

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 38 OF 1984

The Local Administration Act
(Act No. 15 of 1980)

The District Councils (Financial) Regulations, 1984

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IN EXERCISE of the powers contained in section *thirty-four* of the Local Administration Act, 1980, the following Regulations are hereby made:

PART I

PRELIMINARY

- | | |
|---|-----------------|
| 1. These Regulations may be cited as the District Councils (Financial) Regulations, 1984. | Title |
| 2. These Regulations shall apply to a Council which has not made financial regulations under subsection (1) of section <i>thirty-four</i> of the Act, or which has not adopted these Regulations as specified in subsection (2) of section <i>thirty-four</i> of the Act. | Application |
| 3. In these Regulations, unless the context otherwise requires— | Inter-pretation |
| “ accounting unit ” means the Financial Secretary’s Department of the Council; | |
| “ advance ” means any recoverable sum of money issued to any person where such advance is in the Council’s interest and is repayable at some future date; | |
| “ collector of revenue ” means an officer of the Council who is charged with the duty of collecting any type of Council revenue; | |
| “ controlling officer ” means the District Executive Secretary; | |
| “ Council ” means a district council established or deemed to have been established under section <i>three</i> of the Act; | |
| “ head of department ” means a member of the District Secretariat responsible for the administration of a separate department of the Council; | |
| “ internal auditor ” means any person designated as such by the Public Service Commission or assigned the duties of internal auditor, for the time being, by the Council; | |
| “ purchasing officer ” means any officer whose responsibility is to sign an order for the purchase of any goods or the rendering of any service. | |

PART II

ESTIMATES

- | | |
|---|-------------------|
| 4. (1) The estimates of capital and recurrent expenditure submitted to the Minister for approval in accordance with section <i>twenty-eight</i> of the Act shall be set out as follows— | Form of estimates |
| (a) the total estimated expenditure shall be shown in respect of each capital project; | |
| (b) the total estimated expenditure on all capital projects shall be shown; | |
| (c) the total estimated expenditure shall be shown under each head of recurrent expenditure; | |

- (d) under each head of recurrent expenditure there shall be shown sub-heads;
- (e) the first sub-head under each head of recurrent expenditure shall be estimated expenditure on employees in respect of such head of recurrent expenditure;
- (f) there shall be shown items of expenditure in respect of each sub-head of recurrent expenditure.

(2) The detailed form of capital and recurrent estimates shall be such as advised by the Minister for all Councils.

Preparation
of estimates

5. The annual estimates of revenue and expenditure shall be prepared by the heads of department in consultation with the Financial Secretary, in accordance with the guidelines, if any, issued by the Minister. The Financial Secretary shall collate the estimates approved by the Committees and report to the Finance Committee thereon. The Finance Committee shall consider the consolidated estimates and submit these to the Council along with such recommendations as the Committee considers necessary.

Final capital
estimates

6. The final capital estimates should include only those projects for which finance has been agreed with the Government or lending institutions, as the case may be, or which are decided to be financed from the Council's own resources.

Approval of
estimates by
Minister

7. The annual estimates, as adopted by the Council shall, at least sixty days before the commencement of a financial year, be submitted for the approval of the Minister.

No expenditure
before
approval of
estimates

8. The controlling officer may not cause or permit any expenditure to be incurred, unless the estimates have been approved by the Minister:

Provided that where the annual estimates have not been approved by the Minister before the commencement of the relevant financial year, the Council may continue to incur expenditure on charges which become due in respect of inescapable commitments.

Procedure
if no
provision or
inadequate
provision

9. Where there is likely to be an expenditure for which there is no provision in the approved estimates or an excess expenditure on an item which appears in the estimates, it shall be the duty of the head of department concerned after consultation with the Financial Secretary, or of the Financial Secretary as the case may be, to inform the Committee concerned explaining the reasons for the excess expenditure.

Supple-
mentary
estimates of
expenditure

10. When the expenditure is of a nature which was not envisaged when the estimates were prepared, or when the excess expenditure on an item cannot be met from savings on another item under the same sub-head, the controlling officer shall submit to the Minister an application for supplementary provision as adopted by the Council, in accordance with subsection (2) of section *twenty-eight*. This application

shall show corresponding savings from any other head of expenditure or evidence that the additional expenditure will be met from an overall additional income or fund balances.

11. Where it appears that the amount of any head of approved income may not be reached, it shall be the duty of the head of department concerned, after consultation with the Financial Secretary, or of the Financial Secretary as the case may be, to inform the Council through the Committee concerned explaining the reasons for the shortfall. If there is likely to be an overall shortfall in income the Council shall review and restrict the expenditure so that it matches the income unless there are adequate surplus balances to meet the excess of expenditure over income.

Procedure if
shortfall in
income

PART III

GENERAL ACCOUNTING RESPONSIBILITIES

12. The responsibilities of the Financial Secretary, who shall be the principal adviser to the Council in matters relating to the general finances of the Council, shall be to—

Responsi-
bilities of
Financial
Secretary

- (a) keep accounts in accordance with the orders or directives issued or approved by the Council and to ensure accuracy of these accounts;
- (b) ensure that officers accounting for revenue and expenditure for which they are responsible comply with the provisions of these Regulations and supplementary instructions issued by the Council from time to time;
- (c) report to the controlling officer if it appears that any head, sub-head or item is likely to be overspent;
- (d) draw the attention of any officer to delays and short-ages in the collection of revenue, any advance or imprest which they are unable to clear at the time that it should be cleared, any deposit account which has become dormant and to any weakness in the accounting system employed, or in the internal checks applied to accounting transactions;
- (e) account for receipts and disbursements of Council moneys in accordance with these Regulations;
- (f) see that proper arrangements are made for the safe-keeping of Council moneys, securities, stamps, stamp duties, revenue counterfoil receipts, licences, warrants and all forms of requisition;
- (g) collect punctually all revenue and other Council moneys which become due and payable to the Council;
- (h) bring to account promptly under the correct head and sub-head all Council moneys he collects or which is paid to him;

- (i) check regularly all cash and stamps in his charge and verify the balance shown in the cash book or stamp register;
- (j) bring to account promptly any revenue in cash or stamps found in his charge in excess of the balances shown in the cash book or stamp register;
- (k) make good any shortage in cash or stamps for which he is responsible;
- (l) ensure that all disbursements made or incurred by the issue of payment vouchers, orders, warrants, requisitions or any other documents are properly authorised;
- (m) charge in the accounts, under the proper heads of accounting, all expenditure when it occurs;
- (n) ensure satisfactory control of the expenditure by maintaining a record of commitments incurred by the heads of departments;
- (o) prepare promptly all financial statements, budget estimates, annual accounts and returns in the form and manner prescribed;
- (p) see that the books of account are correctly posted and kept up to date;
- (q) bring to the notice of officers in writing any apparent defect in the procedure of revenue collection, wastage and any extravagant expenditure which comes to his notice in the course of his accounting duties;
- (r) produce when required by the Council or by the external auditor all books and records or accounting documents in his charge;
- (s) reply promptly and fully to any observations or queries received from the external auditor or the Council;
- (t) exercise strict supervision over all officers under his authority, to maintain efficient checks and to take precautions against fraud and nugatory expenditure;
- (u) bring to the notice of heads of departments any wastage, incompetence, carelessness or insubordination on the part of their staff;
- (v) ensure that all Council's insurable risks are fully covered by adequate insurance policies.

**Erasures in
accounts**

13. No erasures may be made in accounts. Corrections must be made by striking out the incorrect figures and writing the correct figures above them. The corrections must be made in such a way that the original figures are still legible. Corrections must be initialled by the officer who makes them. On no account may alterations be made on figures which have already been audited.

14. Officers responsible for dealing with incoming mail which contains money shall keep a register of cheques and cash for the purposes of recording details of remittances received. Register of cheques and cash
15. Any form or document or system of a financial or costing nature or dealing with inventories, stocks or stores shall be subject to the prior approval of the Financial Secretary. Approval of accounting system and forms
16. A register of all official accountable documents shall be kept by the Financial Secretary. Register of accountable documents
17. Heads of departments are personally responsible for the observance of all financial and accounting instructions issued by the Financial Secretary. Observance of instructions
18. When it is necessary for any officer to delegate to another officer any financial duty for which he is responsible, he will ensure that the delegation, its scope and duration, is in clear and specific terms and shall be in writing. Delegation of responsibility
19. All cheques and cash received shall be banked as soon as possible, but not later than two days, following the day of receipt. In no circumstances will funds be allowed to accumulate in cash collecting units. Banking of cheques and cash
20. The Financial Secretary shall prepare for each month a reconciliation between the balance shown in any bank account which his Council operates and the balance shown in the summarised cash account or cash book. Reconciliation of bank account
21. The Financial Secretary shall check once a month cash held in the Council. Checking of cash
22. The procedures to be followed by the accounting unit at the close of the financial year are set out hereunder. It will be the responsibility of the heads of departments to see that action called for is taken at the appropriate times and that returns are submitted within the specified periods—
- (a) at the close of business on the last day of the financial year, all cash books shall be ruled off, signed and dated by the responsible officers;
 - (b) the accounts shall be closed in the normal manner, as for an ordinary month end, but supplementary accounts will be opened by the accounting unit only for the purpose of adjusting misallocations, for the transfer of revenue and/or expenditure to other revenue and/or expenditure codes and for final entries on the closing of accounts;
 - (c) the accounts shall be finally closed, balanced and presented to the Council in the form approved by the Council not later than six months after the last day of the financial year to which they relate.
- Procedures at the end of financial year

Internal
audit

23. If the size and nature of financial operations of the Council justify, the Financial Secretary shall carry out a system of internal audit in all departments and establishments of the Council.

Access to
records

24. The Financial Secretary or his authorised representative shall have authority to enter all offices and establishments of the Council and have access to all records and documents and shall be entitled to require such explanations as he considers necessary to satisfy himself of the correctness of any matter under examination and to require for verification purposes the production of cash and other assets.

Responsibilities
of
internal
auditors

25. The programme of checks to be carried out by internal auditors will be laid down by the Financial Secretary and shall cover all accounting procedures and documentation. Generally, internal auditors shall ensure—

- (a) that the work entailed in the receipt and payment of Council money has been properly carried out under proper supervision;
- (b) that the safeguards for the prevention or prompt detection of fraud or loss of stores, cash or other Council assets, are adequate;
- (c) that accounting forms are properly protected, recorded and regularly checked;
- (d) that the system for the control of the receipt, issue and use of stores is adequate;
- (e) that the recording of the assets is up to date and correct;
- (f) that the returns of revenue or expenditure required by the Financial Secretary or the Council are correctly prepared and promptly submitted.

Heads of
departments
not relieved
of responsibility

26. The existence of an internal audit system shall not relieve heads of departments or any other accounting officers of their individual responsibilities, nor shall it remove the need for normal checks within departments.

Irregularities

27. Whenever any matter arises which involves, or is thought to involve, irregularity in financial stores or accounting transaction in any department of the Council, the head of the department concerned shall forthwith notify the Financial Secretary who shall, after consultation with the controlling officer where necessary, take such steps as are considered necessary by way of investigation and report.

Preservation
of
accounting
records

28. (1) The following accounting records shall be preserved for the periods shown—

- (a) main cash books and ledgers—ten years.
- (b) receipts of all types—ten years.
- (c) payment and Journal Vouchers—six years.

- (d) establishment and salary records required for superannuation purposes—twelve years from the date on which a permanent officer leaves service.
- (e) contract documents—twelve years from the date of final payment.
- (2) Notwithstanding the periods specified in subsection (1), the records shall be kept until they are audited or until a court case relating thereto, if any, is settled.

PART IV

SAFES, STRONGBOXES, CASH BOXES AND SPECIE BOXES

29. The following instructions refer to safes, strongboxes, cash boxes, specie boxes issued for the safe custody of cash, and similar forms of secure containers issued by Council, all of which shall be referred to as "safes" for the purposes of these Regulations.

Definition
of "safes"

30. Heads of departments are responsible for obtaining safes for use in their offices and branches.

Responsibility for
obtaining
safes

31. The following conditions cover the care and maintenance of safes and keys—

Care of
safes and
keys

- (a) officers are personally responsible for keys of safes in their charge;
- (b) when a safe or vault door is fitted with two or more locks, no single officer shall in any circumstances hold all keys, more than one key to a safe shall be issued only when there are two or more officers at the office in which the safe is installed. In the event of the departure of a key-holder before his relief arrives, the officer leaving station shall hand over the contents of the safe or vault to a person appointed by the head of department concerned temporarily to take over from the departing key-holder. The handing over and taking over shall follow the provisions of regulation 121;
- (c) a key will not be handed to a person who is not the official key-holder and a safe will not be opened except by the officer responsible for it. He must be present for the whole of the time it remains open;
- (d) only original keys issued by the Financial Secretary will be held. In no circumstances may any officer have a duplicate made;
- (e) except as may be otherwise authorised, all duplicate keys of safes shall be held by the Council's bank.
32. When the key to a safe is lost—
- (a) the loss will be reported immediately to the head of department concerned, the Financial Secretary and the local police;

Loss of keys

- (b) the safe will be sealed and the room in which it is kept must be locked. If an exceptionally large sum is in the safe, arrangements must be made for the posting of a guard;
- (c) the officer responsible for the safe custody of the key may be called upon to make good the cost of repairs and replacement of the key.

Private
money in
Council safes

33. No private money or articles may be kept in a safe provided for the safe-keeping of Council moneys.

Register

34. A register must be kept of articles other than cash, account books and receipt forms deposited in a safe. The register must be signed by the depositing officer (other than the key-holder) when depositing or withdrawing any such articles.

Weekly
check

35. Officers responsible for safes must verify the contents at least once each week. The register shall be initialled on each occasion of check.

Cash in
transit

36. Whenever cash is taken to or collected from a bank or other office, the responsibility for safe custody of the cash in transit shall rest with the officer charged with conveying the cash to or from the bank or other office.

PART V

BANK ACCOUNTS AND CHEQUES

Bank
accounts
and
signatories

37. The opening of, or a change in any signatory of, a Council bank account for any purpose requires the authority of the Council. The purpose for which the bank account is required must be stated in a resolution of the Council.

Use of
public
money

38. In no circumstances may Council money be credited to a private bank or savings account.

Security of
unused
cheques

39. Cheque books and cheque forms must be kept secure under lock and key when not in use. An officer shall be made responsible for the custody and control of the stock of unused cheque forms and he will maintain a record of receipts and issues in a register and will ensure that all unused cheques are retained in his custody.

Lost
cheques

40. (1) In the event of a cheque being lost, whether the cheque is unused or has already been issued, the Financial Secretary must notify the Council's bankers. In the case of the loss of a cheque which has been issued, a "stop order" must be sent to the bank on which it was drawn.

(2) Before a replacement cheque is issued for a cheque which has been lost or stolen from the payee, he is required to sign an indemnity in the following form:

CERTIFICATE OF INDEMNITY

In consideration of the issue to me of a replacement cheque No.for the sum of K.....in payment of.....which I have lost (or which has been stolen), I hereby indemnify the Council against any loss whatsoever in connection therewith and I agree to refund the sum of.....in the event of the original cheque No.....being negotiated.

Signed..... (Name in block capitals)

Date.....,19....

Official address.....

.....

41. Council bank accounts must not be overdrawn, and a temporary advance must not be obtained from a bank without the prior approval of the Council. Overdraft

42. Cheques drawn against Council bank accounts must be signed by two of the authorised signatories. The Financial Secretary shall advise the bank, in this respect. The responsibilities of signatories are laid down in regulation 92. Signing of cheques

43. Cheques may, at the discretion of the Financial Secretary, be accepted in payment of licences, fees, rents, levies, charges and other payments due to the Council. Before acceptance of a cheque, an officer will satisfy himself as to the identity of the person presenting the cheque and that— Acceptance of cheques

- (a) the cheque is not post-dated or out of date;
(b) the amount in words and figures agree;
(c) alterations of any kind are signed by every signatory to the cheque;
(d) the cheque is correctly signed and dated by the drawer.

44. Cheques received should be made payable to the Council in name and crossed " Account Payee Only ". Security of cheques received

45. Collectors of revenue or other officers who receive council money shall not cash cheques from council money held by them, or give change in respect of cheques drawn for an amount in excess of the sum owing to the Council. Encashing cheques

46. The Financial Secretary shall arrange for statements to be provided regularly by the bank. Bank statements made up to the close of business on the last day of every month shall be Bank statements

obtained. All entries on the bank statements shall be checked with all entries in the cash books and, at the end of each month, a return shall be prepared in the form prescribed giving a reconciliation of the balance of the bank account with the balance shown in the cash book.

Cash flow statements

47. The Financial Secretary shall maintain a cash flow statement of the Council.

Audit of cheques

48. Paid and cancelled cheques shall be held for audit.

Security of cheques in payment for goods supplied on Local Purchase Orders

49. All cheques drawn in payment for goods supplied or services rendered on Local Purchase Orders should be crossed "Account Payee Only". The only exception to this rule is in the case of a payee known to have no banking account.

PART VI RECEIPT BOOKS

Definition of "receipt form"

50. The term "receipt form" includes all receipts, licences, permits, certificates, discs or tokens used in the collection of revenue or other moneys.

Issue of receipts

51. (1) All licences, permits, certificates, discs, tokens and other documents for which payments are received shall be issued on or with prescribed forms.

(2) A "General Receipt" shall be used in cases where a special receipt form is not prescribed.

Checking of receipts received

52. All receipt forms must be checked immediately they are received in order to ensure that they are complete and correctly numbered. Any forms which are defective must be returned to the source of supply.

Register of receipt forms

53. Every officer required to hold receipt forms shall keep a register in which the receipt and issue of all receipt forms must be promptly entered.

Consecutive issues

54. Receipt forms shall be used in consecutive order, within the sequence of numbers of receipts held by one officer.

Destruction of obsolete receipts

55. Complete unused books of obsolete receipts shall be destroyed at the office in which they are held. The destruction of receipt books will be carried out in the presence of the Financial Secretary and an Auditor, except receipts of Government revenue which shall be sent to the Ministry of Finance, who shall check that the unused receipt books are complete, and that all receipts are in fact unused. Certificates of destruction, listing the serial numbers of all receipt forms destroyed, must be signed by both officers. The original of the certificate of destruction shall be filed by the officer responsible for the custody of the forms.

Recording of destruction of obsolete forms

56. Whenever surplus stocks of receipt books are returned to the ministry responsible for finance or obsolete forms are destroyed, the fact should be recorded in the register.

- | | |
|--|---|
| 57. A check of unused receipt forms shall be carried out at least once a month by the holder, who must record in the register the date of check and sign the entry. | Monthly check of unused receipt forms |
| 58. When one officer hands over to another, handing/taking over certificates must be signed by both officers for receipt forms. The officer taking over should sign immediately below the last entry in the register. | Handing over certificates to record receipt forms |
| 59. A printed notice shall be displayed in all offices where revenue of any type is received, to bring to the attention of the public the need for them to obtain an official receipt for every payment made by them. | Notice to public about official receipt |
| 60. Receipt forms must be completed either in ink or in indelible pencil. Counterfoils will contain exactly the same details as appear on the original receipt form. They should be date-stamped at the time of issue and shall not be altered in any way. | Completion of receipts |
| 61. If a wrong entry is made on receipt, the form must be cancelled and dealt with in the manner prescribed in regulation 62. | Cancelled receipts |
| 62. When a receipt is cancelled, the original and all the copies must be cancelled, and signed by the holder of the book. The original receipt shall be kept in the receipt book. The duplicate shall be included with other duplicate receipts which accompany the Revenue Cash Book. | Method of cancelling receipts |
| 63. Every receipt form and counterfoil shall be printed or stamped with the official stamp of the office of issue and shall be signed by the issuing officer. | Office of issue of receipts |
| 64. Officers receiving payments from collectors of revenue must ensure that numbers of receipt forms run consecutively. If no satisfactory explanation is forthcoming for any missing forms, the matter shall be reported without delay to the Financial Secretary. | Consecutive receipts |
| 65. In no circumstances may a duplicate of a licence be issued unless approval for such issue is specifically provided in any law or regulation. | Duplicate licences |
| 66. If a certified copy of a receipt form is required, this shall be made on plain paper and headed "certified copy". In no circumstances shall another receipt form be used as a copy for an original receipt previously issued. | Certified copies of receipt form |
| 67. No counterfoils or copies of used receipt forms shall be destroyed until they have been examined by the Auditor appointed by the Minister. | Audit and destruction of receipt forms |

PART VII

RECEIPT OF REVENUE

Private use
of revenue
prohibited

68. Officers are not permitted to use council revenue, temporarily or otherwise, for any private purpose whatsoever.

Receipt to
be issued

69. A receipt must always be issued by the receiving officer whenever a sum of council money is received.

Classifi-
cation of
revenue

70. All revenue shall be brought to account under the appropriate sub-head of the revenue estimates.

Cashbooks

71. Collectors of revenue shall keep a cash book which must be written up daily.

Bringing
revenue to
account

72. Collectors of revenue are required to bring to account daily the whole amount of their collections. The Financial Secretary shall institute checks to ensure that this is done.

Cash
surplus

73. If it is found that a collector of revenue has a surplus of cash, this must be brought to account and credited to "Miscellaneous Revenue".

Revenue
collectors
not to open
mail

74. An officer who is responsible for issuing receipts must not be concerned with opening mail or keeping a register of incoming remittances.

Providing
information
for
collection of
revenue

75. The heads of departments shall furnish such particulars of charges for work done, goods supplied, or services rendered on behalf of the Council and all amounts accruing, as the Financial Secretary may require in order to ensure that there is prompt recording of all sums receivable by the Council.

Out-
standing
debts

76. The Financial Secretary and all other heads of departments who undertake the collection of revenue shall refer all debts which they are unable to recover to the controlling officer without undue delay for appropriate action.

Write-off
by Council

77. An irrecoverable debt may be written-off only with the approval of the Council. The controlling officer shall submit such a case to the Council giving the sum of the debt, the date on which it was due, the action taken to collect it and the reasons why it was not possible to collect it. Should the Council authorise the write-off of the debt, necessary accounting adjustments shall be made.

PART VIII

CONTROLLING OF EXPENDITURE AND PAYMENTS

Payment
vouchers

78. All payments must be vouched for on a form prescribed by the Council. No money shall be paid out until a payment voucher has been made out.

Details on
payment
vouchers

79. All vouchers must be complete and all details must be filled in, including coding allocations, dates, numbers, quantities, rates, distances and authorities.

80. Vouchers shall be typewritten or made out in ink or indelible pencil. All copies must be legible.

Preparation of vouchers

81. (1) Each payment must be approved by the Council. The Council may delegate the responsibility for approving payments to the Finance Committee which must formally report to the Council all payments which it has approved by placing a summary of the payments made before the next ensuing meeting of the Council.

Authority for payments

(2) The Financial Secretary shall be authorised to make the payments set out below but shall report any such payments to the Council or Finance Committee of the Council at its next ensuing meeting according to the procedure laid down by the Council—

- (a) payments of water or electricity bills (where supply is normally disconnected if accounts are not settled promptly);
- (b) payments to the Postmaster-General for postal services and telephone accounts;
- (c) payments to a carrier for goods delivered c.o.d.;
- (d) payments to traders where a discount is allowed for prompt payment;
- (e) payments of salaries, wages, subsistence and travelling allowances;
- (f) petty payments involving sums of K20 or less;
- (g) any emergency payments which can subsequently be justified as such by the Financial Secretary.

82. The original payment voucher shall be signed by the controlling officer or Financial Secretary or any officer authorised by them to sign on their behalf. The name of the officer signing and his designation shall be printed below his signature. Copies shall be initialised by the signing officer or stamped with his name stamp.

Signing of vouchers

83. A list of officers authorised in writing to sign vouchers shall be kept by the Financial Secretary and which may be amended from time to time.

Panel of signing officers

84. The officer signing a voucher or document certifies the accuracy and validity of the payment. He must therefore ensure that—

Responsibilities of officers signing vouchers

- (a) all documents due to be made from salaries or wages have in fact been made;
- (b) the goods have been supplied or the services provided as certified by the receiving officer;
- (c) the prices charged are either according to contract or approved rates, or are fair and reasonable according to current local rates;
- (d) the payment is covered by proper authority and is a proper charge to Council funds;

- (e) the calculations are correct;
- (f) the persons named as payees are those entitled to receive payments;
- (g) payment of the amount stated on the voucher shall not cause an excess over the amount allocated.

**Recover-
able
payments**

85. Officers signing vouchers which relate to payments which are recoverable shall be responsible for ensuring that proper arrangements exist for the recoveries to be made.

**Suppliers'
invoices
to be
attached**

86. Vouchers relating to purchases must be supported by the suppliers' invoices. Payment shall not be made on statements of account only. On no account shall requisitions for local supplies be issued in arrears if goods have already been supplied. In such cases, the head of department or any other officer authorised by him shall certify the voucher giving reasons for the failure to issue a requisition.

**Mislaid
invoices**

87. Should an original invoice be mislaid, a duplicate shall be obtained from the supplier together with a certificate of non-payment on the original invoice. The duplicate shall be clearly marked "Copy Invoice". A certificate that payment has not previously been made shall be recorded on the voucher by the officer making the payment after he has satisfied himself that payment of the account has not in fact been made.

**Mislaid
requisition
form**

88. Under no circumstances shall a duplicate requisition form be issued if an original has been mislaid. Payment shall be made against the supplier's copy invoice which shall be endorsed with the serial number of the requisition form against which the supply of goods or services was made, and the certificate required by regulation 87 shall be recorded on the payment voucher.

**Methods of
payment**

89. Payments shall be made by cheque. The cheque shall be made payable to those to whom payment is due. Each cheque must be crossed, except in the following circumstances:

- (a) Open cheques may be issued in the case of standing imprests and for the net total of vouchers in respect of wages to be paid in cash to employees. These cheques shall be made payable to the order of the title of the post held by the officer responsible for drawing the cash and paying the wages. For the guidance of the bank at which the cheques shall be cashed, the name of the responsible officer shall be added in brackets.
- (b) Open cheques payable to the order of the payee may be issued for personal imprests and, on request, salaries, wages and other personal payments due to Council employees.

90. When an open cheque is issued, a receipt of acknowledgment of the cheque shall be obtained from the payee before the cheque is handed over, if the cheque is sent by mail, it shall be sent by registered mail and the number of the registered slip recorded on the payment voucher.

Security of
open
cheques

91. Where there is no loss of discount for prompt payment, accounts for the same supplier may be grouped and paid at least once every month. Should any discount be lost owing to delay in the passing of accounts for payment the officer responsible may be called upon to refund the amount to the Council.

Availing of
discount

92. All signatories of cheques are responsible, when signing, for ensuring—

Res-
ponsibilities
of cheque
signatories

- (a) that original documents (invoices, salary sheets, claim forms, etc.) are attached;
- (b) that the original documents are all stamped "Paid" by means of a special stamp and that the cheque number is correctly shown within the "Paid" stamp;
- (c) that the relevant voucher is fully and properly completed;
- (d) that the cheques are correctly made out in every respect.

93. Only in the following circumstances may payments be made other than to the persons or firms to whom payment is due:

Delivery of
cash or
cheques

- (a) on the written authority of the person or firm to whom the payment is due or on the production of a power of attorney or letter of administration;
- (b) in cases where the timely payment of wages to an employee is impracticable and delay would cause hardship, a paying officer may on his own responsibility make payment to an authorised third party who shall give a receipt for the payment;
- (c) in cases where payment is made to a duly appointed receiver, an official receiver, a trustee in bankruptcy or to a third person under a court order.

94. Paying officers and officers who are witnesses to a payment shall satisfy themselves that the person claiming the payment is in fact the person authorised to receive the money. If necessary, they may require the production of a National Registration Card.

Identifi-
cation of
payee

95. All payments shall be entered into the books of account on the day the payments are made.

Daily
accounting
for
payments

Res-
ponsibility
of officers
signing
warrants,
etc.

96. Officers signing warrants, requisitions and stores orders are approving the expenditure of Council and they shall be responsible, therefore, for seeing that the authority exists for the expenditure thus incurred. Any excess expenditure incurred as a result of the failure to observe these regulations may be surcharged against the officer who signed the warrant, requisition or stores orders.

Extra-
ordinary
payments

97. Payments which are extraordinary in that they are not covered by normal regulations or procedures, for example compensation for loss of or damage to private property, require the prior approval of the Council.

Custody of
original
documents

98. (1) Payment vouchers with supporting documents, and any other forms which support a charge entered in the accounts, shall be carefully filed, secured against loss, and be readily available for audit.

(2) Access to the documents should be restricted to those officers authorised by the Financial Secretary to make reference to them. In no circumstances shall the documents be removed from the files in which they are kept.

PART IX

PAYMENT OF SALARIES AND WAGES

Day of
payment

99. Salaries and monthly wages shall be paid on the last working day of each month or any earlier date which the Council may from time to time determine.

Calculation
of salary

100. Salaries are payable monthly calculated at one twelfth of the annual rate. Salaries for a part of any month shall be calculated in proportion to the number of days in that particular month.

Adjustment
of salary or
other
moneys due
to death, etc.

101. Any contingency which is likely to affect an officer's salary (for example his death, suspension or dismissal) shall be notified immediately by the head of department to the Financial Secretary. The latter shall then be responsible for ensuring that timely and correct adjustments are made to the officer's salary, pension or gratuity.

Salaries of
convicted
officers

102. Any balance of salary or other moneys due to an officer who has been convicted of misappropriation of Council funds or theft of Council property or who has been dismissed, leaving sums owing to Council (including losses of cash or stores which are under investigation), may not be paid without the authority of the Council.

Method of
payment and
deductions
for
officers

103. A separate salary record card for each officer in service shall be kept by the Financial Secretary. Officers shall make arrangements regarding the method of payment, and permissible voluntary deductions through their heads of department.

104. Payment of salary may be direct to the credit of an officer's account at any commercial bank or building society in Zambia, or by cheque. Payment of the net amount due, after statutory and permissible deductions have been made, shall be made in one sum, there shall not be a part payment to the credit of a bank account with the balance paid by cheque or otherwise.

Method of
payment

105. All authorised deductions shall be entered on the payment vouchers in the appropriate column against the name of each employee concerned. The gross emoluments shall be charged against the relevant sub-head and deductions be credited to the appropriate account.

Gross
salary and
deductions
to be
charged

106. If any employee does not draw his wages at the normal time of payment the wages due to him shall be held for a period of three days. If still unclaimed, the cash shall be brought to account. A general receipt shall be issued, crediting the unpaid wages to the expenditure vote from which the wages were drawn.

Unclaimed
wages

107. The Financial Secretary shall ensure that standing instructions are issued in writing for security precautions to be taken in the handling of money for the payment of wages.

Security
precautions
with regard
to payment
of wages

108. The Financial Secretary shall ensure that proper instructions are issued covering the internal check over preparing of wagesheets and the payment of wages. In particular—

Internal
check over
payment of
wages

- (a) officers responsible for entries on the wages sheets, for checking and for paying shall sign for their particular responsibilities on the faces of the wage sheets;
- (b) each operation in connection with the preparation of wage sheets shall be checked by an officer other than the officer who carried out the original operation;
- (c) payment shall take place in the presence of an officer who knows the recipients. The paying officer shall be, where possible, an officer not concerned with the preparation and checking of wage sheets.

109. Heads of departments shall ensure that there is an adequate system of control over the employment of labour. In particular they shall ensure that detailed instructions are issued to record and check the attendance of employees and that overtime is recorded separately showing the hours authorised and the hours actually worked.

Attendance
records

PART X

IMPRESSES

110. There are two types of imprest:

- (a) Standing Imprests—which are normally issued to facilitate the payment of wages and to enable minor local purchases to be made when it is not possible for payment to be made through an accounting unit;

Types of
imprest

- (b) Special Imprests—which are of temporary nature, are issued for the purpose of providing officers with funds to meet expenses when travelling on duty or for some other duly authorised special purpose only.

Special
imprests
outside
Zambia

111. Special imprests may not be issued in respect of tours outside Zambia without the authority of the Secretary to the Cabinet.

Sub-
imprests

112. Holders of standing imprests may, on their own authority, issue a part of their imprest to a subordinate to be used as a sub-imprest for the purpose for which it would have been proper for the holder of the standing imprest to have used. Sub-imprests must be recouped from and returned to the holder of the standing imprest and shall always be retired when the holder of the standing imprest hands over to another officer.

Amount of
standing
imprest

113. The amount of each standing imprest shall be normally limited to the monthly requirements in each case, but if it is desirable to recoup the imprest more frequently, this is permissible.

Amount of
special
imprest

114. The amount of a special imprest issued to meet expenses while travelling on duty shall be limited to the amount which an officer shall be eligible to claim for the period of absence from his station.

Special
imprests
limitation

115. No officer shall be issued with another special imprest when there is already a special imprest standing in his name. Any officer authorising imprest before the first is retired shall be liable to be surcharged the whole amount of both imprests.

Restriction
in use of
imprests

116. Imprests shall be used only for the purpose for which they are issued and on no account shall they be used for personal expenditure or for making advances of salary or wages.

Register of
imprests

117. A record shall be kept in a Register of Imprests of the issue and retirement of all imprests. Instructions containing the provisions of regulation 110, 115, 116, 119 and 120 shall be printed in the front of the Register for compliance by all officers authorised to issue imprests. The Register shall contain columns showing the officer's full name, amount of imprest, date issued, date retired, how imprest recovered, purpose for which imprest issued and signature and date checked. The last column shall be signed and dated by a senior officer other than the officer who maintains the Register, that he is satisfied that the imprests have been issued for duly authorised purposes only, and that they are being retired in accordance with the provisions of these Regulations and that none are overdue. Separate Registers may be maintained for special and standing imprests.

118. Holders of standing imprests shall record all payments and reimbursement in a cash book. On each occasion that a reimbursement of the imprest is requested, the total expenditure since the last reimbursement and balance of cash on hand shall be recorded. These two amounts shall equal the total of the original imprest issued. Revenue receipts shall not be recorded in the cash book.

Cash book

119. Special imprests shall be retired immediately the purpose for which they are issued has been fulfilled. If the imprest is not cleared within 48 hours of the imprest holder's return, the issuing officer shall instruct, in writing, the officer in charge of the salaries section to deduct the whole amount outstanding from the salary of the imprest holder for the next month.

Retirement
of special
imprests

120. A standing imprest shall be retired at the end of the financial year, unless authority for its retention for the next financial year has been obtained. In these cases, the imprest holder shall produce proof of his imprest as at the close of business on the last working day of the financial year.

Retirement
of standing
imprests

PART XI

HANDING AND TAKING OVER

121. The following procedure shall be followed on every occasion on which an accounting officer hands over to another accounting officer:

Handing-
over
procedure

- (a) Any cash books and stamp registers for which the handing over officer is responsible shall be ruled off and balanced with cash and stamps on hand, and the balance of the cash book or stamp register shall be entered, dated and signed by both officers. If possible, all cash should be banked by the handing over officer before the hand-over.
- (b) A check shall be made by both officers that the balance of unused receipt books recorded in the Receipt Book Register is on hand and both officers shall sign and date the register to this effect. A note shall be made of all unused receipts on issue to collectors of revenue which are not available for examination at the time of handing and taking over.
- (c) Stores records shall be ruled off and both officers shall check that these agree with the physical stocks on hand, individual stock sheet shall then be dated and signed by both officers.
- (d) The officer handing over shall ensure that the expenditure and commitment records in his control are up to date and these records shall be dated and signed by both officers.

Safe keys

122. The key to each safe shall be handed to the officer taking over as soon as the contents have been verified.

Discrepancies on handing over

123. Any discrepancies revealed in the course of handing over shall be acknowledged in writing by the officer handing over. The officer taking over shall make a report to his head of department.

Handing over certificate

124. On completion of the hand-over, a certificate shall be signed to the effect that the requirements of this part have been fulfilled. One copy of the certificate shall be kept by the officer taking over, the others shall be retained by the officer who has handed over.

PART XII

LOSSES OF COUNCIL MONEY AND STORES

Definition of "losses"

125. For the purpose of this Part, losses of Council money shall be deemed to have occurred when an officer, through wilful default or gross neglect of duty—

- (a) fails to collect any money, whether revenue or other payment, due to the Council;
- (b) makes, causes or permits unauthorised, unvouched or incorrect payments of Council money for which he is responsible by virtue of his office; this includes fraud, forgery, misappropriation, theft and burglary;
- (c) causes, or permits damage to or destruction or loss of any Council building, equipment, vehicles, stores, fittings or furniture;
- (d) causes, or permits personal injury or damage to property in circumstances which render a Council liable to third parties in respect of such injury or damage.

Report of losses

126. Immediately a loss of any kind is discovered, the officer in charge in whose office the loss occurred shall—

- (a) advise his immediate supervising officer, by the quickest means, of the nature, extent and date of the loss. This shall then be confirmed by him in writing;
- (b) institute investigation on the spot;
- (c) report the loss to the local police when this is necessary, e.g. in the case of burglary.

Investigation of loss

127. Except in the case of cash loss or shortage which is immediately made good by the officer responsible for the loss or shortage, the supervising officer shall carry out investigations. At the conclusion of the investigations, he shall report the loss to the Financial Secretary, attaching a police report where necessary. The report shall not be delayed because police investigations or proceedings are not complete. Where necessary the Financial Secretary shall report the matter to the insurer.

128. The Financial Secretary shall consider the case in the light of the circumstances set out in the supervising officer's report. If the loss amounts to fifty kwacha or less, the Financial Secretary, in consultation with the controlling officer, may authorise the loss to stand as a charge against the Council funds if he considers that there is no case for a charge of wilful default or gross neglect of duty against any officer concerned with the loss. The case file shall be retained by the Financial Secretary for inspection by the auditor.

Write-off
by
Financial
Secretary

129. If the loss amounts to over fifty kwacha or if the Financial Secretary, after consultation with the controlling officer, considers that the loss was due to the wilful default or gross neglect of duty of any officer, whatever amount of the loss, then he shall submit his recommendations to the Council whether, in his opinion, the amount of the loss should be recovered from the officer or officers concerned.

Report by
Financial
Secretary

130. The Council may, if it is considered that there has been no wilful default or gross neglect of duty by any officer, authorise the loss or part thereof, to be charged to the Council funds.

Write-off
by Council

131. If the Council decides that the loss was due to wilful or gross neglect of duty, the amount of loss which is attributed to default or negligence of any officer shall be assessed and recovered from the officer concerned.

Assessment
of claim
against
defaulting
officers

132. The Council shall take every possible action to ensure that the loss is made good by the officer held responsible for it. The fact that a person has been convicted on a criminal charge arising from the loss does not necessarily mean that he may not also be made to face a civil action for the recovery of the loss.

Action for
recovery

PART XIII

PURCHASES, TENDERS AND CONTRACTS

133. Subject to the Zambia National Tender Board Act, 1982, or any Regulations that may be made thereunder, the procurement of all supplies, works or services required by the Council shall be governed by the Standing Orders.

Act No. 30
of 1982.
Regulations
governing
all
purchases

134. Payment to contractors on account of contracts for the execution of works shall be authorised only on a certificate signed by the Head of Department concerned which shall show the total amount of the contract, value of the work executed to date, retention money, amount paid to date and the amount being certified.

Payment for
execution of
works

135. The final certificate on a contract shall not be issued by the Head of Department concerned until he has produced a detailed statement of account together with such vouchers

Final
certificate
on contract

or documents as the Financial Secretary may require, and the Financial Secretary has approved the amount to be certified.

Unusual
claim of
contractor

136. Claims received from contractors in respect of matters clearly not within the terms of the appropriate contract shall be referred to the District Executive Secretary for consideration of the Council's legal liability and to the Financial Secretary for financial consideration, before any settlement is reached.

PART XIV

BORROWINGS AND INVESTMENTS

Borrowings

137. All borrowings shall be effected in the name of the Council. The borrowing or re-borrowing of moneys authorised by the Council and all other matters in connection with the raising or repayment of loans shall be subject to the supervision and control of the Financial Secretary who shall periodically report thereon to the Council.

Form of
investments

138. The Council's moneys not required for immediate use may be invested in any of the following ways—

- (a) in stocks, securities or debentures issued by or on behalf of the Government of the Republic of Zambia or in stocks, securities or debentures guaranteed by the Government;
- (b) in deposits with the Zambia National Building Society;
- (c) in the Post Office Savings Bank;
- (d) in savings accounts or fixed deposit accounts with the Zambia National Commercial Bank;
- (e) in the stocks, bonds or debentures of any public body in Zambia.

Authority
for
investment

139. All investments shall be in the name of the Council and shall be authorised by resolution of the Council.

Register of
investments

140. The Financial Secretary shall keep a register of investments. The object of the register is to maintain a proper control over the Council's investments and the interest received in respect of those investments.

PART XV

STOCKS AND STORES

Custody of
stocks and
stores

141. Each head of department shall be responsible for the care and custody of the stocks and stores in his department.

Stock
limit

142. Stocks shall not be in excess of normal requirements except with the approval of the committee concerned.

143. The heads of departments shall maintain appropriate records of stocks and stores. They shall arrange periodical test checks of stocks by persons other than stores staff and shall ensure that all stocks are physically checked at least once every year.

Physical
verification

144. The Financial Secretary shall be entitled to receive from each head of department such information as he requires in relation to stores for the accounting, costing and financial records. Surplus materials, stores or equipment shall be disposed of by competitive tender or public auction unless the committee concerned decides otherwise in a particular case.

Providing
information
to
Financial
Secretary

PART XVI

ASSETS AND INVENTORIES

145. Inventories shall be maintained by all departments and shall be recorded therein adequate description of furniture, fittings and equipment, plant and machinery.

Inventories

146. Each head of department shall be responsible for arranging an annual physical check of all items on the inventory, for taking action in relation to surpluses or deficiencies.

Physical
check

147. The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the head of department concerned.

Council
property to
be used for
Council
purposes

148. The controlling officer shall have custody of all contracts under seal, leases, deeds, agreements and similar legal documents.

Legal
documents

LUSAKA
29th February, 1984
[PLGAD.102/29/25]

N. MUNDIA,
Prime Minister