council	Chasefu Constituency	11,938,162	2,806,662	9,131,500	5	30	18	0	17
4	Chavuma Town Council	Chavuma	11,938,162	-	11,938,162	4	32	0	4	32
5	Chembe Town Council	Chembe	11,938,162	2,717,149	9,221,013	18	26	10	34	0
6	Chibombo Town Council	Keembe	11,938,162	1,341,516	10,596,646	24	19	24	0	19
		Katuba	11,938,162	3,025,956	8,912,206	0	27	19	8	0
7	Chiengi Town Council	Chiengi	11,938,162	1,471,463	10,466,699	0	18	4	0	14
8	Chifunabuli Town Council	Chifunabuli	12,855,162	-	12,855,162	0	18	0	0	18
9	Chikankata Town Council	Chikankata	11,938,162	185,894	11,752,268	0	28	7	0	21
10	Chilanga Town Council	Chilanga	11,938,162	13,345,330	- 1,407,168	9	11	17	3	0
11	Chililabombwe Municipal Council	Chililabombwe	11,938,162	2,701,559	9,236,603	0	9	4	5	0
12	Chilubi Town Council	Chilubi	11,938,162	756,548	11,181,614	19	37	15	4	37
13	Chingola Municipal Council	Nchanga	11,938,162	431,017	11,507,145	0	16	12	0	4
		Chingola	11,938,162	1,660,271	10,277,891	0	20	16	4	0
14	Chinsali Municipal Council	Chinsali	11,938,162	-	11,938,162	6	33	0	6	33
15	Chipangali Town Council	Chipangali	11,938,162	4,189,290	7,748,872	3	32	3	29	3
16	Chipata City Council	Luangeni Constituency	11,938,162	-	11,938,162	4	12	0	4	12
		Chipata Central	11,938,162	-	11,938,162	7	26	0	2	31
17	Chipili Town Council	Chipili	11,938,162	1,444,142	10,494,020	3	17	0	3	17
18	Chirundu Town Council	Chirundu	11,938,162	4,680,788	7,257,374	4	15	16	3	0
19	Chisamba Town Council	Chisamba	11,938,162	1,073,574	10,864,588	0	21	12	2	7
20	Chitambo Town Council	Chitambo	11,938,162	-	11,938,162	0	29	0	0	29
21	Choma Municipal Council	Choma Central	11,938,162	1,118,829	10,819,333	4	29	9	10	14
		Mbabala	119,381,620	11,918,061	107,463,559	6	42	16	32	0

No.	Councils	Constituency	Total Allocation K	Amount Spent K	Variance K	No. of Project Brought forward from 2021 to 2022	No. of Approved Projects in 2022	No. of Projects Completed	No. of WIP Projects	No. of Outstanding Projects
22	Chongwe Municipal Council	Chongwe	11,938,162	1,660,271	10,277,891	0	25	24	1	0
23	Gwembe Town Council	Gwembe	11,938,162	1,125,137	10,813,025	5	7	7	5	0
24	Ikelenge Town Council	Ikelenge	11,938,162	4,492,965	7,445,197	4	43	19	25	3
25	Isoka Town Council	Isoka	11,938,162	-	11,938,162	5	22	0	5	22
26	Itezhi Tezhi Town Council	Itezhi - Tezhi	11,938,162	3,027,116	8,911,046	3	10	5	0	8
27	Kabompo Town Council	Kabompo	11,938,162		11,938,162	5	21	5	0	21
28	Kabwe Municipal Council	Kabwe central	11,938,162	3,720,412	8,217,750	0	35	17	7	11
		Bwacha contituency	12,855,162	2,477,107	10,378,055	0	35	17	7	11
29	Kafue Town Council	Kafue	11,938,162	1,834,781	10,103,381	4	14	16	2	0
30	Kalabo Town Council	Kalabo central	11,938,162	1,662,889	10,275,273	0	93	70	3	20
		Liuwa	11,938,162	2,270,586	9,667,576	0	75	40	5	30
31	Kalomo Town Council	Kalomo Central	11,938,162	1,978,737	9,959,425	39	75	62	43	9
		Dudumwezi	11,938,162	2,413,190	9,524,972	24	48	54	18	0
32	Kalulushi Municipal Council	Kalulushi	11,938,162		11,938,162	0	20	0	0	20
33	Kalumbila Town Council	Solwezi West	11,938,162	4,971,910	6,966,252	2	14	9	5	2
34	Kanchibiya Town Council	Kanchibiya	11,938,162	3,652,334	8,285,828	5	23	4	1	23
35	Kaoma Town Council	Kaoma Central	11,938,162	533,351	11,404,811	0	25	6	17	2
		Mangango constituence	11,938,162	3,026,993	8,911,169	0	21	6	0	15
36	Kapiri Mposhi Town Council	Kapiri Mposhi	12,855,162		12,855,162	0	40	0	0	40
37	Kaputa Town Council	Kaputa	11,938,162	550,548	11,387,614	5	7	2	0	10
38	Kasama Municipal Council	Kasama Central	12,855,162	1,006,540	11,848,622	18	20	5	13	20
		Lukashya	12,855,162	1,140,018	11,715,144	31	24	12	19	24
39	Kasempa Town Council	Kasempa	11,938,162	3,985,354	7,952,808	7	22	7	18	4
40	Kasenengwa Town Council	Kasenengwa	11,938,162	1,767,545	10,170,617	5	28	4	26	3
41	Katete Town Council	Mkaika	11,938,162	1,360,079	10,578,083	0	14	0	0	14
		Milanzi	11,938,162	1,554,609	10,383,553	0	13	0	0	13

No.	Councils	Constituency	Total Allocation K	Amount Spent K	Variance K	No. of Project Brought forward from 2021 to 2022	No. of Approved Projects in 2022	No. of Projects Completed	No. of WIP Projects	No. of Outstanding Projects
42	Kawambwa Town Council	Kawambwa Central	12,855,162	1,314,505	11,540,657	0	25	0	0	25
		Pambashe	12,855,162		12,855,162	3	25	0	3	25
43	Kazungula Town Council	Katombola constituency	11,938,162	87,263	11,850,899	0	19	4	14	1
44	Kitwe City Council	Nkana Constituence	11,938,162	867,831	11,070,331	0	39	14	18	7
		Kamfinsa	11,938,162	3,851,706	8,086,456	0	29	13	0	16
		Kwacha	11,938,162	1,439,186	10,498,976	0	26	5	12	9
		Chimwemwe	11,938,162	456,896	11,481,266	0	20	14	1	5
		Wusakile	11,938,162	324,457	11,613,705	0	39	13	18	8
45	Lavushimanda Town Council	Mfuwe	11,938,162		11,938,162	0	13	0	0	13
46	Limulunga Town Council	Luena	11,938,162	4,325,609	7,612,553	0	40	18	20	2
47	Livingstone City Council	Livingstone Central	11,938,162	7,170,926	4,767,236	8	35	20	3	20
48	Luampa Town Council	Luampa	11,938,162		11,938,162	0	32	0	0	32
49	Luangwa Town Council	Feira	11,938,162	348,872	11,589,290	8	26	24	10	0
50	Luano Town Council	Mkushi	11,938,162	3,658,405	8,279,757	0	59	6	4	49
51	Luanshya Municipal Council	Luanshya	11,938,162	950,458	10,987,704	0	26	7	0	19
		Roan	11,938,162		11,938,162	0	26	6	0	20
52	Lufwanyama Town Council	Lufwanyama	11,938,162	3,348,469	8,589,693	0	22	12	10	0
53	Lukulu Town Council	Lukulu East	11,938,162	1,791,915	10,146,247	19	24	19	0	24
54	Lumezi Town Council	Lumezi	11,938,162		11,938,162	22	16	0	2	36
55	Lundazi Town Council	Lundazi	11,938,162	1,641,550	10,296,612	7	25	7	14	11
56	Lunga Town Council	Lunga	12,855,162		12,855,162	0	10	0	0	10
57	Lunte Town Council	Lunte	12,855,162	1,400,943	11,454,219	11	19	11	0	19
58	Lupososhi Town Council	Lupososhi	11,938,162	677,841	11,260,321	5	22	0	5	22
59	Lusaka City Council	Chawama	11,938,162	2,399,545	9,538,617	2	17	2	0	17
		Kabwata	11,938,162	610,440	11,327,722	3	16	3	0	16
		Kanyama	11,938,162	2,627,609	9,310,553	1	20	1	0	20

No.	Councils	Constituency	Total Allocation K	Amount Spent K	Variance K	No. of Project Brought forward from 2021 to 2022	No. of Approved Projects in 2022	No. of Projects Completed	No. of WIP Projects	No. of Outstanding Projects
		Lusaka Central	11,938,162	2,884,177	9,053,985	1	43	1	0	43
		Mandevu	11,938,162	2,222,658	9,715,504	0	24	3	21	0
		Matero	11,938,162	2,054,250	9,883,912	0	24	3	21	0
		Munali	11,938,162	2,674,312	9,263,850	2	11	2	1	10
60	Lusangazi Town Council	Msanzala	11,938,162	2,148,563	9,789,599	2	38	12	22	6
61	Luwingu Town Council	Lubansenshi	11,938,162	1,335,947	10,602,215	13	16	12	1	16
62	Mafinga Town Council	Mafinga	11,938,162	2,645,977	9,292,185	3	19	0	3	19
63	Mambwe Town Council	Malambo	11,938,162	1,295,057	10,643,105	5	7	5	4	3
64	Mansa Municipal Council	mansa central	11,938,162		11,938,162	0	16	0	0	16
		Bahati	11,938,162		11,938,162	0	14	0	0	14
65	Manyinga Town Council	Manyinga	11,938,162	563,063	11,375,099	11	34	18	18	9
66	Masaiti Town Council	Kafulafuta	11,938,162	20,900	11,917,262	0	30	29	1	0
		Masaiti	11,938,162	1,047,665	10,890,497	5	29	4	2	28
67	Mazabuka Municipal Council	Mazabuka Central	11,938,162	12,054,466	- 116,304	5	7	7	5	0
		Magoye	11,938,162	10,960,533	977,629	7	20	18	7	2
68	Mbala Municipal Council	Mbala Central	11,938,162	1,584,174	10,353,988	3	29	3	0	29
69	Milenge Town Council	Milenge	11,938,162	5,325,377	6,612,785	14	18	1	15	16
70	Mitete Town Council	Mitete	11,938,162	2,155,009	9,783,153	6	35	6	0	35
71	Mkushi Town Council	Mkushi North	11,938,162	3,658,405	8,279,757	6	50	6	0	50
72	Mongu Municipal Council	Mongu central	11,938,162	1,417,716	10,520,446	0	30	15	0	15
		Nalikwanda	11,938,162	1,304,710	10,633,452	24	29	24	20	9
73	Monze Town Council	Moomba	11,938,162	5,761,141	6,177,021	0	27	21	6	0
		Monze Central	11,938,162	3,261,383	8,676,779	3	44	41	6	0
		Bwengwa	11,938,162	4,210,245	7,727,917	3	46	36	9	4
74	Mpika Town Council	Mpika Central	11,938,162	1,355,525	10,582,637	5	50	0	5	50
75	Mpongwe Town Council	Mpongwe Central	11,938,162	704,669	11,233,493	5	18	6	0	17

No.	Councils	Constituency	Total Allocation K	Amount Spent K	Variance K	No. of Project Brought forward from 2021 to 2022	No. of Approved Projects in 2022	No. of Projects Completed	No. of WIP Projects	No. of Outstanding Projects
76	Mporokoso Town Council	Mporokoso	11,938,162	1,484,844	10,453,318	6	20	6	0	20
77	Mpulungu Town Council	Mpulungu	12,855,162	-	12,855,162	6	8	0	0	14
78	Mufulira Municipal Council	Kankoyo	11,938,162	68,099	11,870,063	4	49	6	0	47
78	Mufulira Municipal Council	Mufulira	11,938,162	571,402	11,366,760	0	38	31	7	0
		Kantanshi	11,938,162	864,998	11,073,164	0	49	41	3	5
79	Mufumbwe Town Council	Mufumbwe	11,938,162	842,617	11,095,545	8	23	8	12	11
80	Mulobezi Town Council	Mulobezi	11,938,162	1,487,068	10,451,094	10	31	20	18	3
81	Mumbwa Town Council	Mumbwa Central	11,938,162	11,526,668	411,494	15	34	40	8	1
		Nangoma	11,938,162	8,250,941	3,687,221	12	36	16	5	27
82	Mungwi Town Council	Malole	11,938,162	1,588,510	10,349,652	12	13	10	2	13
83	Mushindamo Town Council	Solwezi East	11,938,162	3,568,056	8,370,106	7	16	14	3	6
84	Mwandi Town Council	Mwandi	11,938,162	4,122,057	7,816,105	4	23	12	8	7
85	Mwansabombwe Town Council	Mwansabombwe	11,938,162	1,775,013	10,163,149	0	9	0	3	6
86	Mwense Town Council	Mwense	11,938,162	1,073,595	10,864,567	0	25	0	0	25
		Mambilima	11,938,162	1,289,436	10,648,726	0	16	0	14	2
87	Mwinilunga Town Council	Mwinilunga	11,105,224	1,749,938	9,355,286	22	41	22	5	36
88	Nakonde Town Council	Nakonde	11,164,058	1,339,162	9,824,896	4	21	0	4	21
89	Nalolo Town Council	Nalolo	11,938,162	722,451	11,215,711	0	42	21	14	7
90	Namwala Town Council	Namwala	11,938,162	705,100	11,233,062	7	22	13	16	0
91	Nchelenge Town Council	Nchelenge	11,938,162	2,443,030	9,495,132	0	19	3	6	10
92	Ndola City Council	Ndola	11,938,162	1,094,093	10,844,069	0	11	8	0	3
		Kabushi	11,938,162	1,094,093	10,844,069	0	9	5	0	4
		Bwana Mukubwa	11,938,162	131,607	11,806,555	0	11	8	0	3
		Chifubu	11,938,162	192,106	11,746,056	0	14	13	0	1
93	Ngabwe Town Council	Lufubu	11,938,162	3,720,412	8,217,750	0	18	12	0	6
94	Nkeyema Town Council	Nkeyema	11,938,162	2,949,806	8,988,356	0	20	8	10	2

No.	Councils	Constituency	Total Allocation K	Amount Spent K	Variance K	No. of Project Brought forward from 2021 to 2022	No. of Approved Projects in 2022	No. of Projects Completed	No. of WIP Projects	No. of Outstanding Projects
95	Nsama Town Council	Chimbamilonga	11,938,162		11,938,162	0	29	0	0	29
96	Nyimba Town Council	Nyimba	11,938,162	1,664,757	10,273,405	0	27	24	0	3
97	Pemba Town Council	Pemba	11,938,162	1,717,715	10,220,447	2	51	31	19	3
98	Petauke Town Council	Petauke	11,938,162	881,123	11,057,039	6	12	5	6	7
		Kaumbwe	11,938,162	235,450	11,702,712	8	12	8	4	8
99	Rufunsa Town Council	Rufunsa	11,938,162	3,276,624	8,661,538	5	22	5	17	5
100	Samfya Town Council	Bangweulu	12,855,162		12,855,162	0	17	1	16	0
101	Senanga Town Council	Senanga	11,938,162	2,067,409	9,870,753	0	17	4	13	0
102	Senga Hill Town Council	Senga Hill	12,855,162	1,348,629	11,506,533	36	33	24	12	33
103	Serenje Town Council	Serenje	11,938,162	1,774,655	10,163,507	0	27	12	0	15
		Muchinga	11,938,162	957,487	10,980,675	0	30	12	0	18
104	Sesheke Town Council	Sesheke	11,938,162	2,867,614	9,070,548	0	48	18	17	13
105	Shangombo Town Council	Shangombo	11,938,162	4,302,740	7,635,422	0	30	12	17	1
106	Shibuyunji Town Council	Mwembezhi	11,938,162	2,293,953	9,644,209	0	21	1	20	0
107	Shiwang'Andu Town Council	Shiwang'andu	11,938,162	2,562,320	9,375,842	8	23	8	5	18
108	Siavonga Town Council	Siavonga	11,938,162	2,786,008	9,152,154	2	18	13	7	0
109	Sikongo Town Council	Sikongo	11,938,162	3,074,092	8,864,070	0	43	13	12	18
110	Sinazongwe Town Council	Sinazongwe	11,938,162	1,122,156	10,816,006	6	27	8	18	7
111	Sinda Town Council	Kopche	11,938,162	1,458,310	10,479,852	15	36	15	15	21
		Sinda	11,938,162		11,938,162	13	57	0	13	57
112	Sioma Town Council	Sioma	11,938,162	4,871,606	7,066,556	0	68	12	22	34
113	Solwezi Municipal Council	Solwezi	11,938,162	895,040	11,043,122	2	11	2	8	3
114	Vubwi Town Council	Vubwi	11,938,162	1,167,544	10,770,618	7	31	7	28	3
115	Zambezi Town Council	Zambezi East	11,938,162	631,209	11,306,953	5	38	10	18	15
		Zambezi West	11,938,162	844,015	11,094,147	0	23	5	10	8
116	Zimba Town Council	Mapatizya	11,938,162	6,775,781	5,162,381	6	18	22	1	1
	<b>Total</b>		<b>1,979,193,688</b>	<b>321,867,208</b>	<b>1,657,326,480</b>	<b>740</b>	<b>4,168</b>	<b>1,657</b>	<b>1,136</b>	<b>2,115</b>

120. **Appendix 3: Misapplication of Funds**

No.	Councils	Constituency	No. of Groups	Amount K
1	Chadiza Town Council	Chadiza		19,174
2	Chama Town Council	Chama - South	10	288,000
3		Chama - North	13	189,500
4	Chavuma Town Council	Chavuma	7	74,400
5	Chikankata Town Council	Chikankata	6	223,440
6	Chingola Municipal Council	Nchanga	37	263,000
7		Chingola	23	208,100
8	Chinsali Municipal Council	Chinsali	58	1,132,200
9		Luangeni	11	228,241
10	Chongwe Municipal Council	Chongwe		63,355
11	Isoka Town Council	Isoka	8	120,000
12	Itezhi Tezhi Town Council	itezhi - tezhi	1	35,000
13	Kapiri Mposhi Town Council	Kapiri Mposhi	1	11,000
14	Kasempa Town Council	Kasempa	4	133,000
15	Kitwe City Council	Nkana	3	30,346
		Kamfinsa	2	20,000
		Kwacha	4	85,000
		Chimwemwe	1	20,000
16	Lavushimanda Town Council	mfuwe	6	36,980
17	Luanshya Municipal Council	Luanshya	10	368,755
		Roan	11	309,000
18	Lufwanyama Town Council	Lufwanyama	5	66,756
19	Lukulu Town Council	Lukulu east	32	614,548
20	Lumezi Town Council	Lumezi	8	120,077
21	Lupososhi Town Council	Lupososhi	4	160,000
		munali	11	272,768
22	Luwingu Town Council	Lubansenshi	3	117,000
23	Mafinga Town Council	mafinga	7	136,150
24	Mambwe Town Council	Malambo	1	10,000
25	Mpika Town Council	mpika central	5	148,290
26	Mpongwe Town Council	mpongwe central	4	160,000
		Kantanshi	22	781,366
27	Mufumbwe Town Council	Mufumbwe		19,917
		Nangoma	2	53,127
28	Ngabwe Town Council	Lufubu	1	30,000
29	Nyimba Town Council	Nyimba	1	38,000
30	Pemba Town Council	Pemba		75,000
31	Rufunsa Town Council	Rufunsa	19	276,305
32	Shiwang'Andu Town Council	Shiwang'andu	2	80,000
33	Vubwi Town Council	Vubwi	2	80,000
34	Zambezi Town Council	Zambezi East	5	115,000
		Zambezi West	3	100,000
	<b>Total</b>		<b>353</b>	<b>7,312,795</b>



## 121. Appendix 4: Unaccounted for Grant Funds

No.	Councils	Constituency	No. of clubs /cooperatives	Amount K
1	Chavuma Town Council	Chavuma	120	178,600
2	Chikankata Town Council	Chikankata	6	335,160
3	Chinsali Municipal Council	Chinsali	46	790,940
4	Chipata	Luangeni	6	158,840
5	Chipili Town Council	Chipili	16	617,800
6	Isoka Town Council	Isoka	29	183,831
7	Kabompo Town Council	Kabompo	1	10,190
8	Kapiri Mposhi Town Council	Kapiri Mposhi	2	34,783
9	Kazungula Town Council	Katombola	1	10,080
10	Luampa Town Council	Luampa		82,150
11	Lupososhi Town Council	Lupososhi	7	280,000
12	Lusaka City Council	Chawama	2	60,000
		Lusaka Central	1	36,800
		Mandevu	2	32,597
		Munali	1	20,000
13	Mafinga Town Council	Mafinga	1	4,800
14	Manyinga Town Council	Manyinga	8	320,000
15	Mbala Municipal Council	Mbala Central	3	120,000
16	Mpongwe Town Council	Mpongwe Central	1	4,000
17	Mporokoso Town Council	Mporokoso	8	250,840
18	Mufumbwe Town Council	Mufumbwe	98	10,000
19	Mungwi Town Council	Malole	3	80,000
20	Nakonde Town Council	Nakonde		233,356
21	Ngabwe Town Council	Lufubu	1	22,000
22	Sinda Town Council	Kopche	22	444,727
		Sinda	2	40,188
	<b>Total</b>		<b>387</b>	<b>4,361,682</b>

## 122. Appendix 5: Questionable Disbursement of CDF

No.	Councils	Constituency	No. of clubs/ cooperatives	Reason why questionable	Amounts Received K
1	Isoka Town Council	Isoka	79	Had no required NRC	1,378,200
2		Isoka	81	No registration certificate	1,428,200
3	Kabompo Town Council	Kabompo	1	No application form	23,000
4		Lukasha	6	didn't meet minimum number of members of 10 per group	225,000
5	Kasempa Town Council	Kasempa	30	Didn't not have NRC and Letter of recommendation	1,025,278
6	Lavushimanda Town Council	Mfuwe	16	Failure to meet membership requirement	240,000
7	Lunte Town Council	Lunte		issued to individuals instead of cooperatives	145,000
8	Mbala Municipal Council	Mbala Central	1	It was a company limited by shares and did not meet the minimum required number of members	40,000
9	Mungwi Town Council	Malole	5	Unregistered club	120,000
10	Nakonde Town Council	Nakonde	7	Groups had less than the required memebrrs	175,000
	<b>Total</b>		<b>226</b>		<b>4,799,678</b>

### 123. Appendix 6: Failure to Produce Monitoring Reports

No.	Councils	Constituency
1	Chibombo Town Council	Keembe
2	Chikankata Town Council	Chikankata
3	Ikelenge Town Council	Ikelenge
4	Isoka Town Council	Isoka
5	Kabompo Town Council	Kabompo
6	Kanchibiya Town Council	Kanchibiya
7	Katete Town Council	Mkaika
8	Lavushimanda Town Council	Mfuwe
9	Manyinga Town Council	Manyinga
10	Masaiti Town Council	Masaiti
11	Mpika Town Council	Mpika Central
12	Mpongwe Town Council	Mpongwe Central
13	Nakonde Town Council	Nakonde
14	Ndola City Council	Ndola
		Bwana Mukubwa
		Chifubu
15	Petauke Town Council	Petauke
16	Zambezi Town Council	Zambezi East
		Zambezi West

### 124. Appendix 7: Misappropriation of Funds

No.	Councils	Constituency	No. of Groups	Amount K
1	Chavuma Town Council	Chavuma	2	22,200
2	Chipili Town Council	Chipili	19	684,470
3	Chitambo Town Council	Chitambo	1	40,000
4	Ikelenge Town Council	Ikelenge	1	25,000
5	Isoka Town Council	Isoka	64	998,616
6	Lavushimanda Town Council	Mfuwe	6	63,000
7	Lumezi Town Council	Lumezi	1	4,900
8	Mafinga Town Council	Mafinga	5	55,200
9	Mushindamo Town Council	Solwezi East	4	115,100
10	Nakonde Town Council	Nakonde	3	47,000
11	Nkeyema Town Council	Nkeyema	3	75,000
	<b>Total</b>		<b>109</b>	<b>2,130,486</b>

## 125. Appendix 8: Failure to Disburse Soft Loans

No.	Councils	Constituency	Amount K
1	Chama Town Council	Chama - South	2,706,350
		Chama - North	2,934,350
2	Chasefu Town Council	Chasefu	2,934,350
3	Chavuma Town Council	Chavuma	2,934,350
4	Chembe Town Council	Chembe	2,934,350
5	Chienge Town Council	Chienge	2,706,350
6	Chifunabuli Town Council	Chifunabuli	2,706,350
7	Chikankata Town Council	Chikankata	2,934,350
8	Chilanga Town Council	Chilanga	200,000
9	Chililabombwe Municipal Council	Chililabombwe	2,934,350
10	Chilubi Town Council	Chilubi	2,934,350
11	Chingola Town Council	Chingola	2,811,000
11	Chinsali Municipal Council	Chinsali	2,934,350
12	Chipangali Town Council	Chipangali	2,706,350
13	Chipata City Council	Chipata Central	2,933,452
		Luangeni Constituency	2,776,070
14	Chisamba Town Council	Chisamba	628,233
15	Chongwe Municipal Council	Chongwe	2,934,350
16	Ikelenge Town Council	Ikelenge	2,934,350
17	Itezhi Tezhi Town Council	Itezhi - Tezhi	2,934,350
18	Kabompo Town Council	Kabompo	2,934,250
19	Kafue Town Council	Kafue	2,927,800
20	Kalabo Town Council	Kalabo Central	2,934,350
21	Kalulushi Municipal Council	Kalulushi	2,934,350
22	Kalumbila Town Council	Solwezi West	2,934,350
23	Kanchibiya Town Council	Kanchibiya	2,934,350
24	Kapiri Mposhi Town Council	Kapiri Mposhi Constituencie	2,706,350
25	Kaputa Town Council	Kaputa	2,908,000
26	Kasama Municipal Council	Kasama Central	2,706,350
		Lukashya	2,706,350
27	Kasempa Town Council	Kasempa	2,934,350
28	Kasenengwa Town Council	Kasenengwa	564,896
29	Katete Town Council	Mkaika	733,441
30	Kawambwa Town Council	Kawambwa Central	2,706,350
31	Luampa Town Council	Luampa	2,934,350
32	Luangwa Town Council	Feira	2,934,350
33	Luano Town Council	Mkushi	2,934,350
34	Lukulu Town Council	Lukulu East	2,934,350
35	Lumezi Town Council	Lumezi	2,934,350
36	Lunga Town Council	Lunga	1,056,350

No.	Councils	Constituency	Amount K
37	Lusaka City Council	Chawama	2,934,350
		Kabwata	2,934,350
		Kanyama	2,934,350
		Lusaka Central	2,934,350
		Mandevu	2,934,350
		Matero	2,934,350
		Munali	2,934,350
38	Lusangazi Town Council	Msanzala	2,934,350
39	Luwingu Town Council	Lubansenshi	2,934,350
40	Mafinga Town Council	Mafinga	2,934,350
41	Mansa Municipal Council	Mansa Central	2,706,350
		Bahati	2,706,350
42	Manyinga Town Council	Manyinga	2,934,350
43	Masaiti Town Council	Kafulafuta	2,934,350
		Masaiti	2,934,350
44	Mazabuka Municipal Council	Magoye	784,800
45	Mbala Municipal Council	Mbala Central	2,934,350
46	Milenge Town Council	Milenge	2,934,350
47	Mkushi Town Council	Mkushi North	1,491,233
48	Monze Town Council	Monze Central	2,934,350
		Bwengwa	2,934,350
49	Mpongwe Town Council	Mpongwe Central	2,934,350
50	Mpulungu Town Council	Mpulungu	2,706,350
51	Mufulira Municipal Council	Mufulira	2,934,350
		Kantanshi	2,834,226
52	Mufumbwe Town Council	Mufumbwe	2,934,350
53	Mungwi Town Council	Malole	2,934,350
54	Mwense Town Council	Mwense	2,934,350
		Mambilima	2,706,350
55	Mwinilunga Town Council	Mwinilunga	2,706,350
56	Nakonde Town Council	Nakonde	2,706,349
57	Nalolo Town Council	Nalolo	2,923,300
58	Namwala Town Council	Namwala	3,739,510
59	Nchelenge Town Council	Nchelenge	2,934,350
60	Ndola City Council	Ndola	2,934,350
		Kabushi	2,934,350
		Bwana Mukubwa	2,934,350
		Chifubu	2,934,350
61	Ngabwe Town Council	Lufubu	2,934,350
62	Nkeyema Town Council	Nkeyema	2,934,350
63	Nsama Town Council	Chimbamilonga	2,934,350
64	Petauke Town Council	Petauke	2,934,350
		Kaumbwe	2,934,350

<b>No.</b>	<b>Councils</b>	<b>Constituency</b>	<b>Amount K</b>
65	Serenje Town Council	Muchinga	2,934,350
66	Sesheke Town Council	Sesheke	2,934,350
67	Shangombo Town Council	Shangombo	1,229,850
68	Shiwang'Andu Town Council	Shiwang'Andu	1,112,000
69	Siavonga Town Council	Siavonga	2,934,350
70	Sikongo Town Council	Sikongo	2,706,350
71	Sioma Town Council	Sioma	2,934,350
72	Zambezi Town Council	Zambezi East	2,934,350
	<b>Total</b>		<b>245,375,960</b>

**126. Appendix 9.1: Bursary - Secondary School and Skills Development- Unspent Grants**

No.	Councils	Constituency	No. of Pupils	No. of students	Funding Received	Utilized Amount	Unspent funds
1	Chadiza Town Council	Chadiza	124	99	4,890,583	1,034,994	3,855,589
2	Chama Town Council	Chama - south	260	19	4,890,583	821,700	4,068,883
		Chama - North	118	56	4,890,583	490,200	4,400,383
3	Chasefu Town Council	Chasefu			4,890,583	1,547,660	3,342,923
4	Chavuma Town Council	Chavuma	143	2	4,890,583	152,610	4,737,973
5	Chembe Town Council	Chembe	4	89	4,890,583	801,992	4,088,591
6	Chibombo Town Council	Katuba	33	52	4,890,583	446,627	4,443,956
		Keembe	50	18	4,890,583	345,702	4,544,881
7	Chienge Town Council	Chienge	30	65	4,890,583	305,630	4,584,953
8	Chifunabuli Town Council	Chifunabuli	316	38	4,510,583	889,970	4,584,953
9	Chikankata Town Council	Chikankata	155	134	4,890,583	1,166,736	4,584,953
10	Chilanga Town Council	Chilanga	20	288	4,883,000	2,488,847	2,394,153
11	Chililabombwe Municipal Council	Chililabombwe	19	857	4,890,583	2,233,193	2,394,153
12	Chilubi Town Council	Chilubi	102	194	4,890,583	1,413,305	3,477,278
13	Chingola Municipal Council	Nchanga	1	1,643	4,890,583	2,444,197	2,446,386
14	Chinsali Municipal Council	Chinsali	4	51	4,890,583	931,935	3,958,648
15	Chipangali Town Council	chipangali	84	459	4,890,583	2,668,848	2,221,735
16	Chipata City Council	Chipata Central	98	65	4,890,583	1,330,960	3,559,623
		Luangeni	127	119	4,890,583	1,009,500	3,881,083
17	Gwembe Town Council	Gwembe	133	95	4,890,583	478,140	4,412,443
18	Ikelenge Town Council	Ikelenge	93	105	4,890,583	1,161,884	3,728,699
19	Isoka Town Council	Isoka	220	228	4,890,583	386,783	4,503,800
20	Itezhi Tezhi Town Council	itezhi - tezhi	48	69	4,890,383	492,980	4,397,403
21	Kabompo Town Council	Kabompo	124	242	4,890,383	962,936	3,927,447
22	Kafue Town Council	Kafue	139	149	4,890,583	701,744	4,188,839
23	Kalabo Town Council	Kalabo central	277	110	4,890,583	499,620	4,390,963
24	Kalulushi Municipal Council	Kalulushi	202	324	4,890,583	949,291	3,941,292
25	Kalumbila Town Council	Solwezi west	158	416	4,890,583	1,491,212	3,399,371

No.	Councils	Constituency	No. of Pupils	No. of students	Funding Received	Utilized Amount	Unspent funds
32	Kapiri Mposhi Town Council	Kapiri Mposhi constituencie	55	266	4,510,583	33,000	4,477,583
33	Kasama Municipal Council	Kasama central	84	641	4,510,583	1,207,427	3,303,156
		Lukashya	69	581	4,510,583	1,199,098	3,311,485
34	Kasempa Town Council	Kasempa	215	242	4,890,583	730,702	4,159,881
35	Kasenengwa Town Council	Kasenengwa	56	232	4,890,583	1,353,963	3,536,620
		Milanzi	66	17	4,890,583	294,590	4,595,993
36	Kawambwa Town Council	kawambwa central	57	112	4,510,583	550,525	3,960,058
		Pambashe	86	68	4,510,583	443,525	4,067,058
37	Limulunga Town Council	Luena	11	106	4,890,583	844,942	4,045,641
38	Livingstone City Council	Livingstone central	68	1,028	4,890,583	2,503,370	2,387,213
39	Luampa Town Council	Luampa	26	141	4,890,583	646,686	4,243,897
40	Luangwa Town Council	feira	121	419	4,890,583	914,690	3,975,893
41	Lumezi Town Council	Lumezi	105	41	4,890,583	688,025	4,202,558
42	Lunga Town Council	Lunga	58		4,510,583	116,000	4,394,583
43	Lunte Town Council	Lunte	9	145	4,510,583	407,798	4,102,785
44	Lupososhi Town Council	Lupososhi	177	189	4,890,583	900,396	3,990,187
45	Lusaka City Council	chawama	70	885	4,890,583	1,021,060	3,869,523
		Kabwata	106	842	4,890,583	1,409,311	3,481,272
		Kanyama	9	786	4,890,583	1,280,686	3,609,897
		Lusaka central	37	310	4,890,583	700,950	4,189,633
		mandevu	17	306	4,890,583	1,403,517	3,487,066
		matero	106	93	4,890,583	1,287,938	3,602,645
		munali	70	987	4,890,583	1,180,355	3,710,228
46	Lusangazi Town Council	msanzala	39	60	4,890,583	553,685	4,336,898
47	Luwingu Town Council	Lubansenshi	41	57	4,890,583	486,477	4,404,106
48	Mafinga Town Council	mafinga	168	38	4,890,583	770,944	4,119,639
49	Mambwe Town Council	Malambo	318	99	4,890,583	2,425,714	2,464,869
50	Mansa Municipal Council	mansa central	126	522	4,890,583	1,684,099	3,206,484
		Bahati	47	205	4,890,583	1,312,127	3,578,456



No.	Councils	Constituency	No. of Pupils	No. of students	Funding Received	Utilized Amount	Unspent funds
51	Manyinga Town Council	manyinga	16	47	4,890,583	159,422	4,731,161
52	Masaiti Town Council	Kafulafuta	71	224	4,890,583	1,908,690	2,981,893
		masaiti	60	180	4,890,583	1,128,738	3,761,845
53	Mbala Municipal Council	mbala central	25	54	4,890,583	46,150	4,844,433
54	Mitete Town Council	mitete	15	50	4,890,583	235,668	4,654,915
55	Mongu Municipal Council	mongu central	187	323	4,890,583	3,480,323	1,410,260
		Nalikwanda	77	93	4,890,583	1,541,722	3,348,861
56	Monze Town Council	monze central	387	146	4,890,583	2,318,466	2,572,117
		Bwengwa	333	223	4,890,583	1,460,906	3,429,677
		moomba	243	6	4,890,583	735,888	4,154,695
57	Mpika Town Council	mpika central	2,234	233	4,890,583	857,621	4,032,962
58	Mpongwe Town Council	mpongwe central	93	212	4,890,583	1,186,176	3,704,407
59	Mpulungu Town Council	mpulungu	188	61	4,510,583	1,756,510	2,754,073
60	Mufulira Municipal Council	Mufulira	14	768	4,890,583	3,279,309	1,611,274
		Kantanshi	10	711	4,890,583	1,362,642	3,527,941
61	Mufumbwe Town Council	Mufumbwe	9	245	4,890,583	1,448,460	3,442,123
62	Mulobezi Town Council	Mulobezi		68	4,890,583	661,088	4,229,495
63	Mumbwa Town Council	Mumbwa Central	140	27	4,890,583	4,426,725	463,858
		Nangoma			4,890,583	1,261,140	3,629,443
64	Mungwi Town Council	Malole	75	198	4,890,583	1,225,322	3,665,261
65	Mushindamo Town Council	Solwezi East	228	176	4,890,583	2,272,570	2,618,013
66	Mwandi Town Council	Mwandi	179	105	4,890,583	1,138,685	3,751,898
67	Mwinilunga Town Council	Mwinilunga	294	152	4,510,583	1,435,593	3,074,990
68	Nalolo Town Council	Nalolo	33	166	4,890,583	1,150,280	3,740,303
69	Nchelenge Town Council	Nchelenge	344	213	4,890,583	1,709,415	3,181,168
70	Ndola City Council	Ndola		330	4,890,583	4,510,583	380,000
		Bwana Mukubwa	1,067		4,890,583	1,051,640	3,838,943
		Chifubu	1,007		4,890,583	4,368,272	522,311
71	Nkeyema Town Council	Nkeyema	25	70	4,890,583	316,233	4,574,350

No.	Councils	Constituency	No. of Pupils	No. of students	Funding Received	Utilized Amount	Unspent funds
72	Nyimba Town Council	Nyimba	22	78	4,890,583	876,220	4,014,363
73	Pemba Town Council	Pemba	185	111	4,890,583	1,219,124	3,671,459
74	Petauke Town Council	Petauke	63	48	4,890,583	1,133,650	3,756,933
75	Rufunsa Town Council	Rufunsa	198	498	4,890,583	1,970,490	2,920,093
76	Senanga Town Council	Senanga	256	112	4,890,583	2,098,218	2,792,365
77	Senga Hill Town Council	Senga Hill	120	140	4,890,583	844,223	4,046,360
78	Sesheke Town Council	Sesheke	247	86	4,890,583	1,217,780	3,672,803
79	Shangombo Town Council	Shangombo	4	391	4,890,583	1,990,500	2,900,083
80	Shibuyunji Town Council	Mwembezhi	36	312	4,890,583	1,558,110	3,332,473
81	Shiwang'Andu Town Council	Shiwang'andu	43	97	4,890,583	106,000	4,784,583
82	Sinda Town Council	Kopche	45	21	4,890,583	251,330	4,639,253
		Sinda	10	11	4,890,583	118,930	4,771,653
83	Sinazongwe Town Council	Sinazongwe	115	111	4,890,583	750,620	4,139,963
84	Sikongo Town Council	Sikongo	290	190	4,890,583	2,266,341	2,624,242
85	Sioma Town Council	Sioma	366	202	4,510,583	1,531,256	2,979,327
86	Solwezi Municipal Council	Solwezi	160	369	4,890,583	1,491,212	3,399,371
87	Vubwi Town Council	Vubwi	16	65	4,890,583	642,825	4,247,758
	<b>Total</b>		<b>15,029</b>	<b>23,327</b>	<b>499,542,066</b>	<b>126,501,862</b>	<b>374,602,413</b>

**127. Appendix 9.2: Bursary - Secondary School (Boarding) and Skills Development - Failure to Report**

No.	Councils	Constituency	No. students that did not report	Amount K
1	Chama Council	Chama - North	34	101,800
2	Chembe Town Council	Chembe	35	258,520
3	Chibombo Town Council	Katuba	1	14,115
		Keembe	14	-
4	Chikankata Town Council	Chikankata	7	25,635
5	Chilubi Town Council	Chilubi	131	-
6	Chinsali Municipal Council	Chinsali	3	97,055
7	Chipata City Council	Chipata Central	28	277,310
		Luangeni Constituency	20	204,530
8	Chipili Town Council	Chipili	47	300,167
9	Gwembe Town Council	Gwembe	9	5,130
10	Isoka Town Council	Isoka	89	601,865
11	Kalomo Town Council	Kalomo central	32	69,500
		Dudumwezi	42	77,700
12	Kalumbila Town Council	Solwezi west	13	56,035
13	Kasama Municipal Council	Kasama central	59	162,840
		Lukashya	160	363,431
14	Kasenengwa Town Council	Kasenengwa	117	576,885
15	Kawambwa Town Council	kawambwa central	49	121,745
16	Luampa Town Council	Luampa	19	96,020
17	Luangwa Town Council	feira	27	129,600
18	Lusaka City Council	chawama	20	136,948
		Kabwata	8	62,850
		Kanyama	36	198,397
		Lusaka central	19	160,731
		mandevu	7	45,650
		matero	5	41,140
		munali	65	449,066
	Mansa Municipal Council	Bahati	4	36,000
19	Masaiti Town Council	Kafulafuta	13	83,450
		masaiti	20	106,000
20	Mazabuka Municipal Council	mazabuka central	30	80,050
21	Mbala Municipal Council	mbala central	18	63,100
22	Mitete Town Council	mitete	18	66,000
23	Mongu Municipal Council	mongu central	122	635,807
		Nalikwanda	21	209,160
24	Monze Town Council	monze central	58	173,393
		Bwengwa	8	35,040
		moomba	8	26,000
25	Mpika Town Council	mpika central	15	15,850

No.	Councils	Constituency	No. students that did not report	Amount K
26	Mpulungu Town Council	mpulungu	61	258,400
27	Mwandi Town Council	Mwandi	117	143,000
28	Mwense Town Council	Mwense	60	461,747
		Mambilima	37	295,948
29	Ndola City Council	Ndola	12	45,000
		Kabushi	11	36,600
		Bwana Mukubwa	394	1,665,550
		Chifubu	123	575,700
30	Nyimba Town Council	Nyimba	23	82,450
31	Pemba Town Council	Pemba	8	38,400
32	Petauke Town Council	Petauke	23	293,150
33	Senanga Town Council	Senanga	64	853,316
34	Sesheke Town Council	Sesheke	45	130,112
35	Sioma Town Council	Sioma	85	255,000
36	Zambezi Town Council	Zambezi East	202	342,200
		<b>Zambezi West</b>	64	108,300
	<b>Total</b>		<b>2759</b>	<b>11,749,388</b>

#### 128. Appendix 10: Missing Payment Vouchers

No.	Councils	Constituency	No. of Missing Payment Vouchers	Amount K
1	Chienge Town Council	Chienge	61	2,076,196
2	Chilubi Town Council	Chilubi	3	16,368
3	Chongwe Municipal Council	Chongwe	14	585,949
4	Kapiri Mposhi Town Council	Kapiri Mposhi	2	13,000
5	Luanshya Municipal Council	Roan	7	23,533
6	Monze Town Council	Moomba	4	100,974
	<b>Total</b>		<b>91</b>	<b>2,816,020</b>

**129. Appendix 11: Unretired Accountable Imprest**

<b>No.</b>	<b>Councils</b>	<b>Constituency</b>	<b>No. of Officers</b>	<b>Amount K</b>
1	Chadiza Town Council	Chadiza	2	28,128
2	Chongwe Municipal Council	Chongwe	-	208,939
3	Luanshya Municipal Council	Roan	2	10,947
4	Mazabuka Municipal Council	Magoye	2	23,212
	<b>Total</b>		<b>6</b>	<b>271,226</b>

## 130. Appendix 12 – Glossary of Terms

<b>Accountable Documents</b>	Documents such as receipts, licences, certificates, discs or tokens and others used in the collection of Revenues.
<b>Audit Finding</b>	The result of audit procedures and tests conducted by the auditor.
<b>Controlling Officer</b>	An officer designated as such by the Secretary to the Treasury to maintain accounts of a Ministry, Province or Agency.
<b>Delayed Banking</b>	Failure to bank moneys received not later than the next business day following the day of receipt of revenue.
<b>Excess Expenditure</b>	Expenditure incurred above the authorised budget amounts without the authorisation.
<b>Failure to Follow Procurement Procedures</b>	Non-Compliance with the Zambia Public Procurement Act and Procurement guidelines in the purchase of goods and services.
<b>Irregular payments</b>	Payments made outside the normal practice or acceptable regulations or norms.
<b>Irregularity</b>	Breach of laws, regulations or rules.
<b>Imprest</b>	Funds or monies issued out to facilitate payments of a minor nature, meet expenses when the officer is travelling on duty or to facilitate the purchase of goods and services whose value cannot be ascertained at the time.

<b>Misapplication</b>	Use of funds budgeted for a programme on an unrelated programme without authority.
<b>Misappropriation</b>	Use of public funds for personal purposes or crediting public funds to a private bank account.
<b>Outstanding Issues</b>	These are audit queries that remain unresolved in the Treasury Minutes (Action Taken Reports) prepared by the Ministry of Finance on the Reports of the Auditor General.
<b>Overpayments</b>	Payments made above the correct price or rate.
<b>Parliament</b>	Legislative organ of Government.
<b>Committee on Local Government Accounts</b>	A sessional committee of the National Assembly established in terms of the standing orders. The committee examines the Auditor General's Report, as part of their mandate of examining the accounts showing the appropriation of the sums approved by the Ministry of Local Government and Rural Development.
<b>Unaccounted for Revenue</b>	Revenue collected but neither banked nor cash found on hand.
<b>Unvouched Expenditure</b>	Payment vouchers not availed for audit because they are either missing or payment vouchers that are not adequately supported with documentation.

<b>Unretired Imprest</b>	Imprest not accounted for.
<b>Unauthorised Expenditure</b>	Funds spent without approval by a responsible officer.
<b>Unacquitted Payments</b>	Payments made without evidence of having been received by the intended beneficiaries.
<b>Unaccounted for Stores</b>	Missing stores items without evidence of how they were received and utilised.
<b>Undelivered Materials</b>	Goods paid for but not received.
<b>Non-Submission of Expenditure Returns</b>	Failure to provide details of how funds disbursed were utilised.
<b>Unaccounted for Funds</b>	Missing funds without expenditure records.
<b>Wasteful Expenditure</b>	Expenditure incurred without benefits derived.
<b>Reconciliation</b>	The process of ensuring that two (2) or more sets of records agree.