

Telephone: +260-211-252611/252772
Fax+260-211-250349
Telegrams: AUDITOR, RIDGEWAY
LUSAKA, ZAMBIA
E-Mail:auditorg@ago.gov.zm



In reply please quote:

NO.....

REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR-GENERAL

P.O.BOX 50071
RIDGEWAY,
LUSAKA, ZAMBIA

2nd October, 2025

To the News Editor

PRESS RELEASE *For Immediate Release*

The acting Auditor General, Dr. Ron Mwambwa, has released the Report of the Auditor General on the Accounts of the Republic for the financial year ended 31st December 2024 uncovering financial irregularities and risk to public funds that remained unchecked.

This report covers 33 critical audit findings that remained unresolved, raising concerns over accountability, financial discipline, and service delivery across various Ministries and public institutions as at 30th September 2025 and provides recommendations for corrective action.

The report which was tabled before the National Assembly today Thursday, 2nd October 2025, and is now a public document that can be accessed from the office website: www.ago.gov.zm .

The following are the key findings and implications:

1. Uncollected Revenues and Tax Gaps

The report reveals that K4.39 billion in tax liabilities were filed but remained unpaid to the Zambia Revenue Authority (ZRA). Additionally, K10.9 million in transit taxes were at risk due to poor monitoring of goods exiting the country. Further, the Ministry of Lands and Natural Resources has K1.32 billion in outstanding ground rent, some dating back over a decade, while a further K177.9 million in revenue arrears remained uncollected.

2. Losses and Mismanagement of Public Funds

The report reveals that the Ministry of Finance lost US\$3.66 million due to its failure to adhere to contractual agreements, a matter that has since been reported to the Drug Enforcement Commission (DEC) for remedial action. Additionally, the report further highlights that farming inputs worth K25.7 million intended for the 2024/2025 farming season under the Ministry of Community Development and Social Services, remained undelivered as at 31st August 2025, thereby defeating the purpose for which the funds were allocated. The Sustainable Agriculture Financing Facility (SAFF) also has approximately K12.96 million in outstanding loan recoveries, despite the agreed terms requiring repayment by June 2024. Furthermore, insurance claims amounting to K113.1 million for 88,602 farmers under the Farmer Input Support Programme (FISP) remained unpaid by insurers. The

implication is that these issues reflect poor contract management, weak oversight, and ineffective enforcement, which continue to undermine government programs and farmer livelihoods.

3. Non-utilisation of Funds and unrecovered advance payments

The report also revealed that there were significant cases of non-utilisation of funds to the tune of K30.7 million allocated to the Ministry of Fisheries and Livestock for animal health programs which was returned unspent. A further, K48.4 million worth of terminated contracts under the Ministry of Water Development and Sanitation included K15.4 million in unrecovered advance payments.

4. Irregular Procurement and Oversight Failures

The report also highlights that the Ministry of Education irregularly engaged a private firm, Alliance Procurement and Capacity Building Limited, to collect over K2.8 million from schools without following due procurement procedures or providing supporting documentation. Similarly, questionable contract extensions and duplicate works totalling K24 million were noted under the Ministry of Health. In addition, the Ministry of Health engaged Primetime Freight and Customs Brokers in May 2017 to provide customs and clearing services for pharmaceuticals, medical equipment, and non-medical goods at the rate of 2.35% of the Value for Duty Purpose (VDP) for a period of three (3) years commencing on 19th May 2017 and ending on 20th May 2020. It was observed that the contract, which expired in 2020, was verbally extended without formal documentation. Concerns were also raised regarding the failure to compute interest owed and the issuance of payment instructions for a debt in the absence of supporting invoices. The implication is that these breaches in procurement laws and lack of transparency exposes public funds to misuse and heightens the risk of fraud.

5. Failed Infrastructure and International Obligations

The report also cited Ministry of Transport and Logistics which paid US\$1.53 million in port rental arrears on behalf of a private concessionaire that failed to meet its obligations under a 25-year Walvis Bay Port agreement which commenced in 2009. Although efforts were being made to recover the funds from the former concessionaire, the funds amounting to US\$1,428,072.49 remained unrecovered as of 31st August 2025. The implication is that the State continues to bear financial burdens from poorly managed concession agreements, leading to potential long-term liabilities.

To address the issues raised, Acting Auditor General Dr. Mwambwa has called for a robust revenue collection system backed by strong oversight and timely tracking. He also emphasised the need to tighten procurement and contract management through better supervision, staff training, and monitoring.

Dr. Mwambwa further recommended the digitisation and standardisation of record-keeping, supported by regular internal audits, to enhance transparency. He has called for strict enforcement of financial regulations, timely sanctions for non-compliance, and swift recovery of public funds. Strengthening the implementation of audit recommendations remains a top priority to ensure accountability and good governance.

(Original Signed)

Issued by: Ellen M. Chikale (Ms.)
Head of Public Relations
FOR/ AUDITOR GENERAL