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REPUBLIC OF ZAMBIA

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24th December, 2025

To the News Editor

PRESS STATEMENT

For Immediate Release

REPORT ON PARASTATAL BODIES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2024 IS OUT

Acting Auditor General, Dr. Ron Mwambwa, has issued the Report of the Auditor General on the Accounts of Parastatal Bodies and Other Statutory Institutions for the financial year ended 31st December 2024, highlighting material audit findings that remained unresolved as at 31st October 2025.

According to Dr. Mwambwa, the findings reveal systemic weaknesses in governance, financial management and accountability across several public institutions and state-owned enterprises (SOEs).

Among the most significant cases identified in the Report is the **Public Service Pension Fund (PSPF)**, where actuarial assessments revealed funding gaps of K50.42 billion in 2020 and K43.88 billion in 2023, with pension assets covering only 9 percent of future obligations. Dr. Mwambwa cautioned that the delay by Government to remit K96.56 million in pension contributions for December 2024, combined with K14.9 million in outstanding rental income, poses a serious long-term fiscal risk to the sustainability of public sector pensions.

The Report further highlights **Zambia Railways Limited**, which recorded operating losses in amounts totalling K315.4 million over 2023 and 2024 and persistent negative working capital exceeding K1.17 billion. These losses were largely attributed to an ageing fleet and high operating costs, while rolling stock valued at K447.5 million remained uninsured, exposing strategic national assets to significant financial risk.

In the regional transport sector, **Tanzania Zambia Railway Authority (TAZARA)** incurred maintenance costs of US\$7.04 million and revenue losses of US\$3.3 million as a result of 405

accidents, most of which were linked to operational and infrastructure deficiencies. Dr. Mwambwa also noted that the absence of audited financial statements for three consecutive years, together with uncollected rental income of K71.03 million, continues to undermine accountability within the Authority.

With regard to the **Rural Electrification Authority (REA)**, the Report points to weaknesses in contract management that exposed public funds amounting to K22.5 million through unrecovered advance payments, missing guarantees and uncharged liquidated damages. In addition, 23 projects valued at K88.46 million remained incomplete beyond agreed timelines, delaying the delivery of critical rural energy infrastructure.

At **Indeni Energy Company Limited**, failure to dispose of decommissioned refinery assets resulted in an impairment charge of K147 million, alongside K4.84 million incurred on care and maintenance. The Report further reveals that US\$521,857 was paid for materials that were not delivered, while the company's working capital deteriorated to negative K298.2 million in 2024, raising concerns about its financial sustainability.

The **Competition and Consumer Protection Commission (CCPC)** was also cited for failing to collect K32.77 million in fines imposed on non-compliant entities, as well as K9.4 million outstanding from settlement agreements. Dr. Mwambwa warned that such lapses weaken regulatory enforcement and undermine consumer protection and fair market competition.

Meanwhile, **Infratel Corporation Limited** incurred penalties of K1.08 million due to operational downtime and failed to recover K3.62 million from insurers owing to non-compliance with insurance conditions, reflecting weaknesses in risk and contract management.

On the overall, Dr. Mwambwa emphasised that the scale and persistence of these unresolved findings point to material fiscal risk, inefficient use of public resources and weakened service delivery.

He called for urgent corrective action, including the recovery of outstanding amounts, strengthened oversight by boards and controlling officers, improved contract and asset management, and strict compliance with statutory reporting and governance requirements.

Dr. Mwambwa also stressed that failure to address these issues promptly may weaken public trust and undermine value for money in the management of public funds.

The report was tabled on the floor of the National Assembly of Zambia today and is now a public document that can be accessed on the Office's website at www.ago.gov.zm

(Original Signed)

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FOR/ AUDITOR GENERAL