

SURVEY REPORT ON THE IMPLEMENTATION OF AUDITOR GENERAL'S RECOMMENDATIONS BY LOCAL AUTHORITIES



ZIMCODD
ZIMBABWE COALITION ON DEBT & DEVELOPMENT

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LIST OF ACRONYMS

Auditor-General	AG
Bikita Rural District Council	BRDC
Bulawayo City Council	BCC
Chiredzi Town Council	CTC
Chivi Rural District Council	CRDC
Gutu Rural District Council	GRDC
Gweru City Council	GCC
Local Authorities	LAs
Masvingo City Council	MCC
Masvingo Rural District Council	MRDC
Mutare City Council	MCC
Office of the Auditor-General	OAG
Zaka Rural District Council	ZRD

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OUR VISION

Sustainable socio-economic justice
in Zimbabwe through a vibrant
people-based movement.

MISSION STATEMENT

To take action against the debt burden
and socio-economic injustices through
movement building and alternative
policy formulation.

EXECUTIVE SUMMARY

The Zimbabwe Coalition on Debt and Development (ZIMCODD) conducted a survey from the 13th of February to the 4th of March 2022 to track progress on the implementation of the recommendations of the 2019 Office of the Auditor General's (OAG) Report on Local Authorities (LAs). The rationale behind the study was to promote transparency and accountability in the utilisation of public resources. The survey covered the following LAs:

- Chiredzi Town Council (CTC),
- Zaka Rural District Council (Zaka RDC),
- Bikita Rural District Council (Bikita RDC),
- Masvingo City Council (MCC),
- Masvingo Rural District Council (Masvingo RDC),
- Chivi Rural District Council (Chivi RDC),
- Gutu Rural District Council (Gutu RDC),
- Bulawayo City Council (BCC),
- Matobo Rural District Council (Matobo RDC),
- Hwange Rural District Council (Hwange RDC),
- Victoria Falls City Council (VCC),
- Gweru City Council (GCC),
- Kwekwe City Council (KCC),
- Zvishavane Town Council (ZTC) and
- Mutare City Council (Mutare CC).

The results show that, while other LAs are still to act on the OAG recommendations, some LAs have made considerable progress in implementing the recommendation whilst some have successfully implemented the recommendations. The following is a summary of the progress made by LAs in implementing the OAG's recommendations.

MASVINGO PROVINCE

MCC was outstanding in implementing the recommendations made by the Auditor-General. The research noted that, 60 % of the suggested recommendations were implemented whilst 21% were partially implemented with 19% not implemented at all. MCC developed an implementation matrix that guides them on who, when and how the recommendations must be implemented.

For CTC, 40% of the OAG recommendations were implemented, 26% were in progress as they were partially implemented and 34% had not been implemented.

ZIMCODD could not get any data at MRDC as engagements with the officials were fruitless.

At BRDC the survey noted that, 55% of the recommendations prescribed by the OAG were fully implemented, 35% were still in progress as they were partially implemented while 10% were not implemented at all.

For ZRDC, 42% of the recommendations had been successfully implemented with 21% in progress and 37% indicated that the LA was not acting as required.

The research discovered that at, CRDC 40% of the recommendation were successfully implemented, 37% were in progress while 23% were not at all.

GRDC had implemented 75% of the recommendations while 25% were partially implemented.

MANICALAND PROVINCE

Mutare CC only managed to implement 33% of the recommendations, 22% partially implemented while 45% were not implemented.

MIDLANDS PROVINCE

In Midlands provinces, 67% of the recommendations were not implemented at all while 33% of the recommendations were partially implemented.

MATEBELELAND REGION

The study found that of the recommendations put in place by the OAG report in the local authorities covered, 38% were fully implemented, 25% were partially implemented, and 37% are yet to be implemented by the time of the survey.

The research proposed the following actionable recommendations:

- The Ministry of Local Government and Finance should come up with a timely devolution disbursement framework to allow LAs to fully utilize their allocations and revamp service delivery. This is critical in expanding the fiscal space for local authorities and curbing resource leakages and inefficiencies emanating from the dilapidated state of infrastructure in most local authorities.
- The Ministry of Local Government and the Procurement Regulatory Authority of Zimbabwe should also approve timely procurement requests of the government.

- The powers granted to a political party to recall its MPs and Councilors are now being abused for political gamesmanship. There is a need for stakeholders to explore ways to limit unreasonable recalls which are greatly affecting the functioning of LAs in particular and Parliament in general.
- Also, the government should reduce its interference in the day-to-day running of LAs. This is now being used to stifle progress in opposition controlled LAs to gain political scores for the ruling elites.
- Parliamentarians and councilors need to be capacitated to interrogate OAG reports and to track progress in the implementation of OAG recommendations. This is critical for timely interventions on identified PFM red flags.
- Civil society, media, and the broader citizenry should be capacitated on available information and requisite skills to analyze available information and to generate evidence with which to lobby and hold both central and local governments accountable.
- Capacity building is also required by management and staff at the local authority level to adequately prepare local authorities for full compliance with OAG recommendations. From the survey, possible areas for capacity building include:
 - risk management;
 - economic literacy;
 - financial reporting;
 - internal auditing;
 - governance capacity;
 - revenue collection capacity, among others.
- Since budgets of LAs are largely in local currency, the government should ensure that these LAs are given priority on the RBZ auction market. Currently, the auction market is highly focused on the private sector and a few connected individuals. Citizens deserve quality service delivery like clean water because they are contributing to the US dollars traded by RBZ through tax payments.
- It is high time for LAs in Zimbabwe to start crafting and implementing localized Renewable Energy Plans to leverage readily available solar rays and biomass, among other green energy sources. Statistics show that renewable energy is cheap to produce. This will reduce overdependence on the national grid which is currently overstretched.
- The Minister of Local Government and Minister of Finance must ensure that all LA officials that are failing to comply with the Auditor-General in terms of submitting their financial statements are arrested and prosecuted.
- While the adoption of performance management contracts at local authority level is noble, it calls for the establishment of Monitoring, Evaluation, Accountability and Learning units in LA. This will cause local authorities to produce credible periodic reports on LA performance based on agreed key result areas including compliance with OAG recommendations.

- The role of internal auditor remain subdued in most local authorities because of weak accountability frameworks e.g. an internal auditor who is accountable to a town clerk. This simply means s/he is an employee of the council who is vulnerable and faces the risk of being fired at the discretion of the council. There is need to develop alternative and viable models of accountability for audit bodies in order to ensure they can effectively carry out audits and make recommendations without compromising themselves as they expose the rot in public institutions.
- There is need to develop an extensive capacity building programme on the part of the policy makers (elected councillors) in relation to their oversight role and improving their capacity to monitor the implementation of the OAG's recommendations.
- There is need to resource and strengthen the role of accountability and anti-corruption bodies such as the ZACC and the National Prosecuting Authority to investigate these local authorities.
- There is need for establishment of independent research bodies responsible for regular progress checks, monitoring and tracking to find out whether OAG recommendations are being implemented.
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01. INTRODUCTION

The Zimbabwe Coalition on Debt and Development (ZIMCODD) conducted a survey from the 13th of February to the 4th of March 2022 to track progress on the implementation of the recommendations of the 2019 Office of the Auditor General's (OAG) Report on Local Authorities (LAs). The survey was critical in promoting transparency and accountability in the utilisation of public finance. The results from the survey show that, while other local authorities are finding it difficult to adopt the

OAG recommendations, some have done considerable progress at the same time others have successfully adopted the recommendations. At the core of the research was both the qualitative and quantitative research techniques to bring about an astute and comprehensive study that covers both the emic and etic perspective. This report ends with actionable remedial actions that can be used to capacitate local authorities in the implementation of the OAG recommendations.



The survey was critical in promoting transparency and accountability in the utilisation of public finance.



02. BACKGROUND

The abuse of public funds in LAs continue to proliferate with rent-seeking and economies of affection being at the nerve center of the LA decision-making process.

Public officers in LA are motivated by self-aggrandizement, rather than service delivery and this has exacerbated the cost of living for the Zimbabwean populace as they have to find alternative services at a high cost. At the same time, partisan politics, patronage, and impunity have not done any good serve to intensify malfeasance, as officials within LAs defy calls by the Auditor-General to submit their financial statement on time without hesitation.

The malfunctioning of LAs subsist despite a plethora of legal, regulatory and institutional frameworks established to ensure prudent public finance management.

The legal, regulatory and institutional frameworks include but are not limited to:

- The Constitution of Zimbabwe (Amendment No. 20) Act 2013.
- Public Finance Management Act [Chapter 22:19].
- Audit Office Act [Chapter 22:18].
- Urban Councils Act [Chapter 29:15].
- Rural District Councils Act [Chapter 29:13].
- Office of the Auditor General.
- Parliament.
- Treasurer.
- Ministry of Local Government, Public Works, and Urban Development.

The availability of the above legal and regulatory frameworks has not deterred public officials from misusing public funds and failing to adopt the recommendations prescribed by the Auditor-General. An Open Budget Survey (OBS) conducted by ZIMCODD in 2020 revealed that LAs financial statements were not in a good state, and this has been aggravated by obstinate decisions and dishonest behaviour by public officials who continue to disregard the recommendations by the OAG. The issue of disregarding OAG recommendations is not alien to LAs only but to the entire public sector. The 2019 OAG report published in 2021 noted that in 2018, 356 recommendations were made. Of these, 26% were fully implemented, 25% partially implemented, and 49% not implemented at all.

The recommendations by the Auditor-General are not only financially related, they encompass service delivery and governance issues. Thus, the failure to implement recommendations by the Auditor-General is not only problematic to prudent public finance management but the entire governance system of LAs.

The ramifications of not adopting the recommendations of the OAG have a bearing on the cost of living for the Zimbabwean populace as it entrenches social and economic injustice through LAs' "institutionalized" inequalities. To this end, ZIMCODD as a social and economic justice coalition saw the need to carry out a comprehensive study meant to detail the challenges that LAs are encountering in implementing recommendations by the Auditor-General. The effort is meant to inform actionable and purposive recommendations that strengthen the capacity of LAs in implementing the recommendations.





03. METHODOLOGY

The research utilized both qualitative and quantitative research paradigms premised on ensuring reliable, valid, and replicable means. Key informant interviews with councillors in budget committees, internal auditors, and finance officers were conducted. The local authorities were selected through the use of purposive and convenience sampling. Random sampling was then used to identify key informants from various clusters such as (budget committee, internal auditors and finance officers) which were available. The study covered Matebeleland region, Bulawayo Metropolitan, Manicaland province, Midlands province and Masvingo province. To complement the emic perspective attained through key informant interviews, a documentary review was used to generate etic perspective and bring about a balance.

TARGETED POPULATION

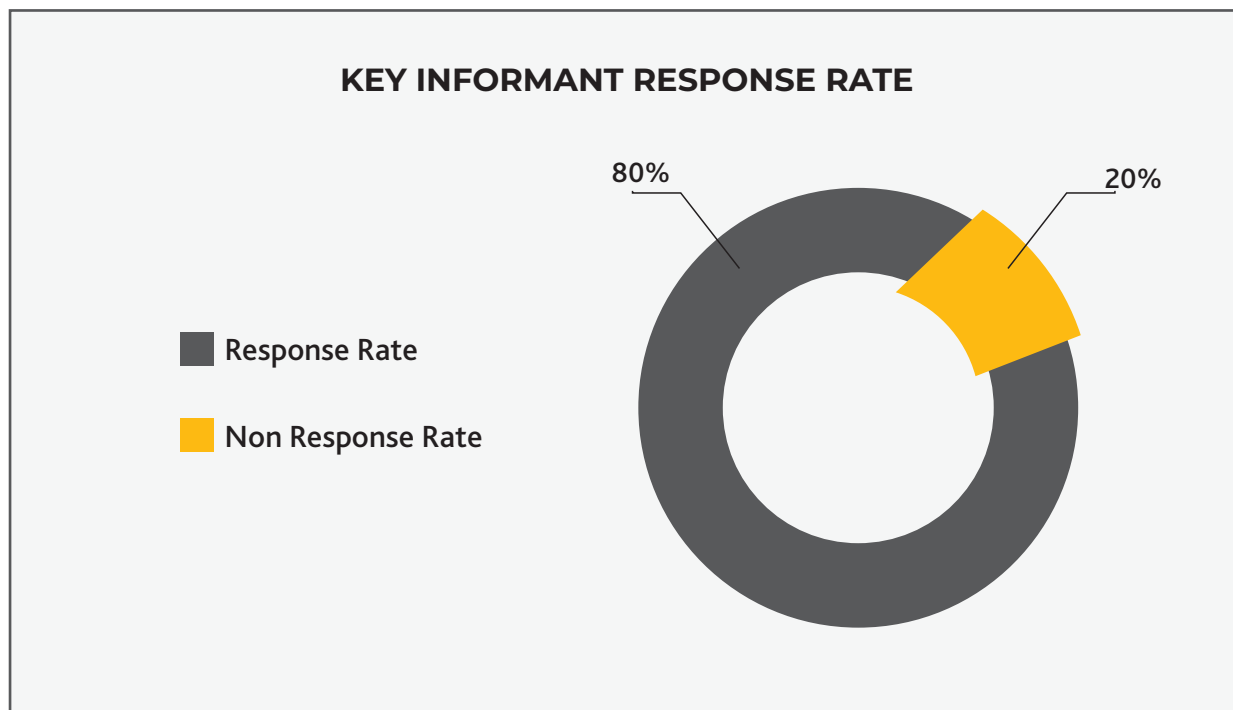
The research targeted LAs that were in the 2019 OAG LA Report located in Matebeleland Region (BCC, Matobo RDC, Hwange RDC and VCC), Masvingo Province (CTC, Zaka RDC, Bikita RDC, MCC, Masvingo RDC, Chivi RDC and Gutu RDC), Midlands (GCC, KCC, Vungu RDC and ZTC) and Manicaland Province (MCC). This was mainly necessitated by purposive and convenience sampling which enabled the research to select the LAs based on their proximity and accessibility for the researchers and nature of the OAG findings. Random sampling was then used to identify the councillors from various the budget and finance committee. It was also used to select the key informant from the finance and audit department. Thus, fifteen LAs were targeted with 2 personnels from each LAs. However, twelve out of the fifteen LAs were accessible which translates to 80 %. The research failed to get information from KCC, ZTC and Masvingo RDC. Table 1 presents the research's targeted population and accessible population.

1. Institutionalised in the sense that it, it is being perpetuated by LAs

Table 1.1. Target Population and Accessible Population

Local Authority	Targeted Population	Accessible Population	Response Rate	None Response Rate
BCC	2	2	100%	0%
Matobo RDC	2	2	100%	0%
Hwange RDC	2	2	100%	0%
VCC	2	2	100%	0%
MCC	2	2	100%	0%
Masvingo RDC	2	0	0%	100%
CTC	2	2	100%	0%
Zaka RDC	2	2	100%	0%
Gutu RDC	2	2	100%	0%
Chivi RDC	2	2	100%	0%
Bikita RDC	2	2	100%	0%
KCC	2	0	0%	100%
Zvishavane	2	0	0%	100%
Vungu RDC	2	2	100%	0%
GCC	2	2	100%	0%
Total	30	24	80%	20%

Source: Primary Data Compiled By ZIMCODD

Figure 1: Key Informant Response Rate

Source: Primary Data Compiled By ZIMCODD

SAMPLING

The study made use of both random and non-random sampling. Thus purposive and convenience sampling was used to identify LAs based on their proximity and accessibility for the researchers.

Key informant participants were then selected using random sampling from different clusters such as (budget committees, internal auditors and finance officers). This was done to eliminate bias in the selection of key informants.

DATA COLLECTION METHODS

Key Informant interviews, observations (service delivery such as refuse collection) and documentary review were used. The ability of the key informants to share opinions and experience in a reflective, expressive and articulate manner enabled the research to determine if the LAs had the capacity in implementing the OAG findings and determine implementation status. Recording of interviews and writing notes were used for data collection which was then transcribed for analysis.



04. PRESENTATION AND DISCUSSION OF FINDINGS

This section presents the findings of the survey. The research used a generic name key informant rather than the designation of the informants to promote agreed ethical considerations such as right to privacy and anonymity.

4.1 MASVINGO PROVINCE

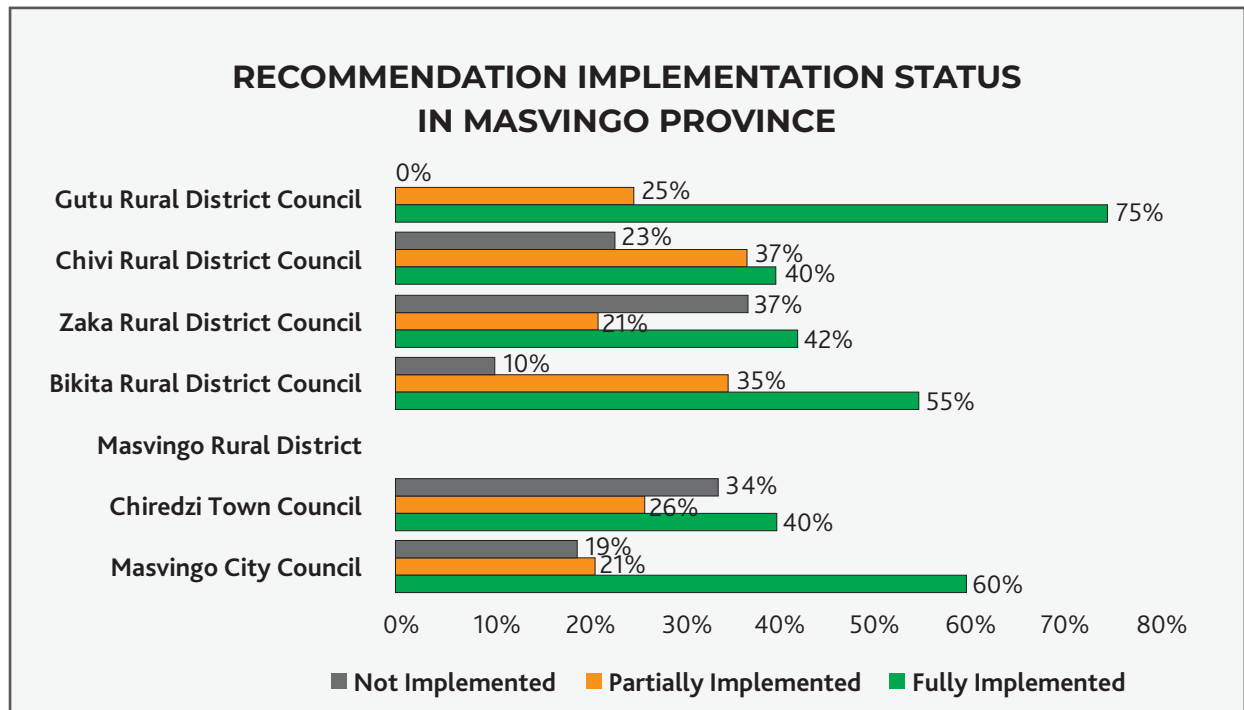
In Masvingo Province, the survey covered seven (7) local authorities which include:

- Chiredzi Town Council (CTC),
- Zaka Rural District Council (Zaka RDC),
- Bikita Rural District Council Bikita (RDC),
- Masvingo City Council (MCC), Masvingo
- Rural District Council (Masvingo RDC),
- Chivi Rural District Council (Chivi RDC) and Gutu Rural District Council (GRDC).



Fig 1 presents the findings of the research.

Figure 2: OAG Recommendations Uptake in Masvingo Province



Source: Primary Data Compiled By ZIMCODD

Table 2.1. Masvingo Province OAG Recommendations Uptake in Masvingo Province

Masvingo City Council			
	AG Findings	Recommendation	Implementation Status
Governance	Internal controls on Information Technology	Council should improve controls over user rights to reduce risk of system manipulation.	Fully implemented ,council established system protocols and access clearance of various officers based on their roles and seniority.
	Fuel Management	The fuel register should indicate essential details like purpose of fuel allocated and name of drawee.	Not fully implemented, although a fuel management system is being crafted.

	Vehicle Asset Registration List	The Council should improve controls related to the recording and custody of motor vehicles. In addition, Council should investigate on the assets not physically verified and update its records.	Fully implemented, the council successfully updated the assets registration list.
Revenue Collection, and Debt Recovery	Parking Fees not deposited with the Council's bank	I recommend that the Council investigates the cash collected but not deposited/ banked and ensure that necessary measures are put in place so that cash collected in foreign currency is banked intact.	Fully implemented, the council resolved that, revenue collected must be banked within two days.
	Lease rentals	The Council should create a database of all its leased properties within Masvingo City Council.	Partially implemented, council is still in the progress of listing all its properties and attaching a value of the property.
Service Delivery	Refuse	Council should seek an alternative dumping site away from residential areas and the refuse department should be adequately resourced in terms of equipment.	Partially implemented, council purchased another refuse compactor truck. However, the council is yet to finalise on another dumping site away from residence.
	Sewerage Treatment	Council should pursue alternative sources of funding to ensure the project is completed.	Not implemented, council is struggling to find alternative funding due to economic instability. Devolution funds are also taking ages to be disbursed.

Chiredzi Town Council			
	AG Findings	Recommendation	Implementation Status
Governance Issue	Vehicle Accident	Council should ensure adequate controls exist which also cover those charged with governance.	There was no clear response on the implementation status.
	Cash and Bank	Management should investigate and clear all outstanding reconciling items.	In progress, the council is yet to finalise on the clearing of all outstanding reconciliation. Capacity issues were also cited as a challenge.
Procurement of Goods and Services	Expenditure acquittals	The Council should ensure that acquittal documents are in place and also lodged with ZINARA on time.	Fully implemented, the LA employed a procurement officer.
Service Delivery	Sewerage	Council should erect a perimeter wall at the ponds.	Partially implemented, less than 75% implementation status.
	Water processing and billing	Sewer system should be expanded to accommodate the growing population.	Not implemented, however for now council resolved that residents should purchase their own meters
	Housing land development project	Council should replace non-functional water meters and investigate the significant processed water losses.	Not fully implemented, council engaged a land developer.
	Social Amenities	Council should ensure that respective documentation is available for all arrangements it engages in. Council should ensure that social amenities are well maintained and functional.	Not implemented at all, council is looking for partners who can renovate existing properties such as tennis courts and swimming pools.

Zaka Rural District Council			
	AG Findings	Recommendation	Implementation Status
Employment Cost	Pension contribution	The Council should ensure that pension contributions are paid. The Council should also consider to make payment plans with pension funds to ensure continuity in service provisions.	Not fully implemented, council is developing a pension funds policy which is almost over.
Governance Issues	Policies	Council should ensure that all policies are developed.	<ul style="list-style-type: none"> • Housing Policy fully implemented • Risk Management Policy partially complete • HR policy fully implemented • Procurement policy still underdevelopment but almost complete. (not fully implemented)
Service Delivery	Refuse	Council should ensure timely refuse collection.	Partially implemented, the LA is doing its best although at times its effort are undermined by poor revenue collection.

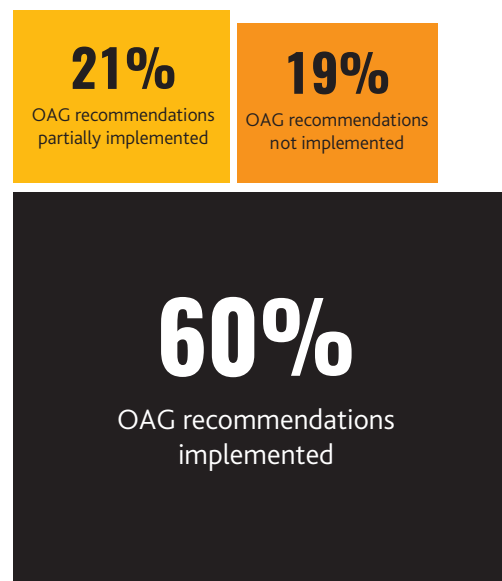
Bikita Rural District Council			
	AG Findings	Recommendation	Implementation Status
Service Delivery	Refuse Collection	Ensure timely refuse collection.	The LA is in the process of receiving compactor truck.
	Social Amenities	Council should ensure that social amenities are well maintained and functional.	Not implemented at all, this is due to financial incapacitation. The LA bemoaned the devolution funds disbursement delay.

Employment Cost	Fire brigade	Council should purchase a fire firefighting vehicle	Not implemented at all the LA relies on Masvingo City Council. The purchase of the firefighting vehicle was affected by delays in the disbursement of devolution funds.
Governance Issues	Cash and Bank	The LA should investigate and clear all outstanding reconciliations items.	Fully Implemented, an accountant clerk was hired and this helped in capacitating the finance department.
	Policies	The LA should develop all unavailable policies for optimum operation	<ul style="list-style-type: none"> • Finance Policy fully developed • HR policy partially developed • Disaster Management Policy not implemented

Source: Primary Data Compiled By ZIMCODD

MASVINGO CITY COUNCIL

MCC was outstanding in implementing the recommendations made by the Auditor-General as, 60 % of the suggested recommendations had already been implemented while 21% had been partially implemented with 19% not implemented at all. The positive strides in implementing the recommendations are largely accounted to the OAG implementation matrix developed by MCC. The city council developed an OAG recommendation implementation matrix that it uses as a guide in the implementation of the recommendations. The matrix is well detailed with actions that are to be taken before specified deadlines.



According to a key informant, the city council was also encountering capacity issues in executing some of the recommendations that the OAG had prescribed for them to ensure optimum efficiency. Recommendations such as service delivery were gravely affected by financial constraints that the organization was encountering. Thus, there was a need to capacitate the organization financially for it to be able to carry out its service delivery mandate judiciously. MCC noted that devolution funds were also critical in capacitating the organization. However, MCC lamented the late disbursement of the funds and approval of procurement goods by the government.

CHIREZI TOWN COUNCIL (CTC)

For CTC, 40% of the recommendations of the Auditor-General had already been implemented, 26% were in progress as they were partially implemented and 34% had not been implemented. A key informant from CTC noted that, although they were some challenges in adopting the recommendations of the OAG, the LA was doing it best. The key informant stated that the challenges that encounter public sector entities are far greater than those of the private sector and this means that even the implementation of the remedial actions is a mammoth task that requires not only the LA but the central government as well. Progress was also noted in the procurement area where a procurement officer was hired.

MASVINGO RURAL DISTRICT COUNCIL (MRDC)

On MRDC, ZIMCODD could not get any data as

engagements with the officials were fruitless. The officials noted that at MRDC everything was in order, however, they could not explain why LA did not submit their financial statements for audit in 2018 and 2019. The Auditor-General noted that obstinate decisions by public officials to submit financial statements were the major impediment to prudent financial management that is essential for service delivery.

BIKITA RURAL DISTRICT COUNCIL (BRDC)

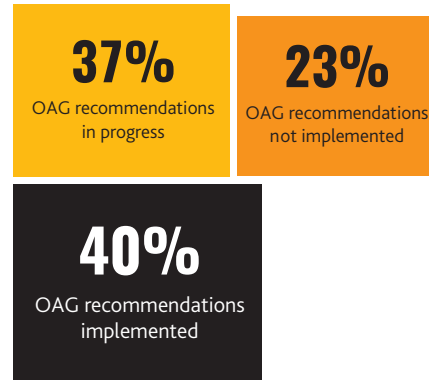
The research noted that, 55% of the recommendations prescribed by the OAG were fully implemented, 35% were still in progress as they were partially implemented while 10% were not implemented at all. According to a key informant at BRDC, although the organization is doing well in implementing the recommendations there are notable challenges in the area of service delivery. This is mainly attributed to the volatile macroeconomic environment and late disbursement of devolution funds by the government. The LA bemoaned the currency crisis which has affected its plans of purchasing a fire brigade vehicle to ensure timely emergence response.

ZAKA RURAL DISTRICT COUNCIL (ZRDC)

For ZRDC, 42% of the recommendations had been successfully implemented with 21% in progress and 37% not implemented at all. The LA was encountering capacity issues in implementing some of the recommendations. The capacity issues include but are not limited to financial and human capital.

CHIVI RURAL DISTRICT COUNCIL (CRDC)

The survey findings noted that, 40% of the recommendation were successfully implemented, 37% were in progress while 23% were not implemented at all. According to a key informant, some of the recommendations prescribed by the Auditor-General could not be fully implemented in this current economic instability particularly recommendations that are concerned with public service delivery.



GUTU RURAL DISTRICT COUNCIL (GRDC)

The LA was making positive strides in adopting the OAG recommendations. The key informants engaged confidently confirmed that GRDC had addressed all the recommendations that were raised by the OAG through her audit reports. The major issue highlighted was that the GRDC now has a risk management policy in place; on procurement the council resolved to pay the contractor after the service has been rendered; the revenue collection capacity has also significantly improved as it ranges between 90% and 100% although inflation reverses the gains that would have been made. The challenge that has been faced with the GRDC is late submission of financial statements for external auditing due to capacity issues.

This is evidenced by their accounts not appearing in the 2017, 2018 and 2019 OAG reports on Local Authorities. The challenge, according to key informants has been addressed and the council was in the process of finalising the 2021 financials, at the time this survey was conducted. Like other LAs, the GRDC highlighted the challenge of limited financial resources to finance the local authority's budget, the late disbursements on the part of devolution funds from the government, currency instability and limited access to foreign currency as these are impediments to viable service delivery. The council called on the need for the government to provide local authorities access to foreign currency through the auction market system.



The major issue highlighted was that the GRDC now has a risk management policy in place.

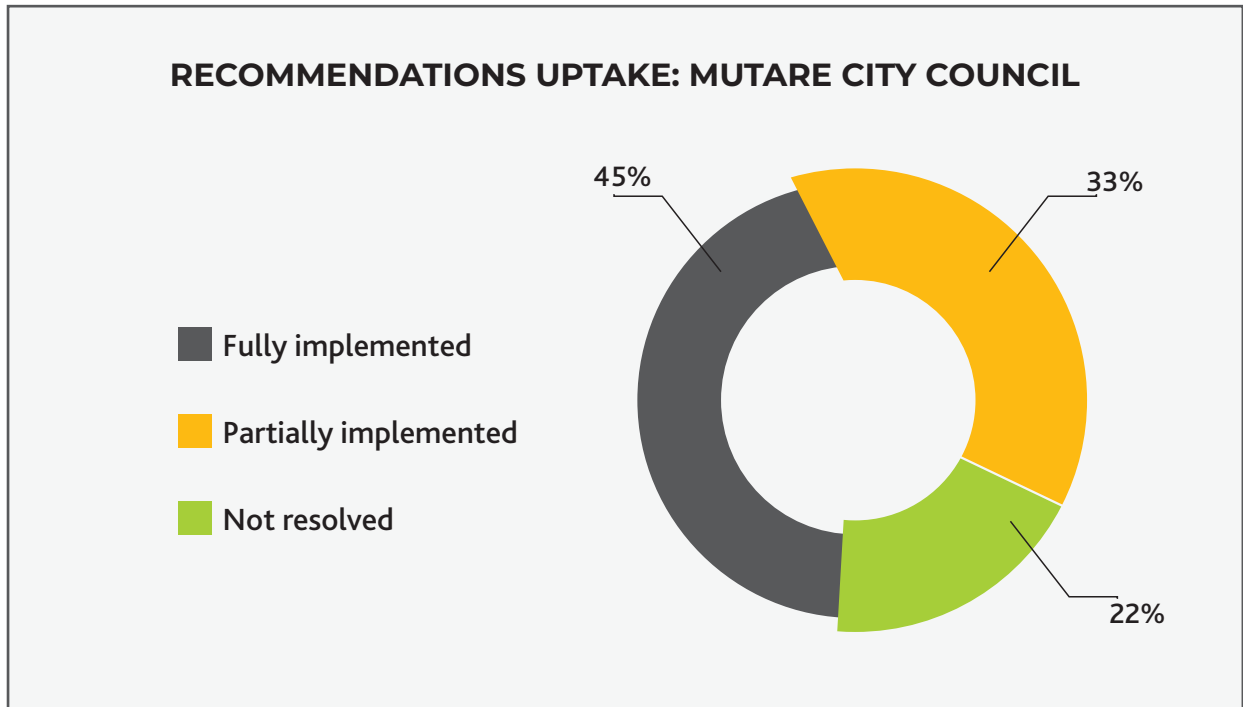
4.2 MANICALAND PROVINCE

MUTARE CITY COUNCIL

The 2019 OAG report covered the 2015 financial year for Mutare City council. The major findings identified for Mutare CC include issues to do with revenue collection, management, and debt recovery; employment costs, and service delivery issues. The pie chart presents the progress made in implementing the recommendations proffered by the OAG.



Figure 3: OAG Recommendations Uptake by Mutare City Council



Source: Primary Data Compiled By ZIMCODD

Table 3.1. Mutare City Council OAG Recommendation Implementation Status

Mutare City Council			
Issue	Finding	Recommendation	Status/ Progress
Revenue Collection, Management & Debt Recovery	Cash collected was not banked intact.	Management should ensure cash collected is banked intact.	Recommendation fully implemented. <ul style="list-style-type: none"> The local authority resolved that all funds are to be banked before use.
	Most of the City Council debtors have been outstanding for long periods.	The council should implement effective debt collection methods.	Recommendation partially implemented. <ul style="list-style-type: none"> The council has started to implement various strategies to improve revenue collection and to recover all debts. There was no info on the effectiveness of strategies employed.
	The Council paid a supplier US\$330 000 in 2012 for the supply of water pipes which were yet to be delivered at the time of audit in December 2020.	Make concerted efforts to recover amounts paid to suppliers.	The amount is yet to be recovered.
	Amounts written off amounting to \$1 175 793 could not be validated as the breakdown of the total figure was not availed.	The council should provide a detailed list of the discount promotion write-offs.	Not implemented

	<p>Council could not reconcile its ledger balance of US\$14 376 227 to the payroll records total of US\$13 129 367. As a result, there was an unreconciled amount of US\$1 246 860 which the Council could not explain.</p>	<p>Management should consider maintaining monthly reconciliations between the payroll and the accounting system.</p> <p>The council should also investigate the unreconciled amount.</p>	<p>Not implemented</p>
<p>Employment Costs</p>	<p>The Council's school fees benefit had no stipulated allocation per person and was also silent on what items constituted school fees. As a result, school fees up to 'A' level were pegged using Government approved rates, however, management violated this resolution as their children were sent to group A (private schools) and Council was paying in full for tuition, boarding fees, desk fees, school magazines, camp fees, and other school-related costs.</p> <p>As for University level children, Council was also paying their accommodation, graduation fees, and refunding medical expenses with no supporting medical bill.</p>	<p>Management should adopt a clear and more defined policy concerning the school fees benefit.</p>	<p>Fully implemented.</p> <ul style="list-style-type: none"> • The City resolved to pay fees upon submission of an invoice that stipulates the government approve peg. • The funds are now also directly paid to the respective school as opposed to handing over to the beneficiary.

	<p>The managerial benefits were not being processed through the payroll. As a result, they were not subjected to tax.</p> <p>In addition, the deemed benefit arising from interest-free staff loans was not subjected to PAYE.</p>	<p>Management should ensure that all benefits and allowances go through the payroll for taxation purposes.</p>	<p>Not fully implemented</p>
Service Delivery	<p>There was no approved dumpsite in compliance with environmental management legislation.</p>	<p>The council should identify a suitable dumping site, which complies with EMA requirements.</p>	<p>Recommendation partially implemented as the council identified the Gimboki landfill, its work in progress.</p>
	<p>The Council had one operational ambulance for the whole city which was also shared between the health and fire department.</p>	<p>The council should acquire additional ambulances to improve service to the residents.</p>	<p>Recommendation fully implemented.</p> <ul style="list-style-type: none"> The council has procured three (30 more ambulances since 2019).

Source: Primary Data Compiled By ZIMCODD

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

For Mutare City Council, 33% of the recommendations have been fully implemented while 22% were partially implemented and 45% were not implemented. While there is progress in implementing OAG's recommendations, the greater part has not been implemented posing major risks to the council in terms of misappropriation of funds, financial losses, and overall compromising service delivery.

The major challenges experienced by the City of Mutare in implementing the OAG recommendations:

- **Staff turnover.** Since the 2019 report, Council has at least 5 different Town Clerks. Four of them were in acting capacities after the substantive TC, Joshua Maligwa died in January 2021. This also includes movements of senior council staff which has affected implementation.
- **Interference by the central government.** The Minister of Local government is interfering in the affairs of city. This includes the employment of a substantive town clerk.
- **Limited Resources.** The authority has no resources to implement some of the recommendations such as buying refuse trucks and medication for clinics and external audits. This challenge of limited resources was reported to be emanating from poor revenue collection strategies and failure by the government to fulfill its promise on intergovernmental fiscal transfers, an issue cited by Gweru City, Chiredzi town council, and Bikita rural district councils. To this effect, the City of Mutare received \$32.8million for 2019 and 2020 whilst for 2021, the promised share of devolution funds was not received thereby crippling service delivery.
- **Vested interest and corruption.** Some of the recommendations such as “allowances for managers like cell phones and payment of school fees directly benefitted some managers who would not want to lose out on their ill-gotten gains. This means those managers would drag their feet to implement some parts of the OAG report because of vested interests.
- **Political interference and corruption.** That City of Mutare has failed to resolve the case and recover US\$230000 from Shitazbeg a briefcase South African company. US\$330 000 was paid to Shitazburg Enterprises for the delivery of waterpipes which were never delivered while the money is taking long to recover. The city of Mutare attempted to sue the country director of Shitazburg Enterprises who instead went on to counter sue the former Town Clerk and the case later collapsed. The local authority has however tabled the Shitazburg issue before the Zimbabwe Anti-corruption Commission for redress.
- **Incapacity.** The local authority is generally Incapacitated because it does not have enough personnel across all critical departments such as audit, engineering, health and community services. Recalls of councillors by MDCT is affecting the local authority.
- **Covid-19 induced lockdown.** The OAG report for 2019 itself came out in 2021 and the AG also blamed this late publication of the report on the COVID-19 pandemic and lockdowns that followed. This means that City of Mutare could not implement some of the recommendations on time as the release of the OAG report was affected by the lockdowns.

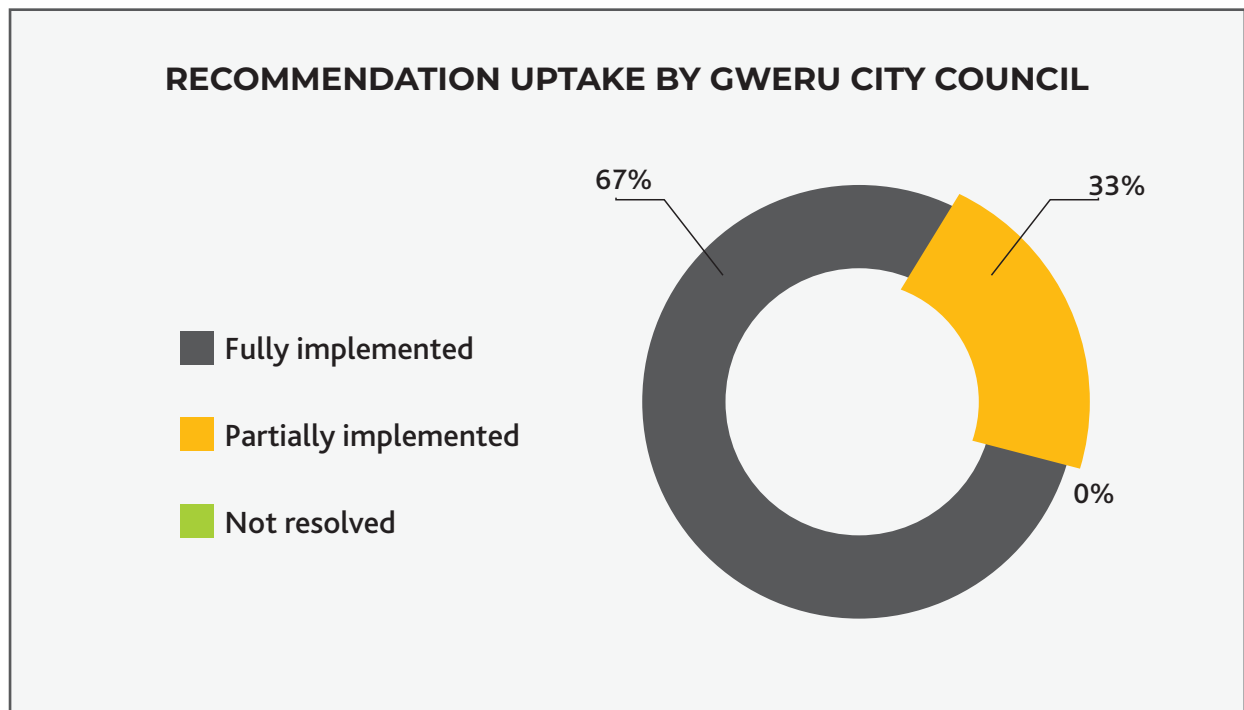
4.3 MIDLANDS PROVINCE

GWERU CITY COUNCIL

Like in the case of MCC, the 2019 OAG report audited financial statements covering the 2015 period for GCC. Major findings centered around governance, revenue collection, management & debt recovery, and service delivery issues. The 2019 report revealed that local authorities such as Gweru, Chitungwiza, and Chinhoyi operated without key policy documents such as risk management policy. It also emerged that Gweru City Council did not have supporting documents as a record of stands sold. The pie chart above mirrors the progress with regards implementation of the OAG's recommendations by GCC while the table below expands on the progress made.



Figure 4: OAG Recommendations Uptake by Gweru City Council



Source: Primary Data Compiled By ZIMCODD

Table 4.1. Gweru City Council OAG Recommendations Implementation Status

Gweru City Council			
Issue	Finding	Recommendation	Status/ Progress
Governance	The Council was operating without some key policies such as; the risk management policy, recruitment, and selection policy, housing policy, and procedure manual for central stores.	The council should draft and implement procedure manuals and policies.	Recommendation partially addressed. The following policies are now in place: <ul style="list-style-type: none"> • Recruitment & selection • Agricultural policy • HIV/AIDS policy • Promotion & transfer policy • Acting policy • Sexual harassment policy • Cemetery & halls bi-laws
Revenue Collection, Management & Debt Recovery	No supporting documents/record of all stands sold, their purchase price, the beneficiaries, amounts paid to date, and outstanding balance on each stand.	Land sales records should be appropriately maintained and be reconciled to the financial statements.	Recommendation not resolved, computerization system not upgraded.
	Council offered and sold commercial stands at a 40% discount against a ministerial directive. ²	The Council should comply with ministerial directives.	Not resolved, councillors involved have had their term of office expire.

Source: Primary Data Compiled By ZIMCODD

2. The Ministerial directive through Circular No.1/2011, prohibited the Council from selling commercial and industrial stands at concessionary rates to Councillors. The circular further instructed that all sales of commercial and industrial stands made to councillors from 2009 be reversed.

33%
partially
implemented

67%
not
implemented

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

For the GCC, 33% of the recommendations were partially implemented while 67% of the recommendations were not implemented. None of the recommendations were fully adopted. It is worthwhile to note the progress made by the GCC in crafting and adopting several policies however, it is worrisome that some of the fundamental policies such as the risk management policy, procedure manual for central stores, and the housing policy were yet to be adopted by the time this survey was conducted. The snail-paced approach that GCC is taking to implement OAG recommendations remains the gateway through which cases of institutionalized corruption, misappropriation, and diversion of funds continue to find their way, reversing the gains that would have been made in revenue collection and management. The lack of key policies continues to weaken the internal control system while anomalies identified in housing, and stand sales, in particular, remain unresolved as the GCC is yet to adopt its housing policy.

Some of the barriers to adoption of the OAG recommendations which were cited by key informants include:

- Limited access to foreign currency to finance operational expenditures. The local authority continues to face challenges in accessing forex in time. GCC has also continued to adopt budgets without any payment in forex.
- Staff issues continue to weaken sound decision making at the local authority as key management staff was either sacked (Town Clerk, Housing Director, and Real Estates Manager) or have resigned (Procurement Manager and Director Engineering Services) following allegations of being implicated in financial and accounting malpractices and other PFM red flags. Certain key positions are in acting capacity (Finance Director and Town Clerk).
- Underfunding of the fiscus retards service delivery in local authorities. Inadequacy of intergovernmental fiscal transfers is a major issue and local authorities are keen to understand the rationale behind the varying allocations across LAs. GCC has not managed to improve the water situation in

Gweru as the current water pipes which were laid in 1957 are now outdated and the council continues to lose treated water as a result of burst water pipes.

- Political polarisation militates against the full adoption of recommendations with allegations of sabotage of opposition-led LAs by the ruling government. Recalls have continued to affect service delivery at the local authority level. Mayors continue to be vulnerable to arbitrary recalls on account of sinister political objectives that are disguised as safeguarding “public interests”.
- Weak tracking, monitoring and evaluation system especially looking at the oversight role of council. Councillors are not doing enough with respect to overseeing adoption of OAG recommendations. Councillors are found wanting when it comes to monitoring and evaluating the implementation of OAG recommendations. As a result, that critical oversight role which should be played by council in relation to monitoring of OAG recommendations remains poorly executed.
- There are also capacity issues in relation to administration of local authorities. In most councils, there was no capacity to develop critical policies, for example at Gweru City Council, there is no Risk Manager or Risk Officer, which generally means there is a poor risk management capacity at GCC.
- Syndicated corruption which involves council officials (top management) and councillors, and a web of corruption among council departments hence the lack of appetite to close corruption channels through adopting the OAG's recommendations, particularly developing a comprehensive risk management policy for GCC.

KWEKWE CITY COUNCIL

Kwekwe City Council last appeared in the 2017 OAG report on local authorities, clearly indicating a challenge in timely submission of financial statements to the AG to enable the office to conduct its ombudsmen role. The major finding was on water meters i.e. falling under the category of Revenue collection, management and debt recovery. The AG found out that 47% of the council's water meters were non-functional. This was tantamount to revenue leakages and abuse of water resources as consumers were being charged amounts more or less than their usage based on a predetermined fixed consumption charge.

To this end, the AG recommended that the Council installs functional water meters so that it can effectively collect what is due to it.

Efforts to engage the local authority on the current state of affairs and progress on implementing OAG recommendations were however futile. Officials kept postponing interviews and only communicated availability when researchers were out of Kwekwe.

ZVISHAVANE TOWN COUNCIL

The 2019 OAG report audited the 2017 financial statements for Zvishavane Town Council. The findings of the AG in the 2018 and 2019 report comprised of governance issues for Zvishavane. The 2019 report flagged the issues of land development where the council failed to provide evidence to support that Council sought ministerial approval for the development of Izayi Park phase 5, Makwasha as required by section 205 of the Urban Councils Act. The council also failed to provide evidence of ministerial approval for a land-debt swap deal with ZINWA amounting to \$128 000. To this effect the council allocated 32 high density stands at a concessionary rate to off-set ZINWA debt without ministerial approval. Financial losses and demolitions were the major risks pointed out by the AG who recommended that the council seek all the necessary approvals before implementing land development projects. However, efforts to establish the progress with regards implementing this recommendation were in vain as the council officials were elusive.

VUNGU RURAL DISTRICT COUNCIL

Vungu RDC was listed as one of the LAs with accounts not yet submitted for audit in the 2015 (for 2015 financial year), 2017 (for 2017 financial year) and 2018 OAG reports (for 2018 financial year). For the 2019 OAG report, Vungu was listed as one of the local authorities with accounts still being finalised by January 2021 (for the 2018 financial year). Key informants engaged indicated the following as challenges faced by the RDC in implementing OAG recommendations:



The findings of the AG in the 2018 and 2019 report comprised of governance issues for Zvishavane.

- Lack of appreciation of the role of the internal auditor. The RDC is reluctant to address audit recommendations be it internal audit or external. As such, the internal auditor is not well-resourced and there is low uptake of internal audit recommendations.
- Lack of capacity to develop requisite policies.
- Lack of capacity of councillors to interrogate audit findings.
- Poor revenue collection.
- The RDC still uses an outdated accounting system.
- The RDC has been failing to meet the AG's deadlines for submitting financial statements. By the time of the survey, the RDC was still in the process of finalising 2017 and 2018 financial statements.

4.4 MATABELELAND REGION

In the Matebeleland region, the survey covered:

- Bulawayo City Council (BCC),
- Matobo Rural District Council,
- Hwange Rural District Council,
- Hwange Local Board, and
- Victoria Falls City Council.

The study found that a total of 8 key findings were identified by the OAG report in these local authorities. Of these, 38% were fully implemented, 25% were partially implemented, and 37% are yet to be implemented by the time of the survey.

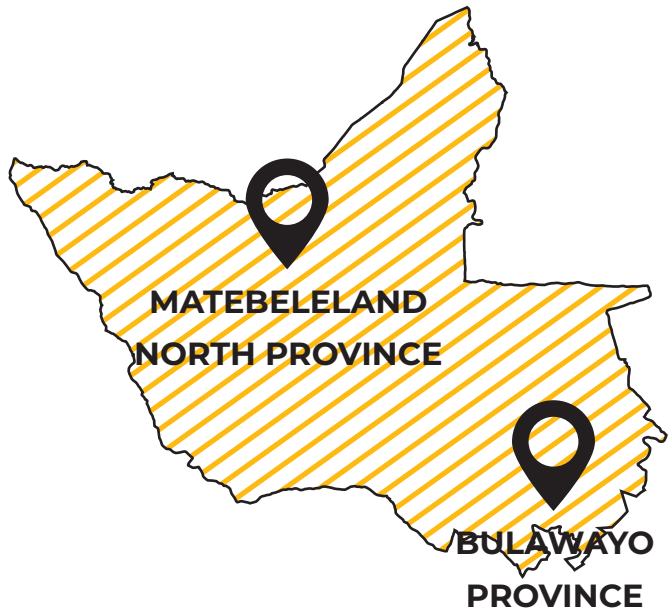
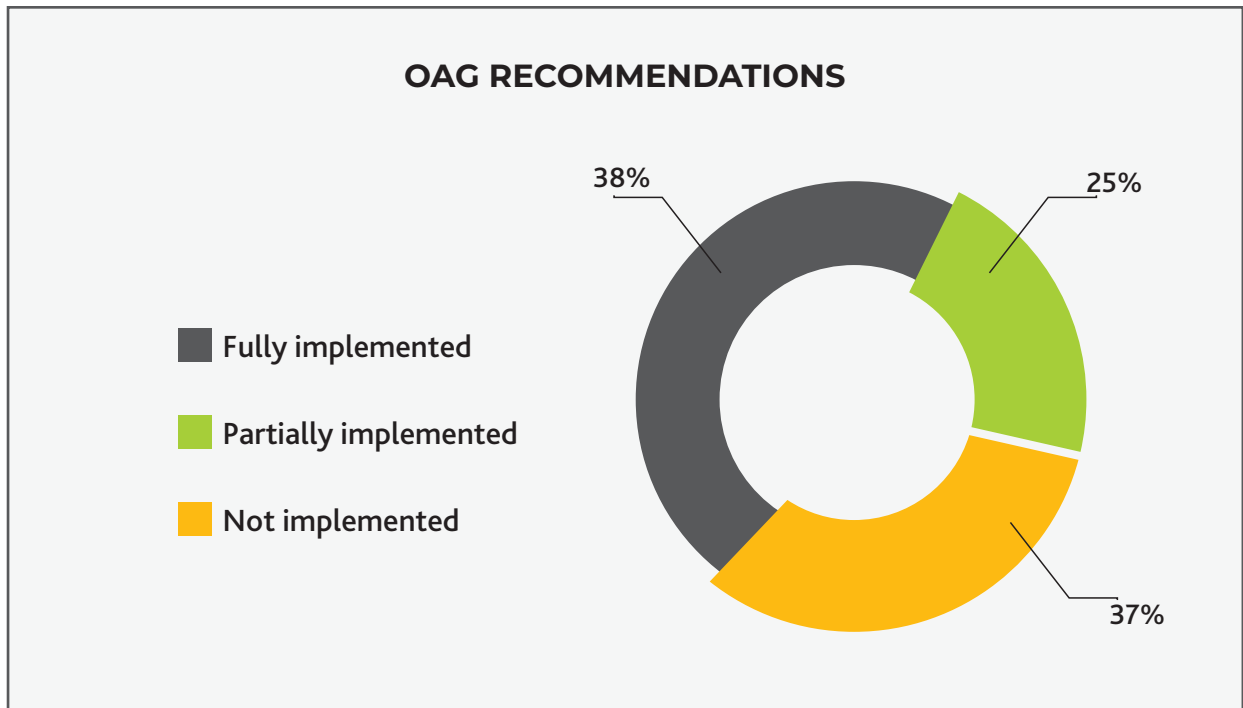


Figure 5: OAG Recommendations Implementation Status in Matebeleland region



Source: Primary Data Compiled By ZIMCODD

BULAWAYO CITY COUNCIL

Bulawayo is the second biggest city in Zimbabwe hosting over 699 000 residents who rely on the public services provided by the Council. As such, the BCC should manage public resources efficiently and pluck leakages through the implementation of the recommendations by the Auditor-General (AG). The 2019 Office of the AG (OAG) report did not cover BCC as it submitted

its 2018 financials to the AG in April 2021. By 2019, BCC had no complete financial statements. At the time of this survey, BCC was finalizing the 2019 and 2020 financials with an External Auditor and was expected to be ready by May 2022. Cognizant of this, the survey focused on the 2017 OAG Report.

Table 5.1. Bulawayo City Council OAG Recommendation Implementation Status

Bulawayo City Council				
Issue	AG Finding	Risk	Recommendation	Status
Governance	Approval of car loans to council staff without the following procedure.	<ul style="list-style-type: none"> Financial loss due to violation of procedures. Lack of basis for legal recourse in the event of disputes. 	<ul style="list-style-type: none"> BCC should process all loans as per procedures 	Fully implemented
	There were no contract or agreement for car loans.			

Source: Primary Data Compiled By ZIMCODD

The survey respondent indicated that other issues raised in the previous OAG reports such as the hefty payment of retired workers have been addressed. However, delaying the submission of accounts for auditing by BCC creates an avenue for corruption thus prejudicing the Council of direly needed funds. The respondents indicated that by the time the OAG report arrives, some implicated individuals would have retired or left the Council.

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

- **Submitting Financial Statements**

The respondents indicated that the process of submitting financial statements to the OAG sometimes is delayed by external auditors who take a long time to finalize their assessments. This explains why the BCC has lagged in ensuring inspection of its financial statements and operating policies by the Supreme Audit Institutions (SAI) as required by the constitution and the Public Finance Management (PFM) Act.

- **Central Government Interference**

Since the transfer of political administration of most urban councils from the ruling party to the opposition party, there has been increased interference of the government in BCC operations through the Ministry of Local Government. The increased centralization delays the implementation of OAG recommendations.

- **Macroeconomic Environment**

The survey respondents indicated that the worsening macroeconomic environment is incapacitating BCC. It was highlighted that

the council budgets, levies, and collects most of its revenues in local currency, a currency that is massively depreciating against the US dollar. Furthermore, rising inflation is posing procurement challenges hence causing delays and postponements of crucial supplies. As such, it has become a cumbersome task for BCC to deliver quality public services.

- **Disbursement of Devolution Funds**

Fiscal equalization through the provision of devolution funds from the fiscus helps in the mitigation of regional differences in fiscal capacity and spending needs. The government has been availing of these funds since 2019. While this is a progressive development tool, the delayed disbursements of these funds to the respective local authority are affecting service delivery. Respondents indicated that by the time devolution funds are deposited into the BCC account, their value would have been eroded by exchange rate depreciation and skyrocketing price inflation.



Delaying the submission of accounts for auditing by BCC creates an avenue for corruption thus prejudicing the Council of direly needed funds.

MATOBO RURAL DISTRICT COUNCIL

Matobo RDC's financial statements for the year ending December 31, 2017, were audited in 2019. The delayed submission of financial statements means that the RDC may be losing funds for a long time before the irregularities are identified by the AG. Also, recovering the looted or abused funds will become a cumbersome task as some key staff would have left the RDC.

The survey found that the recommendations proffered by the Auditor-General in 2019 were fully implemented. The interviews with respondents focused on the challenges being faced by the RDC in the delayed submission of reports, the responses which are also the same with other LAs.

Table 6.1. Matobo RDC OAG Recommendation Implementation Status

Matobo Rural District Council				
Issue	AG Finding	Risk	Recommendation	Status
Revenue collection and Debt recovery	Council operated without an updated and comprehensive mining claims register.	<ul style="list-style-type: none"> Failure to collect all revenue due to it. 	<ul style="list-style-type: none"> The council should maintain an up-to-date and comprehensive mining claims register. 	The mining claims register was updated.

Source: Primary Data Compiled By ZIMCODD

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

- Lack of capacity**
 The respondents highlighted that the RDC lacks the financial capacity to move along with the developments in public accounting reporting standards and procedures, a common finding by the OAG.
- Forex shortages**
 The RDC's rates and rents are collected in ZWL. The council generates insignificant foreign currency yet some key supplies are procured in forex. Further probing indicated that accessing the official forex market is a challenge for the authority.

- **Economic Environment**

The survey found that the current economic environment has a huge toll on the operation of the RDC. The massive deterioration of the ZWL is eroding the value of the Council's budget which is

mostly fixed throughout the year while rampant inflation is causing residents to postpone payment of their rates in a quest to meet monthly demands for necessities.

HWANGE RURAL DISTRICT COUNCIL

The Hwange RDC is among local authorities struggling to compile financial statements on time for auditing. The RDC last appeared in the 2018 OAG report, covering the financial statements for the year ending 2015. According to the 2019 OAG report, Hwange RDC had not yet submitted accounts for audit as of January 16, 2021.

The survey found that only one-third (1/3) of the 2018 OAG recommendations for the accounts of the year ending December 2015 were fully implemented and one-third (1/3) were partially implemented while another one-third (1/3) were not implemented to date.

Table 7.1. Hwange RDC OAG Recommendation Implementation Status

Hwange Rural District Council				
Issue	AG Finding	Risk	Recommendation	Status
Governance	Council failed to provide receipt books for audit in respect of Head office, Dete & Kamativi for 10, 12, and 7 months respectively.	<ul style="list-style-type: none"> Financial loss due to fraud. 	<ul style="list-style-type: none"> The Council must avail all the receipt books for auditing. 	Partially implemented as not all receipts have been submitted for audit.

	Some vehicles were not registered in Council's name.	<ul style="list-style-type: none"> The council may not have rights to vehicles in case of disputes. Financial loss due to fines and penalties. 	<ul style="list-style-type: none"> The Council should always have vehicles registered in its name and obtain supporting documentation. 	The vehicles are now registered in the name of the Council.
	There were no contract or agreement for car loans.			
Revenue Collection and Debt Recovery	<ul style="list-style-type: none"> Council failed to provide documentation regarding debt written-off. There was no resolution authorizing cancellation of debts. 	<ul style="list-style-type: none"> Financial loss due to fraud. 	<ul style="list-style-type: none"> Council should avail supporting documentation for bad debts that were written-off. 	No supporting evidence for cancelled bad debts to date.

The survey respondents also indicated that the Hwange RDC is yet to review and update some of its operating policies particularly the housing policy and human resources policy while other policies like the risk management policy, debt collection policy, and gender policy did not exist.

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

- Financing Gaps**

Hwange RDC is facing huge financing gaps that are inhibiting it from fully discharging its duties and implementing OAG recommendations. While the council has received devolution funds since 2019, the delayed disbursement of these funds is affecting council planning for procurement.

- Financial Reporting**

The respondents highlighted that the RDC is incapacitated to fully comply with new accounting reporting standards as the staff is not fully equipped on these. This delays the submission of financial statements for auditing.

- **Political interference**

The survey found that there is excessive political interference in the day-to-day operations of the Hwange RDC. This is affecting the independence of the council in

discharging its mandates and drags the implementation of the right policies to ensure quality service delivery.

HWANGE LOCAL BOARD

ZIMCODD established that Hwange Local Board is among the local authorities that disregard the importance of having their financial statements audited by Supreme Audit Institutions to ensure that public resources are well-managed.

Since 2015, the Local Board has either not submitted accounts for audit or the audit was in progress by the time of publishing the OAG report as shown below.

Table 8.1. Hwange Local Board Financial Statements Submission to the OAG

Hwange Local Board		
OAG Report	Financial Year	Hwange Local Board Status
2019	2015 Statements	The audit was in progress or being finalized as of January 16, 2021.
2018	2015-2018	Accounts were not yet submitted for audit as of May 31, 2019.
2017	2015	The audit was in progress as of May 31, 2018.
2015	2014-2015	Accounts were not yet submitted for audit as of May 31, 2016.

In terms of operating policies, the respondents indicated that the Local Board had completed the review of the Housing, Engineering, and Human Resources policies. The Debt collection policy was work-in-progress by the time of the survey and is expected to be fully adopted in 2022.

Further, the Hwange Local Board had no refuse collection trucks. The respondents indicated that the Local Board relies on hiring private trucks. This, however, does not guarantee uninterrupted service delivery. On the availability of water, the respondents highlighted that there is easy access to clean, safe, and potable water by all residents in the locality. Also, the available clinic was well staffed and functional.

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

- **Board Oversight**

The survey established that there is limited oversight for the Board's actions by the councillors as documents like audit reports were either not shared on time or not availed to the full council at all. This results in slow and or poor decision-making.

- **Government Interference**

Survey respondents highlighted that there is too much interference in the operations of the Local Board by the parent ministry. This interference is tantamount to a lack of administrative power.

- **Bookkeeping**

The survey established that there is poor bookkeeping at the Local Board that is resulting in the delayed submission of financial statements to the AG office.

The Board lacks the capacity in following international reporting standards for public institutions.

VICTORIA FALLS CITY COUNCIL

Victoria Falls (formerly Victoria Falls Municipality), attained city status in December 2020. According to the 2019 OAG report, the audit for its 2019 financial statements was in progress or being finalized as of January 16, 2021.

As such, the survey focused on the latest audit report at the time which was the 2018 OAG report covering financial statements for the year ended December 31, 2016.

Table 9.1. Victoria Falls City Council OAG Recommendation Implementation Status

Victoria Falls City Council				
Issue	AG Finding	Risk	Recommendation	Status
Governance	<ul style="list-style-type: none"> • Council did not have an updated valuation roll in violation of the Urban Councils Act. • The new properties, improvements (2000-2016) are not included in the Valuation/ Supplementary Roll hence not being billed. 	<ul style="list-style-type: none"> • Financial loss due to loss of potential revenue. 	<ul style="list-style-type: none"> • The Council should maintain an updated Valuation Roll. 	At the time of the survey, the Valuation Roll was in the process of being updated.
	<ul style="list-style-type: none"> • Council was using estate funds for recurrent instead of capital expenditures as per the Urban Councils Act. 	<ul style="list-style-type: none"> • Service delivery in respect of the development of stands may be compromised. 	<ul style="list-style-type: none"> • Estate funds should be used for their intended purposes. 	Not fully implemented
Revenue Collection and Debt Recovery	<ul style="list-style-type: none"> • Council failed to provide documentation regarding debt written-off. • There was no resolution authorizing cancellation of debts. 	<ul style="list-style-type: none"> • Financial loss due to fraud. 	Council should avail supporting documentation for bad debts that were written-off.	No supporting evidence for cancelled bad debts to date.

CHALLENGES IN IMPLEMENTING OAG RECOMMENDATIONS

- **Financial Challenges**

The survey respondents highlighted that the Council was facing a torrid financial period as the city highly depends on tourism, a sector that has been severely ravaged by the COVID-19 pandemic. As a result of decades of economic mismanagement which have bloated citizens' savings, Zimbabwe relies heavily on foreign tourists.

However, because of border closures for most of the time since 2020, the inflow of tourists has dwindled thus affecting Victoria Falls City Council's budget. The foregoing is inhibiting service delivery as the Council is failing to replace, for instance, the water pipe system that was installed in 1972 when the population was around 5,000 people. The Council has planned to construct 2 water reservoirs at a cost of between 12-13 million, a plan that is yet to materialize to date.

- **Delays in the Distribution of Devolution Funds**

The respondents implored the government to disburse fiscal transfers from the Treasury on time to ensure smooth procurement planning processes and implementation. Since 2019 to date, the Council has never received its share of devolution funds in advance and the value of the funds is being eroded by exchange rate depreciation and ravaging inflation.

- **Forex shortages**

According to government regulations, the Councils should collect rates in local currency

even though some key supplies like water treatment chemicals are imported. The respondents highlighted that they were lacking access to the RBZ auction market. Further, the survey established that the residents are now taking advantage of the deteriorating exchange rate, especially in the parallel market. This is so because one would accumulate 6 months rates arrears knowing that when they repay the amount will be valueless using a parallel market rate which is deteriorating at great speed than in the official market. This is affecting service delivery.

- **Electricity shortages**

The respondents highlighted that due to electricity outages, the Council may fail to provide water as most pumps are powered by electricity from the national grid. Since 2019, power production in Zimbabwe is not stable forcing ZESA to institute rationing schemes. The respondents indicated that while there are plans for installing solar water pumps, the budget is overstretched.

- **External auditing**

Further, the respondents highlighted that the delayed submission of financial statements to the AG for auditing was due to back-and-forth processes with the external auditors. Also, the council is lacking the capacity to adopt changing public financial reporting standards. Further, the fault was attributed to councillors' lack of direct power to interact with Council's secretariat.



05. KEY OBSERVATIONS

The lack of political will by local authority management to implement OAG recommendations has adversely affected the full adoption of OAG recommendations in some local authorities.

Local Authority officials have little appetite to read the OAG reports as they are accustomed to the idea that it just another ritual. Those reading are either academics for purposes of their research work or CSOs for their advocacy work.

The limited capacity of councilors to play their oversight role and to interrogate OAG findings has militated against the effective implementation of OAG recommendations by some local authorities.

The survey also established that some of the challenges encountered by local authorities in not only implementing OAG recommendations but also delivering on their service delivery mandate are exacerbated by a lack of or limited central government support for capital and operational expenses to finance infrastructural projects. Fiscal space continues to shrink as government grants are constituting only 11% of

the local authority revenue. As a result, service delivery is on a downward trend with the state of infrastructure in most local authorities very poor. Waste management, water, and road infrastructure are on top of the list.

Local authorities continue to face cashflow challenges and this hinders progress on implementing OAG recommendations and stifles local authority operations. The time lag between the time budgets are submitted and the time budgets are approved is too long thereby rendering the whole budget process ineffective given the hyperinflation, exchange rates, and other economic trends.

Local authorities are generally performing poorly on revenue collection hence the liquidity challenges. The average collection capacity for local authorities is about 52% while uncollected revenues constitute about 35% of the local

authority infrastructure budgets (Zeparu, 2019). This challenge is also compounded by the fact that the revenue base for local authorities is also not diversified as LAs largely depend on residents whose capacity to pay has been severely weakened by the COVID-19 pandemic.

The information published by the OAG in her reports on local authorities is largely outdated for instance, the latest OAG report is a 2019 report which was released a year later in 2021 and to date, most of the recommendations raised by the OAG have not been addressed. On the other hand, local authorities are not up-to-date with their financial statements, and as such 2015 statements were the ones audited in the 2019 OAG report as in the case of Mutare and Gweru City Councils. This presents challenges to implementing some of the recommendations as people involved might have moved by the time the audit is released.

Local authorities seem to have a laissez-faire approach to their business when it comes to the adoption of OAG recommendations. This is because the Accountant General and the parliament have not been able to enforce implementation of OAG recommendations by the executive suggesting that they have inadequate capacity.

Public sector audits can only be effective if Local Authorities put audit recommendations into action for improved governance, local authority performance and public resource management. Therefore the implementation of AG's recommendations is critical in measuring the effectiveness of the OAG.

However, the implementation of the OAG's recommendations seems to be a major problem in the Zimbabwean local authorities. As such, some issues continue to recur in successive audits because OAG recommendations are often either ignored or not effectively implemented as local authorities are not taking corrective action on issues of irregularities raised in previous years.

The other issue militating against effective implementation of OAG recommendations is the absence of vibrant audit committees in local authorities. Ibrahim, Baker and Doyle (2014) note that such audit committees are responsible for the following up of the implementation of audit recommendations of the ministries and government departments and bodies to determine the extent to which they have responded to the OAG's recommendations. To this end, audit committees of local authorities must continuously review their oversight role in an effort to maintain their effectiveness.

Local authorities also tend to be reluctant when it comes to implementing OAG recommendations because of lack of consequences for not implementing the AG's recommendations.



06. CONCLUSION

The foregoing survey was undertaken to track progress in the implementation of the OAG recommendations and to identify challenges to effective implementation of such by local authorities. The findings of the survey illustrate that those charged with the governance responsibility are not taking sufficient measures to address risks identified by the AG at local government level. There is an appalling unwillingness in local authorities to implement the OAG's recommendations. The survey further noted that lack of capacity is a major downplay in implementing OAG recommendations by LAs in Zimbabwe. This is substantiated by the weak oversight by councillors and the general lack of capacity for them to decode the recommendations, monitor and evaluate implementation of the same. Trained and committed human capital remains critical, for LAs as any other government institution, to achieve their objectives. However, the survey observed staffing issues including LAs taking a very long time to fill vacant positions at senior management level while the vacant positions

were reportedly filled on a nepotism and/or political connections basis rather than fit for purpose.

This immensely contribute to failure by local authorities not only to implement OAG recommendations but to achieve their overall mandate. Lack of adequate funding was also identified as a major challenge resulting in the delay or non-implementation of OAG's recommendations. This is worrying as local authorities are at the centre of good public service provision as power is decentralised to municipalities to implement the national development agenda. It is therefore of uppermost importance that LAs implement OAG audit recommendations so as to improve the use of public resources and to improve service delivery. As such, OAG recommendations monitoring should be an ongoing responsibility to inculcate fiscal hygiene, prudence, accountability and responsibility in public resource management by local authorities.

07. RECOMMENDATIONS

1. The Ministry of Local Government and Finance should come up with a timely devolution disbursement framework to allow LAs to fully utilize their allocations and revamp service delivery. This is critical in expanding the fiscal space for local authorities and curbing resource leakages and inefficiencies emanating from the dilapidated state of infrastructure in most local authorities.

2. The Ministry of Local Government and the Procurement Regulatory Authority of Zimbabwe should also approve timely procurement requests of the government.

3. The powers granted to a political party to recall its MPs and Councilors are now being abused for political gamesmanship. There is a need for stakeholders to explore ways to limit unreasonable recalls which are greatly affecting the functioning of LAs in particular and Parliament in general.

4. Also, the government should reduce its interference in the day-to-day running of LAs. This is now being used to stifle progress in opposition control LAs to gain political scores for the ruling elites.

5. Parliamentarians and councilors need to be capacitated to interrogate OAG reports and to track progress in the implementation of OAG recommendations. This is critical for timely interventions on identified PFM red flags.

6. Civil society, media, and the broader citizenry should be capacitated on available information and requisite skills to analyze available information and to generate evidence with which to lobby and hold both central and local governments accountable.

7. Capacity building is also required by management and staff at the local authority level to adequately prepare local authorities for full compliance with OAG recommendations. From the survey, possible areas for capacity building include risk management; economic literacy; financial reporting; internal auditing; governance capacity; revenue collection capacity, among others.

8. Since budgets of LAs are largely in local currency, the government should ensure that these LAs are given priority on the RBZ auction market. Currently, the auction market is highly focused on the private sector and a few

connected individuals. Citizens deserve quality service delivery like clean water because they are contributing to the US dollars traded by RBZ through tax payments.

9. It is high time for LAs in Zimbabwe to start crafting and implementing localized Renewable Energy Plans to leverage readily available solar rays and biomass, among other green energy sources. Statistics show that renewable energy is cheap to produce. This will reduce over dependence on the national grid which is currently overstretched.

10. The Minister of Local Government and Minister of Finance must ensure that all LA officials that are failing to comply with the Auditor-General in terms of submitting their financial statements are arrested and prosecuted.

11. While the adoption of performance mgt contracts at local authority level is noble, it calls for the establishment of Monitoring, Evaluation, Accountability and Learning units in LA. This will cause local authorities to produce credible periodic reports on LA performance based on agreed key result areas including compliance with OAG recommendations.

12. The role of internal auditor remain subdued in most local authorities because of weak accountability frameworks e.g. an internal auditor who is accountable to a town clerk. This simply means s/he is an employee of the council who is vulnerable and faces the risk of being fired at the discretion of the council. There is need to develop alternative and viable models of accountability for audit bodies in order to ensure they can effectively carry out audits and make recommendations without compromising themselves as they expose the rot in public institutions.

13. There is need to develop an extensive capacity building programme on the part of the policy makers (elected councillors) in relation to their oversight role and improving their capacity to monitor the implementation of the OAG's recommendations.

14. There is need to resource and strengthen the role of accountability and anti-corruption bodies such as the ZACC and the National Prosecuting Authority to investigate these local authorities.

15. There is need for establishment of independent research bodies responsible for regular progress checks, monitoring and tracking to find out whether OAG recommendations are being implemented.

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