



REPUBLIC OF ZAMBIA

REPORT OF THE AUDITOR GENERAL

ON THE AUDIT OF

ACCOUNTS OF LOCAL AUTHORITIES

FOR THE

FINANCIAL YEAR ENDED 31ST DECEMBER 2021

OFFICE OF THE AUDITOR GENERAL

VISION: A dynamic audit institution that promotes transparency, accountability and prudent management of public resources.

MISSION: To independently and objectively provide quality auditing services in order to assure our stakeholders that public resources are being used for national development and wellbeing of citizens.

CORE VALUES: Integrity
Professionalism
Objectivity
Teamwork
Confidentiality
Excellence
Innovation
Respect

PREFACE

It is my honour and privilege to submit the Report of the Auditor General on the Audit of Accounts of Local Authorities (Councils) for the financial year ended 31st December 2021 in accordance with the Provisions of Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No. 2 of 2019, the Constituency Development Fund Act No. 11 of 2018 and the Public Finance Management Act No.1 of 2018.

The main function of my Office is to audit the accounts of State organs, State institutions, Provincial Administration, Local Authorities and institutions financed from public funds. In this regard, this report covers selected audited local authorities. I conducted audits on the local authorities to determine whether the funds appropriated by Parliament and internally generated had been accounted for.

The audit was conducted in accordance with the 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 and those which were highlighted in the previous reports but had not been addressed at the time of producing this report.

Dr. Dick Chellah Sichembe

AUDITOR GENERAL

Table of Contents

1. Introduction	1
2. Scope of Audit	1
3. Constraints	1
4. Audit Methodology.....	2
5. Audit and Reporting Process	2
6. Establishment and Mandate of Councils	3
7. Governance - The Council.....	3
8. Management	3
9. Sources of Funds	4
10. Information and Communication Technology	4
11. Financial Statements	4
12. Chadiza Town Council	Error! Bookmark not defined.
13. Chama Town Council	Error! Bookmark not defined.
14. Chifunabuli Town Council	Error! Bookmark not defined.
15. Chikankata Town Council	Error! Bookmark not defined.
16. Chinsali Municipal Council	Error! Bookmark not defined.
17. Chipata City Council.....	Error! Bookmark not defined.
18. Chipili Town Council	Error! Bookmark not defined.
19. Choma Municipal Council.....	Error! Bookmark not defined.
20. Chongwe Municipal Council	Error! Bookmark not defined.
21. Gwembe Town Council	Error! Bookmark not defined.
22. Ikelenge Town Council.....	Error! Bookmark not defined.
23. Itezhi Tezhi Council.....	Error! Bookmark not defined.
24. Kabwe Municipal Council	Error! Bookmark not defined.

25.	Kafue Town Council.....	Error! Bookmark not defined.
26.	Kalulushi Municipal Council.....	Error! Bookmark not defined.
27.	Kapiri Mposhi Council	Error! Bookmark not defined.
28.	Kasama Municipal Council.....	Error! Bookmark not defined.
29.	Kasempa Town Council.....	Error! Bookmark not defined.
30.	Kasenengwa Town Council	Error! Bookmark not defined.
31.	Kitwe City Council	Error! Bookmark not defined.
32.	Livingstone City Council.....	Error! Bookmark not defined.
33.	Luangwa Town Council.....	Error! Bookmark not defined.
34.	Luanshya Municipal Council.....	Error! Bookmark not defined.
35.	Lukulu Town Council	Error! Bookmark not defined.
36.	Lusaka City Council	Error! Bookmark not defined.
37.	Luwingu Town Council	Error! Bookmark not defined.
38.	Mafinga Town Council	Error! Bookmark not defined.
39.	Mazabuka Municipal Council.....	Error! Bookmark not defined.
40.	Mbala Municipal Council	314
41.	Mitete Town Council	Error! Bookmark not defined.
42.	Mongu Municipal Council.....	Error! Bookmark not defined.
43.	Monze Town Council	Error! Bookmark not defined.
44.	Mporokoso Town Council	Error! Bookmark not defined.
45.	Mpulungu Town Council.....	Error! Bookmark not defined.
46.	Mulobezi Town Council	Error! Bookmark not defined.
47.	Mungwi Town Council	Error! Bookmark not defined.
48.	Mwandi Town Council	Error! Bookmark not defined.
49.	Nakonde Town Council	Error! Bookmark not defined.
50.	Nalolo Town Council.....	Error! Bookmark not defined.

51.	Namwala Town Council	Error! Bookmark not defined.
52.	Nchelenge Town Council	Error! Bookmark not defined.
53.	Ndola City Council	Error! Bookmark not defined.
54.	Ngabwe Town Council	Error! Bookmark not defined.
55.	Nsama Town Council	Error! Bookmark not defined.
56.	Nyimba Town Council.....	Error! Bookmark not defined.
57.	Rufunsa Town Council	Error! Bookmark not defined.
58.	Senanga Town Council	Error! Bookmark not defined.
59.	Serenje Town Council.....	Error! Bookmark not defined.
60.	Shiwang'andu Town Council	Error! Bookmark not defined.
61.	Siavonga Town Council.....	Error! Bookmark not defined.
62.	Sinazongwe Town Council	Error! Bookmark not defined.
63.	Vubwi Town Council.....	Error! Bookmark not defined.
	Recommendations	Error! Bookmark not defined.
	Acknowledgements	Error! Bookmark not defined.
	Recommendations of the Committee on Local Government Accounts	Error! Bookmark not defined.
	Conclusion	Error! Bookmark not defined.
	Appendix 1	Error! Bookmark not defined.
	Appendix 2 – Glossary of Terms	322

Executive Summary

This Report has been produced in accordance with the Provisions of Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No. 2 of 2019, the Constituency Development Fund Act No. 11 of 2018 and the Public Finance Management Act No. 1 of 2018.

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. This report also includes outstanding matters as reported in the Treasury Minutes (Action Taken Reports) for the period from 2015 to 2017 from the Ministry of Finance.

In addition, the Report contains audit recommendations which are aimed at addressing various findings observed during the audit process.

Some of the findings raised in this Report are:

- i. Failure to collect revenue,
- ii. Failure to update valuation rolls,
- iii. Failure to develop integrated development plans,
- iv. Poor management of solid waste,
- v. Failure to fill vacant positions and in some cases, over employment of staff on some positions and failure to confirm officers on probation,
- vi. Failure to secure properties with title deeds,
- vii. Failure to insure assets,
- viii. Failure to maintain properties,
- ix. Weaknesses in procurement and contract management, and

- x. Weaknesses in management of Local Government Equalisation and Constituency Development Funds.

Other irregularities raised in this Report are as shown in table 1 below.

Table 1: Summary of Other Irregularities

No.	Details	Amount K
1	Failure to Remit Statutory Obligations	2,139,806,659
2	Failure to Settle Staff Obligations	199,873,652
3	Unsupported Payments	274,215
4	Unaccounted for Stores	316,908
5	Missing Payment Vouchers	699,467
6	Wasteful Expenditure	1,044,019
7	Failure to Collect Revenue	285,964,714
8	Questionable Payments	67,035
9	Irregular Payments	1,015,610
10	Failure to Recover Advances	64,460
11	Unaccounted for Revenue/Funds	181,718
12	Delayed Banking	58,348
13	Unauthorised Expenditure	210,735
	Total	2,629,366,805

PART I

PREAMBLE

1. Introduction

This Report has been produced in accordance with the Provisions of Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No. 2 of 2019, the Constituency Development Fund Act No. 11 of 2018 and the Public Finance Management Act No.1 of 2018.

Article 250 (1) (a) to (d) mandates me to audit;

- i. The accounts of State organs, State institutions, Provincial Administration, Local Authorities and institutions financed from public funds,
- ii. The accounts that relate to the stocks, shares and stores of the Government,
- iii. Financial and value for money audits, including forensic audits and any other type of audit, in respect of a project that involves the use of public funds, and
- iv. Ascertain that money appropriated by Parliament or raised by the Government and disbursed;
 - has been applied for the purpose for which it was appropriated or raised,
 - was expended in conformity with the authority that governs it, and
 - was expended economically, efficiently and effectively.

The Report contains paragraphs on fifty three (53) Local Authorities.

2. Scope of Audit

The audit scope covered the accounts and records of Local Authorities for the financial year ended 31st December 2021 and, in some cases, observations that required updating were reported as at 30th September 2022.

3. Constraints

i. Transport

The Office has presence in all the ten (10) provinces in the country and the nature of the operations require travelling to all districts in the country including far flung areas with bad terrains.

During the period under review, my Office faced a challenge of inadequate and aging fleet of motor vehicles required for use in executing my mandate as most of the vehicles were procured between 2007 and 2015. Consequently, this negatively impacted the targeted time of completing the audit activities.

ii. Information and Communications Technology Equipment

During the period from 2017 to 2021, the number of staff increased from 524 to 620. This resulted in the need to provide Information and Communications Technology (ICT) equipment for the new staff. Although the Office received support from Government and Cooperating Partners in ICT, the gap still exists.

4. Audit Methodology

In the execution of the audit, programmes were designed to give reasonable assurance on the utilisation and management of public resources. The programmes included test checks, inspections and examination of accounting and other records maintained by the public officers entrusted with handling public resources. To ensure optimal utilisation of resources at my disposal, a risk-based audit approach was used.

5. Audit and Reporting Process

The reporting process involved three (3) major stages. The first stage was where a preliminary query was issued to the Principal Officer and was required to be responded to within ten (10) days. The second stage was where an interim management letter was sent to the Principal Officer and copied to the Controlling Officer and was required to be responded to within fifteen (15) days.

The third stage was where the final management letter (Draft Annual Report Paragraph (DARP)) was issued to the Controlling Officer and was to be responded to within three (3) days to confirm the correctness of the facts.

At every stage where responses received were satisfactory, amendments were made accordingly.

Where the findings were not resolved, the DARPs were consolidated in the Report of the Auditor General on the audit of Accounts of Local Authorities for the period under review.

6. Establishment and Mandate of Councils

Councils are established under Article 152 (3) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 read together with the Local Government Act No. 2 of 2019.

The mandate of the Councils is the delivery of basic social and economic services to the people as set out in the Second Schedule of the Act which includes, among others, power to make by-laws and regulations, imposition of levies, fees and other charges and to formulate local policies to promote, guide and regulate development in the district.

7. Governance - The Council

In accordance with Article 153 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, Councils consist of:

- i. Elected Mayor or Council Chairperson,
- ii. Elected Ward Councillors, and
- iii. Not more than three (3) chiefs representing chiefs in the district, elected by the chiefs in the district.

The term of a Council is five (5) years commencing from the date the Councillors are sworn into office after a general election and ending on the date Parliament is dissolved.

8. Management

a. City or Municipal Council

The operations of a City or Municipal Council is the responsibility of the Town Clerk who is the Principal Officer (Chief Executive Officer) and is assisted by Directors responsible for Finance, Planning, Human Resource and Administration, Legal Services, Housing, Engineering Services and Public Health.

b. Town Council

The operations of a Town Council is the responsibility of the Council Secretary who is the Principal Officer (Chief Executive Officer) and is assisted by Council Treasurer, Director of Works, Chief Human Resource Officer and District Planning Officer.

9. Sources of Funds

Under the Constitution of Zambia (Amendment) Act No. 2 of 2016, a local authority is competent to levy, impose, recover and retain local taxes. A local authority may make bylaws to impose a levy on leviable persons owning or occupying property or premises situated within the area of the local authority, leviable persons carrying on a business, trade or occupation within the area of the local authority or the purchase or sale of a commodity within the area of the local authority.

The Council also receives funding through national support in form of Local Government Equalisation Fund (LGEF), Constituency Development Fund (CDF) and any other grants as the Government may issue.

10. Information and Communication Technology

The local authorities operated various Information and Communication Technology (ICT) systems to manage payroll, billing and preparation of financial statements such as Dove, Palmsoft and Baxtel.

However, the councils were not using a uniform system but were using standalone systems which were not integrated. Consequently, there was delay and lack of uniformity in the production of reports. Further, this caused challenges in cases where key officers were transferred between councils.

11. Financial Statements

Section 45 (1) and (2) of the Local Government Act No. 2 of 2019 requires that as soon as practicable, but not later than three months after the financial year, a local authority should submit to the Minister a report concerning the activities of a local authority during the financial year and the report should include information on the financial affairs of a local authority and they should be appended to that report;

- i. an audited statement of financial position,
- ii. an audited statement of comprehensive income, and
- iii. other information that the Minister may require.

Although the local authorities submitted financial statements on time, in most cases, the figures in the financial statements submitted were not supported with underlying records.

PART II

PARAGRAPHS

12. Mbala Municipal Council

12.1 Audit Findings

An examination of financial and other records maintained at the Council for the financial year ended 31st December 2021 and a physical inspection of selected projects revealed the following:

a. Budget and Income

During the period under review, the Council budgeted to receive grants from the Ministry of Local Government and Rural Development and to generate funds from various sources in amounts totalling K19,510,809 against which amounts totalling K16,735,015 were received and generated resulting in a negative variance of K2,775,794. See table 1 below.

Table 1: Budget and Income

No.	Sources of Revenue	Budget K	Income K	Variance K
	Locally Generated			
1	Local Taxes	1,606,537	442,447	(1,164,090)
2	Fees and Charges	3,509,524	1,658,230	(1,851,294)
3	Licences	41,800	68,617	26,817
4	Levies	361,648	387,703	26,055
5	Permits	241,690	320,972	79,282
	Sub Total	5,761,199	2,877,968	(2,883,231)
	National Support			
7	Local Government Equalisation Fund(LGEF)	11,999,610	11,837,047	(162,563)
8	Constituency Development Fund (CDF)	1,600,000	1,600,000	-
9	Other Grants	150,000	420,000	270,000
	Sub Total	13,749,610	13,857,047	107,437
	Total	19,510,809	16,735,015	(2,775,794)

b. Operational Matters

i. Environmental Management

The Environmental Management Act No. 12 of 2011 states that, “A Local Authority shall designate one or more waste disposal sites or waste collection sites within the waste control area and inform the public within the waste control area of the location of the designated waste disposal and waste collection sites”. In addition, the Environmental Management (Licensing) Regulations Statutory Instrument No. 112 of

2013 requires that a dumpsite should be enclosed, fenced off and secured from scavenging.

However, the council did not fence the dumpsite for protection from access by unauthorised persons and there were no warning signs displayed at the dumpsite to warn the general public of the existence of the dumpsite.

ii. Lack of an Integrated Development Plan

Section 19 (3) of Urban and Regional Planning Act No. 3 of 2015 requires the Local Authority to prepare and implement integrated development plans, local area and sectorial plans.

Contrary to the Act, the Council did not have an integrated development plan.

iii. Accounting for Revenue - Failure to Collect Revenue

Section 9 (h) of the Public Finance Management (General) Regulations, of 2020 requires the head of the accounting unit of the Local Authority to collect in a timely manner all revenue due to the local authority.

A review of the valuation roll revealed that the Council was supposed to collect amounts totalling K1,606,537 in respect of property rates. However, as at 30th September 2022, the Council had only collected amounts totalling K409,805 leaving a balance of K1,196,732.

c. Management of Payroll and Other Staff Related Matters - Failure to Fill Vacant Positions

The Council had an approved establishment of 217 positions out of which 203 were filled leaving fourteen (14) vacant positions as at 30th September 2022. Out of the vacant positions, some were key to the smooth running of the Council such as Director Public Health, Senior Building Officer, Chief Health Inspector, Chief Committee Clerk and Stores Controller.

d. Management of Assets

i. Failure to Maintain Public Roads

Section 13 (1) (2) of the Public Roads Act No. 11 of 2002, provides that the local authority shall be the road authority responsible for construction, care and maintenance of urban roads within its municipal jurisdiction.

An inspection of selected roads carried out in September 2022, revealed that the Council did not maintain the Market Road as shown in the picture below.



Potholes along Market Road

e. Management of Local Government Equalisation Fund - Failure to Reimburse Borrowed Funds

The Local Government Act No. 2 of 2019 provides that, a Council shall use at least twenty percent (20%) of the Equalisation Funds received in any financial year, to finance capital expenditure. During the period under review, amounts totalling K11,837,047 were received as equalisation funds out of which K2,392,156 being 20% of the funding was transferred to the capital account.

In addition, an amount of K2,769 was brought forward from the previous year bringing the total funds available in 2021 to K2,394,925 in the capital account.

However, K2,179,000 was borrowed from the capital project account to meet operational expenses. As at 30th September 2022, only K141,080 was reimbursed leaving a balance of K2,037,290 resulting in six (6) approved projects which were allocated amounts totalling K1,634,921 not being undertaken. See table 2 below.

Table 2: Unimplemented Projects

No.	Project	Estimated Cost (K)
1	Purchase of Utility Vehicle	600,000
2	High Capacity Generator	60,000
3	Boreholes	240,000
4	Council Buildings and Public Places	450,000
5	Trailer and Other Accessories for Tractor	184,921
6	Information Communication Technology	100,000
	Total	1,634,921

f. Management of Constituency Development Fund

In the Estimates of Revenue and Expenditure for the financial year ended 31st December 2021 a total provision of K1,600,000 was made to cater for CDF projects in Mbala Constituency and the whole amount was released.

In addition, K1,616,078 was brought forward from 2020 bringing the total funds available to K3,216,078.

As at 31st December 2021, K1,053,505 had been spent leaving a balance of K2,162,573.

The following were observed:

i. Failure to Implement Water Reticulation Project

On 16th September 2021, a payment of K15,500 was made to Chambeshi Water and Sewerage Company for the installation of a water reticulation system at Luselwamfumu Village in Moto Moto ward.

However, as at 30th September 2022, twelve months after the payment, the project had not been implemented.

ii. Construction, Completion and Rehabilitation of various Works in Kawimbe Ward (Lot II)

On 4th May 2021, the Council engaged Sun-Sichy Enterprises to undertake three (3) projects in Kawimbe Ward under Lot II at a contract sum of K244,518. The contract period was twelve (12) weeks commencing 5th May and ending on 5th August 2021 which was later revised to 8th October 2021.

The scope of works included the following:

- Completion of 1 x 3 School Laboratory at Kawimbe Day Secondary School

- Construction of 1 x 3 School Laboratory at Kawama Day Secondary School
- Construction of 1 x 2 Class Room Block at Lumi Primary School

As at 30th September 2022, the contractor had been paid K231,437 leaving a balance of K13,081.

The following were observed:

iii. Completion of 1x3 School Laboratory at Kawimbe Day Secondary School – Delayed Completion

A physical inspection carried out in September 2022, revealed that the project had stalled and the contractor was not on site. The outstanding works included installation of spider trusses and fitting of window and door frames. See picture below.



Stalled School Laboratory

iv. Construction, Completion and Rehabilitation of various works in Mwamba Ward (Lot III)

On 4th May 2021, the Council engaged Sunzu Investment to undertake two (2) projects in Mwamba Ward under Lot III at a contract sum of K178,876. The contract period was eighty (80) days commencing 5th May and ending on 24th July 2021 which was later revised to 8th October 2021.

The scope of works included the following:

- Construction of 1 x 4 Classroom Block at Mwamba Day Secondary School
- Completion of 1x3 Classroom Block at Kakozya Primary

As at 30th September 2022, the contractor had been paid K108,655 leaving a balance of K70,221.

However, the following were observed:

- **Construction of 1 x 4 Classroom Block at Mwamba Day Secondary School**

A physical inspection carried out in September 2022, revealed that the workmanship was poor as the building had collapsed. See picture below.



Collapsed CRB

- **Construction of a 1x3 Classroom Block at Kakozya Primary School - Delayed Completion**

A physical inspection carried out in September 2022 revealed that the project had stalled and the contractor was not on site. The outstanding works included beam filling, fitting of window and door frames, plastering and flooring. See picture below.



Incomplete CRB

v. **Construction, Completion and Rehabilitation of Various Works in Lwandi Ward (LOT VII)**

On 4th May 2021, the Council engaged Sunzu Investment to undertake three (3) projects in Lwandi Ward under Lot VII at a contract sum of K148,000. The contract period was ninety (90) days commencing 5th May and ending on 5th August 2021 which was later revised to 8th October 2021.

The scope of works included the following:

- Completion of 1x3 Classroom Block at Isofu Primary School
- Completion of a Staff House at Chisenga Rural Health Post
- Completion of 1x 4 Classroom Block at Chipoka Day Secondary School

As at 30th September 2022, the contractor had been paid K86,232 leaving a balance of K61,768.

However, a physical inspection carried out in September 2022 revealed that the completion of a staff house at Chisenga Rural Health Post had stalled and the contractor was not on site. The outstanding works included installation of air vents, installation of window and door frames, glazing, installation of doors, painting and decorations. See picture below.



Incomplete staff house

vi. Completion and Rehabilitation of Various Works in Moto Moto Ward (LOT VIII)

On 4th May 2021, the Council engaged Kapsak Investment Limited to undertake two (2) projects in Lwandi Ward under Lot VIII at a contract sum of K134,174. The contract period was six (6) weeks commencing 27th May and ending on 7th July 2021.

The scope of works included the following:

Completion of a staff house at Kati Community School

Completion of 1x3 Classroom Block at Mwambezi Chilino Community School

As at 30th September 2022, the contractor had been paid K86,327 leaving a balance of K47,847.

However, a physical inspection carried out in September 2022 revealed that the Completion of a 1x3 classroom block at Mwambezi Chilino Community School had stalled and the contractor was not on site. The outstanding works included roofing, carpentry and metal works. See picture below.



Incomplete CRB

g. Management of Liabilities

i. Failure to Remit Statutory and Other Obligations

As at 31st December 2021, the Council owed various institutions amounts totalling K16,852,282 in respect of statutory and other contributions. See table 3 below.

Table 3: Unremitted Statutory and Other Obligations

No.	Institution	Balance B/F 2020 K	Obligations for 2020 K	Cumulative Total K	Payments K	Balance as at 31.12.2021 K
1	ZRA	7,270,754	1,345,593	8,616,347	20,000	8,596,347
2	NAPSA	4,362,524	1,084,208	5,446,732	-	5,446,732
3	LASF	1,842,845	299,962	2,142,807	-	2,142,807
4	FIRESUZ	9,481	18,893	28,375	30,680	(2,306)
5	ZULAWU	111,907	81,636	193,543	62,652	130,891
6	Madison Life Insurance	127,954	93,057	221,011	-	221,011
7	National Health Insurance	154,839	161,961	316,800	-	316,800
	Total	13,880,304	3,085,310	16,965,614	113,332	16,852,282

ii. Failure to Settle Staff Obligations

As at 31st December 2021, the Council owed former and existing employees amounts totalling K6,399,648 in respect of terminal benefits, settling in allowances, salary arrears and long service bonus some dating from as far back as 2012. See table 4 below.

Table 4: Outstanding Staff Obligations

No.	Type of Debt	Balance B/F 2020 K	Obligations for 2021 K	Cummulative Total K	Payments K	Balance as at 31.12.2021 K
1	Terminal benefits	1,147,377	-	1,147,377	31,000	1,116,377
2	Settling in allowance	252,586	164,385	416,971	140,421	276,550
3	Salary arrears	4,237,250	-	4,237,250	24,364	4,212,886
4	Long service bonus	793,835	-	793,835	-	793,835
	Total	6,431,048	164,385	6,595,433	195,785	6,399,648

Appendix 2 – Glossary of Terms

Accountable Documents

Documents such as receipts, licences, certificates, discs or tokens and others used in the collection of Revenues.

Audit Finding

The result of audit procedures and tests conducted by the auditor.

Controlling Officer

An officer designated as such by the Secretary to the Treasury to maintain accounts of a Ministry, Province or Agency.

Delayed Banking

Failure to bank moneys received not later than the next business day following the day of receipt of revenue.

Excess Expenditure

Expenditure incurred above the authorised budget amounts without the authorisation.

Failure to Follow Procurement Procedures	Non-Compliance with the Zambia Public Procurement Act and Procurement guidelines in the purchase of goods and services.
Irregular payments	Payments made outside the normal practice or acceptable regulations or norms.
Irregularity	Breach of laws, regulations or rules.
Imprest	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.
Misapplication	Use of funds budgeted for a programme on an unrelated programme without authority.
Misappropriation	Use of public funds for personal purposes or crediting public funds to a private bank account.
Outstanding Issues	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.
Overpayments	Payments made above the correct price or rate.
Parliament	Legislative organ of Government.
Committee on Local Government Accounts (CLGA)	A sessional committee of the National Assembly established in terms of the standing orders. The committee examines the Auditor

Unaccounted for Revenue	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. Revenue collected but neither banked nor cash found on hand.
Unvouched Expenditure	Payment vouchers not availed for audit because they are either missing or payment vouchers that are not adequately supported with documentation.
Unretired Imprest	Imprest not accounted for.
Unauthorised Expenditure	Funds spent without approval by a responsible officer.
Unacquitted Payments	Payments made without evidence of having been received by the intended beneficiaries.
Unaccounted for Stores	Missing stores items without evidence of how they were received and utilised.
Undelivered Materials	Goods paid for but not received.
Non-Submission of Expenditure Returns	Failure to provide details of how funds disbursed were utilised.
Unaccounted for Funds	Missing funds without expenditure records.
Wasteful Expenditure	Expenditure incurred without benefits derived.
Reconciliation	The process of ensuring that two (2) or more sets of records agree.

