

OAG Newsletter



Republic of Zambia

An Official Publication of the Auditor General's Office

January - June 2018



President Lungu takes a swipe at Law Enforcement Agencies

Inside this Issue

- OAG strategic plan launched
- Zambia Hosts 2nd working group on Extractive Industries Taskforce Meeting
- OAG joins the rest of Zambia to commemorate IWD



CONTENTS

I will not shield anyone abusing Public Resources says President Lungu	3
Some Civil Servants Suspended	4
OAG strategic plan launched	5
2018 Planning Meeting held as AG gives strategic directives to Senior Management for the year	6
Ireland donates vehicles and forensic equipment to the Office of the Auditor General	7
Zambia Hosts 2 nd working group on Extractive Industries Taskforce Meeting	8
AG's Partners in good governance	9
Big Data challenge	10
Corruption fight key to PFM	11
PAC sends away Works PS, delegation	12
PAC shocked with over k2.6 million used to purchase a vehicle and office furniture	13
Ministry of Health bought expired medicine worth US\$10 Million	14
PAC disappointed with works on dip tanks	15
Use Eurobonds money to people's expectations - Pac	16
IDC CEO fails to justify wastage of K670,000 at Indeni	17
NATSAVE tells parley committee it will recover it's K3m lost in defaulted loans	18
Parliamentary Committee on Parastatals hears how Savenda defrauded PSPF	19
OAG joins the rest of Zambia to commemorate IWD	21
IWD Commemorations in pictures	21
OAG participates in Labour Day celebrations	22
OAG participates in youth day celebrations	22
The Structure of the Office of the Auditor General	23
Training in network security audit held in Oslo, Norway	24
5 th International Training Programme On Introduction To Environmental Auditing	25
OAG Staff attends the seven weeks Prestigious Mandela Washington fellow in Washington Dc, U.S.A	27
Peer-to-Peer collaboration and Networking Experiences	30
Parliamentary Committees that deliberated various reports of The Auditor General sittings in pictures	31
Photo Focus	34

Foreword



It is with profound gratitude that I welcome you all to the January to June 2018 publication of the OAG News.

May I wish you a Happy 2018 and I hope that this year we will continue to work together for the betterment of our great nation Zambia.

In this edition, we have a number of articles from the 2018 Planning Meeting, OAG strategic plan Launch, Zambia Hosts working group on Extractive Industries Taskforce Meeting to OAG's participation in the International Women's Day commemorations among others.

There are also some articles from the sittings of the Public Accounts Committee as well as Ministers and Controlling Officers workshop on Prudent Financial Management.

It is therefore my considered view that you will take time to read this publication so as to keep abreast with our work and the happenings in the Office and abroad.

Pleasant reading!

Ron Mwambwa

Ron Mwambwa (Mr.)
AUDITOR GENERAL

Message from the DAG-CSD



From the Corporate Services Division, we are pleased yet again to interact with you through this publication. This publication continues to be a platform for you our staff and stakeholders to remain informed about our work and the goings on of the Office.

To those who are reading this publication for the very first time I wish to welcome you and urge you to make this publication a 'must read'.

I hope that you will partner with us in ensuring that public resources are accounted for in the nation so as to make it a better place to live in.

Further, in a bid to serve you better, we encourage you to make suggestions to us through email (auditorg@ago.gov.zm) or physically through our various offices dotted all over the country.

Davison K. Mendamenda
Deputy Auditor General – Corporate Services Division

EDITORIAL TEAM



Ms Ellen M. Chikale
Editor -In-Chief



Ms Mwila Munkanta
Editor



Mr. Chilekwa Monje
Editor

CONTRIBUTORS

Emmanuel Chisalu
Mable Nyambe
Marvin Banda
Chilekwa Monje
OAG News Writer
Guest Writer

DISCLAIMER

The views expressed are those of individual authors and do not necessarily reflect the Office of the Auditor General or indeed that of the Editor-in-Chief.

I WILL NOT SHIELD ANYONE ABUSING PUBLIC RESOURCES SAYS PRESIDENT LUNGU... AS HE TAKES A SWIPE AT LAW ENFORCEMENT AGENCIES



Republican President Mr. Edgar Lungu officiating at the Ministers and Controlling Officers Workshop

By OAG News Writer

The Republican President Mr. Edgar Lungu says he will not shield anyone cited for abuse of public resources.

And President Lungu has taken a swipe at law enforcement agencies for their slow pace in investigating and prosecuting individuals cited in the Auditor General's report.

Speaking in Lusaka during the Ministers and Controlling Officers Workshop on Prudent Financial Management organized by the Ministry of Finance, President Lungu said he was concerned that the law enforcement agencies were slow in following up cases relating to misuse of public funds.

The Head of State said he was hoping that the courts of law would expedite the process of hearing cases relating to misuse of public funds so as to deter would-be offenders.

He said law enforcement agencies should not wait for him to act saying it was not his duty to bring to book those abusing public resources.

President Lungu was hopeful that parliament will enact the Public

Finance Management Bill into law in its sitting which would result in prudent financial management by controlling officers.

He warned those entrusted with management of public funds that no one will find refuge in him when found wanting, adding that he wanted to work with honest and accountable people.

President Lungu has since assured the Office of the Auditor General of his administration's support as they try to promote prudent financial management in public offices.

And speaking at the same workshop, the then Finance Minister Felix Mutati said there was need to change the way public resources were utilized and that there was need to eliminate negative vices that hinder national development.

And Acting Auditor General Ron Mwambwa added that over the years, misappropriation, misapplication and misuse of public funds had continued in public offices.

Mr. Mwambwa hoped that political will from the Top most Office will assist in reducing the these irregularities going forward.



Cabinet Ministers from Left to Right: Hon. Dora Siliya, Hon. Margaret Mwanakatwe and Hon. Nickson Chilangwa

SOME CIVIL SERVANTS SUSPENDED



Acting Auditor General Mr. Ron Mwambwa being interviewed on the Sunday Interview

By OAG News Writer

ACTING Auditor General Mr. Ron Mwambwa has revealed that some officers who were cited for financial irregularities in the Auditor General's Report for the financial year ended 31st December 2016 from various government ministries and departments have been suspended.

Speaking when he featured on the Zambia National Broadcasting Corporation (ZNBC) Morning Live news and current affairs segment, Mr Mwambwa said the number of those suspended could not be

revealed yet because investigations were on going.

He said the responsibility was now on the Anti-Corruption Commission (ACC) and the Drug Enforcement Commission (DEC) to follow up the matter to ensure that erring officers were brought to book.

Mr. Mwambwa said his mandate ends when he submits the report and that it was upto the other law enforcement agencies to take action on the issues raised in the report.

He was hopeful that action would be taken so that this may serve as a deterrent to other would-be offenders.

The report of the Auditor General for the financial year ended 31st December 2016 revealed glaring financial irregularities in various ministries, provinces and spending agencies.

The Acting Auditor General also featured on the Sunday Interview to explain the findings of the report.

OAG STRATEGIC PLAN LAUNCHED

As PAC Implores Government to Operationalize the State Audit Commission Act of 2016 and the Public Audit Act of 2016



PAC Chairperson Hon. Howard Kunda congratulating the Acting Auditor General on the launch of the Office's Strategic Plan

By OAG News Writer

The Strategic Plan for the Office of the Auditor General for the period 2017-2021 has been launched.

And the Public Accounts Committee (PAC) Chairperson Mr. Howard Kunda has implored Government to quickly operationalize the State Audit Commission Act of 2016 and the Public Audit Act of 2016 if the Office is to operate at its optimal.

Speaking in Lusaka during the launch of the 2017-2021 strategic plan, Mr. Kunda emphasised on the need for Government to create an Audit Division in the Office that will be responsible for the audit of all Local Authorities in the country.

He also called upon the Office to continue upholding the core values of integrity, professionalism, objectivity, team work, confidentiality, excellence, innovation and respect in the provision of audit services.

Mr. Kunda urged Government not to relent in supporting the Office in its capacity building programme as auditing was a dynamic field which was changing all the times.

He observed that by strengthening the Office of the Auditor General, Government would improve its public financial management in the country.

And speaking at the same function, Acting Auditor General Mr. Ron Mwambwa said the strategic plan sets out the office's strategic imperatives for the next five years.

Mr. Mwambwa said the Strategic Plan was developed in alignment with the goals of the Seventh National Development Plan.



PAC Chairperson cuts the ribbon to signify the launch of the Office's Strategic Plan

2018 Planning Meeting held as AG gives strategic directives to Senior Management for the year

Acting Auditor General Mr. Ron has implored his officers to work extra hard in 2018 so as to continue meeting the expectations of the stakeholders.

Mr. Mwambwa also made specific strategic directives that would guide the office in discharging its work in the year.

Speaking when he officially opened the 2018 Planning Meeting for the Office at the Golden Peacock Hotel in Lusaka, Mr. Mwambwa thanked staff for their tireless efforts in 2017 which resulted in the timely production of the audit reports.

He said, despite the many challenges faced during 2017, the Office tried very hard to ensure it delivered to the expectations of the stakeholders.

Mr. Mwambwa informed staff that the President was very supportive of the work the Office was doing adding that, that should encourage all to work even harder for the betterment of the country.



Acting Auditor General Mr. Ron Mwambwa addressing staff at the 2018 Planning Meeting.
With him is the Acting Deputy Auditor General Audits Mrs. Phales Phiri

He stressed on the need to take the planning meeting serious as it provided an opportunity for all to review past performance and rethink the Offices' strategies in order to improve its planning and implementation of the 2018 plan.

Mr. Mwambwa implored staff to ensure that the audit of the 2017

financial year would incorporate programmes that evaluated and reported in line with the 7NDP which requires reporting on development outcomes.

He added that this is in line with the efforts of the INTOSAI Community to audit and report on Sustainable Development Goals (SDGs).



Senior Management pose for a group photo at the 2018 planning meeting

Ireland donates vehicles and forensic equipment to the Office of the Auditor General

By OAG News Writer

Ireland's Ambassador to Zambia Mr. Sèamus O'Grady recently handed over two (2) motor vehicles and forensic audit equipment to the Office of the Auditor General.

And Ambassador O'Grady said his country was committed to promoting accountability and transparency in Zambia for the benefit of the poor.

Speaking when he handed over the equipment to the Office in Lusaka, Mr. O'Grady said the Seventh National Development Plan provided an opportunity to ensure that every Kwacha was used to develop Zambia.

"It is for this reason that Ireland is supporting the Office of the Auditor General in ensuring that public resources are used for their intended purpose. Ireland has so far provided a grant of Euro 625,000 over a three year (3) period to support the capacity building of the Forensic Audit Unit of the OAG. This support included the procurement of ICT equipment and motor vehicles, as well as training of staff on how to conduct forensic audits in procurement and construction subsectors as well as retrieve deleted electronic records," said Ambassador O'Grady.



Ireland's Ambassador to Zambia Mr. Sèamus O'Grady hands over keys to the donated motor vehicles to Acting Auditor General Mr. Ron Mwambwa

He noted that the Irish people, especially the missionaries, had been in Zambia much longer than the aid programme and they had dedicated their whole lives to assisting those living in poverty through material and spiritual support.

Ambassador O'Grady congratulated the Office of the Auditor General for their work and hoped that the capacity built would be retained in order to improve the management and accountability of public resources.

And speaking earlier, the Acting Auditor General Mr. Ron Mwambwa said his office has benefited from the Government of Ireland especially in the area of forensic auditing.

Mr. Mwambwa said as a result of the support from the Irish, his office has more trained and certified fraud examiners.

He said this puts the office at a better front to detect fraud in ministries, provinces and other spending agencies as they occur.



Ireland's Ambassador to Zambia Mr. Sèamus O'Grady looks on as Acting Auditor General Mr. Ron Mwambwa puts the key in the ignition to test drive on of the donated motor vehicle



Ireland's Ambassador to Zambia Mr. Sèamus O'Grady hands over a part of the forensic audit equipment to Acting Auditor General Mr. Ron Mwambwa

ZAMBIA HOSTS 2ND WORKING GROUP ON EXTRACTIVE INDUSTRIES TASKFORCE MEETING



Ministry of Mines Permanent Secretary Mr. Paul Chanda officiating at the 2nd Working Group on Extractive Industries (WGEI) Task Force meeting at Radisson Blu Hotel



Acting Auditor General Mr. Ron Mwambwa giving his welcoming remarks



Participants to the 2nd Working Group on Extractive Industries (WGEI) Task Force meeting pose for a group photo at Radisson Blue



International delegates to the 2nd Working Group on Extractive Industries (WGEI) Task Force meeting pose for a photo after visiting the Office of the Auditor General

By OAG News Writer

The Permanent Secretary for the Ministry of Mines, Mr. Paul Chanda says the Office of the Auditor General remains key in helping government to manage natural resources in the best interest of the public.

And Mr. Chanda has also said that the Office of the Auditor General is keen on ensuring that there is accountability regarding the taxes the country was reaping from the mining sector.

Speaking at the opening of the 2nd Working Group on Extractive Industries (WGEI) Task Force meeting in Lusaka Mr. Chanda said that the significance of the Extractive Industries (EI) has been noticed by several international networks and foras, INTOSAI included.

Mr. Chanda observed that the EI were known for generating high economic rent which is the difference between the value and the cost of production and there was need to audit it effectively.

He noted that the Task Force Meeting was in line with the country's Seventh National Development Plan (7NDP) first pillar

development outcome number 2 where Zambia was focusing on having a diversified and export-oriented economy with value added to mineral products.

And speaking earlier, Acting Auditor General Mr. Ron Mwambwa said that the meeting would help build capacity in the participating countries to handle the task of auditing the Extractive Industries as it was a very complex matter.

Mr. Mwambwa further intimated that member countries of WGEI and the INTOSAI community at large stand to benefit once the capacity is built as reports that will be coming out will be of great value to the citizenry.

Meanwhile, Assistant Director of Audits in the Office of the Auditor General of Uganda Anthony Kimuli in a speech read on behalf of the Auditor General of Uganda Mr. John Muwanga said most countries lack capacity and knowledge to audit the Extractive Industries effectively and efficiently.

Mr. Muwanga said it was against this background that a working

group on extractive industries was set up within the auspices of INTOSAI to help member countries to provide assurance to their citizens that governance structures that oversee the utilisation of public resources including oil, gas and minerals were sound and transparent and attain the best value.

He further explained that if SAs carry out effective extractive industry audits, their governments would manage these huge revenue generating resources in the best interest of their citizens thus lead to the achievement the sustainable development goals (SDGs).

He hoped that the curriculum which was being developed would be used by INTOSAI to impart better knowledge and skills in their auditors to audit the EI for the betterment of the welfare of their citizens in their countries.

The Working Group on Extractive Industries (WGEI) Task Force meeting was attended by eight countries namely India, Iraq, Vietnam, Ghana, Zimbabwe, Norway, Uganda, Zambia and a representative from the AFROSAI-E.

AG's PARTNERS IN GOOD GOVERNANCE



Honourable Speaker Ms. Donatille Mukabalisa

By OAG News Writer in Kigali, Rwanda

The 15th Governing Board Meeting for the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) opened in Kigali, Rwanda with a call for Auditors General to help curb cyber-crime in their respective countries.

Speaking at the official opening of the meeting with one of the thematic topic on combatting Cyber Crime, the Right Honourable Speaker madam Donatille Mukabalisa said cyber-crime was a vice of great concern, and as such, it was imperative that Auditors General remain on top of things

when it comes to digital forensic and cyber-crime.

The Speaker observed that AGs have been very instrumental in helping Parliaments to ensure that public resources are used economically, efficiently and effectively for the benefit of society.

She said that she was delighted that cyber-crime was one of the topics of discussion for the meeting as in this era most public institutions have digital platforms which they are using to carry out their work.

She further observed that it was in this regard that AGs needed to ensure that they scrutinise the public expenditure on these digital platforms.

And speaking earlier AFROSAI-E Chairperson who is also Auditor General of Sierra Leone Mrs. Lara Taylor-Pearce said there was need to continuously offer value to our societies through the audits. She added that AFROSAI-E stood ready to help member countries to remain relevant to the citizens whom they ultimately serve. Mrs. Pearce said that the value to citizens can be ascertained through the audit of Sustainable Development Goals (SDGs) which help build strong Government institutions which in turn could improve service delivery to the citizenry.

She also urged Auditors General to assert their relevance by ensuring that they to continue to satisfy their various stakeholders adding that AGs should ensure that their work met the expectations of the greater public who have confidence in their work.

And Host Auditor General of Rwanda Mr. Obadiah Biraro observed that the AGs' oversight role was not a simple task as it hinged on public finance management (PFM) which contributes to development of member countries.

Mr. Biraro stated that as the people's third eye their role should always be to report any deviations to the citizenry in order to improve overall PFM in the country. Zambia, was represented at the meeting by the Acting Auditor General Mr. Ron Mwambwa.

Big Data challenge



Auditors General pose a group photo at the 15th Governing Board Meeting for the African Organisation of English Speaking Supreme Audit Institutions (AFROSAI-E)

By OAG News Writer in Kigali, Rwanda

Auditors General at the 15th Governing Board Meeting for the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) have heard that Africa must be ready for digital transformation which provides for increased access to data and opportunities for integration of systems.

The meeting also heard how big data was affecting the way government conducts its business.

Giving a keynote address on big data challenge and digital disruption, Principal of the College of Science and Technology of the University of Rwanda Dr. Ignace Gatare said there was an explosion of global data which needed to be carefully managed.

Dr. Gatare observed that SAs were big players in public sector accountability and thus the need for them to continuously be innovative in their audit approach

in the light of the new trends in big data and usage by public institutions.

The meeting also heard that better cyber resilience was key to safeguarding any integrated financial system deployed in the cyberspace.

Cyber resilience is a concept essentially that brings the areas of information security, business continuity and organisational resilience together.

CEO of Serianu Limited William Makatiani in his presentation on the role of SAs in combating cyber-crime pointed out that any financial system deployed without proper security controls was vulnerable to attacks.

Mr. Makatiani said that it was for this reason that the auditors needed to understand the systems pretty well so that they

could ask the right questions to the entities as they audit.

"It is pointless to deploy a system in the cyber space without taking care of the issues of security. Such systems are vulnerable to cyber attacks. There is need to ensure systems are protected at all times and where necessary security patch ups are done to safeguard the integrity of the databases and data contained therein," he said.

Mr. Makatiani further stated that auditors need to continuously understand the underlying structure of the systems they will be auditing. He also called on auditors to keep training their staff so that they are abreast with the emerging trends in the world.

Africa currently has 10,000 certified practicing professionals against a population of 1.3 billion population which has an ICT penetration level of 35%.

Corruption fight key to PFM



Auditors General pose a group photo at the 15th Governing Board Meeting for the African Organisation of English Speaking Supreme Audit Institutions (AFROSAI-E)

By OAG News Writer in Kigali, Rwanda

Auditors General have affirmed that the fight against corruption remains key to sound Public Finance Management (PFM).

And the AGs have further asserted that time has come to move from mere reporting on Public Finance Management to value creation audits.

Discussing the thematic topic of Public Finance Management Reporting Framework at the 15th Governing Board Meeting for the African Organisation of English speaking Supreme Audit Institutions (AFROSAI-E), AGs said the PFM reporting tool which was developed and piloted sought to provide Auditors with comprehensive observations as it gives a total picture from how revenue is collected to how funds are expended in real time.

One of the Panel Discussants, Auditor General of Ghana Mr. Daniel Domelevo said that the tool was important in that it ensures that the policies of government are implemented as intended through the quality audits that SAs continue to provide.

Mr. Domelevo further said that with the PFM reporting framework, the audits will provide reasonable assurance to the public that the objectives of the policies of government were being met.

He said that some Auditors General who had the power to disallow expenditure which was not in the interest of public did not use these provisions.

And Acting Auditor General of Zambia Mr. Ron Mwambwa said

in order to ensure sound PFM in member states, it was high time that AGs resolved to move away from the notion of just looking at government policies but ensure that the policies being implemented are beneficial to the citizens.

Mr. Mwambwa stated that although it was not the job of the auditors to question policy, Auditors General need to assure the people whether government was pursuing the policy or not through the audits. He stated that it was disheartening to note there were some cases where the policies being implemented were not entirely beneficial to the citizens but to their detriment.

He has called on AGs to help their respective governments to implement policies that benefit the citizenry by keeping tabs on the policy implementation through their audits.

PAC SENDS AWAY WORKS PS, DELEGATION



Transport, Works and Supply Permanent Secretary (PS) Mr. Joe Kapembwa (middle) before he was sent away by PAC

By OAG News Writer

Transport, Works and Supply Permanent Secretary (PS) Mr. Joe Kapembwa (middle) before he was sent away by PAC

The Ministry of Works and Supply led by Permanent Secretary (PS) Mr. Joe Kapembwa was sent away by the Public Accounts Committee (PAC) for submitting unsatisfactory responses to the committee over the revelations in the Auditor General's Report for the financial year ended 31st December 2016.

PAC Chairperson who is also Muchinga Member of Parliament Mr. Howard Kunda and other members observed that Mr. Kapembwa's responses pertaining to some ministry's undertakings were not coherent.

This followed audit queries in which on March 18, 2016 the ministry awarded a tender to Messers Tlorens Investment Limited to supply, deliver and install fifty (50) air conditioners at Lothian House in Kitwe at a contract sum of K341,551 with a delivery period of 14 days.

The Auditor General's Report revealed that the contract document did not even specify the unit cost and that as at August 2016, K333,023 was paid towards the contract leaving a balance of K8,528.

According to the report, physical inspections of installed air conditioners at the institution carried out in April 2017, revealed that the contractor did not conform to agreed specifications as per contract requirement in that out of fifty (50) of the facilities supplied, only six (6) conformed to the specifications.

The report further revealed that seven (7) of the air conditioners could not be ascertained due to inadequate information displayed on them. The documents supplied by the supplier did not show the unit cost prices of the facilities delivered. As a result, the total value of the facilities could not be ascertained.

In his response, Mr Kapembwa said it was regrettable that at the time of implementation, the contractor supplied air conditioners that were different from those specified in the contract.

He said the contractor was informed of the anomaly, but found it difficult to rectify, citing escalation of costs for air conditioners and associated installation costs at the time of execution.

The PS was however at pains to convince the committee members in their follow-up questions with Chavuma Member of Parliament (MP) Victor Lumayi wanting to know why a recommendation to pay the contractor an amount of K134,663.05 was made on June 22, 2016 when the payment was made on July 18, 2016.

In response, the PS stated that the discrepancy in the dates was a typographical error. However, his response attracted more questions resulting in the PAC Chairperson Mr Kunda having to adjourn the session for five minutes to allow the delegation to put its documents in order.

Upon convening the meeting, Mr Kunda later cut the PS's submission, saying the committee was not satisfied and would not allow him to proceed because his responses lacked merit.

"We shall not be able to continue with this submission. We shall request that you go back and please come back on December 18, 2017 with satisfactory responses and proper documents to support your submission," Mr Kunda said.

He directed the PS to come with relevant officers to respond to queries to enable the committee conclude on all pending matters.

PAC shocked with Over K2.6 million used to purchase a vehicle and office furniture

By OAG News Writer

The Public Accounts Committees (PAC) heard that over K2.6 million was used to purchase a vehicle for the minister and office furniture, instead of the purpose for which it was intended.

And PAC also heard that five hundred and twenty three students (502 from CBU and 21 from UNZA) were paid K1,426,539 accommodation refund while these students were already accommodated at the institution.

Explaining the expenditure to the committee, Mr. Mabvuto Sakala said K2, 668,119 was spent to procure one motor vehicle for the office of the minister, furniture for the office of the Chief Accountant and the Chief planner.

Mr. Sakala apologised for the misapplication saying although he was new at the ministry, there was no excuse for the misapplication.

PAC Deputy Chairperson Ms. Brenda Tambatamba did not take kindly to the explanation by the Permanent Secretary adding that controlling officers needed to show responsibility.

Ms. Tambatamba asked the Chief accountant if he was in charge to be able to provide the right guidance to the controlling officer in the sense that he ignored the requirements of asking for prior authority from the Secretary to the Treasury before applying funds to non-related activities.

She wondered what could have been the compelling reasons for such an omission.

And Senga Hill PF Member of Parliament Mr. Kapembwa Simbao said he failed to understand how the ministry misapplied K2, 668,119 as if they were starting a completely new ministry.

Mr. Simbao told the PS that he wanted a very clear answer because he also was appointed as a minister very late at a ministry and there was no new car bought for him.



Hon. Member of Parliament for Milenge constituency Mr. Mwansa Mbulakulima stressing a point as the Chairperson looks on

The Chief Accountant at the Ministry of Higher Education Lawrence Mulama responded that at the time in question, the ministry didn't have a chief accountant and conceded that these were some of the issues they found on the ground and admittedly the issues shouldn't have been allowed to be happen.

And the PS also admitted that what happened was an error, however was quick to explain that when a ministry, is split, there are duplications of the ministers and these are constitutional positions that come with specified entitlements, adding that this may exert pressure on the ministry.

But Ms. Tambatamba asked the PS if following the public financial regulation was an option when it comes to issues of an urgent nature such as buying a vehicle for a minister to which the PS responded in the negative adding that he would probably ask Finance to provide supplementary funding.

And Chavuma UPND member of parliament Mr. Victor Lumayi asked why the ministry allowed such an anomaly of paying five hundred and twenty three students, 502 from CBU and 21

from UNZA amounts totalling K1, 426,539 as accommodation refund despite these students being already accommodated at the institutions.

Acting Director for Loans and Scholarship Board Ms. Ireen Chirwa said that the allowances to the students were paid based on the details that the Ministry received from the university. She however assured the committee that the ministry was undertaking a verification exercise and if it's found that some students were paid erroneously the payments will be reversed in the subsequent payments

And Member of Parliament for Milenge constituency Mr. Mwansa Mbulakulima enquired from the PS on the measures the Ministry was taking to correct the anomaly.

The ministry said going forward they will be requesting both universities to provide them with all the details before the Ministry of Finance can pay them.

And the Deputy Chairperson Ms. Brenda Tambatamba in closing the meeting advised the PS to apply his mind to how he would be moving higher education forward adding that the committee will not condone any mismanagement at his Ministry and higher learning institutions.

Ministry of Health bought expired medicine worth US\$10 Million



Health PS Dr. Kennedy Malama during PAC sittings

By OAG News Writer

Public Accounts Committee (PAC) recently heard that Ministry of Health bought US\$10 million worth of expired medicine.

Ministry of Health Permanent Secretary Dr Kennedy Malama disclosed that his Ministry bought medicine worth US \$10.5million (K60million) which expired upon arrival.

Dr. Malama failed to justify such wasteful expenditure and further disclosed that no one had been punished for the waste and loss of such colossal sums of money but blamed administrative hitches for the loss.

Appearing before the Public Accounts Committee to answer to the queries raised by the Auditor General in his report for the financial year ended 31st December 2016, Dr Malama apologised for the loss of public funds.

The Public Accounts Committee members were not impressed with the response with Nkana member of Parliament Mr. Alexander Chiteme cautioning the Ministry of

Health against coming up with excuses to justify their incompetence.

And committee chairperson Mr. Howard Kunda said it was difficult to understand how Government workers allowed 60 million kwacha of public funds to go down the drain like that.

In his defence, Dr Malama said the medicines did not expire at

the same time but one after the other although they were disposed of at the same time.

But his explanation angered members saying that if they know they don't have enough human resource why did they purchase more than they could monitor.

The committee called for proactiveness on the part of the Ministry when it came to procurement of medicines.



PAC Chairperson Hon. Howard Kunda and Acting Deputy Auditor General Audits Mrs. Phales Phiri during PAC session

PAC disappointed with works on dip tanks



Director Provincial Audits Mrs. Rinniah Zulu briefing the Committee on the status of the Dip Tanks as PAC Chairperson Hon. Kunda and others look on

Public Accounts Committee (PAC) Chairperson Mr. Howard Kunda says the Committee is disappointed with the works done on the rehabilitation of dip tanks in Chipata district.

Speaking when he and other committee members inspected projects in Kalichero and Chiparamba dip tanks which were being rehabilitated at a total cost of K129, 958, Mr. Kunda said the works were not impressive.

He said it was unacceptable that money meant for important projects was going to waste as a result of poor workmanship by contractors.

“What we have observed here is that some specifications in the designs of the dip tanks were not followed as well as poor supervision by technocrats. This is saddening. My committee hopes that the defects will be worked on as soon as possible so that

people start reaping the benefits of the dip tanks which are vital in livestock farming,” Mr. Kunda said.

He further stressed that it was important to note that the money which was used to rehabilitate the dip tanks came from the Euro bond which needs to be used wisely as it will have to be paid back.

The committee also later toured Chilobwe dam which was being constructed in Luangeni constituency at a total cost of K2, 296,076.



Animals dipping in a functional dip tank



An incomplete dip tank

USE EUROBONDS MONEY TO PEOPLE'S EXPECTATIONS - PAC



The PAC Chairperson Mr. Howard Kunda and members when they called on the Provincial Minister Mr. Mekebi Zulu in Chipata

The Public Accounts Committee says the Eurobond money allocated to various projects should be utilised to the expectations of the people.

And Minister for Eastern Province Mr. Mekebi Zulu says the region has the capacity to feed the whole country.

Speaking when the Committee paid a courtesy call on the Provincial Minister, PAC Chairperson Mr. Howard Kunda said people should benefit from the projects that were being undertaken.

"We just want to see to it that money that was allocated from

the Eurobond has been utilised to the expectation of the people through the projects being undertaken so that the projects are beneficial to the people thus development achieved. That's our wish that we expect to see," Mr. Kunda said.

He also briefed the Minister that the Committee had inspected a dam under construction in Petauke district before proceeding to Katete where the contractor was not on site and hoped that the contractor could be reached and told to finish the dam because it had collapsed.

The chairperson further pointed out that, "In Katete we were

happy with the projects that we saw. Some projects are in operation which is very good," Mr. Kunda said.

He said the committee would also look at dams and dip tanks in Chipata before proceeding to Muchinga Province.

"We expect that we will see something good that will make us happy as PAC," said Mr. Kunda.

And speaking earlier, Mr. Zulu said the province was doing well in the agricultural sector adding that it had the capacity to feed the whole country.

He said the good maize production in the province was attributable to programmes such as the E-voucher.

Mr. Zulu also disclosed that there would also be substantial progress in infrastructural development in the province this year.

Mr. Zulu further observed that it was important that Parliament was providing checks and balances to Government adding that this working relationship should be encouraged.

The PAC was accompanied by provincial Permanent Secretary Mr. Chanda Kasolo during its tour of projects in Chipata.



Dam



A poorly constructed Dam with faulty spill-way being inspected by PAC in Petauke



The Committee being briefed about the Dam

IDC CEO fails to justify wastage of K670,000 at Indeni

By Guest Writer

Industrial Development Corporation (IDC) Chief Executive Officer Mateyo Kaluba had a tough time justifying wastage of over K670,000 by Indeni Oil Refinery on consultancy services it did not need.

According to the latest report of the Auditor General on parastatals, Indeni wasted K674,898 on consultancy services on the review of organisational structure as they did not implement any of the consultant's findings.

"In February 2014, Indeni Refinery Limited engaged Mint Advisory Services Limited to provide consultancy services for the organisational review of the company at a contract price of K674,898 for a duration of three months from 3rd March to 23rd May, 2014 or any other period as may be subsequently agreed by the parties in writing. The consultant presented their report to management in March 2015. However, management rejected the consultant's findings and did not implement any of their recommendations claiming they did not understand the intricacies of the refining business rendering the expenditure wasteful," read the report.

Speaking when he and a team from Indeni Oil Refinery appeared before the Parliamentary Committee of Parastatal bodies which is chaired by Peter Daka, Kaluba said he would be speculating if he answered questions relating to the wastage but directed queries to the Ministry of Energy.

Kaluba was responding to a question from one of the committee members Anthony Kasandwe who wanted to know if the expenditure was budgeted for.

"Thank you for the observation but it puts us in a bit of an awkward position because it is an issue that can be competently responded to by the Ministry of Energy and really, in providing the response, I would probably be speculating and we handle obligation not to mislead this committee. With your indulgence chair, we would not want to give a speculative response on this matter," Kaluba said.

But Kasandwe asked a followup question on who was engaged to do the consultancy for the company.

"According to management, the amount was paid in full and the people who were engaged to do this consultancy were simply reprimanded, there were no punitive measures taken, having lost such huge amount of money," Kasandwe probed.

In response, Kaluba said the company had reprimanded the former management as a way of teaching them a lesson.

"Chair, unfortunately that is the action that we could take, the waste expenditure had occurred and really in reprimanding management, the hope is that such an event will not occur again and we are holding them accountable to make sure that we do not have such items appearing in the auditor general's report," Kaluba responded.

And Acting Auditor General Ron Mwambwa advised the IDC to learn a lesson from the loss.

"They have reprimanded management. Maybe it is an issue where they can actually just learn some lessons from it going forward so that future contracts should be properly managed. From the government circles

what we have been saying is that when you occasion a loss like this, you need to do something like a loss report where people are actually being surcharged. But that is purely a decision by IDC to explore what sort of action they should take," Mwambwa said.

Meanwhile, committee member Mumbi Phiri wondered if IDC had a code of conduct for disciplining erring officers.

"I would like to find out from IDC, don't you have a code of conduct for people who do such things? Or the way you discipline your people?" Phiri asked.

And Kaluba responded by saying "Our assessment was largely that this was due to a failure of systems within Indeni and to that extent, the institution was held accountable. Two things that I wish you should know; firstly, we were reprimanding them with respect to a matter that we had just as we were being born as an institution, so we heard about it from the auditor general's report as a starting point. Secondly, it was a bit difficult to hold this particular Managing Director personally liable for the decision because he was not managing director at the time. So the position we took was to reprimand management in a manner that such things should not occur again. That was where we took that action."

And Daka closed the sitting by urging the corporation to have a clean record of audits in future.

"Auditor General you were saying the IDC is government, Indeni is government. So we appreciate what the IDC CEO is saying that there was a transition, it was within the transition that things were happening but in future, IDC [and] Indeni, we need a clean sheet...we don't want losses, this is tax payers' money," said Daka.

Article courtesy of News Diggers!

NATSAVE tells parley committee it will recover it's K3m lost in defaulted loans



Ministry of Finance Permanent Secretary in charge of Economic Management and Finance Mukuli Chikuba when he appeared before the Committee on Parastatal Bodies

By Guest Writer

Ministry of Finance Permanent Secretary in charge of Economic Management and Finance Mukuli Chikuba told the parliamentary committee on parastatal bodies that the National Savings and Credit Bank (NATSAVE) has come up with a plan to recover defaulted loans.

The Auditor General's report on accounts of parastatal bodies for the financial year ended 31st December 2013, 2014, 2015, and 2016 revealed that the National Savings and Credit Bank (NATSAVE) had failed to recover loans in amounts totaling to K2, 911, 676 from various customers.

The AG's report stated that further observed that the recoveries of the said money from various customers had not been effected as of July 2017.

Responding to the audit queries before the committee, Chikuba said out of the 319 defaulting accounts from the head office, 91 had paid off the debt, 210 were remitting while 18 were not but are actively being pursued.

"I note the auditor's observation. However, you may wish to know that measures have been put in

place to ensure that customers in question start servicing their loans accordingly. Most of the loans involved are now performing with some paid off, and recoveries are being made on accounts monthly. Out of a total 319 accounts, 91 are paid off, 210 are remitting recoveries while 18 are not remitting recoveries but are actively being pursued," Chikuba said.

The Auditor General's report also stated that the bank under review did not remit Pay As You Earn (PAYE) to the Zambia Revenue Authority (ZRA) amounting to K8, 087, 161 despite deducting it from its employees' remuneration.

Chikuba then said: "I wish to state that following the failure of the earlier agreements, management has been in talks with ZRA and asked for up to 28th February, 2018 to prepare an interim Turnaround Plan for the bank, after which, a fresh Time to Pay Agreement (TPA) will be entered into."

Meanwhile, during the period under review, the auditors further observed that 11 NASAVE employees who were based in

towns not designated as rural areas were irregularly paid hardship allowances amounting to K68, 677.

But Chikuba said some anomalies were caused by delayed movement of staff who had been transferred.

"I wish to state that some anomalies were caused by (a) delayed movement of staff who had been transferred in some areas, among others; (b) the conditions of service specified the towns that were regarded as rural but an addendum should have been prepared when new branches were opened in rural areas, which was not done; and (c) management has however increased oversight on the payroll functions to avoid future lapses and records are being checked to identify the individuals involved and effect recoveries. The conditions of service have been amended to read as follows: 'Rural areas' shall mean all towns in Zambia other than Provincial Headquarters, Copperbelt towns and towns along the line of rail," responded Chikuba.

And in conclusion, Committee Chairperson Peter Daka urged the controlling officer to return with zero audits in the next report.

Article courtesy of News Diggers!

Parliamentary Committee on Parastatals hears how Savenda defrauded PSPF



By Guest Writer

The Parliamentary Committee on Parastatal Bodies yesterday learnt how Savenda Zambia Limited fraudulently supplied a 160KVA generator to the Public Service Pensions Fund (PSPF) when it was contracted to supply a 300KVA generator at a contract sum of K128,384.

Savenda Zambia Ltd was awarded a contract to supply, install and commission a 300KVA standby generator within a delivery period of four to six weeks but despite being engaged to supply the generator in 2013, Savenda only delivered a wrong generator in May 2014, 46 months after the expected date of delivery.

"As a result of the contractor's failure to meet the contractual obligations, on 15th August 2015, the Fund filed a claim in the courts of law so as to seek relief which included the refund of the 90 per cent payment made, associated legal costs, interest on the payment made and any other relief that the courts would deem necessary. However, at an ordinary procurement committee meeting held on 11th November 2015, the committee resolved that the case be withdrawn so that the Fund could retain ownership of the generator with a view of disposing it off by public

auction, to recoup the money paid on the generator. In this regard, following the auctioning of the generator, only K58,208 was recovered resulting in a loss of K57,338. The rationale to withdraw the case from the courts of law was therefore questionable," read the Auditor General's report for the financial year 2013, 2014, 2015, and 2016.

Speaking when he appeared before the committee, Ministry of Finance Permanent Secretary in charge of Economic Management and Finance Mukuli Chikuba, who was accompanied by PSPF Secretary and Chief Executive Officer Dr Richard Mwiinga and his team, said the contractor was taken to court but the case was later withdrawn.

Asked why the matter against Savenda was withdrawn from court, the PSPF legal team said they had received instructions from the Procurement committee to withdraw the case on the basis that there was a possibility that the matter could be resolved outside court.

Committee member Mukumbuta Mulowa, who is also Senanga UPND Member of Parliament, was the first one to ask a question

surrounding the supply of the said generator.

"Chair, there is something which I do not understand on the issue of procurement of a genset. What the PS is giving us, I cannot understand. Apart from the period of delivering this genset from weeks to months, I think my main worry is on the size of the generator. The generator which was delivered was 160 KVA but what was needed was 360KVA, there is a very big difference, which means even from the source, the price was underpayment and you decided to take this issue to the court instead of, if there was a mistake from the supplier, why didn't you just take it back so that they can refund you with the money? Now you decided to sell it at under-price. So why didn't you take it back?" asked Mulowa.

Another committee member Mumbi Phiri, who is a nominated member of parliament, also asked a follow up question.

"Just in addition to what the Honorable has said, I am sure all of us are wondering what procedure was used when this machine was delivered? Was it just given to maybe a cleaner who had no idea or it was just dumped at the place for them not to see the difference of what they

Continuing to Page 20 ➡

ordered and what was brought? And if there was somebody who received through procurement, what has been done to the officer?" Phiri asked.

Before the witnesses could respond, acting Auditor General Roy Mwambwa chipped in: "I think that it's an important dimension which honorable Mumbi Phiri has brought. If you look at the terms of payment, 10 per cent was supposed to be made after the machine had been tested and actually accept it. The question is, was this done? And if not, why wasn't it done because it was part of the condition?"

In response, PSPF Director Benefits and Contributions Sampa Kangwa explained how they were duped into accepting the genset.

"I would like to confirm that indeed we have an expert but as earlier explained by PS, when it was delivered, the actual label of the genset was indicating 300KVA and in terms of testing, this was not supposed to be tested by the supplier because we had an independent person that we engage in terms of testing. And it is at that particular point in time that when we were testing that it could not start. Then we had to find out the reasons why hasn't this genset started. We had already paid the 80 percent because it was supposed to be paid at delivery. So we followed it up and I think there were so many correspondences I think the Auditor General can confirm in terms of how long it took for us to write to the supplier. In fact, initially we wanted this generator returned and at a certain point in time, the supplier promised that he would deliver another genset. Now because of the period we were in which was load shedding, we looked at also the operations of the institution. So we could see that this supplier was not genuine and that is how come we had to go to the court," Kangwa said.

"Again when it went to court, we started evaluating how long this case take would? Because of that, we had no option but to try the option of

selling it out. But it was not the first option, the first option was to sell it at market value and that's how we advertised it in the paper but unfortunately no one came to that purchase. Then that was when we auctioned it."

Chirundu Member of Parliament Douglas Syakalima wondered how a company that had failed to supply a single generator from one government entity was awarded another contract to supply ambulances in another entity of government.

"There is a complication here I think, because if we are to follow, before even going to court, you could have just said 'give us our money' was he refusing to give you money? Or is there anything that you are not telling this committee? Because you should have just said 'here is your machine and give us our money'. Was he refusing to give you back the money? And this name Savenda, I am suspicious because this is the same who was awarded a contract to procure ambulances. PS, in your government system, don't you have sanctions on such suppliers from one entity of government to another. You lost money here and this supplier continues to get contracts of government. What do you do?" asked Syakalima.

Lunte PF Member of Parliament Mutotwe Kafwaya guided the witnesses on what answers the committee was expecting.

"PS, I think what the Honorable members are asking is that there was loss of public money and that what explanations you are giving should be going towards the recovery of the money," Kafwaya guided.

Chikuba then proposed another set of audits to be conducted on the procurement procedure.

"Even us in the ministry we have had meetings with them (PSPF) to clearly understand how it was accepted. So my proposal honorable chair and honorable

members will be for the Ministry of Finance to immediately embark on legal audits to see what damages or costs can be claimed from the supplier and an audit on the decisions that were taken against the supplier in order to find out if there was negligence in this transaction," suggested Chikuba.

But Syakalima insisted that Savenda had committed a fraud and the matter should be reported to the Drug Enforcement Commission.

"The other madam there said when the machine came, it had a label 300KVA, upon testing it, it was found out that it was less. So this supplier was lying. He was actually stealing money knowing that probably...he is a thief. It is very clear, the specifications were made and they were quoted. Here is a person who brings you something written 300KVA which you wanted and it was proved that it is not what you wanted, that is fraud. There are no two ways about it but that is fraud. You what do you do with such people? You report them to the police. This is a pure fraud. So instead of you telling us 'no, we will go and do an audit and see who did what and what', no, this is a case of fraud," said Syakalima.

The committee further wondered what the board was deliberating on in its 20 sittings when the issue of the generator had taken 46 months without a concrete solution.

In closing the debate, Committee chairperson Patricia Mwashingwele gave the committee two weeks to resubmit satisfactory responses.

"I as Honorable members we are very disappointed and that is why the honorable members keep on saying that there is something you are not telling us which we want to know. But there is a suggestion that can you go back and clean up on this. You should resubmit on this one, just this specific one. And please if we call you back as a Fund, don't be surprised because now we need to sit with the Auditor General's office and refocus ourselves on you. There are things that we need to know very clearly for the good of our people and they want to know," said Mwashingwele.

Article courtesy of News Diggers!

OAG JOINS THE REST OF ZAMBIA TO COMMEMORATE IWD

By OAG News Writer

Office of the Auditor General joined the rest of Zambia in commemorating International Women's Day.

The commemorations were officiated by Zambia's first and only female vice president Mrs. Inonge Wina.

Mrs. Wina announced Government's commitment to domesticate international protocols regarding girls and women in the country.

Hundreds of Women and their male counterpart from various organisations and government institutions in Lusaka marched from the Civic Centre to the Freedom statue in commemoration of the day which falls on 8th March annually.

The International Women's Day which in Zambia is mostly commemorated to reflect on the

accomplishments of women towards attaining gender equality and equity was this year celebrated under the theme, "Time is now: Rural and Urban activists transforming women's lives."

Vice President Inonge Wina, made several pronouncements on how her administration was working to better the lives of women both in rural and urban areas of the country.

Mrs. Wina said in order to promote and uplift the lives of women in the country government would ensure that all international protocols regarding women and girls are domesticated.

The Vice President further added that government would continue to promote women participation in the governance of the country

and the growth of the economy.

She however, called for concerted efforts from all stakeholders in ending all forms of discrimination and abuse of women and girls in the country.

Meanwhile, as part of commemorating the IWD, OAG donated assorted items to the women's Shelter at the University Teaching Hospital (UTH).

Making the Donation, Director Planning and Information Mrs. Ross said, the Office through its social responsibility program decided to assist women at the Shelter because most of them come from outside Lusaka and have no one to assist with basic necessities that they may require as they take care of their relatives who are admitted in the hospital.

Mrs. Ross hoped that the donation would go a long way in alleviating their predicament at the Hospital.

IWD Commemorations in pictures



Director Planning Mrs Ross giving her speech



There's always joy in giving as can be seen in CHRMO's face



The Nurse taking stock of what has been donated



The Women at the Mother's Shelter listening attentively

OAG participates in Labour Day celebrations

By OAG News Writer

Office of the Auditor General staff took time to celebrate Labour Day which falls on May 1. The theme for this year's celebrations "Building Partnerships for Sustainable National Development through Decent Job Creation and Social Justice"

Below are the celebrations in pictures:



OAG participates in Youth Day celebrations

By OAG News Writer

Office of the Auditor General recently participated in the Youth Day commemorations held at the Freedom statue.

The commemorations were colourful and attracted participants from government ministries, organisations, schools, political parties and other walks of life.

The Acting President Mr. Davies Chama who is Defence Minister officiated at the function under the theme "Leveraging opportunities for youths through Information and Communication Technologies."

The Structure of the Office of the Auditor General

By Chilekwa Monje

Splitting of the RAM, what is the effect?

The Regularity Audit Manual is part of an overall process to uplift SAs in the AFROSAI-E region to a professional standard. The manual was developed in accordance with the ISSAIs (1000-2999); which means full compliance with all relevant ISAs and the additional guidance set out in the INTOSAI Practice Notes to the ISAs.

Regularity Audit in context entails expressing an opinion as to whether or not the financial statements are prepared, in all material respects, in accordance with an identified/applicable financial reporting framework and/or statutory requirements. In addition to this, regularity audit in the public sector often also include additional audit objectives such as:

- Reporting instances of non-compliance with authorities including budget and accountability, and/or
- Reporting on the effectiveness of internal control

However, with the splitting of the RAM into the FAM and the CAM and the increased mandate of the OAG where we have to audit the Local Authorities, it would be very cardinal for the Office to effectively position itself in such a way that it continues to produce quality audit reports.

What is a Financial Audit?

A **financial statement audit** is the examination of an entity's **financial statements** and accompanying disclosures by an independent **auditor**. The result of this examination is a report by the **auditor**, attesting to the fairness of presentation of the **financial statements** and related disclosures. The purpose of a financial statement audit is to add credibility

to the reported financial position and performance of a business.

Who is a Compliance Auditor?

A Compliance Auditor is responsible for ensuring that a company is adhering to any state acts and regulations relevant to its business. They also review and enforce compliance with standards or regulations imposed by professional organizations or even a company's internal guidelines. They might conduct audits in areas of accounting, finance, information technology or security.

What does this mean for the structure of the Office?

The INTOSAI through the development of the ISSAIs identified three (3) major type of audits in the Public Sector;

Financial, Compliance and Performance Audits.

It is in this regard that the Office thoroughly considers how the restructuring can be done in order for the Office to be effective in executing its extended mandate of auditing the local authorities as well as demonstrate its relevance to the Zambia people as set out in ISSAI 12.

Therefore, I suggest that the office be restructured through having three (3) audit divisions or directorates as follows:

1. Financial Audits Directorate

The Financial Audits Directorate (FAD); this directorate would be responsible for ensuring that financial audits are effectively performed and audit opinions are issued. The FAD would be predominantly composed of staff/auditors will professional accountancy qualifications such

as ZICA or ACCA. The staff in the FAD should have comprehensive knowledge in accounting standards such as IASs, IFRSs and IPSASs in order to issue opinions on whether the financial statements present a correct and fair view.

2. Compliance Audits Directorate

The Compliance Audits Directorate (CAD); this directorate would be responsible for the performance of compliance audit. The CAD would be responsible for ensuring that there is adherence to laws and regulations. The staff in the CAD should be vested in skills and understanding of laws and regulations; including knowledge in circulars. The staff in this directorate would not necessary have to be chartered accountants.

3. Performance Audits Directorate

The Financial Audits Directorate (PAD); this directorate would be responsible for the performance of Performance audits. The directorate would be responsible for evaluation on the effectiveness, efficiency and economic utilization of government resources. The staff in the PAD would require key research keys and would mainly compose of social scientists.

In all the directorates there would be need to have auditors with IT and forensic auditing skills. Therefore, having these directorates in place, all the types of audits would be executed with minimized audit risks due to increased specialization at skills, knowledge and experience. What this means is that for audits which require annual reporting on both financial and compliance as is the case in most local authorities, then there can be a combined team of financial and compliance auditors.

Training in Network Security Audit Held in Oslo, Norway.



Participants training in Network Security Audit pose for a group photo

By ICT Audit Staffer

Introduction

The training was held at OAG-Norway offices and delivered by two OAG Norway namely Borre Lagesen and Christian Andresen as lead facilitators. The training focused on four key themes, namely:

- Introduction to hacking/penetration testing/security testing
- Basic networking
- Methodologies
- Using network tools

The Training participants were drawn from seven countries namely; Norway, Zambia, Sierra Leon, Finland, Faroe Islands, Denmark and Sweden. Five ICT Auditors from SAI Zambia, under the IT Audit Unit, participated in the training, namely: Marvin Banda (Principal Auditor), Brighton Mpatisha (Principal Auditor), Sashi Chapewa (Senior Auditor), Litia Mulala (Senior Auditor) and Andson Mweetwa (Assistant Auditor)

Training Objectives

The key objectives of the training among others, included:

- a. Understanding basic networking audit;
- b. Penetration testing and its audit methodologies; and
- c. Penetration Testing Tools and their usage in conducting network security audits

Therefore, at the end of the course, participants were expected to have acquired knowledge on how to use penetration testing tools to conduct audit of network security.

Training Contents and Mode of Delivery

The key theme of the Network Security Workshop Audit was Penetration testing (also called pen testing). Penetration Testing or Internal Vulnerability Assessment was defined as the practice of testing a computer system, network or Web application to find vulnerabilities that an attacker could exploit.

The course therefore covered subjects on network mapping and scanning using different tools such as Shodan, Nmap and Wireshark.

Network scanning was defined as a procedure for identifying active hosts on a network, either for the purpose of attacking them or for network security assessment. Scanning procedures, such as ping sweeps and port scans, return information about which IP addresses map to live hosts that are active on the Internet and what services. While, Port Scanning is a technique particularly used to identify open ports and services available on a network host. It is often used by security technicians and/or IT auditors to audit computers for vulnerabilities. However, the tools can also be used for hacking purposes and therefore the need by the auditor to uphold high ethical values.

The training, was delivered in the form of power-point presentation and was interactive to ensure active participation of participants. A brief description of some of the penetration testing tools learnt included the following:

▪ **Shodan** : Shodan is a type of search engine which allows users to search internet- connected devices and explicit website information such as

the type of software running on a particular system and local anonymous FTP servers. It indexes information based on content, which is meta data that servers send back to hosting clients.

▪ **Nmap**: Nmap is an open source utility for network discovery and security auditing. It used to gain an understanding of the IT environment and to discover potential risks. It can be used during network security audits for host discovery, port scanning, service and application version detection, operating system version detection and scripting. It assists in detecting misconfigurations, malware generated backdoors, exposure to new exploits among others.

▪ **Zmap**: Zmap is a graphical user interface (GUI) for Nmap. It has the following features: Interactive and graphical results viewing; target specifications; scan options of the selected profile; detailed scan results and network topology; profile with pre-defined scan options; and output scan results.

▪ **Wireshark**: Wireshark is an open source packet analyzer. It has the following features: Network Trouble shooting; analysis; software and communications protocol development; and education

Benefits of the Workshop to the Office

The participants acquired skills on how to carry out Internal Vulnerability assessment (Penetration Testing) using open source tools as the main basis of assessing the security of network infrastructure.

In this regard, the AOAG Zambia through its IT Audit Unit is now acquired the competence of auditing network infrastructure and conducting Internal Vulnerability Assessment using tools such as Shodan, Nmap, Zmap and Wireshark. It is our considered hope that the training will result in quality audit report on network security and therefore add value to our auditees as we conduct our integrative audits with financial auditors.

Way Forward and Next Meeting

After the workshop, it was agreed that subject to the approval 2018 Terms of Reference between Norway and SAI Zambia, the next training was agreed that it will take place in Denmark and IT Audit intends to participate in the training.

We would like to also urge management that in the next training engagements, the Office should include one or two officers from Planning and Information Directorate (Management Information Systems) to ensure that capacity is built across the Office.

5TH INTERNATIONAL TRAINING PROGRAMME ON INTRODUCTION TO ENVIRONMENTAL AUDITING



By Mable Nyambe – Senior Auditor
(Performance and Environmental Audits)

Participants to the 5th ITP on Introduction to Environment Auditing

The OAG strategic plan 2017-2021 has alluded to the promotion of the environmental audits which it states are not currently pronounced. This is in order to align with the adoption of the United Nations 2030 Agenda for sustainable development which is currently the benchmark against which progress in the area of sustainable development will be measured. Henceforth, the Office has been building capacity in the area of environmental auditing. The International Centre for Environmental Audit and Sustainable Development (iCED) in

Jaipur, Rajasthan Province India runs annual programmes on environmental audit dubbed 'Introduction to Environmental Auditing'. The iCED held its 5th International Training Programme on Introduction to Environmental Auditing and participation in the programme was drawn across the world. Fifteen (15) countries participated and Zambia was represented by Mr. Emmanuel Tembo-Director Specialised Audits and Mrs. Mable N Nyambe-Senior Auditor

Performance and Environmental Audits.

The programme was structured in such a way that all major environmental issues were covered. The areas included Market Based Instruments (MBIs) in relation to the environment, Water, Climate Change, Sustainable Development/Sustainable Development Goals, Biodiversity, Environmental Impact Assessments (EIAs), Renewable/Sustainable energy and Waste. The table provides brief description of these environmental issues.

	Details
Market Based Instruments	Tools for governments to implement environmental policy. If the tool/instrument affects the cost or price of goods and services in the market, then it is a market based instrument
Water	Water issues are increasing in urgency, but governments have generally been slow to adopt necessary steps to address them. Emerging issues like climate change have further amplified the difficulties that governments face in addressing water issues.
Climate Change	The United Nations Framework Convention on Climate Change (UNFCCC) refers to climate change as change of climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is in addition to natural climate variability observed over comparable time periods.
SDGs	A set of seventeen (17) goals (2030 Agenda for Sustainable Development) adopted in September 2015, at the United Nations (UN) Sustainable Development Summit by Heads of State and governments. The 2030 Agenda provides a framework for shared action "for people, planet and prosperity" to be implemented by all countries and all stakeholders in collaborative partnership
Biodiversity	Biodiversity is the variability among living organisms from all sources including, among others, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.
EIAs	Environmental Impact Assessment examines individual projects. Strategic Environmental Assessment examines policies, programs, or plans. Regional Environmental Assessment examines many projects in a region. Benefits are improved project planning, Informed decision making, environmentally sensitive decisions, anticipate and avoid/minimize/offset adverse impacts and increased accountability and transparency and positive contribution to sustainable development.
Renewable/Sustainable Energy	Renewable Energy is derived from natural processes that are replenished constantly. In its various forms, it derives directly or indirectly from the sun, or from the heat generated deep within the earth. Included in the definition is energy generated from solar, wind, biomass, geothermal, hydropower and ocean resources, and biofuels and hydrogen derived from renewable resources.
Waste	Wastes are materials that are not prime products for which the initial user has no further use in terms of his/her own purposes of production, transformation or consumption, and of which he/she wants to dispose.

Continuing to Page 26

Training was conducted by a faculty of persons from SAI-India, European Court of Audit (ECA), Indonesia, Canada and Estonia.

The delivery of the sessions took different forms such as field visits that brought practicability to the environmental issues being taught. Two field visits were undertaken. One was to an area in a part of India where rain water harvesting structures with the participation of the community for the rejuvenation of seven rivers was being undertaken. This visit showed the impact of climate change could have on water vis-a-vis agriculture but it also showed us how a community can reverse this impact by adapting and mitigating the effects through water harvesting of the 3 day rainfall the area experienced annually. Through simplistic traditional ways and use of natural water ways with just a little science, the community was able to have water for agriculture and other uses throughout the year. We also got to meet the 'water man' of India Mr. Turan Bharat Sang, an award winner and one of the pioneer in the formulation of SDGs on water who is the initiator of the rain water harvesting project.

The other was to a Bird park/sanctuary called Keoladev National Park, World Heritage Site that brought lessons on biodiversity to life. The park is a wetland of international importance for migratory waterfowl. The park is a sanctuary to a millions birds migrating from all over the world some. The fact emphasizing that ecosystem boundaries do not coincide with national boundaries and therefore impacts on biodiversity extend beyond national boundaries and are increasingly global in nature.

Of course the programme included social events such as visits to monumental sites of India,

dinners to sample Indian cuisine as well as cultural markets to experience Indian culture. iCED itself was a marvel as training facility. It is a self-sustaining institute as it is well equipped with facilities that any international training facility should have within its premises. Fully stocked libraries, well equipped hostels and variety of sports facilities are but some of the facilities found at the iCED.

The experience at iCED was a full package. The training in environmental auditing equipped us with the knowledge, the exposure and networks in the environmental audit field that will definitely benefit the Performance and Environmental Unit and the Office as a whole.



Participants visit to the Taj Mahal



The 'Water man' explaining to the participants on how the water harvesting project works

OAG STAFF ATTENDS THE SEVEN WEEKS PRESTIGIOUS MANDELA WASHINGTON FELLOW IN WASHINGTON DC, U.S.A....

shares his experience



By Emmanuel Chisalu – Performance Auditor

Pre-departure Orientation at the American Embassy with the past Ambassador H.E Eric Shultz.

The Mandela Washington Fellowship for Young African Leaders, the flagship program of the Young African Leaders Initiative (YALI), empowers young leaders from Sub-Saharan Africa through academic coursework, leadership training, and networking opportunities. The Fellowship, which began in 2014, initiated by President Barrack Obama, has already engaged 2,000 young leaders from every country in Sub-Saharan Africa. Through this initiative, young African leaders are gaining the skills and connections they need to accelerate their own career trajectories and contribute more robustly to strengthening democratic institutions, spurring economic growth, and enhancing peace and security in Africa. The Mandela Washington Fellowship is a program of the United States Government.

Out of 64,000 Young African Leaders who applied for this program, only 1,000 were selected representing an acceptance rate of 1.6%. Narrowing down to Zambia, more than 2,000 Zambian Youths had applied for this program and only 42 were selected.

I feel so proud to have been granted this rare opportunity to represent Office of the Auditor General and Zambia as whole in this prestigious program. I was placed at Howard University for my Public Management Training for 7 weeks, from June to August, 2017. The overarching objective of the Howard University Mandela Washington Fellowship Public Management Institute was to provide a culturally diverse experience to young African leaders to assist in the building of capacity as it relates to public management on the African continent. Specific objectives included;

- Understanding of the core competencies of public management and administration; personnel administration, policy development and analysis, organizational development and behavior as they apply to a diverse workforce and citizenry.

- Utilization of interdisciplinary approaches to address global and local public management issues.

- Effective written, verbal, interpersonal and information management skills, essential for public administrators

- Improve the management of workplace behaviors (leadership, team work, motivation and personal ethics) needed to strengthen organizations and enhance effective performance.

FACULTY

Howard University Faculty for Mandela Washington Fellowship included;

Anthony K. Wutoh, Ph.D., R.Ph., Cudore L. Snell, DSW, Subodh Kulkarni, Ph.D., Narendra K. Rustagi, Ph.D., Elsie L. Scott, Ph.D., Jean Bailey, Ph.D., Lucinda A. Acquaye-Doyle, Ph.D., MSW, Jeronimo Augusto, MHA, and Invited Guest Speakers.

Programme Structure

As, Fellows in the Howard University Public Management Institute, we were actively involved in a unique composition of activities that comprised of 4 major components: Academic, Site Visits, Service Learning Activities, and Cultural and Civic Activities as discussed below;

ACADEMIC and LEADERSHIP DEVELOPMENT

Academic lectures have been structured to provide Fellows with an integrative learning experience. The seminars are designed to encourage critical thinking and innovative approaches to the multidimensional

Continuing to Page 28 ➡

aspects of public management. A variety of lectures from faculty ensured Fellows were provided with a holistic and multidimensional conceptual lens.

To encourage leadership development through active engagement and learning, Fellows participated in a series of leadership development sessions.



Exchanging notes with the former White House Chief of Staff for President Barack Obama and now the Managing Director for the Obama Foundation Fellowship

Networking Experiences

To enhance our professional development and supplement our leadership development program, the Public Management Institute had allotted for us Fellows to expand our networking opportunities through weekly initiatives, affording us the opportunity to meet with various professionals in their workplace setting (or as designated by the collaborators).



Sharing insights on service improvement in Public Management with Dr Scott and Dr Snell at Professor Wuttoh's Residence

SITE VISITS

Each week, we visited governmental and non-governmental sites related to their weekly seminar sessions as well as their personal interest. Site visits gave us an opportunity to be engaged in day to day operations of organizations that can strengthen our ability to be successful in our home endeavors. We visited organizations such as the Government Accountability Office (GAO) Urban Institute, Joint Center for Political and Economic Studies, The American Political Science Association, United Nations, World Bank Group and the Brookings Institution. All of these organizations are devoted to policy research and developing innovating solutions to the problems most organizations, communities and countries may encounter. Governmental organizations included National (Federal Government Executive and Legislative Offices); Local Government (District of Columbia, Montgomery County and Prince Georges County); and State Government (Maryland State Government).

HU-MWF Forum

To encourage collaboration and the exchange of ideas, we organized a day-long forum to address a contemporary issue of choice. This Fellow-led initiative provided us with the experience of organizing a conference, encouraging team-building, as well as fostering a stimulating environment for dialog throughout the program leading to the Forum.



At the Brookings Institution with the Fellows



Speaking at the Government Accountability Office (GAO) on how we can strengthen Public Accountability as Young African Leaders.



Receiving Nelson Mandela T-shirt after participating in the community services on Nelson Mandela day

SERVICE LEARNING

Throughout the program, we were introduced to several community-based non-profit programs. This experience was meant to enhance learning through developing an understanding of servant leadership; whereby exposing us to American organizations (public and private sector) focusing on civic engagement.



With the African Union Ambassador

PEER-TO-PEER COLLABORATION AND NETWORKING EXPERIENCES

The Institute had identified many opportunities for Fellows to come in contact with American citizens of all backgrounds. The Howard University Public Management Institute had partnered with DC Mayor's Office on African Affairs, Young African Professionals Association (YAP), Congressional African Staffers Association (CASA), and other similar organizations to assist with identifying counterparts that will serve as peer collaborators to us throughout our stay and well beyond.



Addressing Fellows at the Peer Collaboration Lunch Network.



Watching the International Championship cup between Barcelona vs Manchester United Live at the FedEx Stadium in Maryland State.

CULTURAL AND CIVIC ACTIVITIES

Cultural activities included visits to museums and historic places; attendance at cultural events; Kennedy Center events; attendance at City Council meetings where we were recognized by the City Council; visits to the Museum of African Art, located on the National Mall. The museum was established to inspire conversations about the beauty, power, and diversity of African arts

and cultures worldwide. The strength of the museum's collection lies in its unmatched depth and diversity. It is a collection that embraces the artistic expressions of Africa, from the ancient to contemporary times.

The Fourth of July holiday was celebrated at the Smithsonian Folk Life Festival. The Smithsonian Folk Life Festival is an annual

celebration where you will find many exemplary practitioners of diverse, authentic, living traditions—both old and new. Other visits included the Annapolis Kunta Kente landing site, Frederick Douglass' Home, Gettysburg, the Civil War Museum and Mount Vernon. Fellows will also be involved in cultural activities including community events and optional attendance at religious programs and services.

PARLIAMENTARY COMMITTEES THAT DELIBERATED VARIOUS REPORTS OF THE AUDITOR GENERAL SITTINGS IN PICTURES

Committee on Transport, Works and Supply



Vice Chairperson Hon. Chushi Kasanda chairing the Committee sittings



The Committee on Transport, Works and Supply deliberating on the Performance Audit Report on the Management Infrastructure Development



Permanent Secretary Transport, Works and Supply Mrs. Agnes Musunga submitting before the Committee on the Performance Audit Report on the Management of Infrastructure Development



Hon. Given Katuta asking a question to the PS of Transport, Works and Supply (not in picture) during deliberations on the Performance Audit Report on the Management of Infrastructure Development

Committee on Local Authorities in pictures



Committee Chairperson Hon. Elijah Muchima raising the Report of the Auditor General just to emphasise the need for accountability



Acting Auditor Mr. Ron Mwambwa giving more evidence to the Committee during the Committee's sittings



Zambezi West MP Hon. Prisca Kucheka asking a question to the witness as Lumezi MP Hon. Pilila Jere looks on



Kasama Central MP Hon. Kelvin Sampa stressing a point to the witness (not in picture) during the Committee's sitting



Ndola Central MP Hon. Emmanuel Mulenga asking a question to the witness (not in picture) during the Committee's sitting



The Committee on Local Authorities in session



Acting Ndola Town Clerk Mr. Wisdom Bwalya (c) when he appeared before the Parliamentary Committee on Local Authorities



Kitwe Town Clerk Mr. Bornwell Luanga when he appeared before the Committee on Local Authorities

Committee on Agriculture, Lands and Natural Resources



Chairperson for the Committee on Agriculture, Lands and Natural Resources Hon. Maxas Ng'onga chairing deliberations on the Performance Reports on Sustainable Forest Management and Fish resources in Natural Waters



Acting Auditor General Mr. Ron Mwambwa when he briefed the Committee on Agriculture, Lands and Natural Resources about the Performance Reports on Sustainable Forest Management and Fish resources in Natural Waters



Committee members Hon. Boyd Hamusonde and Hon. Naluwa Mwene following proceedings of the Committee's sittings



Committee members Hon. Kasauta Michelo and Hon. Mutinta Mazoka following proceedings of the Committee's sittings



Committee members Hon. Ponde Mecha and Hon. Emmanuel Mulenga following proceedings of the Committee's sittings



Committee members on Agriculture, Lands and Natural Resources meeting in session

PHOTO FOCUS

Africa Public Service Day in Pictures



Officials from Zambia Police take interest in the AG's work during the APSD Roadshow at East Park Mall



Auditor Research Lubinda Sinyani sharing a report with the Official from Zambia Police



IT Auditor Andson Mweetwa explaining to the Judges about the operations of the OAG



OAG Exhibitors at the APSD



OAG Exhibitors at the APSD



APSD Judges digging into a performance Audit report at the OAG stand



OAG Staff ready to explain to the public about the operations of the OAG



If this is not keen interest from both sides, then what is it?

PHOTO FOCUS

15th AFROSAI-E Governing Board Meeting in Pictures



Speaker of the Parliament of Rwanda Ms. Donatille Mukabalisa officially opening the 15th AFROSAI-E Governing Board Meeting



Speaker of the Parliament of Rwanda Ms. Donatille Mukabalisa officially opening the 15th AFROSAI-E Governing Board Meeting



Acting Auditor General Mr. Ron Mwambwa interacting with Auditor General of Sierra Leone Mrs Pearce while others look on



Auditors General for Zimbabwe and Lesotho Mrs. Chiri and Mrs. Lipafa. With them is Senior Manager Technical Development Mrs. Josephine Mukomba



Auditor General of Kenya and his delegation after winning a Performance Audit award. Next to him is Swedish Audit Office Head of International Department Magnus Lindell



Ags pose for a group photo during the 15th AFROSAI-E Governing Board Meeting



Delegates to the 15th AFROSAI-E Governing Board Meeting following proceedings



OAG delegates to the 15th AFROSAI-E Governing Board Meeting Mr. Chuma Chuma and Ms. Ellen Chikale

MISSION STATEMENT

“To provide quality audit and related consultancy services to government and other institutions in order to enhance accountability and value for money in the management of public resources for the benefit of society’.

GOAL STATEMENT

“ To enhance accountability in the collection and utilization of public resources in order to contribute to sustainable development”.

Office of the Auditor General HQ

Stand No.: 7951, Haile Selassie Avenue, Longacres

P.O. Box 50071, Lusaka

Tel.: +260 211 252611/ 0211 252772

Fax: +260 211 250349

Email: auditor@ago.gov.zm

Website: www.ago.gov.zm

ADDRESSES FOR PROVINCIAL AUDIT OFFICES

Chinisa Provincial Audit Office

Plot No. 480226

Chinsali

Chipata Provincial Audit Office

Corner of Kafula and Umodzi Roads

Stand No.: 3819

P.O. Box 51159

Chipata

Tel.: +260 216 221891

Fax: +260 216 221601

Kabwe Provincial Audit Office

Freedom Way

P.O. Box 80959

Kabwe

Tel.: +260 215 221758

Fax: +260 215 222291

Kasama Provincial Audit Office

Stand No.: 1490, Zambia Road

P.O. Box 410490

Kasama

Te: +260 214 221723

Fax: +260 214 221398

Livingstone Provincial Audit Office

Mosi - o-tunya Road

P.O. Box 60795

Livingstone

Tel: +260 213 320064

Fax: +260 213 321943

Lusaka Provincial Audit Office

Dedan Kimathi Road

P.O Box 50439

Lusaka

Tel: +260 222120

Mansa Provincial Audit Office

Stand No.: 2880

P.O. Box 710231

Mansa

Tel: +260 710231

Mansa

Tel: +260 212 821103

Mongu Provincial Audit Office

Stand No.: 152

Independence Avenue

P.O. Box 910399

Mongu

Tel: +260 217 221092

Fax: +260 217 221092

Ndola Provincial Audit Office

Stand No.: 152

Independence Avenue

P.O.Box 70562

Ndola

Tel: +260 212 612804

+260 212 613416

Solwezi Provincial Audit Office

College Road

P.O. Box 110144

Solwezi

Tel: +260 218 821296

Fax: +260 218 821618

