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NO.....

REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR-GENERAL

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2nd November, 2020

To: **The News Editor**

PRESS RELEASE *For Immediate Release*

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE REPUBLIC

The Report of the Auditor General on the Accounts of the Republic for the financial year ended 31st December 2019 is out with irregularities in some Ministries, Provinces and Agencies (MPAs) still evident.

The Report has been produced in accordance with Article 212 of the Constitution, the Public Finance Management Act No.1 of 2018 and the Public Audit Act No. 13 of 1994.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) which are the standards relevant for the audit of Public Sector entities and are issued by the International Organisation for Supreme Audit Institutions (INTOSAI) to which the Office of the Auditor General is a member.

During the audit process, the Office interacted and communicated with Controlling Officers so as to provide an opportunity for them to clarify and take corrective action on the findings of the audits by so doing demonstrate the value and benefits of the Supreme Audit Institution (SAI). The Report contains the audit findings that were not resolved during the audit process and no corrective actions were undertaken as at 30th September 2020.

The audit has revealed an increase in some of the irregularities such as Undelivered materials moving from K9 million in 2018 to K23.5 million in 2019.

Further there is an upward trend on Wasteful expenditure which increased from K222, 534 in 2018 to K3,730,864 in 2019. Others are Unaccounted for Revenue and Unaccounted for Funds that have increased from K143,179 in 2018 to K594,106 in 2019 and K26,000 in 2018 to K81,531 in 2019 respectively.

On the revenue side, the report has also highlighted Unaccounted for Removals in Transit (RITs) in amounts totaling K47 million.

The upward trend in some irregularities is attributed to inadequate supervision by controlling officers; failure to follow procurement procedures; and poor contract management among others.

The audit report has also revealed reductions in the irregularities, notable among them, is Unaccounted for Stores which has dropped from K138 million in 2018 to K56 million in 2019; Misapplication of Funds from K62 million in 2018 to K7 million in 2019; Overpayments from K15.8 million in 2018 to K1 million in 2019; and Irregular payments from K12.7 million in 2018 to K8.9 million in 2019.

The Auditor General is concerned with increase in some irregularities and hopes that the necessary remedial action will be taken on the issues raised in the report.

For further details, the report can be accessed on the Office website www.ago.gov.zm.



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