REPORT

of the

Auditor-General

for the

FINANCIAL YEAR ENDED DECEMBER 31, 2018

ON

LOCAL AUTHORITIES

Presented to Parliament of Zimbabwe: 2019
Office of the Auditor-General of Zimbabwe
5th Floor, Burroughs House
48 George Silundika Avenue
Harare, Zimbabwe.

The Hon. Professor M. Ncube
Minister of Finance and Economic Development
New Government Complex
Samora Machel Avenue
Harare.

Dear Sir,

I hereby submit my report on the audit of Local Authorities in terms of Section 309(2) of the Constitution of Zimbabwe read together with Section 10(1) of the Audit Office Act [Chapter 22:18], for the year ended December 31, 2018.

Yours faithfully,

M. CHIRI (MRS),
AUDITOR-GENERAL.

HARARE
June 20, 2019.
OAG Vision
To be the Center of Excellence in the provision of Auditing Services.

OAG Mission
To examine, audit and report to Parliament on the management of public resources of Zimbabwe through committed, motivated, customer focused and well trained staff with the aim of improving accountability and good corporate governance.

OAG VALUES

COMMITTMENT
Self-driven, promise keeping to foster mastery in customer service delivery thereby leaving a legacy of being visionaries.

INTEGRITY
Being transparent, trustworthy and fair in order to guarantee professionalism and goal congruence in our daily conduct.

ACCOUNTABILITY
Responsibility of giving assurance on the effective use of public resources and answerable for individual actions.

RESPECT
Accepting mutual and reciprocal individuals’ self-esteem, diversity of view and need for recognition and acknowledgement of the office structures, processes and authority.

EMPATHY
Empathetic support and encouragement within the OAG family.

TEAMWORK
Results-oriented contribution each one of us makes through inspiration, creativity, chemistry and effectiveness.
# TABLE OF CONTENTS

LIST OF ACRONYMS ................................................................................................................... iii

DEFINITION OF TERMS ............................................................................................................... iv

EXECUTIVE SUMMARY ........................................................................................................... v

CITY COUNCILS ........................................................................................................................... 1

BULAWAYO CITY COUNCIL 2014 AND 2015 ........................................................................ 2

GWERU CITY COUNCIL 2014 ............................................................................................... 3

HARARE CITY COUNCIL 2017 .............................................................................................. 10

MASVINGO CITY COUNCIL 2015 ........................................................................................... 16

MUTARE CITY COUNCIL 2014 .............................................................................................. 18

MUNICIPAL COUNCILS ............................................................................................................. 22

BINDURA MUNICIPALITY 2018 .............................................................................................. 23

CHEGUTU MUNICIPALITY 2016 ............................................................................................ 26

CHITUNGWIZA MUNICIPALITY 2015 .................................................................................... 28

KARIBA MUNICIPALITY 2017 ............................................................................................... 31

REDCLIFF MUNICIPALITY 2014 ............................................................................................ 33

VICTORIA FALLS MUNICIPALITY 2016 ............................................................................ 35

TOWN COUNCILS ..................................................................................................................... 37

CHIREDZI TOWN COUNCIL 2015 ........................................................................................... 38

GOKWE TOWN COUNCIL 2016 ........................................................................................... 41

KAROI TOWN COUNCIL 2016 ............................................................................................... 42

RUSAPE TOWN COUNCIL 2017 ............................................................................................ 44

SHURUGWI TOWN COUNCIL 2014 ...................................................................................... 45

ZVISHAVANE TOWN COUNCIL 2015 .................................................................................. 46

LOCAL BOARDS ....................................................................................................................... 47

LUPANE LOCAL BOARD 2016 AND 2017 ........................................................................ 48

RURAL DISTRICT COUNCILS .................................................................................................. 50

BEITBRIDGE RURAL DISTRICT COUNCIL 2017 ................................................................. 51

BUBI RURAL DISTRICT COUNCIL 2016 ............................................................................. 52

CHIREDZI RURAL DISTRICT COUNCIL 2017 .................................................................... 55

CHIRUMHANZU RURAL DISTRICT COUNCIL 2017 .......................................................... 56

GOROMONZI RURAL DISTRICT COUNCIL 2018 ................................................................. 57

GUTU RURAL DISTRICT COUNCIL 2017 ........................................................................... 58

HWANGE RURAL DISTRICT COUNCIL 2015 ..................................................................... 60

HWEDZA RURAL DISTRICT COUNCIL 2017 ..................................................................... 62

MARONDERA RURAL DISTRICT COUNCIL 2018 ............................................................... 63

MUREWA RURAL DISTRICT COUNCIL 2017 .................................................................... 64
LIST OF ACRONYMS

1. BIQ – Business Intelligence Quotient
2. CEO- Chief Executive Officer
3. CSC – Cold Storage Commission
4. EIA – Environmental Impact Assessment
5. EMA- Environmental Management Agency
6. IPSAS- International Public Sector Accounting Standards
7. LAPF- Local Authorities Pension Fund
8. NEC- National Employment Council
9. NSSA- National Social Security Authority
10. OAG- Office of the Auditor-General
11. PAYE- Pay As You Earn
12. PFMA – Public Finance Management Act
13. PSIP- Public Sector Investment Programme
14. SDL- Standards Development Levy
15. SLB- Service Level Benchmarking
16. SPB- State Procurement Board
17. UCPF- Urban Councils Pension Fund
18. UNICEF- United Nations Children Education Fund
19. VAT- Value Added Tax
20. ZIMDEF- Zimbabwe Manpower Development Fund
21. ZIMRA- Zimbabwe Revenue Authority
22. ZINARA- Zimbabwe National Roads Agency
23. ZINWA- Zimbabwe National Water Authority
24. ZRDCWU- Zimbabwe Rural District Council Workers’ Union
25. ZUCWU – Zimbabwe Urban Councils Workers Union
26. UDCORP- Urban Development Corporation
DEFINITION OF TERMS

“Local Authority” means a municipal council, town council and local board established in terms of the Urban Councils Act [Chapter 29:15] or Rural District Council established in terms of the Rural District Councils Act [Chapter 29:13]. Local Authorities are established with the overall mandate of governing respective Council areas.

Local authorities are categorised into two groups which are:

A) The Rural District Councils and

B) Urban Councils, in which a Local Authority can either be classified as a:

i) City Council,

ii) Municipality,

iii) Town Council and

iv) Local Board.
EXECUTIVE SUMMARY

INTRODUCTION

With the end of the 2018 financial year for Local Authorities I take the opportunity to report to you my audit findings. The primary purpose of financial statements is to provide relevant and reliable information to users about a reporting entity’s financial position. In the public sector, the users of financial statements include ministers, the Parliament and the community. The objectives of a financial statements audit in the public sector are often broader than expressing an opinion whether the financial statements have been prepared, in all material respects, in accordance with the applicable financial reporting framework but also address service delivery issues.

My Office is mandated by the Constitution of Zimbabwe as amplified in the Audit Office Act [Chapter 22:18] to report to Parliament my findings on the examination of accounts of all Local Authorities.

In line with my goal of improving accountability and transparency, my Office serves as an independent source of information concerning best practices which I give through my recommendations for effective and efficient use of public resources. My Office was further capacitated through the recruitment of additional staff to audit Local Authorities. I therefore foresee a significant improvement in bringing Local Authorities’ audits up to date as I deploy these staff to field and monitoring duties.

PROGRESS OF THE AUDITS

Local Authorities have progressed well in preparing financial statements for audit. The timely preparation of accurate financial statements and their audits is one of the key indicators of an effective public financial management system, which fosters confidence in an entity on the part of users.

However, I note with concern that for the 2018 financial year, out of ninety-two Local Authorities, only three (3); (Bindura Municipality, Tongogara Rural District Council and Marondera Rural District Council) had current (2018) financial statements audited and reported on, whilst nineteen (19) were in progress or at finalization stage. Seventy (70) local authorities had not submitted their financial statements for audit as at May 31, 2019. Please refer to appendices A and B.

From my assessment of the financial statements submissions backlog, Kusile Rural District Council was still to submit financial statements dating back to 2014. The overall status of the Local Authorities is tabulated below;
As illustrated above, Local Authorities were not timely submitting financial statements for audit. I therefore found it difficult to review and assess whether my prior recommendations including any outstanding issues had been regularized by the Councils. My report is therefore limited to information I have presented in the status of audits chart above.

ANALYSIS OF FINDINGS

It is of great concern that governance issues over the years have continued to dominate my findings. Although there was an improvement from 2015 to 2016 (reduction from 68% to 49%), there has been a notable surge from 49% to 67% in the governance issues in 2017 and 2018 respectively. The number of reported service delivery issues have risen over the years which is a sign of weakening service provision by various local authorities. I have planned and directed my resources towards the audit of service delivery issues. Revenue collection, procurement and employment costs also make up part of the matters I have reported on.

My analysis of reportable issues by category are illustrated below:
GOVERNANCE AND SERVICE DELIVERY

During the year under review fifty-nine (59) governance issues were noted from the Local Authorities. These related to absence of policies and procedures manuals and noncompliance with statutory regulations. Chitungwiza Municipality, Karoi Town, Bubi Rural District Council among others were operating without key policies and procedures manuals. Non-payment of statutory and other obligations continues to be an issue in my reports. Notable cases were Kariba Municipality ($5,309,208), Redcliff Municipality ($2,916,365) and Karoi Town Council ($1,936,329).

Gweru City Council could not reconcile Rates and Water accounts amounts of ($12,738,875) and $7,312,445 to bank statement balances of ($303,942) and $70,582 respectively. Its employees have accumulated excess leave days which effectively imply that some of them have not been on leave for at least 17 years and others 24 years. Gweru was also unable to provide layout plans for the stands sold during the year.

There was lack of overall accountability by Harare City Council as Sunshine Holdings financial statements had not been consolidated with the City Council’s financial statements. The decision to hire equipment at a cost of $222,950 when they needed to repair their own equipment at a cost of $159,969 was economically unsustainable. The Council also borrowed an aggregate of US$ 32,500,000 to fund salaries and terminal benefits of employees without Ministerial approval. Only 6 out of the 32 required ambulances were available. There were no documented procedures in place to handle some operational and veterinary issues for instance the case where the Council recorded cattle deaths averaging 36 per month (433 for the year under review).
Mutare City Council was financing both recurrent and capital expenditure by an overdraft facility of at least $4 000 000. Sixty-seven percent (67%) of the Council’s treated water was not billed as it was lost mainly through leakages, non-metered connections and accounts not created in the system. The local authority had 15 872 non-functional water meters.

Chitungwiza’s average daily supply of treated water for the municipality was 24 985 cubic meters against a demand of 62 000 cubic meters.

Pfura Rural District Council was under resourced to the extent that in some instances it hired ox-drawn carts to carry refuse.

REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

Eleven (11) revenue collection and debt management issues are raised in my report. These were mainly characterized by lack of proper debt management practices and incomplete records. Hwange and Mwenezi Rural District Councils wrote off receivables amounting to $5 917 622 and $1 600 000 respectively without approval. Chegutu Municipality could not reconcile a variance of $294 417 for its stand sales whilst Bubi Rural District Council had unsupported debtors amounting to $137 666.

CONCLUSION

The audit findings warrant the attention of management and those charged with governance. The audit revealed that most weaknesses related to governance, service delivery, revenue collection and debt management. As presented in my analysis, there is need for improvement in accountability and transparency in the Local Authorities.

ACKNOWLEDGEMENTS

My special tribute goes to the audit firms, UDCORP and our valued clients who made it possible for me to submit my report for the year under review. I also extend my appreciation to our development partners for their unwavering financial and technical support and to our printers for printing the report on time. Finally, I wish to extend my sincere appreciation to my management and staff for their continued commitment and dedication to duty. Without all this support, the timely production of this report could not have been possible.
CITY COUNCILS
BULAWAYO CITY COUNCIL 2014 AND 2015

I have audited the financial statements of Bulawayo City Council for the years ended December 31, 2014 and 2015. The following material issue was noted during the audit:

1 GOVERNANCE ISSUES

1.1 Approval of car loans to Council staff

Finding

A car loan agreement to an employee with a value of $34,450 was not approved by the Town Clerk as per procedure. The agreement was only signed by the employee. There was also no contract/agreement for a car loan amounting to $8,743 advanced to another employee.

Risk / Implication

Financial loss due to violation of procedures.
Lack of a basis for legal recourse in the event of disputes.

Recommendation

All loans should be processed as per procedure.

Management response

Noted. These were the first loans that were issued and errors could have occurred where the town clerk signatures were missing. After these loans, management engaged the relevant section and currently all loan agreements are now being signed before the loan is processed.
I have audited the financial statements of Gweru City Council for the year ended December 31, 2014. The following are material issues noted during audit.

1. **GOVERNANCE ISSUES**

1.1 **Trade payables**

**Finding**

The Council was not updating and reconciling its creditors’ ledger accounts. In addition, there were no supporting documents in the form of listings and reconciliations for salary creditors amounting to $14,560,458.

Furthermore, there was a variance of $44,648 between the Council’s security deposit listing amount of $142,819 and the financial statements balance of $187,467. These variances were not resolved or adjusted in the financial statements.

**Risk/Implication**

Fraud and error may go undetected.

**Recommendation**

Council should prepare monthly reconciliations and listings of salary creditors and also investigate the cause of the variances.

**Management response**

The promun system has a creditors` module which maintains creditors’ accounts and every effort will be taken to ensure that the ledger is reconciled on a monthly basis.

It has been noted that the salary creditors to the tune of $14,560,458 could not be supported by a listing by the end of the audit. The adjustments will be made in the 2015 financial statements.

The variance is being looked into and will be adjusted in the 2015 financial statements.

1.2 **Cash and cash equivalents**

**Finding**

Bank reconciliation statements for the following accounts were not availed for my inspection. The table below shows the details:
<table>
<thead>
<tr>
<th>Account</th>
<th>Cash Book balance ($)</th>
<th>Bank statement balance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>(12 738 875)</td>
<td>(303 942)</td>
</tr>
<tr>
<td>Properties</td>
<td>2 818 343</td>
<td>4 312</td>
</tr>
<tr>
<td>Water</td>
<td>7 312 445</td>
<td>70 582</td>
</tr>
<tr>
<td>Housing</td>
<td>3 155 356</td>
<td>9 958</td>
</tr>
<tr>
<td>Welfare</td>
<td>26 285</td>
<td>1 785</td>
</tr>
<tr>
<td>Education</td>
<td>322 413</td>
<td>1 604</td>
</tr>
<tr>
<td>CBZ-Land Sales</td>
<td>299 693</td>
<td>452 365</td>
</tr>
<tr>
<td>FBC-Land Sales</td>
<td>446 584</td>
<td>174 409</td>
</tr>
<tr>
<td>Stanbic-Land Sales</td>
<td>(606 205)</td>
<td>148 315</td>
</tr>
</tbody>
</table>

In addition, the bank reconciliation statement for the ZINARA-ZB account availed for my inspection had un-cleared reconciling items amounting to $145 478.

**Risk/Implication**

Fraud and errors may not be detected and corrected on time.

**Recommendation**

The reconciliation statements should be prepared on a monthly basis and the reconciling items investigated and cleared.

**Management response**

The bank reconciliations have delayed the preparation of financial statements as they were always behind. The delays have been attributed to shortage of staff in the cash book section, but plans are in place to put up a dedicated team to speed up bank reconciliations and bring them up to date.

1.3 **Loans and payables**

**Finding**

The Council received four loans from the Ministry of Local Government which were disbursed through IDBZ towards the funding of infrastructural development amounting to $4 404 195 from 2009 to 2014. According to the loan agreement section 3 (3.5), Council was supposed to create a sinking fund for the amortisation of the loan from the date the agreement was signed. The Council failed to create a sinking fund and no repayments have been made at the time of audit.

In addition, the Council was not paying its major service providers, that is ZESA ($16 983 554) and ZINWA ($ 861 156) and statutory remittances to ZIMRA ($652 777).
Risk/Implication

Service delivery may be compromised in the event of cut-offs by utility service providers.

The Council’s credit rating may be compromised or negatively affected.

Financial loss due to penalties and fines charged by ZIMRA.

Recommendation

Council should ensure that it complies with the loan agreement terms and if appropriate enter into debt restructuring arrangements with the financiers.

Management should consider coming up with payment plans to meet the Council’s statutory obligations.

Management response

Council is just incapacitated to pay its creditors as they fall due to the harsh economic conditions it is operating under. However, every effort is being made to meet its obligations. Payment plans have been entered into with most statutory bodies though the amounts are insignificant relative to the amounts outstanding.

1.4 Leave days balances

Finding

The Council had several employees with significant leave day balances as they were not going on vacation leave as detailed in the table below;

<table>
<thead>
<tr>
<th>Employee</th>
<th>Number of leave days accrued</th>
<th>Effective years without going on leave assuming each person accrues 30 days per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>746</td>
<td>24.8</td>
</tr>
<tr>
<td>2.</td>
<td>705</td>
<td>23.5</td>
</tr>
<tr>
<td>3.</td>
<td>585</td>
<td>19.5</td>
</tr>
<tr>
<td>4.</td>
<td>524</td>
<td>17.4</td>
</tr>
<tr>
<td>5.</td>
<td>524</td>
<td>17.4</td>
</tr>
<tr>
<td>6.</td>
<td>343</td>
<td>11.4</td>
</tr>
<tr>
<td>7.</td>
<td>428</td>
<td>14.3</td>
</tr>
<tr>
<td>8.</td>
<td>420</td>
<td>14</td>
</tr>
<tr>
<td>9.</td>
<td>274</td>
<td>9.13</td>
</tr>
<tr>
<td>10.</td>
<td>306</td>
<td>10.2</td>
</tr>
<tr>
<td>11.</td>
<td>363</td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>12.</td>
<td>362</td>
<td>12.06</td>
</tr>
<tr>
<td>13.</td>
<td>302</td>
<td>10.06</td>
</tr>
<tr>
<td>14.</td>
<td>226</td>
<td>7.53</td>
</tr>
<tr>
<td>15.</td>
<td>386</td>
<td>12.86</td>
</tr>
<tr>
<td>16.</td>
<td>320</td>
<td>10.66</td>
</tr>
<tr>
<td>17.</td>
<td>321</td>
<td>10.7</td>
</tr>
</tbody>
</table>

**Risk/Implication**

Financial exposure as a result of an increase in pay leave liability.

Financial loss due to leave day fraud.

**Recommendation**

The Council should investigate the employees’ significant leave day balances.

Council should also ensure that employees are encouraged to go on leave to avoid a huge leave days’ balance.

**Management response**

The issue of leave days is being addressed with a view of capping the limit and forfeiting excess leave days. Encashment of leave days has been temporarily put on hold while a solution to the excess leave days is being discussed upon. Employees have been directed to go on leave in a bid to reduce the accumulation of leave days.

**1.5 External loans**

**Finding**

Council was not updating and reconciling its loan ledger accounts and as such they were not agreeing with the lenders confirmed balances.

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance per ledger $</th>
<th>Confirmed $</th>
<th>Variance $</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSIP Loans</td>
<td>3 041 195</td>
<td>4 404 195</td>
<td>1 362 767</td>
</tr>
<tr>
<td>FBC</td>
<td>3 255 536</td>
<td>1 387 936</td>
<td>(1 867 600)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6 296 064</strong></td>
<td><strong>5 792 132</strong></td>
<td><strong>(504 832)</strong></td>
</tr>
</tbody>
</table>

The variance of $1 867 600 on the FBC loan has not been reconciled and explained.
Risk/Implication

Irregular transactions related to the loan balances may occur.

Recommendation

The Council should reconcile loan ledger accounts to confirmed balances.

Management response

Whilst we acknowledge that we were allocated $1 million dollars by the Ministry of Local Government, we only received $92 500 from IDBZ unfortunately efforts to get the issue resolved between IDBZ and the Ministry were fruitless. However, the Council will continue pursuing the matter with both parties.

Auditor’s comment

Whilst I appreciate the responses provided by management, it should be noted that the responsibility for the maintenance of accurate loan records rests with the Council. On the same note, I could not comprehend why the Council’s IDBZ loan ledger account had an amount of $3 041 195 when the bank only advanced $92 500.

1.6 Estates funds

Finding

The City utilised funds amounting to $774 633 towards the payment of November 2014 salaries in contravention of section 300 of the Urban Council’s Act as there was no evidence to show that the request to borrow from the Estates account was approved by Council.

Risk/Implication

Service delivery may be compromised when funds are not used as intended.

Recommendation

The Council should comply with the requirements of the Urban Councils Act.

Management response

All amounts borrowed from the Estates account will be paid back.
2. REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

2.1 Stand layout plans

Finding

The Council was unable to provide layout plans for the stands sold during the year under review and as such I could not reconcile the number of stands sold in the ledger to the number of stands allocated.

Risk/Implication

Fraud and errors in the allocation and sale of stands may go undetected.

Recommendation

The Council should ensure that it has a record of the stand layout plans.

Management response

The observation is noted, we are currently looking for the missing layout plans.

2.2 Recruitment of casual workers

Finding

Ministerial directive CX 1/54 of 29 September 2010 stated that no local authority may employ any staff member at any level or grade, including casual or contract workers without Ministerial approval. However, the Council engaged a number of casual workers during the year under review without seeking any authority from the Ministry.

Risk / Implication

Council’s activities may not be in sync with the strategic thrust and policy direction of the Ministry.

Recommendation

The Council should adhere to the Ministerial directive and where this is not possible seek subsequent condonation.

Management response

The recommendation has been noted and agreed to, Council felt that some departments needed extra manpower hence the recruitment cited above.
3. PROGRESS IN IMPLEMENTATION OF PRIOR YEAR RECOMMENDATIONS

I reviewed the progress made towards the implementation of prior year recommendations and found that the Council made some progress and there was room for improvement in respect of the following recommendations:

3.1 Valuation roll

Recommendation

That an official Valuation Roll be of urgency to Council and that all land and improvements properly valued and billed for Owners rates and supplementary charges in order to maximise revenue collection and improve service delivery.

Council engage the Ministry of Local Government, Public Works and National Housing and not private valuers for an objective and independent valuation roll.

Progress made

Council has not come up with a valuation roll.

3.2 Infrastructure assets

Recommendation

Council should ensure that International Public Sector Accounting Standards are complied with and applied consistently.

Progress made

Council is still to comply with IPSAS as infrastructure assets were not accounted for.

3.3 Investments

Recommendation

Council should consolidate the value of the investment in Go Beer brewery and also provide adequate evidence to support how it determined the cost of the investments and disclose how the investments were accounted, for the presentation of a true and fair view of the financial position of Council as per the applicable reporting framework (IPSAS).

Progress made

Still outstanding, cost of investment is not supported and cannot be established.
HARARE CITY COUNCIL 2017

I have audited the financial statements for Harare City Council for the year ended December 31, 2017. Below are material issues that were noted during the audit;

1. GOVERNANCE ISSUES

1.1 Sunshine Holdings

Finding

Harare City Council owns Sunshine Holdings. This subsidiary’s financial statements were not consolidated to reflect the total Council’s financial performance and position. This was in contravention of the Public Finance and Management Act [Chapter 22.19].

Risk / Implication

Lack of overall accountability of the Council’s business transactions.

Lack of transparency has a negative impact on stakeholder confidence in the way Council conducts its business.

Recommendation

All investments made by the Council should be consolidated and reported together with other Council activities as provided for in the Public Finance and Management Act [Chapter 22.19].

Management response

Noted, all investments will be consolidated and reported by December 2018. Council will strive to prepare financial statements in compliance with the provisions of PFMA Act.

1.2 Audit Committee Composition

Finding

Among the essential skills required in the Finance and Audit Committee are accounting/financial expertise. I noted that there was no representation of this discipline on the committee. This expertise will assist in ensuring effective oversight role on the internal control environment and integrity of financial reporting.

Risk/ Implication

The Finance and Audit Committee’s oversight role over the Council’s financial issues may be compromised.
Recommendation

The Council should ensure that at least one member of the Audit and Finance Committee has financial expertise and if not possible the Council should consider co-opting a financial expert.

Management response

Noted. Recommendation will be made to the relevant authorities for the implementation of the same.

1.3 Borrowing for salaries

Finding

Council borrowed an aggregate of US$ 32 500 000 to fund salaries and terminal benefits of employees without Ministerial approval as provided for in the Urban Councils Act [Chapter 29:15]. The details of the borrowings are as shown below:

<table>
<thead>
<tr>
<th>Date of issue</th>
<th>Name of lender</th>
<th>Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 November 2014</td>
<td>CABS</td>
<td>15 000 000</td>
</tr>
<tr>
<td>19 May 2015</td>
<td>CABS</td>
<td>13 000 000</td>
</tr>
<tr>
<td>18 November 2015</td>
<td>CABS</td>
<td>3 000 000</td>
</tr>
<tr>
<td>18 November 2015</td>
<td>CABS</td>
<td>1 500 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>32 500 000</strong></td>
</tr>
</tbody>
</table>

Risk/Implications

Service delivery might be compromised if Council borrows for recurrent expenses such as salaries of employees.

Non-compliance with Urban Council’s Act [Chapter 29:15].

Recommendations

Council should improve the effective management of its revenue producing assets, for example the Crusher Station and other Municipal subsidiaries, which fall under the management of Harare Sunshine Holdings to reduce the dependence on borrowings.

The Council should seek loans to finance capital expenditure on revenue generating projects and avoid financing recurrent expenses using loans.

Management response

Recommendation is noted and all efforts will be made to comply with the same.
1.4 Fire Station and ambulances

Finding

My audit procedures extended to the assessment of the fire preparedness of the Fire Department of the Council. Inspection of the 2017 Fire Station report coupled with the inquiries made with management revealed the following key concerns:

The city requires twenty five (25) fire engines to reach adequate fire preparedness. Currently the City only has 12 functional fire engines.

Fourteen (14) service vehicles are required by the Fire department at any time and currently there are only two which are functional.

Thirty two (32) ambulances are needed to fully equip the Fire department but currently there are 6 which are functional.

According to the approved staff establishment, the ambulance section of the fire department requires a staff compliment of 145 employees yet only 73 are available. 215 Firemen are required, yet 120 are available thus the department is grossly understaffed.

Risk / Implication

Service delivery may be compromised that may lead to high probability of loss of life and property around the city.

Recommendation

Council should find ways to recapitalise and resource the fire and ambulance department.

Management response

Noted, Management will look into the recommendations and after careful consideration will present a report to Council. However Council has been receiving donations of Fire engines from twin cities but these have not been adequate. Disaster preparedness policies should be from a national policy. The 5 Year Capital Development Plan has made provisions to capacitate the Harare Fire Brigade and Ambulance Services both in terms of human capital and equipment.

1.5 Equipment Hiring Costs at the Crusher Station

Finding

The asphalt plant which mixes tar was not functional. It required $159 969 to bring it back into service. The Council in turn sought services from private companies for tar mixing and in the process incurring $222 950. However, I could not comprehend the economic rationale of the Council’s decision.
Risk / Implication

Financial loss due to hiring costs that are in excess of servicing costs.

Recommendation

Hire or service decisions should be assessed prior to commitment.

Management response

Agreed, the crusher station was in a process of being privatised. The process is now complete and better results are expected in 2019. Internal audit has a programme to carry out Value for money audits and will be encouraged to intensify such audits in 2019.

1.6 Asset register

Finding

The Council had no consolidated asset register except for the sector asset registers which were being maintained on excel spreadsheet which have no adequate access controls despite the fact that Council had an asset module on the BIQ system which it was not utilising.

Risk / Implication

Losses due to asset misappropriation as excel spreadsheets may easily be manipulated and may not be detected on time.

Recommendations

Council should utilise the asset BIQ module to maintain its asset register.

Management response

Agreed, Council needs to revalue the assets by December 2018. The developer will develop the BIQ and with foreign currency permitting the assets will be in the system by December 2019. A Standard Operating Procedure pertaining to this will be put in place by December 2018.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1 Sunshine Holdings cattle fattening agreement

Finding

According to Council resolution, City of Harare and Sunshine Holdings entered a fattening arrangement by which Sunshine Holdings would bring their cattle into City of Harare farms for fattening and they would collect them after the fattening and sell them in their butcheries. I noted that Sunshine Holdings brought 249 cattle for fattening
but subsequently collected 401 cattle. There was no evidence to support that Sunshine Holdings had been authorised to collect the extra 152 cattle. This issue was further compounded by the fact that intercompany and related party transactions had not been disclosed.

**Risk / Implication**

Financial loss through fraudulent activities.

**Recommendation**

The third party cattle farming arrangement should be investigated to avoid loss of Council cattle through illegal deals.

**Management response**

Agreed, a committee will be set to undergo a thorough investigation on the third party cattle farming agreement. The report should have been done by December 2018.

### 2.2 Cattle movement (births and deaths) records

**Finding**

The Council had no documented procedures to prescribe the action to be taken when cattle births and deaths occur. I also noted that four hundred and thirty three (433) cattle deaths were recorded during the year under review which translated to thirty six cattle a month.

**Risk / implication**

Financial loss through falsification of cattle records.

Accountability of cattle may be compromised.

**Recommendation**

Council should put in place documented processes and procedures that should be followed when cattle births and deaths occur.

**Management response**

Noted, Council will come up with an SOP and laid down procedures for the farms. The internal audit will be equipped to intensify verification of death and birth of cattle in Council farms in their 2019 audit programme.

The norm when cattle die is as follows; the death is witnessed by the Loss control or Municipal Police on duty and recorded in the deaths book by the Farm Clerk. The farm manager will diagnose the diseases and if he is not sure will engage the
Veterinary Doctor for help. The manager is a qualified person who can diagnose any type of disease in cattle. The coming of SOPs will address this anomaly.

2.3 Cattle sales

Finding

The Council farms sold forty (40) beasts valued at $24 808 to Sunshine Holdings during the 2017 financial year but I could not obtain the resolutions/(authorization) supporting the sale. According to Council cattle selling procedures all cattle sales should be done through an environmental management committee recommendation and resolution of the Council.

Risk / Implication

Unauthorised cattle sales might create room for potential fraud and misappropriation of Council’s revenue considering that Sunshine Holdings financial statements had not been consolidated in the City Council’s records.

Recommendation

All cattle sales should be supported by environmental management committee resolution.

Management response

Sunshine meats is a Council subsidiary and was established to pen fatten steers for value addition. It has its own outlets to sell beef. It’s main objective was to pen fatten the steers and dispose them with better graded meat, however it was queried that sunshine meats were supposed to buy the steers at the current market prices and it was mentioned in the same report of the selling of 400 cattle. The latter turned down the offer arguing that the cattle were too expensive.
MASVINGO CITY COUNCIL 2015

I have audited the financial statements of Masvingo City Council for the year ended December 31, 2015. The following are material issues that were noted during the audit.

1. SERVICE DELIVERY ISSUES

1.1. Water

Finding

Council was producing 30 mega litres of treated water per day against a current demand of 48 mega litres. This led to water rationing with residents accessing water for 8 hours a day. The situation was compounded mainly by aging water reticulation pipes with an estimated treated water leakage of forty per centum (40%).

Risk / Implication

Service delivery is compromised as shortage of water may lead to outbreak of diseases.

Financial loss due to water leakage.

Recommendation

Council should consider upgrading the current water works or build a new plant in order to meet the increase in population.

Management response

Observation noted, measures underway to increase water supply capacity but hampered by lack of funding.

1.2. Dump site

Finding

The Victoria Range dumping site was no longer suitable as the site was now too close to the residential location. In addition, Council was not carrying out all appropriate waste management procedures such as compacting litter posing a health hazard to the nearby residents.

Risk/ Implication

Residents are exposed to potential health hazard.

Financial loss due to penalties and fines that may be levied by the Environmental Management Agency.
Recommendation

The Council should look for alternative dumping site to curb outbreak of diseases.

Management response

Observation noted, this disposal site is now interlocked in housing development. A new site is being processed in Victoria CSC farm.
MUTARE CITY COUNCIL 2014

I have audited the financial statements of Mutare City Council for the year ended December 31, 2014. The following are material issues that were noted during the audit.

1. **GOVERNANCE ISSUES**

1.1. **Loans and Overdraft facilities**

**Finding**

Council has been financing its recurrent and capital expenditure with an overdraft facility and loans from a local bank. During the year under review, Council was indebted with an overdraft of $4 000 000 and loans amounting to $1 400 000. Interest fees amounting to $805 546 was charged on the overdraft facility and loans during the year under review.

**Risk / Implication**

Financial loss due to the fact that overdrafts are an expensive source of financing for Council operations.

Service delivery is compromised as significant funds are channelled towards paying finance costs.

**Recommendation**

Council should consider ways to improve revenue collection and debt management in order to finance its operations.

**Management response**

*In an endeavour to curb the spiralling of interest, the overdraft facility has been converted into a loan.*

*Council has since improved its revenue collection efforts as evidenced by a 10% improvement in revenue inflows.*

1.2. **Estate funds**

**Finding**

Council was utilizing estate funds for recurrent expenditure contrary to section 300 of the Urban Councils Act which requires estate funds to be utilised for capital related expenditure (purchase and servicing of land).

During the year under review, the Council utilized $1 432 844 from estates account for recurrent expenditure and only $59 935 was utilized for estates related expenses.
Risk/implication

Service delivery in respect of developing stands is compromised.

Recommendation

Council should reserve all land sales funds for intended purposes.

Management response

Recommendation noted and implementation to be conducted as per section 300 subsections (2a-2d) of the Urban Council's Act.

1.3. Vehicle registration

Finding

The following five vehicles were still in the name of third parties:

- Toyota Xenon Single Cab (ADF2580).
- Toyota Xenon Single Cab (ADE 2579).
- Mazda Bongo (ABA 9217).
- Nissan J85 double Cab ABD 4260.
- Isuzu Forward (AAE 7003).

Risk / Implication

Possible financial loss and increased burden of proof in cases of disputes.

Misappropriation of assets.

Recommendation

All vehicles should be registered in the Council’s name.

Management response

Processes underway to register the vehicles despite past challenges.

1.4. Valuation roll

Finding

The Council did not have an updated valuation roll in compliance with requirements of Urban Councils Act [Chapter 29:15] section 253(a)-(f). The one in place was designed in 2001, and was no longer compatible with current economic changes that occurred from 2009.

New properties and improvements that were made between 2001 up-to the current period were not included in the valuation roll or supplementary roll, consequently these were not being billed.
Risks / Implications

Financial loss due to loss of potential revenue.

Recommendation

The Council should maintain an updated valuation roll.

Management Response

To be implemented in the new budget.

2. PROCUREMENT OF GOODS AND SERVICES

2.1. Expenditure documents

Finding

I was not availed with supporting documents for expenditure amounting to $174,325 incurred during the year under review. Most of this expenditure related to donations, players allowance, fuels and oils, drugs and stationery.

Risks / Implications

Financial loss due to payment of expenditure not incurred.

Recommendation

All expenditure should be supported by appropriate documentation.

Management response

Recommendation noted.

3. SERVICE DELIVERY ISSUES

3.1. Treated water

Finding

I noted that 67% of the Council’s treated water (22,677,156 cubic meters) was not billed as it was lost mainly due to leakages, non-metered connections and accounts not created in the system.

The situation was worsened by the fact that the Council had 15,872 non-functional water meters.
Risk/Implication

Financial loss due to unbilled water.

Recommendation

Council should find ways of reducing non-revenue/ non-billed water.

Management response

Council is in the process of addressing the matter of non-revenue water.
MUNICIPAL COUNCILS
BINDURA MUNICIPALITY 2018

I have audited the financial statements of Bindura Municipal Council for the year ended December 31, 2018. The following are material issues noted during audit.

1 REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

1.1 Third-party stand sales

Finding

The Council was engaged by a land developer to sell stands on its behalf. Council then passed a resolution to this effect stipulating that a contract be put in place. However, I was not availed with the contract relating to this arrangement. In the absence of a contract/ documented agreement, I was unable to ascertain the terms and conditions of the arrangement.

Risk / Implication

The Council may not have a basis for legal recourse in case of disputes.

Recommendation

Management should ensure that contracts are always in place for any engagements entered into by the Council.

Management response

The Municipality has a resolution to that effect but Council will however ensure that contracts are in place in future.

1.2 Receivables

Finding

The Municipality was owed $5 154 722 for water charges. Of this amount, $1 104 531 was owed by Government institutions and public entities. The Municipality had challenges in recovering amounts owed by the entities in the table below:

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Outstanding amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bindura Prisons</td>
<td>503 610</td>
</tr>
<tr>
<td>Bindura Hospital</td>
<td>387 247</td>
</tr>
<tr>
<td>ZETDC</td>
<td>190 980</td>
</tr>
<tr>
<td>ZRP</td>
<td>22 694</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 104 531</strong></td>
</tr>
</tbody>
</table>
Risk / Implication

Service delivery may be compromised.

Recommendation

The Council should continuously engage the institutions to recover the long standing debts.

Management response

The Municipality is making continuous efforts to get payments done through set offs from central government however Central Government is taking too long to settle their bills.

1.3 Remittances of statutory deductions

Finding

The Municipality was not remitting statutory deductions to the respective responsible authorities. As at Dec 31, 2018 the Municipality owed a total amount of $3 496 458 to (ZIMRA $1 163 711, LAPF $2 305 234, and NSSA $27 513).

Risk / Implication

Financial loss due to penalties and fines that may be levied.

Employees may be denied compensation and other related benefits.

Recommendation

The Municipality should engage the authorities and come up with payment plans to clear the arrears.

Management response

The Municipality is facing cash flow challenges, but has however engaged the service providers on payment plans. ZIMRA amounts to be paid through debt set off by Central Government, LAPF has been engaged and monthly payments for pensioners is invoiced to the Municipality who further pays them.

2 PROCUREMENT OF GOODS AND SERVICES

2.1 Sporting expenses

Finding

There was no evidence that the Council had policies and procedures to regulate expenditure incurred for sporting activities. As a result, I could not substantiate how
$3 507 which was transferred on November 15, 2018, to a finance employee’s personal account was used to cater for costs in relation to the inter – city sporting tournament.

**Risk / Implication**

Financial loss due to misappropriation of funds.

**Recommendation**

The Council should account for the amount used and policies and procedures for sporting activities should be put in place.

**Management response**

The acquittals are being followed up but in future we should request for the acquittals.
CHEGUTU MUNICIPALITY 2016

I have audited the financial statements of Chegutu Municipal Council for the year ended December 31, 2016. The following are material issues noted during the audit.

1. GOVERNANCE ISSUES

1.1. Payroll reconciliations

Finding

The Council was not reconciling monthly payroll records to the ledger. As a result, there was an unreconciled amount of $97,940 between employee costs balance disclosed in financial statements of $2,667,520 and the wage bill balance as per payroll records of $2,569,580.

Risk / Implication

Fraud and errors may not be detected on time.

Recommendation

Payroll reconciliations should be done.

Management response

Noted. All payroll payments are now being authorised before payments in order to ensure easy reconciliation.

2 REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

2.1. Stands sales

Finding

A comparison of stand sales allocation register and the stand sales ledgers showed a variance of $294,417 as shown in the table below. The Council failed to reconcile the variances between the two records.

<table>
<thead>
<tr>
<th>Stands sales income ledger</th>
<th>$3,193,188</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stand sales income allocation register</td>
<td>$3,487,605</td>
</tr>
<tr>
<td>Variance</td>
<td>($294,417)</td>
</tr>
</tbody>
</table>

Risk / Implication

Misstatement of revenue.

Recommendation

The cause of the variance should be investigated.
Management Response

Observations noted.
The variance is being investigated through a reconciliation with source documents, which in this case are housing files.
CHITUNGWIZA MUNICIPALITY 2015

I have audited the financial statements for Chitungwiza Municipality for the year ended December 31, 2015. Below are material issues that were noted during the audit;

1 GOVERNANCE ISSUES

1.1 Risk management policy

Finding

The Council was operating without risk management policy. Risk management policy enables management to identify business risks and put in place suitable controls to mitigate the identified risks.

Risk/Implication

The Council may fail to identify and mitigate new and emerging risks.

Recommendation

Council should come up with a risk management policy for identifying the risks associated with their operations and providing ways to mitigate the risks.

Management response

Council set up a risk committee that is responsible for identifying risks and coming up with risk policy. The committee will also be responsible for coming up with strategies for minimizing identified risks. Compilation of the Risk Policy is in progress and we anticipate to finalise it by end of September 2018.

1.2 Policy documents

Finding

The Council was operating without approved policy documents in some of its departments, and as such the operational functions of Council were executed without approved guidelines or set standards.

Tabulated below is the status report of the council’s policies as at the date of audit.

<table>
<thead>
<tr>
<th>Policy Documents</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety policy</td>
<td>Draft policy in place</td>
</tr>
<tr>
<td>Accounting policy and procedure manual</td>
<td>Need to be updated using the draft crafted in 1992.</td>
</tr>
<tr>
<td>Assets replacement policy</td>
<td>Not in place</td>
</tr>
</tbody>
</table>

Risk / Implication

Financial loss.
Possible inconsistencies in application of processes and procedures.

**Recommendation**

The Council should put in place all outstanding policies.

**Management response**

**Council is currently working on Asset Management policy, Health and safety policy as per your recommendation. Accounting policy is being worked at Finance Director’s forum.**

2  **SERVICE DELIVERY ISSUES**

2.1  **Water**

**Finding**

The Council did not have its own water works and hence was purchasing treated water from City of Harare. This arrangement appeared to be costly to the residents as Chitungwiza Municipality set a mark-up on the water purchased from City of Harare. In addition, Chitungwiza had accrued $5 290 002 to the City of Harare as at December 31, 2015.

Furthermore, the daily average supply of treated water for the municipality was 24 985 cubic meters against a daily average demand of 62 000 cubic meters.

**Risk / Implication**

In the event of disconnection by the City of Harare, the residents are deprived of water which increases chances of outbreak of diseases.

**Recommendation**

The Council should actualise the construction of its water source and treatment plant as this will improve water provision to the community.

**Management response**

**Plans are in the pipeline to ensure that water is available on a daily basis. We have engaged a private player who is assisting us in engaging financiers to fund the construction of a dam and treatment plant.**

2.2  **Sewerage Treatment Plant**

**Finding**

The biological nutrient removal (BNR) plant has not been functional since 2006. In addition, there was blockage or collapse of trunk sewer behind Chitungwiza Hospital that resulted in an estimated 50% of the sewer not being treated and flowing directly into streams and rivers.

The St Mary’s pump station was also not functional resulting in raw effluent flowing into the nearby river.
**Risk/ Implication**

Loss of life due to pollution and other communicable diseases.

**Recommendation**

The Council should mobilize financial resources to rehabilitate the non-functional sewer treatment plant and also to increase the operational capacity of the sewer treatment plants to meet the growing demand.

**Management response**

Japan International Cooperation Agency have shown interest in the rehabilitation of the BNR plant. Documents have been prepared to the parent Ministry seeking funding to address the challenges we have in our sewers.
KARIBA MUNICIPALITY 2017

I have audited the financial statements of Kariba Municipality for the year ended December 31, 2017. The following are material issues that were noted during the audit.

1 GOVERNANCE ISSUES

1.1 Statutory obligations

Finding

The Council had outstanding statutory obligations amounting to $5 309 208. As at December 31, 2017, the Council owed LAPF $3 100 473; ZIMRA $2 140 124; ZIMDEF $44 463 and NSSA $24 148.

Risk / Implication

Financial loss due to fines and penalties.

Employees may fail to access benefits upon termination of employment.

Recommendation

The Council should arrange payment plans with the authorities to clear debts.

Council should enhance revenue-collection mechanisms to improve cash flows.

Management response

Council entered into payment plans with most of its statutory creditors whereby Council came up with a strategy to pay on a daily basis. However due to cash flow challenges, Council struggled in honouring some of the payment plans as they fell due.

2 SERVICE DELIVERY ISSUES

2.1 Water meters

Finding

The Council’s records indicated that about 43% of water meters were not functional. In addition, a total of 555 out of 1 285 water taps had no meters.

Risk / Implication

Loss of revenue from unmetered water.
Recommendation

The Council should ensure that all non-functional meters are replaced to enable accurate billing and accounting of water consumption.

Management responses

The Council has embarked on a project to install prepaid water meters, where 504 prepaid meters have to date been installed. Functional water meters removed from prepaid installed points will then replace non-functional meters elsewhere for accurate billing and accounting of water consumption.

2.2 Street lighting

Finding

An Engineering Services Environmental Management and Works report for December 2017 revealed that 172 out of 331 installed street lights were not functioning. This meant that only 52% of the total streetlights were functioning while the other 48% were dysfunctional. This is an issue considering that Kariba is a key tourist destination. In addition, areas such as Batonga, part of Nyamhunga 3, Baobab, Breezes and Mica Point had no tower lights.

Risk / Implication

Possible attacks on people by wild animals and thieves as they take advantage of darkness.

Recommendation

The Council should make budgetary provisions to address street lighting issues.

Management response

The old Council lighting system used florescent tubes that have since been banned by the regulator. As such, the Council is in the process of acquiring the recommended LEDs to replace the florescent tubes.

In areas with no lights that are Batonga, part of Nyamhunga 3, Baobab Ridge, Breezes and Mica point, the Council is in the process of partnering players in the industry in order to install solar lights systems.
REDCLIFF MUNICIPALITY 2014

I have audited the financial statements of Redcliff Municipal Council for the year ended December 31, 2014. The following are material issues that were noted during audit.

1. GOVERNANCE ISSUES

1.1 Policies and procedures manuals

Finding

The Council was operating without critical policies and procedures manuals such as Risk Management, IT and Asset Management.

Risk / Implication

Inconsistent treatment of transactions and operational issues.

Recommendation

The Council should design and implement policies and procedure manuals to ensure consistency in operations.

Management Response

IT policy is in draft stage and we are hoping that the risk assessment and asset management policies will be in place early next year.

1.2 Salary arrears and remittance of statutory obligations

Finding

I noted that the Council was facing financial challenges which included low revenue collection. As a result, the Council had salary backlog amounting to $2 724 314. Furthermore, the Council had arrears in statutory deductions as tabulated below;

<table>
<thead>
<tr>
<th>Entity</th>
<th>Amount owed as at December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZIMRA</td>
<td>1 433 693</td>
</tr>
<tr>
<td>LAPF</td>
<td>996 364</td>
</tr>
<tr>
<td>NSSA</td>
<td>396 678</td>
</tr>
<tr>
<td>ZIMDEF</td>
<td>89 630</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 916 365</strong></td>
</tr>
</tbody>
</table>

Risk / Implication

Financial loss due to fines and penalties that may be levied.
Service delivery may be compromised due to low staff morale.
Recommendation

Statutory deductions should be remitted timeously to avoid penalties and garnishes by the respective authorities. In addition, the Council should make payment plans to clear debts.

Strategies to clear salary arrears should be put in place and prioritized.

Management response

Audit observation is noted. The Council is struggling financially but it is trying to make periodic payments to all statutory bodies.

2. REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

2.1 Receivables

Finding

The Council was not effectively collecting amounts owed. As a result, receivables increased from $8 669 489 in 2013 to $12 662 981 in 2014. On average, amounts owing were being collected after 471 days (more than a year). This contributed to the financial challenges the Council was facing.

Risk / Implication

Service delivery may be compromised due to financial constraints.

Recommendation

Efforts should be made to collect all debts in order for the Council to meet its short and long term obligations.

Management response

The Council has now started using a more aggressive debt collection strategy, with a debt collection unit being set, collection has increased by 100% in the current period.
VICTORIA FALLS MUNICIPALITY 2016

I have audited the financial statements of Victoria Falls Municipal Council for the year ended December 31, 2016. The following are material issues that were noted during audit.

1 GOVERNANCE ISSUES

1.1 Valuation roll

Finding

The Council did not have an updated valuation roll in compliance with requirements of Urban Councils Act [Chapter 29:15] section 253(a)-(f). The one in place was designed in 2000, and was no longer compatible with current economic changes that occurred from 2009.

New properties and improvements that were made between 2000 up-to the current period were not included in the valuation roll or supplementary roll, consequently these were not being billed.

Risk /Implication

Financial loss due to loss of potential revenue.

Recommendation

The Council should maintain an updated valuation roll.

Management response

The exercise was commenced in 2015 but could not be completed due to failure to get the President of the Valuation Board.

1.2 Estate funds

Finding

The Municipality was utilizing estate funds for recurrent expenditure contrary to section 300 of the Urban Councils Act [Chapter 29:15] which requires estate funds to be utilised for capital related expenditure (purchase and servicing of land).

During the period under review, the Municipality utilised $231 887 from the estate account to pay terminal benefits for the beer hall employees who were retrenched when the liquor operations were leased out.

Risk /Implication

Service delivery in respect of stands development may be compromised.
Recommendation

Estate funds should be used for their intended purposes.

Management response

Council is in the process of paying off these debts. We have already paid back some of it in 2018.
TOWN COUNCILS
CHIREZI TOWN COUNCIL 2015

I have audited the financial statements of Chiredzi Town Council for the year ended December 31, 2015. The following are material issues noted during the audit.

1. GOVERNANCE ISSUES

1.1. Policies and procedure manuals

Finding

I noted that the Council did not have an accounting and operating procedures manual. This has resulted in inconsistencies throughout the Council with different information on the same balances being produced from different departments e.g. Stand sales information from Housing department varies from the data/records from Finance. Furthermore, Council did not have the following fundamental policies.

1. Risk Management Policy
2. Housing Policy
3. Internal Audit Charter
4. Procedure manual for central stores
5. Fixed Asset Policy:-
   i) Depreciation Policy
   ii) Disposal Policy
   iii) Revaluation Policy

Risk / Implication

Inconsistencies in policy application.

Recommendation

The Council should put in place an accounting procedure manual.

Policies and procedures should be put in place.

Management response

Risk Management Policy, Housing policy and Internal Audit Charter are at draft stage and are expected to be ready by 31 December 2017. Procedure manual for central stores is to be done in 2018.
2. PROCUREMENT OF GOODS AND SERVICES

2.1. Supporting documents

Finding

I was not availed with supporting documents for expenditure amounting to $127,612 incurred during the year under review. Most of the expenditure related to printing and stationery, stores and material, cleaning materials and software purchases.

Risk / Implication

Financial loss due to payment of expenditure not incurred.

Recommendations

All expenditure should be supported by appropriate documentation.

Management response

Council has created a schedule and the supporting documents are being fastened to the payment vouchers. Council will ensure that all required supporting documents are in place before any transaction is processed.

3. SERVICE DELIVERY

3.1. Refuse collection

Finding

I noted that the Council had a good refuse collection record. A tour of the residential areas and the central business district showed less signs of illegal dumping of refuse by residents. However, the Council has not constructed proper dumpsites for refuse disposal. No proper treatment of waste material is being done, the Council resorts to burning which is not in line with the Environmental Management Agency standards.

Risk / Implication

Penalties and fine may be levied by the environmental management authority.

Recommendation

Council should make use of an approved dump site in terms of the Environmental Management Agency (EMA) guide lines.
Management response

Council will comply with the regulations on refuse collection, in 2018 Council budgeted for feasibility guidelines of a compliant landfill.
GOKWE TOWN COUNCIL 2016

I have audited the financial statements of Gokwe Town Council for the year ended December 31, 2016. The following material issue was noted during the audit.

1. GOVERNANCE ISSUES

1.1 Policy documents and procedures manuals

Finding

The Council was operating without critical policies and procedures manuals such as Risk Management, Stores and Assets Management.

Risk / Implication

Inconsistency in treatment of transactions and operations.

Recommendation

The Council should put in place procedures manuals and policies.

Management response

The Council is currently working on the following policies: Risk Management policy, Central stores manual/policy and Assets Management policy and revaluation policies.
I have audited the financial statements of Karoi Town Council for the year ended December 31, 2016. The following are material issues noted during the audit.

1. **GOVERNANCE ISSUES**

1.1. **Policy documents**

**Finding**

A number of the Council’s policy documents were in draft form as listed below:

<table>
<thead>
<tr>
<th>Policy Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Human Resources policy (incorporating recruitment, training and induction)</td>
</tr>
<tr>
<td>2. Information Technology (IT)</td>
</tr>
<tr>
<td>3. Health and safety policy</td>
</tr>
<tr>
<td>4. Standard operating procedures for all departments</td>
</tr>
<tr>
<td>5. Employment code of conduct</td>
</tr>
<tr>
<td>6. Procedure manual for central stores</td>
</tr>
<tr>
<td>7. Asset replacement policy</td>
</tr>
<tr>
<td>8. Transport policy</td>
</tr>
<tr>
<td>9. Housing policy and procedure manual</td>
</tr>
<tr>
<td>11. Risk Assessment policy</td>
</tr>
</tbody>
</table>

**Risk / Implication**

Application of draft policies may not be enforceable.

**Recommendation**

The Council should finalize the drafting of policies and ensure that they have been discussed, agreed and adopted.

**Management response**

*Noted. As new Councillors are coming in, the draft policies will pass through committees and adopted by Council.*

1.2. **Stand sales**

**Finding**

The Council was not maintaining a comprehensive record of stands sold and stands debtors. The record availed for audit examination did not have detailed information such as; total value of stands sold, date of sale and the total number of issued stands.
Risk / Implication

Irregular allocation of stands.

Recommendation

The Council should maintain a comprehensive record of stands sales and debtors.

Management response

Observation is noted.

1.3. Statutory obligations

Finding

The Council had effected statutory deductions but did not remit these to the relevant organizations. The debt has been growing as shown on the table below;

Outstanding statutory deductions as at 31 December 2016

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT 2015 $</th>
<th>AMOUNT 2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAPF</td>
<td>943 461</td>
<td>1 101 425</td>
</tr>
<tr>
<td>ZIMRA-PAYE</td>
<td>448 079</td>
<td>695 238</td>
</tr>
<tr>
<td>ZIMDEF</td>
<td>58 179</td>
<td>71 873</td>
</tr>
<tr>
<td>Standard Development levy</td>
<td>43 159</td>
<td>46 584</td>
</tr>
<tr>
<td>NSSA</td>
<td>16 044</td>
<td>21 209</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 508 922</td>
<td>1 936 329</td>
</tr>
</tbody>
</table>

Risk / Implication

Financial loss due to fines and penalties.

Recommendation

Statutory deductions should be remitted timeously to avoid penalties and garnishes by the respective authorities. In addition, the Council should make payment plans with the authorities to clear debts.

Management Response

All V.A.T and P.A.Y.E returns were updated and reasonable payment plans were made.
RUSAPE TOWN COUNCIL 2017

I have audited the financial statements of Rusape Town Council for the year ended December 31, 2017. The following material issue was noted during audit.

1. EMPLOYMENT COSTS

1.1 Statutory and other deductions

Finding

Council was not remitting statutory obligation deductions on time. As at December 31, 2017 Council owed a total of $4 188 602 and this amount included some of the statutory deductions like (LAPF $1 826 389, ZIMRA -PAYE $160 190 and VAT $382 044 and ZIMDEF $10 873).

In addition, a total amount of $32 626 was owed to Funeral assurance and the worker’s union (ZUCWU), being $8 779 and $23 849 respectively.

Council did not remit personal employee loan repayment deductions which they were deducting on behalf of a registered money lender in 2017. The accumulated personal staff deductions not remitted stood at $14 628 as at year end.

Risk / Implication

Financial loss due to penalties and fines.

Council employees may fail to access services.

Recommendation

Council should consider remitting statutory deductions to the relevant authorities on time.

The Council should engage the relevant authorities with the view of coming up with payment plans.

Staff loan deductions should be remitted intact and timely.

Management response

This has been noted. We shall put more effort this year to reduce these figures. A proposal has been put forward with the Insurance and Pension Commission and Ministry of Local Government, Public Works and National Housing to convert the LAPF defined benefit to defined contribution. Such a proposal will result in reduction of the Employer obligation.

Zimra Set offs will be used with Government Departments’ debts.

Noted. We shall remit such deductions in 2018.
SHURUGWI TOWN COUNCIL 2014

I have audited the financial statements of Shurugwi Town Council for the year ended December 31, 2014. Below are the material issues that were noted during audit;

1 GOVERNANCE ISSUES

1.1. Supporting documents

Finding

Expenditure amounting to $44 773 was not supported as some vouchers were missing and those availed for audit were not adequately supported by invoices, receipts, goods received notes, purchase orders/requisitions.

Risks / Implication

Financial loss due to dual and fraudulent payments.

Recommendation

Council should ensure that all expenditure is adequately supported.

Management response

Council have tried to put in place a proper system of procurement of late, unfortunately the advertised suppliers listing did not get much response hence the total number of registered companies did not exceed ten from an anticipated number of around two hundred. The system of vouchers, official order forms is now in place and Council have since recruited a Buyer to work with the procurement officer.
ZVISHAVANE TOWN COUNCIL 2015

I have audited the financial statements of Zvishavane Town Council for the year ended December 31, 2016. The following material issue was noted during audit.

1. GOVERNANCE ISSUES

1.1. Valuation roll

Finding

The Council did not have an updated valuation roll in compliance with requirements of Urban Councils Act [Chapter 29:15] section 253(a)-(f). The one in place was designed in 2000, and was no longer compatible with economic changes that occurred from 2009.

New properties and improvements that were made between 2000 up-to the current period were not included in the valuation roll or supplementary roll, consequently these were not being billed.

Risk /Implication

Financial loss due to loss of potential revenue.

Recommendation

The Council should maintain an updated valuation roll.

Management response

Noted. Council engaged the services of the Ministry of Public Works to prepare the Valuation Roll. The valuation roll is going to be implemented in the 2018 financial year.
LOCAL BOARDS
LUPANE LOCAL BOARD 2016 AND 2017

I have audited the financial statements of Lupane Local Board for the years ended December 31, 2016 and 2017. The following are material issues that were noted during the audit.

1. GOVERNANCE ISSUES

1.1. Billing of rates

Finding
Stands owned by employees were exempted from rate charges. This was in contravention of the Urban Council’s Act [Chapter 29:15] which only allows exemption to non-profit organisations. The Board could not provide documentation to support exemption of the Council employees.

Risk / Implication
Loss of revenue due to non-billing of employees.

Recommendation
All rate payers should be billed in accordance with the Urban Council’s Act.

Management response
No resolution was passed by Lupane Local Board to exempt any staff member from paying rates. It was therefore an oversight on the part of management not to bill the employees.

1.2. Employee code of conduct

Finding
Employee contracts made reference to the organisation’s code of conduct. However, inquiries with management, revealed that there was no approved employee code of conduct.

Risk / Implication
In cases of misconduct, it will be difficult for the Local Board to take any disciplinary measures.

Recommendation
The Board should put in place an employee code of conduct.
Management Response

The Auditor’s observation is noted, however the Board is in the process of finalising the Code of Conduct as consultations are still on – going.
RURAL DISTRICT COUNCILS
I have audited the financial statements of Beitbridge Rural District Council for the year ended December 31, 2017. The following are material issues noted during the audit.

1 GOVERNANCE ISSUES

1.1 Ownership of buildings

Finding
The Council did not have title deeds to some of its properties which included the following buildings: 104 Impala Drive; House Number 778; House Number 782; House Number 783; House Number 191/1; House Number 1575; House Number 15; House Number 632 and Council Main Offices.

Risk / Implication
Financial loss as proof of ownership may be difficult in case of disputes.

Recommendation
The Council should take necessary steps to acquire title deeds for its buildings.

Management response.
Noted, engagement with the Municipality will be initiated immediately to start the due process of acquiring title deeds.

1.2 Taxation of fringe benefits

Finding
The Council was not taxing housing benefit in contravention with the requirements of the Income Tax Act [Chapter 23:06].

Risk / Implication
Financial loss due to interest and penalties from Zimbabwe Revenue Authority for non-compliance with the Income Tax Act [Chapter 23:04].

Recommendation
All taxable benefits should be subjected to income tax as per requirements of the Income Tax Act [Chapter 23:06].

Management response
Noted. The Council will ensure that housing benefits will be included in gross income for tax purposes.
BUBI RURAL DISTRICT COUNCIL 2016

I have audited the financial statements of Bubi Rural District Council, for the year ended December 31, 2016. The following are material issues noted during the audit.

1. GOVERNANCE ISSUES

1.1 Policy documents

Finding

The Council was operating without key policies and procedures manuals which include asset management policy, accounting procedures manual and risk management policy.

Risk / Implication

Inconsistent treatment of transactions and operations in the Council.

Recommendation

The Council should come up with relevant policies and procedures manuals.

Management response

We fully appreciate the recommendation and the standardization that key policies will bring to our decision making. Now that Councilors are in place and they have been inducted, we look forward to accelerating the development of the key policies mentioned above.

2. REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

2.1 Unsupported debtors’ balances

Finding

The debtors’ balances for development levy and stand sales disclosed in the financial statements amounting to $278 448 did not agree to the debtors’ listing figure of $140 782 giving an unexplained variance of $137 666.

Risk / Implication

Misstatement of financial statements.

Recommendation

The variance should be investigated and corrective action taken.
Management response

We are investigating the above balances to ensure that our financial statements are not misstated. All balances should be supported to warrant true and fair presentation.

3. EMPLOYMENT COSTS

3.1 Statutory obligations

Finding

Council was not up to date in remitting statutory obligations. As at December 31, 2016, the Council was owing a total of $350,698 (ZIMRA $231,992; UCPF $96,964 and NSSA $21,742).

Risk / Implication

Financial loss due to penalties and fines.

Recommendation

The Council should ensure that statutory deductions are remitted timeously.

Management response

We note the recommendation. We find ourselves in this situation because of cash flow challenges and we always negotiate with creditors for payment plans in order to avoid being garnished.

4. SERVICE DELIVERY ISSUES

4.1 Waste management

Finding

The Council did not have a landfill and as a result it was fined $10,000 by the Environmental Management Agency (EMA) during the year under review.

Risk / Implications

Diseases outbreak due to poor waste management.

Financial loss due to fines and penalties.

Recommendation

The Council must put in place a landfill for proper garbage management.
Management response

We note the recommendation. Council understands the gravity of this matter. We find ourselves in this predicament because of financial constraints. We have identified and surveyed an area to construct a landfill and limited resources have hindered us from progressing further. An Engineered Landfill will cost a minimum of $1 000 000 and the Council does not have those funds. We have however included the landfill in our budget for 2019 in anticipation of 5% funding from the government to local authorities.
I have audited the financial statements of Chiredzi Rural District Council for the year ended December 31, 2017. The following material issue was noted during the audit:

1. EMPLOYMENT COSTS

1.1. Allowances not being taxed

Finding

The allowances that were being paid to the executives during the period under review were not being taxed. These allowances include payment of electricity, water, security, school fees, rentals and gardener costs.

Risk / Implication

Financial loss due to unnecessary penalties and fines.

Recommendations


Management response

The allowances will be aggregated as gross income.
CHIRUMHANZU RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Chirumhanzu Rural District Council for the year ended December 31, 2017. The following material issue was noted during the audit.

1  GOVERNANCE ISSUES

1.1  Asset register

Finding

The asset register kept by the Council was not up to date. On scrutinising the asset register, I noted that it was last updated in 2015. Additions made in 2016 and 2017 were not included in the asset register.

Risk / Implication

Misappropriation of assets may go undetected.

Recommendation

The asset register should be updated timeously.

Management responses

We are in the process of changing our registers from the manual system to a computerised one hence the mix up in updating the old register. However, we will continue striving to update the register timeously.
GOROMONZI RURAL DISTRICT COUNCIL 2018

I have audited the financial statements of Goromonzi Rural District Council for the year ended December 31, 2018. The following material issue was noted during audit.

1 SERVICE DELIVERY

1.1 Staffing

Finding

The staff establishment for Council clinics was five employees; three (3) nurses, one (1) General hand and one (1) nurse aid. The Council clinics were operating without a General hand and a Nurse aid for a number of years. As a result, the nurse on duty was working long hours providing general cleaning, maternity, immunisation, consultation, testing, dispensary, post-natal and on call duty services.

Risk / implication

Health service delivery may be compromised.

Recommendation

Vacant posts should be filled to ensure appropriate service delivery to the communities.

Management response

The general hands and nurse aides’ posts are currently frozen and there is no treasury concurrence for the posts to be filled. However, Council shall engage Ministry of Health by June, 30 2019.
GUTU RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Gutu Rural District Council for the year ended December 31, 2017. The following are material issues noted during the audit.

1 GOVERNANCE ISSUES

1.1 Bank reconciliation statements

Finding

The Council was not preparing monthly bank reconciliations for the eco-cash account.

Risk/ Implication

Financial loss due to fraud or errors that may not be detected on time.

Recommendation

Reconciliations should be done on a monthly basis.

Management response

Noted, reconciliations for eco-cash transactions shall be done starting from 1 January 2018 and on a monthly basis to correct errors and avoid losing resources.

2 REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY ISSUES

2.1 Billing of clients

Finding

Council was not billing customers during the 2017 financial year for income streams such as business licences and wayleaves.

Risk/ Implication

Financial loss due to non-billing.

Budget decisions may be based on incomplete information.

Recommendation

All income transactions should be billed.
Management response

Efforts are being made to ensure that other revenue items such as business licenses are billed and maintained in the system so as to adhere to the accrual-based accounting requirements.

3 PROGRESS IN IMPLEMENTATION OF PRIOR YEAR ISSUES

I reviewed the progress made towards the implementation of prior year recommendations and found that the Council made some progress and there was room for improvement in respect of the following recommendation:

3.1 Risk management policy

Progress made

Council is still to implement the recommendation.

Management response

Currently, we are on Zimbabwe Insurance Brokers cover where the risk management policy is provided. However, the Council shall draft its own risk management policy for the organization.
I have audited the financial statements of Hwange Rural District Council for the year ended December 31, 2015. The following are material issues noted during the audit.

1 GOVERNANCE ISSUES

1.1 Vehicle registration

Finding

The Council had a vehicle which was not registered in its name. No documentation was availed to explain or support how the vehicle had been acquired. Upon inquiry, the Council indicated that one of the debtors paid using a vehicle acquired from a third party who left the country without signing the necessary transfer papers.

Risk / Implication

Financial loss due to fines and penalties.

The Council may not have rights to the vehicle in case of a dispute.

Recommendation

The Council should have the vehicle registered in its name and obtain supporting documentation.

Management response

The observation is agreed to. The vehicle was received as payment in lieu of land development levy. The mine acquired the vehicle from a third party who unfortunately left the country without signing the necessary transfer papers, efforts are being made by the mine to trace the seller so that transfer can be effected.

1.2 Receipt books

Finding

The Council failed to provide the 2015 receipt books for audit in respect of head office for ten (10) months, Dete for twelve (12) months and Kamativi for seven (7) months despite several requests.

Risk / Implication

Financial loss due to fraud.

Recommendation

The Council should avail all receipt books.
Management response

Noted. Receipt books to be provided in next audits.

2 REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

2.1 Receivables written off

Finding

Receivables amounting to $5,917,622 for a particular debtor were written off during the year under review. The Council failed to provide documentation regarding this matter and there was no resolution authorizing the writing off of this debt.

Risk / Implication

Financial loss due to fraud.

Recommendation

The Council should provide the supporting documentation for the bad debt that was written off.

Management response

Noted.
HWEDZA RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Hwedza Rural District Council for the year ended December 31, 2017. The following material issue was noted during audit;

1 GOVERNANCE ISSUES

1.1 Remittance of statutory deductions

Finding

A review of the Council’s financial records revealed that no statutory deductions and other third party remittances were paid for the year under review. The Council, as at December 31, 2017 had accumulated PAYE of $219 934.

In addition, the Council owed $24 595 to National Social Security Council (NSSA) accumulating from previous periods.

Risk/ Implication

Financial loss arising from penalties and fines which may be levied by the relevant authorities.

Employees may fail to access benefits upon termination of employment.

Recommendation

Remittance of statutory deductions should be made before or on the 10th of the following month to avoid penalties or fines. Council should engage the authorities with a view to agree on a payment plan.

Management response

Payment plan / arrangements have been made with both ZIMRA and NSSA and to date Council has paid $12 032 to NSSA. However, Council is struggling to clear its debt due to cash flow problems making it difficult for the Council to remit NSSA remittances as expected.
MARONDERA RURAL DISTRICT COUNCIL 2018

I have audited the financial statements of Marondera Rural District Council for the year ended December 31, 2018. The following material issue was noted during the audit.

1. SERVICE DELIVERY ISSUES

1.1. Dumpsite

Finding

The dumpsite at Mahusekwa Growth Point was not compliant with the provisions of section 97 of the Environmental Management Act [Chapter 20:27], which requires a full Environmental Impact Assessment to be done and a certificate to be acquired prior to operations.

Risk / Implication

Financial loss due to penalties and fines from the regulatory authority.

Recommendation

The Council should conduct an Environmental Impact Assessment as per section 97 of the Environmental Management Act [Chapter 20:27] and obtain a certificate to regularize the dumpsite.

Management response

Noted. The Council had an undertaking and agreement with EMA regarding the landfill which culminated in EMA charging Council on an annual basis for the use of the landfill after meeting all the other requirements. Currently the Council is working on the EIA report for the landfill for submission to EMA. The Council has since started working on the EIA.
MUREWA RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Murewa Rural District Council for the year ended December 31, 2017. However, below are material issues noted during the audit.

1. GOVERNANCE ISSUES

1.1 Rent collection

The Council was not collecting lease rentals from some tenants. The table below shows tenants that have gone for the whole year without paying rentals.

<table>
<thead>
<tr>
<th>TENANT</th>
<th>AMOUNT BILLED $</th>
<th>AMOUNT RECEIVED $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>360</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>950</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>1298</td>
<td>80</td>
</tr>
<tr>
<td>4</td>
<td>1260</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>4760</td>
<td>Nil</td>
</tr>
<tr>
<td>6</td>
<td>3081</td>
<td>Nil</td>
</tr>
<tr>
<td>7</td>
<td>330</td>
<td>30</td>
</tr>
<tr>
<td>8</td>
<td>390</td>
<td>Nil</td>
</tr>
<tr>
<td>9</td>
<td>360</td>
<td>Nil</td>
</tr>
<tr>
<td>10</td>
<td>360</td>
<td>Nil</td>
</tr>
<tr>
<td>11</td>
<td>2892</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15 681</strong></td>
<td><strong>110</strong></td>
</tr>
</tbody>
</table>

Risk / Implication

Service delivery may be compromised.

Recommendation

Council should put in place and implement an effective debt collection strategy in order to recover the outstanding rentals.

Management response

Council to make concerted effort to follow up on outstanding rentals and also make use of democratic engagement and resort to litigation if there is no cooperation from debtors.

2. REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY

2.1 Cash Register for the beer halls

Finding
The Council was operating beerhalls without cash registers/tills. The sales recorded for the year under review amounted to $200 000.

**Risk / Implication**

Financial loss due to misappropriation of cash.

**Recommendation**

A cash register should be put in place as a control tool for cash sales management.

**Management response**

*Council to ensure that the cash register is put in place with immediate effect.*
I have audited the financial statements of Mutasa Rural District Council for the year ended December 31, 2017. The following are material issues noted during the audit.

1. **GOVERNANCE ISSUES**

1.1. **Benefits and allowances**

**Finding**

Benefits and allowances awarded to the Rural District Council’s management were not subjected to PAYE in contravention of the requirements of section 8(I) f) of the Income Tax Act [*Chapter 23:06*].

Furthermore, the Rural District Council paid cash in lieu of leave in excess of $69 000 during the year. These payments were not subjected to tax.

**Risk / Implication**

Financial loss resulting from penalties arising from the untaxed benefits.

**Recommendation**

All payments of employee benefits allowances should be paid through the payroll and taxed in accordance with section 8 (I) (f) of the Income Tax Act [*Chapter 23:06*].

**Management response**

Observation noted. This will be rectified as soon as possible.
MUTOKO RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Mutoko Rural District Council for the year ended December 31, 2017. The following material issue was noted during the audit.

1  REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY ISSUES

1.1 Remittance of statutory deductions

Finding

The Council had payroll related obligations amounting to $212 649 (ZIMRA- PAYE $190 789 and NSSA $21 860) as at December 31, 2017.

Risk/ Implication

Financial loss due to fines and penalties.

Recommendation

The Council should endeavour to pay current obligations in time and at the same time, putting in place measures to reduce the accumulated debts.

Council should engage the regulatory authorities and payment plans drafted in a pro-active manner to avoid being charged interest and penalties.

Management response

It is our desire to remit the statutory deductions but due to financial constraints we are unable to remit.
I have audited the financial statements of Mwenezi Rural District Council for the year ended December 31, 2017. The following material issues were noted during the audit.

1 GOVERNANCE ISSUES

1.1 Bad debts written-off

Finding

The Council entered into an out of court settlement with Zim Bio Energy (Pvt) Ltd and Mazunga Safaris and agreed to write off the debt amounting to $1,6 million in contravention of Rural District Council Act [Chapter 29:13] Section 133(2) which states that: “A Council shall write off a charge as defined in section ninety-five unless it has been in arrear for five years or more: Provided that any such charge owed to the Council by a company or an insolvent estate may be written off at any time after-

(a) The company has been wound up; or
(b) The account of the trustee of the insolvent estate has been confirmed by the Master of the High Court in terms of section 123 of the Insolvency Act [Chapter 6:04]; as the case may be.

Response of the Council lawyers shows that they were not aware of an out of court settlement with Mazunga Safaris. The lawyers indicated that the matter in which Council was claiming $308 2154 was pending and chances of recovering the amount were high.

There was no Ministry approval or full Council resolution in regard to the write-off of $1,6 million.

Risk / Implication

Un-approved write-off may reduce Council revenue.

Recommendation

The Council should approach the ministry on the issue.

Management response

Noted. The Council will approach the Ministry on the issue and try to re-engage the debtors. However, it must be borne in mind that Council had already lost 2010 and 2011 revenue through prescription.
1.2 Bank reconciling items

Finding
Reconciling items are being not cleared as the same amount is being carried forward for several months without being cleared.

Risk / Implication
Misappropriation of Council funds as the amounts could not be verified.

Recommendation
The reconciling items should be cleared and bank reconciliations prepared at least once a month.

Management response
Agreed, the situation was caused by lack of proficiency in the use of the PAYNET system of making payments whereby payments were drawn from wrong bank accounts. These have all been corrected. The staff members responsible for payments are now experienced and proficient in the use of the PAYNET system and the above errors are now minimal.
PFURA RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Pfura Rural District Council for the year ended December 31, 2017. The following are material issues that were noted during the audit.

1. GOVERNANCE ISSUES

1.1. Billing system for ratepayers

Finding

There was no evidence of systematic billings being made to ratepayers. The Council did not have a billing system for its Housing account for Mt Darwin Area and Dotito Area. A review of the housing registers kept by the Council’s Housing Department revealed that manual registers were being kept and these show inconsistencies, for example, a stand number with no name allocated to it, mismatches of names and total number of stands for registers kept by finance and those under housing department and mismatches of register information with individual stand file information.

Risk / Implication

Loss of revenue due to non-billing of ratepayers.

Recommendation

Council should invest in a billing system and consider maintaining electronic copies of the registers.

Management response

A manual system is in place for billing and register updating is still on going to ensure that all information pertaining to a stand is captured. Efforts are being done to use a computerised system for easy record keeping and billing.

2. SERVICE DELIVERY ISSUES

2.1. Refuse collection

Finding

The Council did not have adequate equipment to collect and dump refuse. The Council used one tractor and dumper to service seven (7) townships in the Mt Darwin Area whilst it does not have any equipment to collect refuse from Dotito area. The Council uses hired ox-drawn carts.

In addition, the residents rely on communal bins in most areas as no plastic bins are given to residents.
Risk / implication

Service delivery is compromised and residents are exposed to health hazards

Recommendation

The Council should invest in modern refuse collection equipment.

Management response

It is true that due to lack of resources service delivery is compromised. Plans are there as evidenced by efforts made to acquire a new refuse dumper and tractor to be used to collect refuse in Mt Darwin. The plan is to move the old refuse dumper and tractor to Dotito Township. Inefficiency is going to be a thing of the past as it was caused by the old tractors which are constantly on break down. Once the new equipment is delivered service delivery in this aspect will definitely improve.
RUSHINGA RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Rushinga Rural District Council for the year ended December 31, 2017. The following material issue was noted during the audit.

1. GOVERNANCE ISSUES

1.1. Payroll deductions

Finding

I noted that the Council had long outstanding liabilities as at December 31, 2017 amounting to $358 879 (UCPF $317 406 and NEC $41 473).

Risk / Implication

The Council employees may not access pension benefits upon retirement.

Recommendation

The Council should remit pension and employment council deductions timeously.

Management Response

The Council has serious liquidity challenges, but payment plans are available.
I have audited the financial statements for Sanyati Rural District Council for the year ended December 31, 2017. Below are material issues noted during the audit;

1. **GOVERNANCE ISSUES**

1.1 **Ownership of properties**

**Finding**

There was no evidence to support that the Council had title to properties with a total value of $1,093,281. The properties included Head Office, Workshop and Odoff Houses among others.

**Risk / Implication**

Financial loss in case of a dispute.

**Recommendation**

The Council should obtain title deeds for all its properties as proof of ownership.

**Management response**

The Council has already started on the process of getting the title deeds for all council properties.

2. **SERVICE DELIVERY**

2.1 **Road networks.**

**Finding**

The following roads are in need of culverts (drains) to make them more accessible; Gambiza road, Patchway to Sanyati road, Chirikiti road, Muuyu to Lozani road and Alabama to Patchway road. According to the Engineer’s report, the roads had a design life of 10 years but they have been in use for over 25 years, hence were now in need of rehabilitation.

**Risk / implication**

The District may fail to facilitate mobility and economic development.

**Recommendation**

The Council should mobilise funds for road rehabilitation.
Management response

The recommendation is noted. The Council is in the process of recapitalising its machinery with a view to be able to do road rehabilitation using own machinery rather than outsourcing which has proved to be very costly. In so doing, the Council acquired a backhoe loader and a vibratory roller during the course of this year. These are coming in to complement the two council tipper trucks acquired last year and the motorised grader received from ZINARA. We went on to refurbish our towed grader, trailers and dumper.

With the above stated machinery, we have started the process of re-gravelling our roads and attending to issues of drainage.
TSHOLOTSHO RURAL DISTRICT COUNCIL 2017

I have audited the financial statements of Tsholotsho Rural District Council for the year ended December 31, 2017. The following material issues were noted during audit;

1. GOVERNANCE ISSUES

1.1. Payroll Input and Processing

Finding

The following employment cost and payroll matters were noted:

Monthly payroll schedules could not be availed. Payroll for the year was extrapolated from a July 2016 payroll schedule which was incomplete as it excluded the Chief Executive Officer. Preparer of the schedule could not be established and no review was performed for the entire year.

There was no evidence that the payroll system was utilized in the year under review and no payslips were distributed to staff for the entire year.

Leave records were not maintained and leave provision was not updated during the year.

Risk / Implication

Fraud and errors may go undetected in the absence of a clear payroll system.

Recommendation

The Council should ensure that payroll documents are properly maintained and accounted for.

Management response

The Computer with payroll crashed sometime. We have since replaced it and are currently working on processing monthly payroll and printing payslips monthly.

1.2. ZIMDEF transactions

Finding

I noted that on two occasions funds were deposited into the Council’s bank account by the Ministry of Higher and Tertiary Education. The funds were subsequently transferred to Hillside Teachers College and ZIMDEF as detailed in the table below;
<table>
<thead>
<tr>
<th>Payee</th>
<th>Detail</th>
<th>Amount received $</th>
<th>Date received</th>
<th>Date transferred out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hillside College</td>
<td>ZIMDEF STEM activities</td>
<td>250 000</td>
<td>14/11/2017</td>
<td>16/11/2017</td>
</tr>
<tr>
<td>ZIMDEF</td>
<td>ZIMDEF STEM activities</td>
<td>25 000</td>
<td>11/4/2017</td>
<td>11/4/2017</td>
</tr>
</tbody>
</table>

On enquiry with management about the nature of the arrangement and the reasons why the monies had been deposited into and transferred out, the explanation proffered was that the transactions had been done on the instruction of the then Minister of Higher and Tertiary Education.

**Risk / Implication**

The Council’s bank accounts may be used as a conduit for processing irregular transactions.

**Recommendation**

All transactions of this nature should be properly reported in writing as provided for in the Public Finance Management Act [Chapter 22:19].

**Management response**

Noted and implemented with immediate effect.

1.3. **Supporting documents**

**Finding**

The District Council received ZIMDEF funds from the Ministry of Higher and Tertiary Education. These funds were utilized by the Council without any supporting documents availed to audit for my inspection. These include:

<table>
<thead>
<tr>
<th>Detail</th>
<th>Amount Received $</th>
<th>Application $</th>
<th>Payment method</th>
<th>Narration</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZIMDEF STEM activities</td>
<td>15 500</td>
<td>9 500</td>
<td>Cash Withdrawal</td>
<td>Flood Victims</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 000</td>
<td>Cash Withdrawal</td>
<td>Flood Victims</td>
</tr>
<tr>
<td>Min. Of Higher And Tertiary Education</td>
<td>45 462</td>
<td>45 462</td>
<td>Transfers (Various)</td>
<td>Relief for Tsholotsho</td>
</tr>
<tr>
<td>ZIMDEF STEM activities</td>
<td>9 000</td>
<td>9 000</td>
<td>Transfer</td>
<td>Transfer to Naleli Enterprises</td>
</tr>
</tbody>
</table>

**Risk / Implication**

Public funds may be abused.
**Recommendation**

All Funds received by Council should be properly documented and supported by authentic supporting documents.

**Management response**

Noted.

2. **REVENUE COLLECTION, MANAGEMENT AND DEBT RECOVERY**

2.1. **Customer Database Management**

**Finding**

The Council did not have a database for the following:

- i) Development levies
- ii) Trading licenses for businesses in the District.
- iii) School development levies
- iv) Stand Sales for the year

**Risk / Implication**

Loss of revenue due to incomplete revenue source billing.

**Recommendation**

The Council should maintain a database for all its revenue streams.

**Management response**

Database for Development levies, some schools, and some stands will be concluded by 31 December 2018.

2.2. **Recording of Income**

**Finding**

Income earned was not consistently recorded or traceable to the ledger. Referencing was not systematic and traceable to source documents. This includes the following:

- ZINARA grant received of $258 403 could not be traced to the ledger. Rentals on Council properties were recorded as $13 270 instead of the computed $23 628.
- Concession fees received amounting to $6 000 was also not receipted and lease rentals amounting to $3 042 could not be traced to the ledger.
**Risk / Implication**

Incomplete recording of transactions from source and prime books of accounts to the ledger may result in misstatements of transactions in the financial statements.

**Recommendation**

The Council should record transactions from source and prime books of accounts to the ledger in order to produce complete financial statements.

**Management response**

**Taken note of.**
UMGUZA RURAL DISTRICT COUNCIL 2015

I have audited the financial statements of Umguza Rural District Council for the year ended December 31, 2015. The following are material issues that were noted during the audit.

1. GOVERNANCE ISSUES

1.1 Policy and procedures manuals

Finding

Audit observed that the Council was operating without some fundamental policies. To this effect the operational functions of Council were executed without proper guidelines or set standard to mitigate threats. The following are some of the fundamental policies.

   i) Risk Management Policy
   ii) Recruitment and selection policy.
   iii) Procedure manual for central stores.
   iv) Housing Policy (draft not yet adopted)
   v) IT Policy and
   vi) Fixed Asset management policy

Risk / Implication

Financial loss.

Possible inconsistences in application of processes and procedures.

Recommendation

The Council should put in place all outstanding policies.

Management response

The said policies are at various stages of development.

2. SERVICE DELIVERY ISSUES

2.1 Water provision

Finding

The area covered under Umguza District is facing water challenges as most dams were silted. The Council had no capacity to acquire machinery and also rehabilitate the dry water bodies. Furthermore, rural communities expanded in the past years and as such the district needed an average of 95 boreholes to help provide communities and animals with safe water.
Risk / Implication

Some areas will be over populated and service provision in those areas will be compromised.

Recommendations

There is need to address water challenges in the district through borehole drilling, desiltation of dams and construction of new dams in the district.

Management Response

This is true. It will be necessary to have national intervention to assist address the dire need for water in the district as we face budgetary limitations.
APPENDIX A
AUDITS IN PROGRESS OR BEING FINALISED AS AT MAY 31, 2019

<table>
<thead>
<tr>
<th>NAME OF LOCAL AUTHORITY</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY COUNCILS</td>
<td></td>
</tr>
<tr>
<td>1. Bulawayo City Council</td>
<td>2016-2017</td>
</tr>
<tr>
<td>2. Harare City Council</td>
<td>2018</td>
</tr>
<tr>
<td>3. Masvingo City Council</td>
<td>2016-2017</td>
</tr>
<tr>
<td>4. Mutare City Council</td>
<td>2015</td>
</tr>
<tr>
<td>5. Gweru City Council</td>
<td>2015</td>
</tr>
<tr>
<td>MUNICIPAL COUNCILS</td>
<td></td>
</tr>
<tr>
<td>6. Chegutu Municipality</td>
<td>2017</td>
</tr>
<tr>
<td>7. Chinhoyi Municipality</td>
<td>2018</td>
</tr>
<tr>
<td>11. Victoria Falls Municipality</td>
<td>2018</td>
</tr>
<tr>
<td>TOWN COUNCILS</td>
<td></td>
</tr>
<tr>
<td>12. Beitbridge Town Council</td>
<td>2017</td>
</tr>
<tr>
<td>13. Chipinge Town Council</td>
<td>2017</td>
</tr>
<tr>
<td>14. Chiredzi Town Council</td>
<td>2017</td>
</tr>
<tr>
<td>15. Norton Town Council</td>
<td>2018</td>
</tr>
<tr>
<td>16. Plumtree Town Council</td>
<td>2015</td>
</tr>
<tr>
<td>17. Rusape Town Council</td>
<td>2018</td>
</tr>
<tr>
<td>19. Zvishavane Town Council</td>
<td>2017</td>
</tr>
<tr>
<td>LOCAL BOARDS</td>
<td></td>
</tr>
<tr>
<td>20. Ruwa Local Board</td>
<td>2015-2016</td>
</tr>
<tr>
<td>RURAL DISTRICT COUNCILS</td>
<td></td>
</tr>
<tr>
<td>21. Bikita Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>22. Bindura Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>23. Binga Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>24. Buhera Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>25. Bulilima Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>26. Chegutu Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>27. Chipinge Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>28. Chivi Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>29. Gokwe North Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>30. Gokwe South Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>31. Guruve Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>32. Hwedza Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>33. Insiza Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>34. Mangwe Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>35. Matobo Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>36. Mazowe Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>37. Mbire Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>38. Mhondoro-Ngezi Rural District Council</td>
<td>2016</td>
</tr>
<tr>
<td>39. Mwenezi Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>40. Pfura Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>NAME OF LOCAL AUTHORITY</td>
<td>YEAR</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>41. Runde Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>42. Umguza Rural District Council</td>
<td>2016</td>
</tr>
<tr>
<td>43. UMP Zvataida Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>44. Umzingwane Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>45. Vungu Rural District Council</td>
<td>2017</td>
</tr>
<tr>
<td>46. Zaka Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>47. Zvimba Rural District Council</td>
<td>2017</td>
</tr>
</tbody>
</table>
## APPENDIX B
### ACCOUNTS NOT YET SUBMITTED FOR AUDIT AS AT MAY 31, 2019

<table>
<thead>
<tr>
<th>NAME OF LOCAL AUTHORITY</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CITY COUNCILS</strong></td>
<td></td>
</tr>
<tr>
<td>1. Bulawayo City Council</td>
<td>2018</td>
</tr>
<tr>
<td>2. Gweru City Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>3. Kadoma City Council</td>
<td>2015-2018</td>
</tr>
<tr>
<td>4. Kwekwe City Council</td>
<td>2018</td>
</tr>
<tr>
<td>5. Masvingo City Council</td>
<td>2018</td>
</tr>
<tr>
<td>6. Mutare City Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td><strong>MUNICIPAL COUNCILS</strong></td>
<td></td>
</tr>
<tr>
<td>7. Chegutu Municipality</td>
<td>2018</td>
</tr>
<tr>
<td>8. Chitungwiza Municipality</td>
<td>2017-2018</td>
</tr>
<tr>
<td>9. Gwanda Municipality</td>
<td>2017-2018</td>
</tr>
<tr>
<td>10. Kariba Municipality</td>
<td>2018</td>
</tr>
<tr>
<td>11. Marondera Municipality</td>
<td>2017-2018</td>
</tr>
<tr>
<td>12. Redcliff Municipality</td>
<td>2015-2018</td>
</tr>
<tr>
<td><strong>TOWN COUNCILS</strong></td>
<td></td>
</tr>
<tr>
<td>13. Beitbridge Town Council</td>
<td>2018</td>
</tr>
<tr>
<td>14. Chipinge Town Council</td>
<td>2018</td>
</tr>
<tr>
<td>15. Chiredzi Town Council</td>
<td>2018</td>
</tr>
<tr>
<td>16. Gokwe Town Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>17. Karoi Town Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>18. Mvurwi Town Council</td>
<td>2018</td>
</tr>
<tr>
<td>19. Plumtree Town Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>20. Shurugwi Town Council</td>
<td>2017-2018</td>
</tr>
<tr>
<td>21. Zvishavane Town Council</td>
<td>2018</td>
</tr>
<tr>
<td><strong>LOCAL BOARDS</strong></td>
<td></td>
</tr>
<tr>
<td>22. Chirundu Local Board</td>
<td>2018</td>
</tr>
<tr>
<td>23. Epworth Local Board</td>
<td>2018</td>
</tr>
<tr>
<td>24. Hwange Local Board</td>
<td>2015-2018</td>
</tr>
<tr>
<td>25. Lupane Local Board</td>
<td>2018</td>
</tr>
<tr>
<td>26. Ruwa Local Board</td>
<td>2017-2018</td>
</tr>
<tr>
<td><strong>RURAL DISTRICT COUNCILS</strong></td>
<td></td>
</tr>
<tr>
<td>27. Beitbridge Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>28. Bubi Rural District Council</td>
<td>2017-2018</td>
</tr>
<tr>
<td>29. Buhera Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>30. Bulilima Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>31. Chaminuka Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>32. Chikomba Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>33. Chimanimani Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>34. Chipinge Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>35. Chiredzi Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>36. Chirumhanzi Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>37. Chivi Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>38. Guruve Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>39. Gutu Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>NAME OF LOCAL AUTHORITY</td>
<td>YEAR</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Gwanda Rural District Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>Hurungwe Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Hwange Rural District Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>Insiza Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Kusile Rural District Council</td>
<td>2014-2018</td>
</tr>
<tr>
<td>Makonde Rural District Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>Makoni Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mangwe Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Manyame Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Masvingo Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Matobo Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mberengwa Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mbire Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mhondoro-Ngezi Rural District Council</td>
<td>2017-2018</td>
</tr>
<tr>
<td>Mudzi Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Murewa Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mutare Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mutasa Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Mutoko Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Muzarabani Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Nkayi Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Nyaminyami Rural District Council</td>
<td>2015-2018</td>
</tr>
<tr>
<td>Nyanga Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Rushinga Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Saanyati Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Tsholotsho Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Umguza Rural District Council</td>
<td>2017-2018</td>
</tr>
<tr>
<td>Umzingwane Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Vungu Rural District Council</td>
<td>2018</td>
</tr>
<tr>
<td>Zibagwe Rural District Council</td>
<td>2016-2018</td>
</tr>
<tr>
<td>Zvimba Rural District Council</td>
<td>2018</td>
</tr>
</tbody>
</table>