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NO.....

REPUBLIC OF ZAMBIA

## OFFICE OF THE AUDITOR-GENERAL

P.O.BOX 50071  
RIDGEWAY,  
LUSAKA, ZAMBIA

1<sup>st</sup> August 2019

**To the News Editor**

### **PRESS RELEASE** *For Immediate Release*

The Report of the Auditor General on the accounts of Local Authorities for the financial years ended 31<sup>st</sup> December 2015, 2016 and 2017 is out with worrying revelations of Failure to Remit Statutory and other obligations as the highest irregularity at 424 million kwacha.

The Report has also ranked failure to settle staff obligations as the second highest irregularity at 152 million kwacha for the period under review.

The implication for these irregularities is that government is deprived of revenue in the case of non-remittances and for NAPSA and LASF contributions this may disadvantage the employee of his benefits at the time of termination of their service.

The councils also failed to collect and account for revenue in amounts totalling 33 million kwacha and 502 thousand kwacha respectively. Unsupported payments stood 27 million kwacha, whilst Misapplication of Funds was at 12 million kwacha. The implication of these irregularities is that these resources could have gone into service delivery thereby contributing to socio-economic development of the citizenry and their communities.

Some of the principal findings in the report include the failure to prepare financial statements, lack of updated Valuation Rolls, lack of title deeds, failure to fill key positions, failure to maintain properties and failure to adhere to the provisions of the Environmental Management Act.

Other irregularities contained in the report are unaccounted for stores, irregular procurements, questionable payments and failure to insure assets among others as shown in the table below.

ISSUE	AMOUNT K
Failure to Remit Statutory and Other Obligations	423,641,615
Failure to Settle Staff Obligations	152,081,443
Misapplication of Funds	12,891,514
Unsupported Payments	27,020,572
Unapproved Payments	1,048,306
Unretired Accountable Imprest	2,876,131
Unaccounted for Revenue	502,006
Unspent Funds	699,143
Failure to Collect Revenue	33,672,990
Failure to Follow Procurement Guidelines	527,148
Failure to Insure Assets	36,560,778
Irregular Payment of Allowances	3,073,934
Missing Payment Vouchers	14,334,890
Overpayments	163,889
Questionable Payments	120,631
Unaccounted for Stores	23,075,525

The Office is concerned that local authorities have continued to exhibit poor governance when it comes to operational and financial matters. It is the wish of the Office of the Auditor General that these irregularities should be addressed if Councils are to provide quality service delivery and development in their respective communities.

The report was tabled in Parliament on 31<sup>st</sup> July 2019 and is now a public document that can be accessed from the Office of the Auditor General in Long Acres or the Office's website [www.ago.gov.zm](http://www.ago.gov.zm).

For details contact the undersigned.

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**Head of *Public Relations***  
**FOR/ AUDITOR GENERAL**