IN THE SUPREME COURT OF ZAMBIA HOLDEN AT NDOLA (Civil Jurisdiction)

SCZ/8/280/2013 APPEAL No. 54/2014

BETWEEN:

LUSAKA CITY COUNCIL

APPELI ANT

AND

BRIDGET MWELA

RESPONDENT

CORAM: MAMBILIMA, CJ, KAJIMANGA AND CHINYAMA JJS

on 6th and 12th September, 2016

For the Appellant : Mr. M. M. Moono, In-house Counsel

For the Respondent: No appearance

JUDGMENT

KAJIMANGA, JS delivered the judgment of the court

Cases referred to:

- 1. Zambia Electricity Supply Corporation v David Muyunda Lubasi Muyambango (2006) ZR. 22
- 2. Attorney General v Richard Jackson Phiri (1988 1989) ZR 121
- 3. Pamodzi Hotel v Godwin Mbewe (1987) ZR 56
- 4. National Breweries Limited v Philip Mwenya 2002 ZR 118
- 5. Khalid Mohamed v Attorney General (1982) ZR 49 (SC)
- 6. Wilson Masauso Zulu v Avondale Housing Project Limited (1982) ZR 172 (SC)

Legislation referred to:

Industrial and Labour Relations Act Chapter 269, Section 85

This is an appeal against the judgment of the Industrial Relations Court dated 14th August, 2013 which found that the respondent had been wrongfully dismissed; substituted her dismissal with a discharge and ordered the appellant to pay the respondent all entitlements payable on discharge.

The facts giving rise to this appeal are that the respondent was employed as a cashier by the appellant on 1st August 2006 and served in that capacity until 30th September 2009 when she was dismissed from employment on allegations of fraud and failure to follow lawful instructions. As a consequence, the respondent lodged a complaint against the appellant claiming re-instatement or in the alternative, damages for unfair and unlawful dismissal, accrued leave days, interest, costs and any other relief the court may deem fit.

In answer to the complaint, the appellant stated that on 16th June, 2008 the respondent, while executing her duties violated Regulation 62(b) [64(b)] of the Local Government (Conditions of Service), 1996 hence her being summarily dismissed. The appellant's affidavit in support of the answer discloses that on the material date, the respondent recorded a shortage. An inquiry into the shortage by its Audit Section revealed that the shortage of

K250,000.00 (unrebased) recorded at the respondent's till was as a result of her receipting funds on illegal plots created in the Lusaka Water Works area, in disregard to laid down procedure of obtaining written authority from the Director of Legal Services. On 20th October, 2008 the Audit Section made their findings and recommended disciplinary action against the respondent.

The affidavit also discloses that on 9th January, 2009 a disciplinary hearing attended by the respondent and her representatives from the Union was held. The respondent was heard after which it was recommended to summarily dismiss her for violating Regulation 62(b) [64(b)] of the Local Government Conditions of Service for 1996. Arising from the said recommendation, a decision was made by the appellant to dismiss the respondent for gross negligence in accordance with the conditions of service which governed her employment.

At the hearing, the respondent's evidence was that on 16th June, 2008, a client came to pay the sum of K250,000.00 for a title deed. She issued receipt No. AJ 4078 and remained with a duplicate. A few minutes later a blank receipt No. AJ 4079 came out. She switched off her computer and reported the matter to the

IT section with the view of having the blank receipt reversed. However, the officer responsible for IT was not present.

She then notified the chief cashier of what had happened and thereafter, she proceeded to barance her cashing. According to the respondent, this happened to everyone. The blank receipt would be interpreted into cash. Days later the chief cashier told her that she had a shortage of K250,000.00. She explained to the chief cashier that the problem was with the blank receipt. She was subsequently charged for failure to follow lawful instructions and fraud on 6th November, 2008. She stated that she did not know why she was charged for fraud and failure to follow instructions. She was allowed to receipt service charges for Libala Water Works and that was not the first time she receipted such service charges. They were not told to seek authority from the Director of Legal Services.

She further stated that the appellant should have confirmed with the IT section if the blank receipt was not showing on the computer. According to her testimony, auditors did not work with IT personnel. She explained that during the disciplinary hearing, she had no evidence to show that she was treated differently from others. The shortage of K250, 000.00 arose because of the blank

receipt on the computer. The blank receipt came out on its own.

The appellant elected not to call witnesses and did not file written submissions.

After considering the respondent's evidence and written submissions, the court below found that there was no evidence to prove that the blank receipt that came out from the printer was and act of theft or fraud. The court also found that there was no evidence to prove that the respondent was aware that she was not supposed to receive payments for service charges without express authority in respect of plots in Libala Water Works area of Lusaka. The lower court accordingly found that there was merit in the respondent's complaint and substituted the dismissal with a discharge.

Dissatisfied with the judgment of the court below, the appellant appeals on three grounds. The first ground is that the court below erred both in law and fact when it did not take into consideration the fact that the respondent had [not] exhausted all disciplinary avenues available to her as provided by the conditions of service. Ground two is that the court below erred in law when it erroneously heard the matter 'de novo' thus sitting as a disciplinary committee and considered only the merits of the

decision to dismiss the respondent, when it should have been scrutinizing the procedure followed during her dismissal. Ground three is that the court below erred in law when it failed to appreciate that as long as the charge levelled against the employee is not unreasonable, the court should not look into the merits of the dismissal but should determine whether the correct procedure was followed.

In arguing ground one, Mr. Moono, in-house counsel for the appellant cited section 85(3) of the Industrial and Labour Relations Act Cap 269 which provides that:

"(3) The Court shall not consider a complaint or application unless it is presented to it within thirty days of the occurrence of the event which gave rise to complaint or application:

Provided that, upon application by the complainant or applicant, the Court may extend the thirty day period for three months after the date on which the complainant or applicant has exhausted the administrative channels available to that person."

In line with the above authority, counsel submitted that the respondent still had administrative channels available for her to appeal against the decision of her employer to dismiss her before lodging the complaint in the lower court and she did not pursue this channel but instead chose to commence the action in the Industrial Relations Court, thereby wasting the court's time with a

premature action and thus causing the court to sit as a disciplinary committee. Counsel contended that the Local Government Amendment Act No. 6 of 2010 under section 90(1) establishes the Local Government Service Commission. One of the duties of the Local Government Service Commission under section 93(b) shall be to discipline any principal officer or officer of the council.

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Counsel contended that the record will show, at page 32, that when the respondent was dismissed, she was informed of her right to appeal to the Provincial Local Government Appeals Board, which she did as shown on page 33 of the record of appeal. However, the board had not been reconstituted since 2005 which meant that her appeal could not be heard until the board was reconstituted. Counsel further argued that this matter was commenced on 15th July, 2011 after the Local Government Service Commission was established and we were referred to page 87 of the record of appeal. Counsel submitted that page 88 of the record of appeal shows that the respondent told the lower court that she approached the Secretary of the Local Government Service Commission who advised her to go ahead with the case which was in the Industrial Relations Court. This shows that at the time of the proceedings,

the respondent was aware of the existence of the Local Government Service Commission as well as its functions. The court was aware of these facts but still went ahead to hear the case.

The respondent filed a notice of non-appearance and relied entirely on her heads of argument. In response to ground one, the learned counsel for the respondent submitted that the respondent appealed to the Provincial Local Government Appeal Broad as advised by the appellant in its letter of 30th September, 2009, which appeal was acknowledged on 8th January, 2010. The record of appeal shows, at page 34, that the Ministry of Local Government and Housing advised the respondent that the Local Government Appeals Board was reconstituted but without giving her a time frame. It was submitted that by the time the Local Government Service Commission which took over the functions of the Provincial Local Government Appeals Board was established, in April, 2010. pursuant to the local Government Amendment Act No. 6 of 2010 the respondent's appeal was already with the Ministry of Local Government and Housing, which should have ensured that the respondent's appeal was tabled before the right panel. We were referred to the letter at page 36 of the record of appeal being a reminder from the Ministry of Local Government and Housing to the Local Government Appeals Board that the respondent's appeal should be heard.

We were also referred to the respondent's letter at page 35 of the record of appeal dated 20th April, 2010, in which she was reminding the Ministry of Local Government and Housing to expedite hearing her appeal. It was submitted that from that date, there was no correspondence from the appellant until the respondent brought the matter to court. We were also referred to page 86 lines 14-21 and page 87 lines 1-13 of the record of appeal which show that the reconstitution of the Appeals Board was only brought to the respondent's attention on 6th May, 2011 in the court below after an inquiry by the appellant at Cabinet Office where they were advised that the respondent's case was supposed to be heard by the now established Local Government Service Commission before the matter could be heard by the court. The learned counsel for the respondent submitted that thereafter the respondent went to enquire from the Secretary of the Local Government Service Commission as shown at page 87, lines 14 -16 of the record of appeal. We were also referred to page 88 of the record of appeal, lines 1 and 8 - 11 where the respondent informed the court that the Secretary of the Local Government Service

Commission had advised that the respondent could proceed with the court case and that according to lines 12 – 13 of the same page, the appellant had no objection to the matter proceeding before court.

The learned counsel submitted that the court below did not fall into error by proceeding to hear this case as the appellant had no objection to the same. We were accordingly urged to dismiss this ground of appeal.

We have considered the record of appeal, the judgment appealed against and the arguments of the parties. Regarding the first ground of appeal, it is plain from the record of appeal that following the respondent's summary dismissal on 30th September, 2009, the respondent appealed to the Local Government Appeals Board for Lusaka Province by letter dated 11th December, 2009. By letter dated 8th January 2009, the Provincial Local Government Officer replied to the respondent's letter advising that the Provincial Appeals Board had not been reconstituted and that her appeal would only be heard when the said Board had been reconstituted. On 20th January, 2010 the respondent wrote another letter to the Director of Administration regarding her appeal. In his letter dated 2nd April 2010, the Principal Local

Government Officer requested the Provincial Local Government
Officer to consider the respondent's appeal since the Provincial
Appeals Board had been approved by the Minister.

The proceedings in the court below at page 86 of the record of appeal also show that on 5th May 2014 Ms H. Galapa, the appellant's Legal Officer reported to the court that following the court's directive, her investigation on the status of the Local Government Appeals Board revealed that the same had been abolished and its functions had been transferred to the Local Government Service Commission. She stated that any matters relating to employment and termination, including appeals against the respondent's decisions, should be addressed to the said Commission before any matter could be heard by the court. The respondent then sought an adjournment to enable her approach the Secretary to the Local Government Service Commission on her pending appeal. At the proceedings of 23rd May 2011 appearing at page 88 of the record of appeal, the respondent informed the court as follows:

"I approached the Secretary of the Local Government Service Commission over this case last week and she advised me to go ahead with my case which is already before this court." At the same page, it is recorded that Ms Galapa responded as follows:

"We have no objection to the applicant going ahead with her application."

The record of appealindicates that subsequently, the matter of proceeded to trial where the respondent gave oral testimony and she was cross-examined by the appellant's in-house counsel.

In view of the events discussed above, the view we take is that from the time the respondent was dismissed from employment, she took the necessary steps to exhaust administrative channels before seeking redress in court. For no fault of hers, the respondent's efforts were in vain. In addition, we also find that the appellant acquiesced in the court proceedings and it is therefore estopped from alleging that the respondent did not exhaust all disciplinary avenues available to her. On the facts of this case it would be unconscionable to expect the respondent to have waited in perpetuity for the hearing of her appeal by the Local Government Service Commission when chances of the appeal being expedited were slim.

For the above reasons, we find no merit in ground one of the appeal and we accordingly dismiss it.

In arguing ground two, counsel for the appellant cited the case of Zambia Electricity Supply Corporation v David Muyunda Lubasi Muyambango¹ where it was held that

"Once the correct procedures have been followed the only question which can arise for the consideration of the court, based on the facts of the case, would be whether there were in fact, facts established to support disciplinary measures since any exercise of powers will be regarded as bad if there is no substratum to support the same."

In line with this authority counsel argued that the respondent did admit under cross-examination that she did record a shortage of K250,000.00 and it was on that basis that she was charged with fraud and failure to follow instructions. We were referred to page 101 of the record of appeal, particularly lines 12-22. She also testified that she was subjected to a disciplinary hearing and was allowed to state her case and we were referred to pages 101 and 102 of the record of appeal. Thus there was evidence showing that there were facts supporting the decision of the appellant to commence disciplinary proceedings which later finally led to her dismissal. Thus the lower court erred in not taking this fact into

consideration but instead convened in the manner of the appellate tribunal and heard the matter *de novo*.

In further support of the foregoing arguments, counsel referred us to the case of Zambia Electricity Supply Corporation (cited above) where it was also held that:

"The court cannot be required to sit as a court of appeal from the decision of the public service commission to review the proceedings or to inquire whether its decision was fair or reasonable. The court ought to have regard only to the question whether the public service commission had disciplinary powers and if so, whether those powers were validly exercised."

Counsel also cited the case of **Attorney General v Richard**Jackson Phiri² where it was held that:

- "1. It is not the function of the court to interpose itself as an appellate tribunal within the disciplinary procedure to review what others have done. The duty of the court is to examine if there was necessary disciplinary power and if it was exercised properly.
- 2. Where it is not disputed that an employee committed an offence for which the appropriate punishment was dismissal and he is so dismissed, no injustice arises from failure to comply with the laid down procedure in the contract and the employee has no claim on that ground for wrongful dismissal or a declaration that a dismissal was a nullity."

In line with the above authorities it was counsel's contention that the court below erred in law and in fact when it heard the matter *de novo* instead of scrutinizing the procedure followed during the dismissal, if necessary disciplinary power was there and

to examine whether it was exercised properly. In this regard counsel submitted that the power to discipline was there when the disciplinary proceedings were instituted in November 2008 by virtue of Sections 93 and 94 of the Conditions of Service for Local Government Officers (1996) Division I, II, III and these provide that:

- "93. (a) Subject to the provisions of these conditions of service and in particular to the schedule indicating authorities that should initiate or decide on disciplinary action for any offence, disciplinary proceedings under these conditions of service may be initiated by:
- (i) The principal Officer in respect of any officer or

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- (ii) A Chief Officer, in relation to an officer serving within his jurisdiction but the Principal Officer may institute disciplinary proceedings even in cases where a Chief Officer is competent to do so.
- 94. (a) where any formal disciplinary proceedings are to be instituted against an officer, the supervising officer shall do so after investigations as he considers necessary, by delivering or cause to be delivered to the concerned officer a written statement setting out the particulars of the disciplinary charge and the grounds upon which such disciplinary proceedings are instituted, together with a notice requiring the officer concerned to submit to the principal officer within such period as the principal officer shall specify, an exculpatory statement...
 - (d) Subject to the provisions of paragraph 95 the council may;
 - (i) impose such punishment on the officer concerned as may be appropriate having regard to all the circumstances of the case; and or
 - (ii) exculpate the concerned officer and inform him accordingly in writing."

Counsel argued that a charge letter dated 6th November, 2008, issued to the respondent, charging her with violating regulation 65(f) (i) (ii) and 64 (b) of the Conditions of Service for Local Government Officers (1996) Division I, II, III which prohibit forgery and uttering as an offence relating to theft, fraud and misusing council property in section 65 (f) as follows:

"Forgery and uttering

- (i) Falsifying or changing any document with intent to or attempting to do so;
- (ii) Uttering or attempting to utter fraudulent or falsifying documents."

And 64(b):

"(b) Failing to obey instructions- failure to obey any lawful instruction given by a supervisor or any authority."

In line with the above, it was submitted that the punishment given to the respondent was appropriate for the offence as outlined in the conditions of service as well as and particularly in the schedule to section 97 which appears at pages 70 and 72 of the record of appeal respectively, where the punishment for fraud, uttering, theft and forgery is dismissal while the punishment for refusing to obey lawful instructions is a written reprimand and discharge on the third offence.

We were further referred to page 16 of the record of appeal in line 4 where the respondent alleged that she was unfairly and wrongfully dismissed. Counsel argued that these allegations were not supported by any evidence and neither did she give evidence of how, correct procedure was not followed by the appellant in dismissing her. Counsel also contended that the finding that the respondent was unfairly or wrongfully dismissed is devoid of any legal or factual basis of such finding.

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In arguing ground three, counsel cited the case of **Pamodzi**Hotel v Godwin Mbewe³ where we held that:

"... the decision to dismiss cannot be questioned unless there is evidence of malice or if no reasonable person could form such an opinion."

Counsel argued that the proceedings at page 101 of the record of appeal at lines 12-122, show that the respondent in cross-examination testified that she recorded a shortage of K250,000.00 and on that basis, she was charged with fraud and failure to follow instructions. In a hypothetical situation, where a person is presented with information of a shortage in daily cashing or facts of missing cash, a reasonable person with no malice would form the opinion that there has been fraudulent activity by the

persons involved as was the case in this matter. The charge of fraud, being a reasonable one would be tested in a disciplinary hearing. In the case in casu, the charges of fraud and failure to follow instructions were reasonable. Therefore, the lower court should not have delved into the decision regarding the respondent's dismissal. The respondent did not produce any evidence of malice or unreasonableness on the part of the appellant in the proceedings below.

It was submitted that following the principle in the **Mbewe**³ case outlined above, the appellant's decision to dismiss the respondent in this matter cannot be questioned on its merits. We were referred to page 13 of the record of appeal and specifically lines 13-21 where the court below stated that:

"... We have questioned the decision which the respondent (appellant) made to dismiss the employee because as we have stated earlier there is no evidence to prove that the blank receipt that came out of the printer was an act of fraud or theft."

Counsel submitted that the decision to question the dismissal as outlined in the judgment was a misdirection because the **Mbewe**³ case does not require the appellant to prove fraud but malice.

Counsel further cited the case of National Breweries Limited
v Philip Mwenya⁴ where it was held that:

- where the employee has committed an offence for which he can be dismissed, no injustice arises for failure to comply with the procedure stipulated in the contract and such an employee has no claim on that ground for wrongful dismissal or declaration that the dismissal was a nullity.
 - (ii) Having been properly dismissed, the respondent cannot be deemed to have been retired and he is not entitled to any retirement benefits.

It was submitted that in light of the above authority, the lower court erred when it ordered, at page 14 of the record of appeal in lines 3-9, that the dismissal be substituted with a discharge given the fact that the respondent admitted recording a shortage of cash in her testimony. Counsel contended that the charge being reasonable, the disciplinary process was concluded in a lawful and procedural manner. In line with the **National Breweries Limited**⁴ case, the respondent could not be deemed to have been discharged so as to entitle her to some form of discharge benefits.

In response to grounds two and three of the grounds of appeal, the learned counsel for the respondent referred us to the case of

Attorney General v Richard Jackson Phiri² where we held that:

"Once the correct procedures have been followed the only question which can arise for the consideration of the court based on the facts of the case, would be whether there were in fact facts established to support disciplinary measures since any exercise of powers will be regarded as bad if there is no substratum of fact to support the same."

It was contended that in respect of the charge of failure to follow lawful instructions no evidence was adduced to show that the said instructions were given to the respondent. Similarly, on the other charge of fraud, no evidence was adduced by the appellant to show that the generation of a blank receipt by a computer was an act of fraud or theft. The learned counsel argued that the fact that the respondent was charged, given a hearing, and the chance to appeal, does not in itself absolve the appellant from validly exercising its disciplinary powers by ensuring that actual facts were established to support the disciplinary measures taken.

We were again referred to the **Attorney General**² case cited above where we stated that:

"The court cannot be required to sit as a court of appeal from the decision of the Public Service Commission to review its proceedings or to inquire whether its decision was fair or reasonable. The court ought to have regard only to the question whether the Public Service Commission had valid disciplinary powers and, if so, whether such powers were validly exercised."

It was submitted that there were no facts to warrant the charge of fraud and as such the appellant cannot be said to have validly exercised its powers when there were no facts to back such exercise of power. We were accordingly urged to dismiss this appeal with costs for want of merit.

Crounds two and three are interrelated and we will determine them together. The gist of these two grounds is that they attack the lower court's finding that there was no evidence to prove that the respondent was aware that the blank receipt that came out from the printer was an act of theft or fraud; and that there was no evidence that she was not supposed to receive payments for service charges without express authority in respect of plots in Libala Water Works area of Lusaka, culminating in the substitution of the respondent's dismissal with a discharge.

The documentary evidence on the record of appeal shows that the respondent was charged with and summarily dismissed for flouting Regulations 65(f) and 64(b) of the Local Government (Conditions of Service), 1996 for Divisions I, II and III Officers, for recording a shortage of K250,000.00 and receipting service charges for plot numbers 24271 and 20344 both of Libala Water Works, without authorization of the Acting Director of Legal

Services. The charge letter dated 6th November 2008 appears at pages 20 – 21 of the record of appeal. The respondent exculpated herself by letter dated 12th November, 2008 appearing at pages 22 – 23 of the record of appeal. The record shows that thereafter, a disciplinary committee hearing was held on 9th January 2009 which was attended by the respondent and her representative from the Union. Arising from the said disciplinary hearing, a decision was made to summarily dismiss the respondent. The dismissal was communicated to the respondent by letter from the appellant Council's Town Clerk dated 30th September, 2009. This letter is at page 19 of the record of appeal.

Regarding the first charge, the record of appeal at page 101 shows that under cross-examination, the respondent admitted that she recorded a shortage of K250,000.00 in the following words:

"On the material date, I recorded a shortage of K250,000.00 (old currency) on the balance sheet. On the basis of that shortage I was charged with fraud."

According to her evidence at page 102 of the record of appeal, "the shortage of K250,000.00 (old currency) arose because of

own." In our view one does not need to be a rocket scientist to know that a printer cannot print any document if the print command is not prompted on the computer. Furthermore, the charge letter states in paragraph two that:

"However the audit report reviewed that you did that deliberately so that you can use the money. You even went to your chief cashier and gave him a false report about the matter."

It was on the basis of the foregoing that the disciplinary committee found that the respondent committed a fraudulent act warranting dismissal pursuant to Regulation 65(f) of the Local Government Service Regulations 1996 under which she was serving. On the basis of what we have stated above, it is our considered view that the lower court was wrong in holding that there was no evidence to prove that the blank receipt that came out of the printer was an act of theft or fraud.

Regarding the second charge of receipting service charges the evidence of the respondent appearing at page 101 of the record of appeal is that:

"I was allowed to receipt service charges for Libala Water Works.

This was not the first time to receipt service charges for Libala Water Works. We were not told to seek authority of the Director of Legal Services."

However, the respondent's letter of appeal dated 11th December, 2009 at page 33 of the record of appeal reads in paragraph three as follows:

"1. Drawing your attention to the disciplinary hearing convened for me on 9th January, 2009 in which I categorically stated that no communique was forwarded to me or any other personnel, other than being shown a particular photocopied signature on a non-official document supposedly meant to guide officers as to what documents should be received for payment and what not. In the absence of official communication refraining officers from carrying out a duty conferred on them, I find that the charge citing Regulation 64 (b) not only unfair but ill conceived." (underlining ours for emphasis)

Although the respondent purports to deny the existence of instructions to officers on the receipt of service charges for Libala Water Works plots, the paragraph quoted above suggests to us to reasonably infer that staff, including the respondent, were aware of instructions governing the receipt of such service charges which the disciplinary committee was satisfied had been flouted by the respondent. In the circumstances, we find that the lower court erred when it found that there was no evidence to prove that the

respondent was aware that she was not supposed to receive payments for service charges without express authority in respect of plots in Libala Water Works area.

Corporation v David Muyunda Lubasi Muyambango¹ case (supra) is that in cases dealing with the dismissal of employees, the court should consider two things, namely, whether the correct procedure was followed and whether there were facts to support the disciplinary measures. In the present case we find that the correct procedure was used by the appellant in the dismissal of the respondent. We are also satisfied that there was enough substratum as revealed by the record of appeal, to support the disciplinary measures taken against the respondent.

Attorney General⁵ we have held that a plaintiff cannot automatically succeed whenever a defence has failed; he must prove his case. In this case, we find that even if the appellant did not call any witnesses, the respondent did not prove her claim against the appellant to justify the lower court's conclusion that there was merit in her complaint. Further, we held in the case of Wilson Masauso Zulu v Avondale Housing Project Limited⁶ that

the appellate court will only reverse findings of fact made by a trial court if it is satisfied that the findings in question were either perverse or made in the absence of any relevant evidence or upon misapprehension of the facts. We believe that this is a proper case where we should disturb the findings of the lower court as no basis existed upon which they were made.

We find that grounds two and three have merit. The net result is that this appeal is successful and the judgment of the lower court is reversed. We make no order on costs.

> I. C. MAMBILIMA CHIEF JUSTICE

C. KAJIMÀNGA SUPREME COURT JUDGE J. CHINYAMA SUPREME COURT JUDGE