



Republic of Zambia

**REPORT  
of the  
AUDITOR GENERAL  
ON THE ACCOUNTS OF THE REPUBLIC  
for the  
Financial Year Ended  
31st December 2019**



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**REPUBLIC OF ZAMBIA**

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**for the**

**Financial Year Ended 31<sup>st</sup> December 2019**

## **OFFICE OF THE AUDITOR GENERAL**

- VISION:** A dynamic audit institution that promotes transparency, accountability, and prudent management of public resources.
- MISSION:** To independently and objectively provide quality auditing services in order to assure our stakeholders that public resources are being used for national development and wellbeing of citizens.
- GOAL:** To give assurance that at least 80% of public resources are applied towards developmental outcomes.
- CORE VALUES:**
- Integrity
  - Professionalism
  - Objectivity
  - Teamwork
  - Confidentiality
  - Excellence
  - Innovation
  - Respect

## **PREFACE**

It is my honour and privilege to submit the Report of the Auditor General on the Accounts of the Republic of Zambia for the financial year ended 31<sup>st</sup> December 2019 in accordance with Article 212 of the Constitution, the Public Audit Act No.13 of 1994 and the Public Finance Management Act No.1 of 2018.

The main function of my Office is to audit the accounts of Ministries, Provinces and Agencies (MPAs) and other institutions financed from public funds. In this regard, this report covers MPAs that appeared in the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019 (Appropriation Act No. 22 of 2018). I conducted audits on the institutions to examine whether the funds appropriated by Parliament or raised by Government and disbursed had been accounted for.

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.

The audit findings mentioned in this Report are those which were not resolved during the audit process and those which were highlighted in the previous reports but had not been rectified at the time of producing this report.



Dr. Dick Chellah Sichembe

**AUDITOR GENERAL**



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## **Executive Summary**

This Report has been produced in accordance with Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, Public Finance Management Act No.1 of 2018 and Public Audit Act No. 13 of 1994.

During the audit process, there were various levels at which the Office interacted and communicated with Controlling Officers whose accounts were audited. The purpose of this interaction was to provide an opportunity for the Controlling Officers to clarify and take corrective action on the findings of the audits.

The audit findings mentioned in this Report are those which were not resolved during the audit of accounts for the financial year ended 31<sup>st</sup> December 2019 and outstanding matters as reported in the Treasury Minute (Action Taken Report) for the period 2012 to 2016 from the Ministry of Finance.

In addition, the Report contains audit recommendations which are aimed at addressing various findings observed during the audit process.

Some of the findings raised in this Report are:

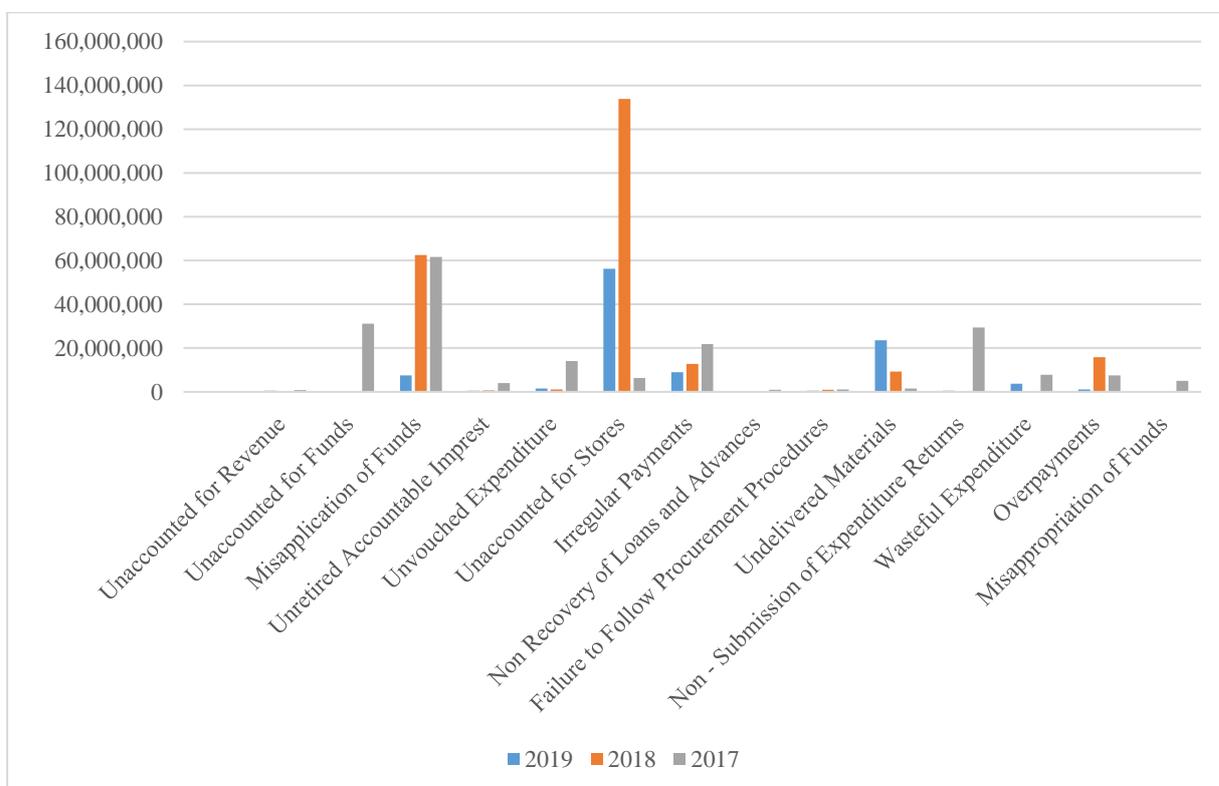
- i. Weaknesses in the implementation of Information and Communications Technology (ICT) systems,
- ii. Failure and delays in the collection of Government revenue,
- iii. Failure to maintain books of accounts and accounting records,
- iv. Weaknesses in procurement and contract management,
- v. Failure to update and reconcile the Establishment Register and the Staff Assignment,
- vi. Failure to deduct and remit statutory contributions,
- vii. Failure to secure properties with title deeds, and
- viii. Failure to insure Government assets.

The table 1.1 and figure 1 below show a comparative summary of other audit findings contained in the report.

**Table 1: Summary of the Audit Findings**

No.	Details	2019 K	2018 K	2017 K
1	Unaccounted for Revenue	528,431	143,179	873,649
2	Unaccounted for Funds	183,886	26,000	31,200,930
3	Misapplication of Funds	7,455,275	62,432,136	61,657,450
4	Unretired Accountable Imprest	480,660	667,703	4,073,434
5	Unvouched Expenditure	1,539,431	1,033,754	14,137,189
6	Unaccounted for Stores	56,220,368	133,815,072	6,370,531
7	Irregular Payments	8,952,156	12,767,837	21,791,360
8	Non Recovery of Loans and Advances	-	201,572	901,507
9	Failure to Follow Procurement Procedures	504,500	879,000	1,051,686
10	Undelivered Materials	23,510,118	9,195,241	1,486,568
11	Non - Submission of Expenditure Returns	502,250	301,830	29,409,484
12	Wasteful Expenditure	3,730,864	222,534	7,865,395
13	Overpayments	1,109,176	15,824,166	7,437,149
14	Misappropriation of Funds	-	61,354	5,036,051

**Figure 1: Comparative Summary of the Audit Findings**



**PART I**  
**PREAMBLE**



## **1 Introduction**

This Report has been produced in accordance with Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, Public Finance Management Act No. 1 of 2018 and Public Audit Act No. 13 of 1994.

Article 212 requires me to, not later than nine (9) months after the end of a financial year, submit an audit report to the President and the National Assembly, on the accounts of the Republic audited in respect of the preceding financial year.

Article 250 (1) (a) to (d) mandates me to audit;

- i. The accounts of State organs, State institutions, Provincial Administration, Local Authorities and institutions financed from public funds,
- ii. The accounts that relate to the stocks, shares and stores of the Government,
- iii. Financial and value for money audits, including forensic audits and any other type of audit, in respect of a project that involves the use of public funds, and
- iv. Ascertain that money appropriated by Parliament or raised by the Government and disbursed;
  - has been applied for the purpose for which it was appropriated or raised,
  - was expended in conformity with the authority that governs it, and
  - was expended economically, efficiently and effectively.

## **2 Scope of Audit**

The audit scope covered the accounts and records of Ministries, Provinces and Agencies (MPAs) and other institutions financed from public funds for the financial year ended 31<sup>st</sup> December 2019. Although the Report is for the financial year ended 31<sup>st</sup> December 2019, in some cases observations that required updating were reported as of September 2020.

## **3 Constraints**

### **i. Staff**

The staffing position in the Office has over the years been improving. However, staffing levels are still not commensurate with the number of Government programmes being undertaken throughout the Country.

As at 31<sup>st</sup> December 2019, the Office had an establishment of 736 positions of which 634 were available while the balance of 102 were frozen. Out of the available positions, 618 were filled while sixteen (16) were vacant.

**ii. Transport**

The Office has presence in all the ten (10) provinces in the country and the nature of the operations require travelling to all districts in the country including far flung areas with bad terrains.

During the period under review, the Office faced a challenge of inadequate and aging fleet of motor vehicles required for use in executing our mandate as most of the vehicles were procured between 2007 and 2015. Consequently, this has continued to negatively impact the targeted time of completing the audit activities.

**iii. Information and Communications Technology Equipment**

During the period from 2017 to 2019, the number of staff increased from 524 to 618. This resulted in the need to provide Information and Communications Technology (ICT) equipment for the new staff. Although the Office received support from Government and Cooperating Partners in ICT, the gap still exists.

**iv. Coronavirus Disease 2019 (COVID-19)**

The audits of accounts for the financial year ended 31<sup>st</sup> December 2019 conducted in 2020 were adversely affected by the COVID-19 pandemic.

This resulted in suspension or scaling down on the scope of the audits to adhere to the public health guidelines issued by the Ministry of Health. In addition, the provision of audit information was delayed because of the absence of key personnel in the client offices.

**4 Audit Methodology**

In the execution of the audit, programmes were designed to give reasonable assurance on the utilisation and management of public resources.

The programmes included test checks, inspections and examination of accounting and other records maintained by the public officers entrusted with handling public resources.

To ensure optimal utilisation of resources at my disposal, a risk-based audit approach was used.

## **5 Reporting Process**

The reporting process involves three (3) major stages. The first stage is where the Management Letter is sent to the Controlling Officer and is required to respond to the audit queries raised within fourteen (14) days. Where the Controlling Officer does not respond to the queries or where the responses are not satisfactory, the Management Letter is upgraded to an Audit Reference (AR) Sheet. At AR stage (second stage), the Controlling Officer is then required to respond within seven (7) days. If the queries in the AR are not addressed, the AR is upgraded to a Draft Annual Report Paragraph (DARP) which is the third and final stage and the Controlling Officer is given up to seven (7) days in which to confirm as to whether the contents are factually correct or not. At every stage where responses received are satisfactory, amendments are made accordingly.

Where the findings have not been resolved, the DARPs are consolidated in the Auditor General's Annual Report on the Accounts of the Republic for the year under review.

## **6 Governance**

Cabinet is the supreme policy and strategic decision-making body of Government. It comprises the Republican President, Vice President and Cabinet Ministers who are appointed by the President.

The decisions of Cabinet are implemented through various portfolio ministries and provincial administrations which are headed by Ministers.

## **7 Management**

The operations of the Ministries, Provinces and Agencies is the responsibility of a Permanent Secretary who is appointed by the President. A Ministry also oversees the operations of various Government Agencies that operate within the preserve of its mandate.

## **8 Information and Communications Technology**

The Government operated various ICT systems to improve service delivery. The following are the major systems operated by MPAs:

**Table 8.1: Some of the ICT Systems in Use**

No.	Institution	Name of System	Description/Purpose
1	Ministry of Finance	Integrated Financial Management Information Systems (IFMIS)	This is an Integrated Financial Management Information System which is used for administration of financial transactions in the MPAs.
		Treasury Single Account (TSA)	This is a business solution that is used for facilitating of payment on IFMIS. It is a unified structure of bank accounts that gives a consolidated position of cash resources.
		Payroll Management and Establishment Control System (PMEC)	The system is used for Payroll Management and Establishment Control.
		Debt Management and Financial Analysis System (DMFAS)	The system is used for debt management and is installed at the Central Bank and Ministry of Finance.
2	Ministry of Agriculture	Zambia Integrated Agriculture Management Information System (ZIAMIS)	The system is a web-based application used for the administration of the Farmer Input and Support (FISP) activities.
3	Ministry of Lands	Zambia Integrated Land Management Information System (ZILMIS)	The system is used for administration of land, billing of properties for ground rent and receipting of revenue among others.
4	Ministry of Home Affairs-Passport Office	Personalised Passport System (PPS)	This is an application that is used in the production of ordinary and diplomatic passports. The application runs on the oracle database.

5	Ministry of Home Affairs-Department of Immigration	Zambia Immigration Management System (ZIMS)	The system is used for the management of immigration processes such as the facilitation of entry and exit and processing of visas among other processes.
6	Road Transport and Safety Agency	e-ZamTIS	The system is used to collect, receipt and record revenue.
7	Zambia Revenue Authority	Tax Online System	This system is used for administration of domestic taxes.
		ASYCUDA World	This system is used for administration of customs duties and taxes.
8	National Road Fund Agency	Yascn Toll Management System (Cash Management Systems)	This system is used for administration and collection of inland tolls.
		Necor Toll Management System (Cash Management Systems)	This system is used for administration and collection of inland tolls.
		Efkon Toll Management System (Cash Management Systems)	This system is used for administration and collection of inland tolls.
		e-Toll Management Information System	This is an electronic payment system used for collection of tolls.
		WBX and Axle Loop	These systems are used in the administration of toll and weighbridge fines.



**PART II**  
**PARAGRAPHS**



## REVENUE

<b>1</b>	<b>Head:</b>	<b>37</b>	<b>Ministry of Finance - Zambia Revenue Authority</b>
	<b>Programme:</b>	<b>2011</b>	<b>Tax Revenue</b>
	<b>Activities:</b>	<b>111</b>	<b>Income Tax</b>
		<b>112</b>	<b>Customs and Excise</b>
		<b>113</b>	<b>Value Added Tax</b>

### 1.1 Background

#### a. Mandate

The Zambia Revenue Authority (ZRA) is mandated with the responsibility of enforcing tax compliance and collecting taxes, related fines and penalties on behalf of Government in accordance with Section 11 of the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia.

#### b. Governance

The Authority is governed by the Board of Directors comprising nine (9) members responsible for providing strategic oversight and direction to the Institution. The tenure of office for the Board of Directors is three (3) years.

#### c. Management

The operations of the Authority is a responsibility of the Commissioner General (CG) who is appointed by the President and is assisted by four (4) Commissioners responsible for Customs, Domestic Taxes, Modernisation and Corporate Strategy and Finance.

### 1.2 Audit Findings

An examination of accounting and other records maintained at the ZRA Headquarters and selected stations for the period under review revealed the following:

**a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K51,844,168,213 was made against which amounts totalling K52,968,961,004 were collected resulting in an over collection of K1,124,792,791. See table 1.1.

**Table 1.1: Budget against Collections**

No.	Tax Description	Provision K	Collection K	Variance K
1	Company Tax	7,221,608,108	7,566,242,305	344,634,197
2	Individuals (self -employed)	130,099,314	106,628,807	(23,470,507)
3	Advance Income Tax	319,617,960	174,341,102	(145,276,858)
4	Pay As You Earn	11,290,900,231	11,361,326,382	70,426,151
5	Withholding Tax (Rent, Interest and Royalties)	3,584,915,359	3,474,315,404	(110,599,955)
6	Withholding Tax (Dividends)	363,300,315	430,141,269	66,840,954
7	Withholding Tax (Lump Sum Payment)	22,914,904	8,826,431	(14,088,473)
8	Withholding Tax (Contractors)	100,048,561	92,076,011	(7,972,550)
9	Property Transfer Tax	257,947,489	368,055,154	110,107,665
10	Mineral Royalty Tax	4,887,597,864	3,968,301,100	(919,296,764)
11	Customs Duty	2,993,818,811	3,271,025,602	277,206,791
12	Excise Duty - Motor Vehicles	607,652,175	263,917,953	(343,734,222)
13	Excise Duty - Soft drinks	210,000,000	3,302,699	(206,697,301)
14	Excise Duty on non alcoholic beverages	-	12,642,908	12,642,908
15	Excise Duty -Cigarettes	89,799,252	109,403,369	19,604,117
16	Excise Duty - Carbon	62,297,139	61,058,804	(1,238,335)
17	Excise Duty -Opaque Beer	45,792,306	29,347,092	(16,445,214)
18	Excise Duty -Clear beer	896,870,671	688,085,629	(208,785,042)
19	Excise Duty -Hydro Carbon Oils	1,022,254,378	495,665,711	(526,588,667)
20	Excise Duty -Spirits	87,140,335	147,093,161	59,952,826
21	Excise Duty - Wines	41,857,584	28,939,849	(12,917,735)
22	Excise Duty - Cosmetics	50,659,014	38,747,084	(11,911,930)
23	Excise Duty - Air time	833,465,505	698,911,789	(134,553,716)
24	Export Duty - Timber	848,556	12,493,750	11,645,194
25	Export Duty Scrap metal	-	77,592	77,592
26	Export Duty - Maize	3,847,600	7,279	(3,840,321)
27	Rummage Sales	13,224,806	7,774,112	(5,450,694)
28	Export Duty - Copper Concentrates	8,856,743	34,131,724	25,274,981
29	Fines	26,210,186	53,242,450	27,032,264
30	Excise duty - Plastics	13,925,837	14,600,330	674,493
31	Excise duty - Gases	52,794	53,024	230
32	Excise Duty on Juices	-	3,335,686	3,335,686
33	Warehouse Rent	828,539	1,167,866	339,327
34	Surtax on Selected Goods	436,312,561	213,552,881	(222,759,680)
35	Accounting Fees	890,358	1,442,275	551,917
36	Excise Duty - Cement	99,965,082	101,760,907	1,795,825
37	Licence Fees	5,876,356	6,250,175	373,819
38	Excise Duty - Electricity	166,634,091	222,397,232	55,763,141
39	Fuel Levy	495,522,964	1,014,813,992	519,291,028
40	Export Duty - Precious minerals and anodic slimes	135,600,000	271,859,586	136,259,586
41	Licence - Motor vehicle	105,879,760	26,099,277	(79,780,483)
42	Motor vehicle Surtax	60,269,388	54,389,640	(5,879,748)
43	Excise duty - Water	-	234,717	234,717
44	Export duty Hides	-	5,277,678	5,277,678
45	Tourism Levy	13,837,396	21,105,859	7,268,463
46	Insurancy Premium Levy	108,241,682	91,109,452	(17,132,230)
47	Skills Development Levy	163,993,696	158,376,545	(5,617,151)
48	Other Revenue	316,904	834,350	517,446
49	Domestic VAT	5,051,235,793	6,620,023,599	1,568,787,806
50	Import VAT	9,811,239,846	10,634,153,411	822,913,565
	<b>Total</b>	<b>51,844,168,213</b>	<b>52,968,961,004</b>	<b>1,124,792,791</b>

**b. Loss of Revenue to Government – Domestic VAT**

During the period under review, thirty-three (33) suppliers supplied standard rated goods and services to two (2) companies and raised tax invoices in amounts totalling K61,205,219 which included output Value Added Tax (VAT) of K8,422,092. However, it was observed that although the two (2) companies claimed input VAT of K8,422,092 on the procured goods and services, the thirty three (33) suppliers filed in nil returns during the period under review thereby under declaring VAT by the same amount.

In this regard, the Government lost revenue in amounts totalling K8,422,092.

**c. Unaccounted for Removals in Transit**

Automated System for Customs Data (ASYCUDA) has a transit module that handles transactions for Removals in Bond (RIB) and Removals in Transit (RIT) such as goods moving from one customs control area to another without duty being paid but under surety of a bond issued by banks or insurance companies.

According to the Customs procedures, transit documents are generated at the port of entry and are acquitted at the port of exit as the goods are leaving the country within ten (10) days for RIB and five (5) days for RIT. Therefore, clearance of all transits on the system is done by the destination exit office as indicated on the transit documents after checking that all goods that entered the country were not consumed within the country in case of RIT and that taxes have been paid before ex-bonding in case of RIB.

In the Report of the Auditor General on the Accounts of the Republic for the financial year ended 31<sup>st</sup> December 2018, mention was made of 551 RITs with guaranteed amounts totalling K96,313,164 which had entered the country but had not exited and were not accounted for.

A review of records carried out in July 2020 revealed that the practice had continued in that 752 RITs with guaranteed amounts totalling K47,180,798 that entered the country through seven (7) ports during the period under review had not exited the country as at 31<sup>st</sup> August 2020. Further, there was no evidence that ZRA had redeemed the bonds. See table 1.2.

**Table 1.2: Unaccounted for Transits**

No	Station	No of Transaction	Guaranteed Amount K
1	Chirundu	512	16,955,748
2	Kasumbalesa	154	16,398,826
3	Katima Mulilo	6	252,961
4	Kazungula	11	4,434,375
5	Nakonde	34	8,198,715
6	Ndola Port Office	2	59,993
7	Victoria Falls	33	880,181
	<b>Total</b>	<b>752</b>	<b>47,180,798</b>

**d. Weaknesses in the Usage of X-Ray Fluorescence Spectrometers Machine**

The Zambia Revenue Authority (ZRA) uses X-Ray Fluorescence spectrometers (XRF) machines to identify percentages of elements contained in the mineral consignments being exported for verification and reconciliation with underlying documentation.

The Ministry of Mines and Minerals Development requires a person or company intending to export minerals, ores, or mineral products to attach five (5) supporting documents namely:

- invoice(s) from the seller of the mineral,
- Mineral Analysis Certificate and Evaluation Report or Mineral Valuation Certificate obtainable from the Director of Geological Survey Department,
- Police Clearance from the town where the mine is situated,
- completed application forms for an export permit obtainable from the Director of Mines, and
- Mineral Royalty clearance from ZRA.

The mineral contents are inspected using the XRF machine in the customs yard.

The mineral contents and percentages on the Mineral valuation certificate should match with the results of the XRF machine and mineral royalty return.

After inspection, the results are manually forwarded to the Customs Processing Centre (CPC) where the examiners compare them with the figures appearing on the mineral valuation certificate from the Ministry of Mines and Minerals Development. If the

physical inspection report is in conformity with the mineral valuation certificate, the examiner proceeds to assess the entry for export.

The following were observed:

**i. Inadequate Storage Capacity**

An examination of XRF machines at six (6) stations revealed that the machines have limited memory capacity as data could only be stored for not more than three (3) days. As a result, it was not possible to validate and analyse the minerals exported to determine the taxes payable to Government during the period under review.

**ii. Lack of Interface with ASYCUDA World**

A physical inspection of the processing of the data captured by the XRF machine revealed that results of mineral analysis by XRF machines are entered in ASYCUDA World manually as the XRF machine and ASYCUDA World are not interfaced. In this regard, the inputting of data manually exposed it to the risk of manipulation and human error.

**iii. Failure to Confirm Mineral Content at Export**

A review of export transactions processed through ASYCUDA World during the period under review, revealed that the Authority did not confirm mineral content for mineral exports valued at US\$2,739,920,933 (K39,400,063,017) exported via Katima Mulilo, Chirundu, Kazungula and Victoria Falls. In addition, enquiries at Nakonde ZRA station revealed that the XRF machines were not operational for the period under review.

**2 Head: 85 Ministry of Lands and Natural Resources**

**Programmes: 123 Fees**

**125 Interest**

**129 Other Revenue**

**Activities: Various**

## **2.1 Mandate**

The Ministry of Lands and Natural Resources (MLNR) is mandated to superintend over land matters in the country.

In respect of revenue collections, the Ministry draws its mandate from various pieces of legislation, among them, Article 253 of the Constitution of Zambia (Amendment) Act No. 2 of 2016, Lands Act No. 29 of 1995, Land and Deeds Registry Act No. 13 of 1994.

## **2.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

### **a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K370,832,426 was made against which amounts totalling K233,497,875 were collected resulting in an under collection of K137,334,551. See table 2.1.

**Table 2.1: Budget against Collections**

<b>No.</b>	<b>Description</b>	<b>Revised Estimates K</b>	<b>Actual K</b>	<b>Variance K</b>
1	Forestry Revenue	35,454,725	50,129,924	14,675,199
2	Document and Registration Fees	34,904,747	29,539,085	(5,365,662)
3	Survey Fees	8,590,447	7,612,214	(978,233)
4	Consent Fees	2,747,299	2,717,853	(29,446)
5	Consideration Fees	160,606,054	92,028,913	(68,577,141)
6	Preparation Fees	2,630,352	1,906,049	(724,303)
7	Interest on Late Payments	2,163,566	5,999,512	3,835,946
8	Ground Rent	123,735,236	43,564,265	(80,170,971)
9	Rent of Government Premises	-	60	60
	<b>Total</b>	<b>370,832,426</b>	<b>233,497,875</b>	<b>(137,334,551)</b>

**b. Unaccounted for Revenue**

Financial Regulation No. 129 (1) states that “Collectors of revenue are required to bring to account daily the whole amount of their collections”.

Contrary to the regulation, amounts totalling K1,455,676 were collected at three (3) stations in respect of ground rent, consideration, consent and survey fees out of which K1,376,266 was deposited leaving a balance of K79,410 unaccounted for in that no cash was found on hand as at 31<sup>st</sup> August 2020. See table 2.2.

**Table 2.2: Unaccounted for Funds**

No.	Station	Amount Collected K	Amount Deposited K	Variance K
1	Mongu Lands Office	1,145,252	1,137,178	8,074
2	Mongu Survey Office	227,264	225,528	1,736
3	Mongu District Forestry Office	83,160	13,560	69,600
	<b>Total</b>	<b>1,455,676</b>	<b>1,376,266</b>	<b>79,410</b>

In addition, amounts totalling K11,481 collected at Mongu Provincial Lands Office were unaccounted for in that neither cash was found on hand nor deposit slips availed for audit.

**c. Delayed Banking**

Financial Regulation No.121 (1) requires that all Government revenues collected be deposited by the following working day. It was however observed that during the period under review, there were delays in banking of revenue in amounts totalling K301,618 collected at three (3) stations for periods ranging from three (3) to ninety eight (98) days. The days over which the banking was delayed did not include the weekends and public holidays. See table 2.3.

**Table 2.3: Delayed Banking**

No.	Station	Revenue Type	Amount K	Delay in Days	Distance to Bank Km
1	Lusaka South Forestry Office	Forestry revenue	1,530	4	3
2	Mongu District Forestry Office	Forestry revenue	280,061	4 to 98	2
3	Nalwei Check Point	Forestry revenue	20,027	3 to 18	15
	<b>Total</b>		<b>301,618</b>		

**d. Failure to Collect Ground Rent and Other Fees**

During the period under review, there were 687,190 properties on the database that were on title. A review of collections for various fees revealed that amounts totalling K134,082,514 for ground rent, consent, consideration, numbering and other fees were received in respect of 165,912 properties leaving a balance of 521,278 unpaid for as at 31<sup>st</sup> August 2020.

In addition, the 521,278 properties that were not paid for did not have dimensions indicated on the database. As a result, it was not possible to estimate the revenue which could have been collected from these properties as the amounts to be paid were dependent on the size of the property.

**e. Failure to Maintain a General Revenue Cashbook**

Financial Regulation No. 145 requires Controlling Officers to maintain cash books for bank accounts held at the Bank of Zambia and Commercial Banks. The cash book shows in detail all the transactions on receipts and payments and should be reconciled to the bank statements on a monthly basis.

Contrary to the regulation, Chipata Survey and Livingstone and Monze Lands Offices did not maintain cashbooks during the period under review. Consequently, it was not possible to ascertain the completeness of the revenue collected at the stations.

**f. Irregular Issuance of Licences**

The Conveyance and Production Licence provides for among other clauses a fourteen (14) day validity period from the date of issue.

However, it was observed that Mongu and Senanga District Forestry Offices irregularly issued licences whose validity periods ranged from thirty (30) to thirty-six (36) days contrary to the terms of the licence. See table 2.4.

**Table 2.4: Irregularly Issued Licences**

<b>No.</b>	<b>Station</b>	<b>Period of Licences Issued</b>	<b>No. of Days Exceeded</b>
1	Mongu District Forestry Office	05.03.19-10.04.19	22
		16.03.19-18.04.19	20
2	Senanga District Forestry Office	03.06.19-03.07.19	16
		11.03.19-11.04.19	18

In this regard, the issuance of licences in excess of the validity period resulted in loss of revenue to the Government.

**g. Lack of Safes in Eastern Province**

Lands and Forestry District Offices in the thirteen (13) districts of Eastern province did not have safes for keeping of revenues and accountable documents. In this regard, revenues collected and accountable documents in the custody of the district offices were not secured.

**3 Head: 51 Ministry of Transport and Communications, Road Transport and Safety Agency**

**Programme: 2020 Non – Tax Revenue**

**Activities: 122070 Road Traffic Collections**

**3.1 Background**

**a. Mandate**

The Road Transport and Safety Agency (RTSA) is a Statutory Body under the Ministry of Transport and Communication (MTC) whose responsibility is to provide a system of road safety and traffic management in the Country.

In respect of revenue collections, RTSA draws its mandate from the Road Traffic Act No. 11 of 2002.

**b. Governance**

RTSA is governed by a Board of Directors consisting of thirteen (13) non-executive members appointed by the Minister for renewable three (3) year terms.

**c. Management**

The operations of the Agency is the responsibility of the Chief Executive Officer (CEO) who is appointed by the Board of Directors. The CEO is assisted by eight (8) managers who are appointed on renewable contracts of three (3) years.

**3.2 Audit Findings**

An examination of accounting and other records maintained at the RTSA Headquarters and selected stations revealed the following:

**a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K509,608,038 was made against which amounts totalling K505,824,022 were collected resulting in under collection of K3,784,016.

**b. Information and Communications Technology - Administration of Active Directory**

An Active Directory (AD) is a directory service implemented by Microsoft for Windows domain networks which can have one or more domains. A domain controller is used to administer and manage network resources through authentication and authorisation of all users and computers, assigning and enforcing security policies for all computers and installing or updating software in a windows domain network, thereby improving the organisation's security.

The following were observed:

**i. Separated Employees Still Active on the AD**

ISO/IEC 27001A 8.3.3 requires that access rights for all employees, contractors and third-party users to information and information processing facilities be

removed upon termination of their employment, contract or agreement or adjusted upon change.

Contrary to the standard, user accounts in respect of fifteen (15) officers who were separated from RTSA between 25<sup>th</sup> January and 29<sup>th</sup> November 2019 had not been deactivated as at 31<sup>st</sup> August 2020.

**ii. Failure to De-activate Dormant User and Computer Accounts**

RTSA ICT policy number 2.5.1(j) on password creation requires that a user account that has been dormant for more than three (3) months shall be deleted or locked and the owner of the account will have to apply, as a new user, to reactivate his/her account.

Contrary to the policy, RTSA had 319 dormant accounts on the active directory as at 31<sup>st</sup> August 2020.

**c. Delayed Transfer of Revenue to Bank of Zambia**

The Service Level Agreement (SLA) signed in January 2018 between the Ministry of Finance and commercial banks stipulates that banks were to remit funds collected and deposited in the revenue accounts twice a week. Deposits were to be done on Tuesdays based on Mondays' balances and on Fridays based on Thursdays' balances and that remittances would be through the Real Time Gross Settlement System (RTGS) into the relevant accounts at the Bank of Zambia. Further, the agreement stipulates that any delays in transferring the funds to Bank of Zambia would attract a penalty of 10% simple interest, calculated on the overnight balance remaining on the account.

Contrary to the SLA, there were delays in transfer of revenue to the Bank of Zambia in amounts totalling K12,905,956 which was collected during the period under review ranging from one (1) to two (2) days. In this regard, the involved banks were liable for penalties in amounts totalling K1,290,596 which had not been paid by 31<sup>st</sup> August 2020.

**d. Unaccounted for Revenue**

Financial Regulation No. 129 (1) states that "Collectors of revenue are required to bring to account daily the whole amount of their collections".

During the period under review, RTSA Premium House collected amounts totalling K29,505,573 out of which K29,386,351 was banked resulting in a balance of K119,222 unaccounted for in that there was no cash on hand contrary to the regulation.

In addition, amounts totalling K71,995 in respect of eighty-three (83) cross border permits issued at Ndola RTSA Station were not accounted for in that there was no evidence that the money was banked nor was cash found on hand.

As at 31<sup>st</sup> August 2020, the amounts had not been accounted for.

**e. Undercharging of Road Service Licences**

Section 108 (21) of the Road Traffic Act No 11 of 2002 states that, “for the issue of every Road Service Licence or duplicate of the Road Service Licence, for every variation of such licence, and for each authorised vehicle specified in the Road Service Licence, there shall be paid the prescribed fee”. In addition, condition number two (2) on the Road Service Licence (Form PSV 5) stipulates that the licence should be valid for use by one vehicle only.

Further, a review of the Road Traffic and Safety Agency fee chart revealed that the prescribed fee for each vehicle was K156.90.

Contrary to the Act, RTSA charged K156.90 as long-term service licences per operator instead of motor vehicles owned by the operators.

Consequently, the Agency issued 811 long term service licences to 811 transporters at K156.90 and only realised amounts totalling K127,247 instead of K1,460,739 for 9,310 vehicles operated by the transporters resulting in revenue loss of K1,333,492. See table 3.1.

**Table 3.1: Long Term Road Service Licences**

No.	Station	No. of Operators	No. of Vehicles	Amount Charged K	Authorised Amount as Per Act K	Under Charge K
1	Premium	735	8,731	115,322	1,369,894	1,254,572
2	Chipata	42	388	6,590	60,877	54,287
3	Choma	19	134	2,981	21,025	18,044
4	Livingstone	15	57	2,354	8,943	6,589
	<b>Total</b>	<b>811</b>	<b>9,310</b>	<b>127,247</b>	<b>1,460,739</b>	<b>1,333,492</b>

**f. Failure to Manage Towing Services**

Statutory Instrument No. 81 of 2016 on Road Traffic (Removal of Vehicles) Regulations Part 4 states that, “an owner of a motor vehicle which has been removed, or in respect of which arrangements have been made for the removal by an authorised officer, shall pay the expenses for the removal and storage set out in the schedule”. See table 3.2.

**Table 3.2: Towing Services**

No.	Type of Vehicle	Distance	Amount K
<b>Motor Vehicle Moved</b>			
1	Heavy Vehicles	20km or Less	450
		Every Kilometer after 20Km	75
2	Any other Vehicle	20km or Less	300
		Every Kilometer after 20Km	75
<b>Motor Vehicle Stored</b>			
1	Heavy Vehicles per Day		450
2	Any other Vehicle per Day		225

The following were observed:

**i. Failure to Collect Towing Fees**

A scrutiny of the towing fees charged during the period from 20<sup>th</sup> January to 26<sup>th</sup> December 2019 revealed that amounts totalling K222,385 remained outstanding as at 31<sup>st</sup> August 2020 resulting in a delay of eight (8) to nineteen (19) months contrary to the provisions of the statutory instrument.

**ii. Unaccounted for Mileage**

A review of the log books maintained for vehicle Nos. ALT 8435 and BAA 2860 revealed that there was unaccounted for mileage totalling 1,217 and 8,404 kilometres respectively, which resulted in a revenue loss in amounts totalling K690,457 (K69,082 and K621,375 for vehicle Nos. ALT 8435 and BAA 2860 respectively).

**iii. Failure to Maintain Tow Truck Log Book Chipata Station**

In March 2019, Chipata RTSA collected K13,950 from towing services. However, it was not possible to ascertain the completeness of the reported revenue in that the station did not maintain a logbook for the tow truck.

**g. Unaccounted for Drivers' Licences**

A review of stock records for drivers' licence cards at five (5) stations revealed that 19,389 licences were unaccounted for in that there was no evidence that they were issued or damaged or transferred contrary to Public Stores Regulation No.16. See table 3.3.

**Table 3.3: Unaccounted for Driver Licence Fees**

No.	Station	Quantity Unaccounted for
1	Ndola	2,458
2	Copperhill	8,913
3	Kitwe Main	5,482
4	Chingola	2,536
	<b>Total</b>	<b>19,389</b>

**h. Delayed Banking of Revenue**

Financial Regulation No.121 (1) requires that all Government revenues collected be deposited by the following working day.

Contrary to the regulation, there were delays of periods ranging from three (3) to seven (7) days in banking of revenue in amounts totalling K110,809 collected at Zambia Postal Services Corporation in Livingstone during the period under review.

**4 Head: 64 Ministry of Works and Supply - National Road Fund Agency**  
**Programme: 2021 Non - Tax Revenue – Toll Fees**  
**Activities: 129 Other Revenue**

**4.1 Background**

**a. Mandate**

The National Road Fund Agency (NRFA) is mandated to mobilise, administer, and manage all financial resources in the road sector.

In respect of revenue collections, the Agency draws its mandate from the National Road Fund Act No.13 of 2002.

**b. Governance**

The Agency is governed by a Board of Directors consisting of thirteen (13) non-executive members appointed by the Minister for renewable three (3) year terms.

**d. Management**

The operations of the Agency is the responsibility of the Executive Director who is appointed by the Board of Directors and is assisted by five (5) Directors who are appointed on renewable contracts of three (3) years.

**4.2 Audit Findings**

An examination of accounting and other records maintained at the National Road Fund Agency Headquarters and selected toll stations for the period under review revealed the following:

**a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K1,070,342,996 was made against which amounts totalling K1,232,740,201 were collected resulting in over collection of K162,397,205. See table 4.1.

**Table 4.1: Budget against Collections**

Revenue Type	Approved Estimates K	Actual Revenue K	Over Collections K
Weighbridge Charges	10,292,303	20,739,901	10,447,598
Road Tolls	1,060,050,693	1,212,000,300	151,949,607
<b>Total</b>	<b>1,070,342,996</b>	<b>1,232,740,201</b>	<b>162,397,205</b>

**b. Information and Communications Technology – Lack of Escrow Agreement**

Good practice requires that a software escrow is signed to help protect all parties involved in a software licence by having a neutral third-party escrow agent hold the source code, data, and documentation until a mutually-agreed-upon event occurs.

However, it was observed that there was no software escrow agreement between NRFA and the developer of the e-toll NRFA system.

As a result, NRFA had no recourse in terms of software technical updates and maintenance in case of any eventualities such as disputes between parties involved and the software developer winding up business.

**c. Questionable Award of Discounts**

A review of Frequent and Local User Discount transactions at Katuba, Chongwe and Shimabala Toll Stations revealed that ninety-eight (98) motor vehicles were awarded discounts.

However, the transactions were questionable in that the vehicles travelled in the same direction on any day using the same lane and toll collector without a corresponding return passage. In this regard, NRFA lost a minimum estimated revenue of K13,580 as at 31<sup>st</sup> December 2019. See 4.2 table.

**Table 4.2: Questionable Award of Discounts**

No.	Station	No of Vehicles	No of Transactions	No of Toll Collectors
1	Shimabala	83	443	23
2	Katuba	15	236	10
	<b>Total</b>	<b>98</b>	<b>679</b>	<b>33</b>

**d. Management of Weighbridges**

The Public Road Act No. 12 of 2002 provides that any excess weights should be charged at prescribed fees contained in the third, fourth, fifth and sixth schedules and the Road Development Agency is responsible for the weighbridge systems. The fee is collected on the overload of either the axle or Gross Volume Mass (GVM) or both. Additional fees are charged on defaulting drivers and transporters in form of fines and penalties. The Weighbridges system uses either the axle loop or WBx system in the collection, receipting and recording of weighbridge charges. The WBx system is used at Kafue and Kapiri Mposhi while the axle loop is used at Kazungula, Mpika, and Livingstone weighbridges.

The weighbridge charges and tolls are collected at the weighbridges from local and transiting trucks. The drivers are required to present a cargo or passenger manifest, or consignment note in the case of goods. The documents are checked by the Toll

Collector and used to determine the destination of the motor vehicle and the distance. This is done to ensure that the payments made are as per toll fee schedule and according to the destination (distance) of the vehicle and its contents.

A review of the operations of axle loop and WBx systems at selected stations revealed the following:

**i. Non-Operational Weighbridge Management Systems**

Physical inspections conducted in July 2020 at four (4) weigh bridge stations revealed that the weighbridge management systems had not been in operation since January 2019 and that operators were raising manual weigh bridge certificates to certify compliance. See table 4.3.

**Table 4.3: Non-Operational Systems**

No.	Weigh Bridge	Type of System	Reason for Non Operation
1	Kapiri Mposhi	WBx	Failure to Pay License
2	Kafue	WBx	Failure to Pay License
3	Livingstone	Axle Loop	Technical Issue
4	Kazungula	Axle Loop	Technical Issue

**ii. Failure to Issue Weighbridge Certificates – Kapiri Mposhi**

Statutory Instrument (SI) No. 2837 (3) of 2007, stipulates that the authorised officer should fill in a weighbridge certificate set out in Form PR2 with respect to all loaded vehicles. During the period under review 172,250 vehicles were weighed out of which 3,375 were issued with certificates whilst 168,875 were not issued with certificates contrary to the SI. In this regard, there is a likelihood of damage to the roads due to overloading and loss of revenue.

**iii. Failure to Maintain a Register of Accountable Documents – Kapiri Mposhi**

Financial Regulation No. 103 (1) stipulates that every officer who is required to hold accountable documents shall maintain a register of accountable documents in which the receipt and issue of all accountable documents should be promptly entered.

However, Kapiri Mposhi weighbridge station did not maintain a register of accountable documents for weighbridge certificates (Form 2), notification to detain a vehicle (Form 3) and notification to release a vehicle form (Form 4).

<b>5</b>	<b>Head:</b>	<b>18</b>	<b>Judiciary</b>
	<b>Programmes</b>	<b>121</b>	<b>Fines</b>
		<b>123</b>	<b>Fees</b>
	<b>Activities</b>	<b>121010</b>	<b>Fines of Court</b>
		<b>123043</b>	<b>Court Fees</b>
		<b>123045</b>	<b>Library Services</b>

## **5.1 Background**

### **a. Mandate**

The Judiciary is mandated to preside over civil, criminal, and constitutional matters under Article 119 of the Constitution of Zambia (Amendment) Act No. 2 of 2016.

In respect of revenue, the Judiciary collects court fees and fines through civil and criminal court processes.

### **b. Governance**

The Judiciary is overseen by the Judicial Service Commission comprising eight (8) Commissioners including the Chairperson. The Commissioners serve on five (5) year renewable terms. The Chairperson and two (2) other Commissioners are appointed by the Republican President while other members are nominated by other bodies/ institutions.

### **c. Management**

The operations of the Judiciary is the responsibility of the Chief Administrator who is appointed by the President and is assisted by Director Human Resource and Administration, Chief Accountant and Head Court Reporting.

## 5.2 Audit Findings

An examination of accounting and other records maintained at the Judiciary headquarters and selected stations for the period under review revealed the following:

### a. Budget against Collections

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K26,487,812 was made against which amounts totalling K28,280,454 were collected resulting in an over collection of K1,792,642. See table 5.1.

**Table 5.1: Budget against Collections**

No.	Revenue Type	Revenue Provision K	Actual Collections K	Variance K
1	Fines of Court	9,497,870	7,439,082	(2,058,788)
2	Court Fees	16,635,578	19,789,969	3,154,391
3	Library Services	354,364	219,493	(134,871)
4	Miscellaneous fees		831,910	831,910
	<b>Total</b>	<b>26,487,812</b>	<b>28,280,454</b>	<b>1,792,642</b>

### b. Delayed Banking of Revenue

Financial Regulation No. 121 (1) requires that all Government revenues collected be deposited by the following working day. It was however observed that there were delays in banking of court fees collected in amounts totalling K10,824 for periods ranging from three (3) to thirty three (33) days at three (3) stations, despite proximity to banking facilities. The delays in days did not include weekends and public holidays. See table 5.2.

**Table 5.2: Delayed Banking of Revenue**

No.	Station	Amount K	Delay in days
1	Supreme Court - Court fees	1,651	5 to 15
2	Mwenechifungwe Local Court	4,042	3 to 19
3	Litoya Local Court	5,131	15 to 33
	<b>Total</b>	<b>10,824</b>	

**c. Client Accounts**

A client account is established for a court to hold monies deposited by defendants for onward payment to the plaintiffs as settlement of debt, which may arise from the court judgment.

A scrutiny of records for the client accounts revealed the following:

**i. Failure to Maintain an Updated List of Unpaid Clients**

As at 31<sup>st</sup> December 2019, the High Court – Commercial List Court and Lusaka Sheriff’s Office had closing balances in amounts totalling K23,092,213 in respect of clients’ accounts.

Although the Lusaka High Court Commercial List Court had bank balances in amounts totalling K19,531,175 in the client accounts, the Court did not maintain a record of clients that made deposits in the account. In this regard, it was not possible to establish the owners of the funds and how long the amounts had been held in the accounts.

**ii. Insufficient Funds to Meet Clients’ Claims – Kitwe Subordinate Courts**

The total amount for unpaid clients at the Kitwe Subordinate Court was K440,803 while the bank balances as at 31<sup>st</sup> December 2019 in respect of the client Account was K335,124. In this regard, the funds were insufficient to cover the claims by an amount of K105,679.

**d. Missing Receipt Books – Serenje Urban Local Court**

Financial Regulation No. 10 (n) stipulates that an accounting officer should produce all books and records or accounting documents in the accounting officer’s charge when required to do so by the Secretary to the Treasury, the Controlling Officer or the Auditor General.

Contrary to the regulation, a receipt book with serial numbers ranging from 7201001 to 7201050 allocated for the collection of fines during the period under review was not availed for audit.

**6 Head: 11 Ministry of Home Affairs – Zambia Police**

**Programme: 2021**

**Activities: 122040 Firearm Licence**

**123098 Fingerprints**

**123010 Interpol**

**121020 Admission of guilt**

**123099 Miscellaneous**

### **6.1 Mandate**

The Zambia Police Service is charged with the responsibility of providing and maintaining internal security to promote sustainable social-economic development in the Country.

In respect of revenue collections, the Service draws its mandate from Article 193 of the Constitution of Zambia (Amendment) Act No.2 of 2016 and Zambia Police Act Chapter 107.

### **6.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia Police Service Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K66,501,389 was made against which amounts totalling K92,618,030 were collected resulting in an over collection of K26,116,641. See table 6.1.

**Table 6.1: Budget against Collections**

<b>No.</b>	<b>Revenue Type</b>	<b>Approved Budget K</b>	<b>Actual Collections K</b>	<b>Variance K</b>
1	Admission of Guilt	49,119,330	74,006,380	24,887,050
2	Fire Arms	257,177	290,180	33,003
3	Interpol	6,248,422	6,269,956	21,534
4	Finger Prints	5,558,059	5,798,553	240,494
5	Other	5,318,401	6,252,961	934,560
	<b>Total</b>	<b>66,501,389</b>	<b>92,618,030</b>	<b>26,116,641</b>

**b. Under Charged Fees – Police Reports**

During the period under review, two (2) stations in the Eastern and Southern Divisions issued 1,050 police reports at reduced rates of K22.50 and K50 respectively instead of the prescribed fee of K84. In this regard, amounts totalling K35,395 were collected instead of K88,200 resulting in a loss of K52,805. See table 6.2.

**Table 6.2: Undercharged Fees**

No.	Station	No. of Police Reports Issued	Approved Rate K	Expected Amount to be Collected K	Rate Charged K	Amount Collected K	Total Loss K
1	Chipata	622	84	52,248	22.5	13,995	38,253
2	Choma	428	84	35,952	50	21,400	14,552
	<b>Total</b>	<b>1,050</b>		<b>88,200</b>		<b>35,395</b>	<b>52,805</b>

**c. Failure to Collect Revenue from Road Traffic Accidents and Offences**

The Road Traffic Act No. 11 of 2002 read together with Statutory Instrument No. 41 of 2015 specifies a schedule of 118 traffic offences, penalty units and the admission of guilt fines to be collected for each offence.

During the period under review, 339 traffic accidents and other traffic offences were recorded at four (4) stations from which fines in amounts totalling K82,875 were to be collected. However, as at 31<sup>st</sup> August 2020, the funds had not been collected from the offenders. See table 6.3.

**Table 6.3: Uncollected Revenue – Traffic Offences**

No.	Station	No. of Offences	Amount K
1	Kabwe Central Division	174	45,675
2	Chongwe Police	69	2,475
3	Chipata Central Police	13	15,525
4	Emmasdale Police	83	19,200
	<b>Total</b>	<b>339</b>	<b>82,875</b>

**d. Weaknesses in Revenue Collection – Charge Sheets**

The charge sheet is a document used by the police to record and charge traffic offenders for various offences upon which a receipt is issued after payment.

It was however observed that there were internal control weaknesses in the collection of revenue from traffic offenders in that the charge sheets were not serially numbered. Further, there were no copies of charge sheets retained at the stations for further use.

In this regard, although amounts totalling K39,729,268 were collected at eight (8) stations using charge sheets for various traffic offences, it was not possible to ascertain the number of offenders and types of offences committed to confirm the completeness of the revenue receivable. See table 6.4.

**Table 6.4: Revenue Collected using Charge Sheets**

No.	Station	Amount K
1	Head Office	682,031
2	Lusaka Division	8,433,770
3	Chinsali	3,585,036
4	Chipata	2,939,865
5	Choma	5,471,390
6	Kabwe	4,910,145
7	Solwezi	3,115,068
8	Ndola	10,591,964
	<b>Total</b>	<b>39,729,268</b>

**7 Head: 68 Ministry of Tourism and Arts**

**Programmes: 122 Licences**

**123 Fees**

**129 Other Fees**

**Activities: Various**

### **7.1 Mandate**

The Ministry of Tourism and Arts (MOTA) is mandated to provide sustainable development of the tourism industry in the country. In respect of revenue collections, the Ministry draws its mandate from National Arts Council of Zambia Act No. 31 of 1994, Zambia Wildlife Act No. 14 of 2015 and the Tourism and Hospitality Act No. 13 of 2015.

## 7.2 Audit Findings

An examination of accounting and other records maintained at the Ministry headquarters and selected stations for the period under review revealed the following:

### a. Budget against Collections

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K161,502,140 was made against which amounts totalling K176,923,801 were collected resulting in an over collection of K15,421,661. See table 7.1.

**Table 7.1: Budget against Collections**

No.	Revenue Type	Budget K	Collections K	Variance K
1	Casino Fees	3,557,577	2,538,927	(1,018,650)
2	Hotel manager registration fees	1,668,743	643,380	(1,369,471)
3	Tourism Enterprise fees	4,665,728	3,296,257	(1,025,363)
4	Hunting and Park Fees	151,536,599	170,333,279	18,796,680
5	Miscellaneous	73,493	111,958	38,465
	<b>Total</b>	<b>161,502,140</b>	<b>176,923,801</b>	<b>15,421,661</b>

Although the Ministry recorded an over collection of K15,421,661, there was an under collection of K3,413,484 in respect of casino, hotel manager registration and tourism enterprise fees.

### b. Delayed Banking

Financial Regulation No.121 (2) requires that where no banking facilities exist, the Accounting Officer should bring to account all revenues collected and deposit at least twice every month.

It was however observed that during the period under review, there were delays in banking of revenue in amounts totalling K68,756 and US\$29,615 collected at three (3) stations for periods ranging from three (3) to fifty four (54) days after taking into account 15 days provision as the stations were not in proximity to banking facilities. The days over which the banking was delayed did not include the weekends and public holidays. See table 7.2.

**Table 7.2: Delayed Banking**

No.	Station	Amount K	Amount US\$	Delay in Days	Distance to Bank
1	Dundumwezi	53,841	27,700	4 to 54	129 Km
2	Musa	14,915	-	3 to 4	36 Km
3	Chunga	-	1,915	13 to 19	196 Km
	<b>Total</b>	<b>68,756</b>	<b>29,615</b>		

**c. Failure to Collect Revenue**

During the period under review, the Ministry failed to collect revenue from casinos and hunters, among others.

In particular, the following were observed:

**i. Annual Retention Fees – Casino Operators**

The Tourism and Hospitality (Casino) Regulation No. 93 of 2016, requires Casino Operators to obtain a licence upon payment of an annual retention fee from the Ministry. Contrary to the regulation, eight (8) Casinos operated without obtaining a licence and did not pay annual retention fees in amounts totalling K24,000. As at 31<sup>st</sup> August 2020, no action had been taken by the Ministry against the defaulters.

**ii. Hotel Manager Registration Fees**

Section 59 of the Tourism and Hospitality Act No. 13 of 2015 requires a registered hotel manager to obtain a certificate of registration, practicing certificate or certificate of exemption at a prescribed fee. It was however observed that 124 accommodation establishments were operated by managers who did not have practicing or exemption certificate resulting in revenue loss in amounts totalling K273,000. As at 31<sup>st</sup> August 2020, no action had been taken by the Ministry against the defaulters.

**iii. Tourism and Hunting Concession Fees**

A review of tourism and hunting concession agreements that were in force and payments of land-user-rights fees, outfitters and animals' fees revealed that amounts totalling K2,139,631 and US\$693,091 were outstanding from various

hunting outfitters and tour operators. Some of the fees had been outstanding since 2013. See table 7.3.

**Table 7.3: Outstanding Tourism and Hunting Concession Fees**

No.	Station	Amount	
		K	US\$
1	Chilanga - Department of National Parks and Wildlife	352,000	52,415
2	Mosi-o-Tunya Area Management Unit	32,244	169,034
3	Lower Zambezi Area Management Unit	331,825	265,986
4	South Luangwa Area Management Unit	114,427	205,657
5	Kafue National Park	1,309,133	-
	<b>Total</b>	<b>2,139,631</b>	<b>693,091</b>

As at 31<sup>st</sup> August 2020, the amounts had not been paid.

**iv. Failure to Obtain Permits to Keep Game in Captivity**

Section 43 (1) (b) of the Zambia Wildlife Act No. 14 of 2015, requires a person who keeps any wild animal in captivity on a ranch, farm, zoo, or any other place to obtain a permit from the Director of Wildlife. However, thirty-five (35) estates operated without licences resulting in loss of revenue in amounts totalling K38,970.

**8 Head: 64 Ministry of Works and Supply**

**Programmes: 122 Licences**

**123 Fees**

**123 Other Revenue**

**Activities: Various**

**8.1 Mandate**

The Ministry of Works and Supply (MWS) is mandated to superintend over the preventive maintenance and government housing policies, control of government transport, evaluation of government property, government printing and gazetting, insurance of government property, office accommodation and maintenance services, state functions and government fleet management.

The Ministry is mandated to collect revenue from rent, sale of Government assets, weight charges and printing services, among others.

## 8.2 Audit Findings

An examination of accounting and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

### a. Budget against Collections

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2018 and 2019, revenue provisions of K10,280,001 were made against which amounts totalling K9,774,507 were collected resulting in an overall under collection of K505,494. See table 8.1.

**Table 8.1: Budget against Collection**

No	Revenue Type	Revenue Provision			Collections			Variance
		2018	2019	Total Provision	2018	2019	Total Collections	
		K	K	K	K	K	K	
1	Registration fees	211,685	515,958	727,643	514,810	533,000	1,047,810	320,167
2	Survey fees	-	-	-	-	-	-	-
3	Other fees	4,270	-	4,270	-	223,860	223,860	219,590
4	Rent of Government premises	41,502	273,377	314,879	50,212	132,496	182,708	(132,171)
5	Proceeds from Sale of properties	66,419	2,280,177	2,346,596	124,015	51,086	175,101	(2,171,495)
6	Proceeds from Sale of Government vehicles	1,485,440	33,964	1,519,404	1,398,939	1,273,629	2,672,568	1,153,164
7	Printing Supplies	836,084	4,079,103	4,915,187	2,708,529	2,310,576	5,019,105	103,918
8	Flower sales	1,804	2,891	4,695	2,400	1,505	3,905	(790)
9	Renewal of Certificates	-	146,585	146,585	-	80,200	80,200	(66,385)
10	Office equipment and maintenance services	99,498	146,470	245,968	171,015	52,285	223,300	(22,668)
11	Misuse of Government Vehicles	20,144	34,350	54,494	27,700	117,000	144,700	90,206
12	Damage of Government Property	280	-	280	250	1,000	1,250	970
	<b>Total</b>	<b>2,767,126</b>	<b>7,512,875</b>	<b>10,280,001</b>	<b>4,997,870</b>	<b>4,776,637</b>	<b>9,774,507</b>	<b>(505,494)</b>

### b. Failure to Collect Revenue from Sale of Personal to Holder Vehicles

Cabinet Circular No. 6 of 2001 stipulates that Officers allocated Personal to Holder Motor vehicles shall be permitted to buy their respective vehicles on retirement, death or after the life span of the vehicle which is five (5) years whichever comes first.

In 2018 and 2019 sixteen (16) officers were sold Personal to Holder Vehicles valued at K519,172 with a payment period of three (3) months from the date of offer. However, the officers had not paid for the vehicles as at 31<sup>st</sup> August 2020, nine (9) to twenty-nine (29) months after the vehicles were offered for sale. See table 8.2.

**Table 8.2: Uncollected Revenue from Sale of Personal to Holder Vehicles**

No.	Year	No. of Officers	Value K
1	2018	13	321,963
2	2019	3	197,209
	<b>Total</b>	<b>16</b>	<b>519,172</b>

**c. Failure to Collect Revenue from Rental Arrears – Government Complex**

A review of receipt books and Tenancy records revealed that eleven (11) tenants occupying Government Complex failed to settle rental arrears in amounts totalling K399,712 for the period from 1<sup>st</sup> January 2018 to 30<sup>th</sup> September 2019. As at 31<sup>st</sup> August 2020, the amounts were still outstanding, and the tenants were still occupying the premises.

**d. Failure to Collect Debt**

During the period under review, the Office Equipment and Government Printing Departments under the Ministry of Works and Supply were owed amounts totalling K4,386,218 by various institutions in respect of maintenance of equipment, furniture, and printing services. The debt accrued from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2019.

See table 8.3.

**Table 8.3: Uncollected Debt**

No.	Department	Amount K
1	Office Equipment - Lusaka	95,225
2	Office Equipment - Solwezi	9,250
3	Government Printers	4,281,745
	<b>Total</b>	<b>4,386,220</b>

As at 31<sup>st</sup> August 2020, the departments had not collected the amounts owed.

**e. Delayed Banking**

Financial Regulation No. 121 provides that all monies received by any accounting officer should be deposited not later than the next business day following the day of receipt.

Contrary to the regulation, it was observed that, there were delays in banking of revenue in amounts totalling K13,500 for periods ranging from four (4) to seventy (70) days by the Controller of Government Transport.

<b>9</b>	<b>Head:</b>	<b>14</b>	<b>Ministry of Mines and Minerals Development</b>
	<b>Programmes:</b>	<b>122</b>	<b>Licences</b>
		<b>129</b>	<b>Other Revenue</b>
	<b>Activities:</b>	<b>122050</b>	<b>Mining Licence</b>
		<b>129015</b>	<b>Fees and Surface Rental Charges</b>
		<b>129099</b>	<b>Miscellaneous</b>

## **9.1 Mandate**

The Ministry of Mines and Minerals Development is mandated to develop and manage minerals in a sustainable manner for the benefit of the country.

In respect of revenue collections, the Ministry draws its mandate from the Mines and Minerals Development Act No. 11 of 2015.

## **9.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry headquarters and selected stations for the period under review revealed the following:

### **a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2018 and 2019, a revenue provision of K89,113,386 was made against which amounts totalling K88,139,442 were collected resulting in an under collection of K973,944. See table 9.1.

**Table 9.1: Budget against Collections**

No.	Revenue Type	Provision			Collections			Variance K
		2018 K	2019 K	Total K	2018 K	2019 K	Total K	
1	Mining Licence	36,936,195	45,689,665	82,625,860	36,008,203	43,813,699	79,821,902	(2,803,958)
2	Fees and Surface Rental Charges	1,606,567	916,635	2,523,202	1,713,420	785,300	2,498,720	(24,482)
3	Miscellaneous	1,853,832	2,110,492	3,964,324	2,208,223	3,610,597	5,818,820	1,854,496
	<b>Total</b>	<b>40,396,594</b>	<b>48,716,792</b>	<b>89,113,386</b>	<b>39,929,846</b>	<b>48,209,596</b>	<b>88,139,442</b>	<b>(973,944)</b>

**b. Deposits not Reflected on the Bank Statements**

Financial Regulation Nos. 129, 130 and 138 require collectors of revenue to bring to account daily, the whole amount of collections that should be reconciled and deposited to the credit of the Treasury Account (Control 99) at the Bank of Zambia.

Contrary to the regulations, revenue in amounts totalling K17,850 collected at the Mine Safety Department in Kitwe, though purported to have been banked as evidenced by deposit slips, did not reflect on the bank statements.

As at 31<sup>st</sup> August 2020, the amount had not been accounted for.

**c. Under Charging of Area Charges**

Section 72 (1-2) of the Mines and Minerals Development Act No. 11 of 2015 read together with Section 57(3) of the Mines and Minerals Development (General) Regulations of 2016 provides that payment of area charges should be based on hectares owned by mining right holders.

During the period under review, the Act provided for a rate of K16.80 per hectare for large scale mining right holders.

However, it was observed that a large-scale mining company owning 8,316.56 hectares of mining right was charged and paid an amount of K93,145 as opposed to K139,718 resulting in an under charging of K46,573. As at 31<sup>st</sup> August 2020, no recovery had been made.

**d. Failure to Collect Outstanding Area Charges from Mineral Right Holders**

Section 77 (1) and (2) of the Mines and Minerals Development Act No. 11 of 2015, provides that a holder of a mining right or mineral processing licence should pay to the Republic an annual area charge of such amount as may be prescribed, or as may be

calculated in the manner prescribed by the Minister. The annual area charge referred to in subsection (1) should be payable on the grant of the mining or mineral processing licence, and thereafter annually on the anniversary thereof until the termination of the mining right or mineral processing licence.

Contrary to the provisions, the Ministry failed to collect area charges in amounts totalling K21,199,692 from 1,477 mining right holders as at 31<sup>st</sup> August 2020.

## **10 Head: 15 Ministry of Home Affairs – Department of National Registration, Passport and Citizenship**

<b>Programmes:</b>	<b>123</b>	<b>Fees</b>
<b>Activities:</b>	<b>123020</b>	<b>Passports</b>

### **10.1 Mandate**

The Department of National Registration, Passport and Citizenship falls under the Ministry of Home Affairs and is mandated to conduct national and civil registration, issue travel documents and facilitate acquisition of citizenship.

In respect of revenue collections, the Department derives its mandate from the Passport Act No. 28 of 2016 and Citizenship Act No. 33 of 2016.

### **10.2 Audit Findings**

An examination of accounting and other records maintained at the Passport and Citizenship Office Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget against Collections**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a revenue provision of K34,248,020 was made against which amounts totalling K36,621,023 were collected resulting in an over collection of K2,373,003.

**b. Duplicate Receipts**

The procedure for application for a passport requires that an applicant be issued with a receipt upon depositing the applicable fees into a designated bank account. Further, one receipt cannot be used for issuance of more than one passport.

During the period under review, three (3) stations processed 605 passports based on the original receipts issued. It was however observed that, an additional 602 passports were processed using duplicate receipts from the 605 passports already issued resulting in revenue loss of K220,340. See table 10.1.

**Table 10.1: Duplicate Receipts**

No.	Station	No.of Receipts	Amount K
1	Lusaka	532	194,640
2	Ndola	62	22,940
3	Livingstone	8	2,760
	<b>Total</b>	<b>602</b>	<b>220,340</b>

**c. Use of Obsolete/ Unsupported Software and Devices**

ISO/IEC 27001:2005 A12.6.1 Control of Technical Vulnerabilities, requires the organisation to obtain timely information about technical vulnerabilities of information systems being used, the exposure of such vulnerabilities evaluated and appropriate measures taken to address the associated risk. This control measure reduces the risk resulting from exploitation of published technical vulnerabilities.

The following were observed:

**i. Use of Unsupported Operating Systems**

The work stations at the Production Centre were running on Windows XP operating system, a software whose end of life support ended on 8<sup>th</sup> April 2014.

In addition, the server for the Personalised Passports System was running on windows Server 2003 R2, whose end of life support ended on 14<sup>th</sup> July 2015.

**ii. Use of Unsupported Network Devices**

The networking solution installed at the production centre such as routers and switches were running on CISCO 1800 series and CISCO ASA 5505, whose end of lives support ended on 6<sup>th</sup> August 2015 and 31<sup>st</sup> May 2019 respectively.

Therefore, the business continuity aspect for Personalised Passports System was at high risk of failure.

**11 Head: 33 Ministry of Commerce, Trade and Industry - Patents and Companies Registration Agency (PACRA)**

**Programmes: 122 Licences**

**Activities: 122072 PACRA Collections**

**11.1 Background**

**a. Mandate**

The Patents and Companies Registration Agency (PACRA) is mandated to provide business and intellectual property registration services.

In respect of revenue collections, the PACRA draws its mandate from the PACRA Act No. 15 of 2010, Companies Act No. 10 of 2017, Registration of Business Names Act No. 16 of 2011, Patents Act No. 40 of 2016 and Trademarks Act No. 2 of 2010.

**b. Governance**

The PACRA is governed by a Board of Directors consisting of seven (7) non-executive members who are appointed by the Minister for renewable terms of three (3) years.

**c. Management**

The operations of the Agency is the responsibility of the Registrar and Chief Executive Officer and is assisted by the Assistant Registrar – Commercial Unit and the Assistant Registrar – Intellectual Property.

## 11.2 Audit Findings

An examination of accounting and other records maintained at PACRA headquarters and selected stations for the period under review revealed the following:

### a. Budget against Collections

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2018 and 2019, a revenue provision of K166,783,931 was made against which amounts totalling K153,052,800 were collected, resulting in an under collection of K13,731,131. See table 11.1.

**Table 11.1: Budget against Collections**

Year	Description	Provision K	Collections K	Variance K
2018	PACRA Collections	81,454,344	78,333,444	(3,120,900)
2019	PACRA Collections	85,329,587	74,719,356	(10,610,231)
	<b>Total</b>	<b>166,783,931</b>	<b>153,052,800</b>	<b>(13,731,131)</b>

### b. Unaccounted for Revenue

Financial Regulation No. 129 (1) states that “Collectors of revenue are required to bring to account daily the whole amount of their collections”.

Contrary to the regulation, amounts totalling K1,721,154 were collected at two (2) stations out of which K1,707,170 were deposited leaving a balance of K13,984 unaccounted for as neither cash was found on hand nor were deposit slips availed for audit as at 31<sup>st</sup> August 2020. See table 11.2.

**Table 11.2: Unaccounted for Revenue**

No.	Station	Year	Amount Collected K	Amount Deposited K	Variance K
1	Livingstone	2018	974,263	966,988	(7,275)
2	Solwezi	2019	746,891	740,182	(6,709)
	<b>Total</b>		<b>1,721,154</b>	<b>1,707,170</b>	<b>(13,984)</b>

### c. Failure to Submit Annual Returns, Non-Payment of Annual and Penalty Fees

The Companies Act No. 10 of 2017 requires that all companies registered with PACRA submit annual returns within three (3) months after the end of the financial year which

must be followed by a payment and that the annual return that is not filed within the period specified, will attract a penalty fee of K100 for each year that the annual return has not been submitted.

Contrary to the Act, 547 companies at four (4) stations did not submit annual returns resulting in uncollected revenue of K256,073 comprising annual fees (K177,273) and penalty fee (K78,800). See table 11.3.

**Table 11.3: Non-Payment of Annual and Penalty Fees**

No.	Station	No. of Company	Annual Fee K	Penalty Fee K	Total K
1	Choma	32	20,708	12,300	33,008
2	Livingstone	214	73,800	36,500	110,300
3	Chipata	87	9,508	8,600	18,108
4	Kabwe	214	73,257	21,400	94,657
	<b>Total</b>	<b>547</b>	<b>177,273</b>	<b>78,800</b>	<b>256,073</b>

## **Expenditure**

**12 Head: 11                      Zambia Police Service**

**Programmes:                      Various**

**Activities:                        Various**

### **12.1 Mandate**

The Zambia Police Service is charged with the responsibility of providing and maintaining internal security in order to promote sustainable social-economic development in the Country.

### **12.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia Police Service Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,495,560,533 was made to cater for operations of the Zambia Police Service against which amounts totalling K1,235,363,782 were released resulting in an under funding of K260,196,751.

As at 31<sup>st</sup> December 2019, amounts totalling K1,235,019,232 had been spent.

#### **b. Procurement of Goods and Services – Failure to Deliver Procured Items**

On 23<sup>rd</sup> December 2019, the Zambia Police Service engaged Gun Pro Africa Limited for the supply and delivery of various types of munitions at a contract sum of K499,827 with a delivery period of four (4) to eight (8) weeks from the date of signing the contract.

In this regard, an amount of K430,886 was paid to the supplier on 27<sup>th</sup> December 2019 leaving a balance of K68,941.

However, as at 31<sup>st</sup> August 2020, the procured items had not been delivered, six (6) months after the expected date of delivery and the Service had not taken any action against the supplier.

**c. Accounting Irregularities – Unaccounted for Stores**

Public Stores Regulation No.16 requires that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, various stores items costing K38,738 procured by the service were unaccounted for in that there were no receipt and disposal details.

**d. Management of Assets – Failure to Secure Title Deeds**

Section 41(4) of the Public Finance Management Act, No. 1 of 2018, requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, the Service did not secure title deeds for four (4) properties as at 31<sup>st</sup> August 2020. See table 12.1.

**Table 12.1: Properties without Titles**

No.	Property	District	Hectarage	Year of Acquisition
1	Shimabala Farm	Kafue	210	1986
2	Lusaka West Farm	Chilanga	920	1986
3	Nkeyema Farm	Nkeyema	250	2013
4	Air Wing	Lusaka	20	2014

**e. Infrastructure Development – Construction of Police Posts**

An amount of K5,226,000 was budgeted for construction of police posts against which the Treasury only released K50,000 representing 0.9% leaving a balance of K5,176,000.

In this regard, the Service was unable to settle outstanding amounts totalling K6,457,299 in respect of certified works for nine (9) infrastructure projects. See table 12.2.

**Table 12.2: Contracts with Outstanding Amounts**

No.	Project	Contractor	Year Contract Awarded	Contract Price K	Certificate No.	Issue Date	Outstanding Amount K	Duration
1	Chibombo Police Post	Zamchin	2013	8,779,942	3	02.11.2018	693,056	1.9 years
				8,779,942	4	15.07.2019	1,626,660	1 year
2	Muyombe Police Post	J & M Traders	2013	2,094,201	4	13.12.2018	241,345	1.7years
3	Lealui Police Post	Eldamain Business	2014	1,110,252	2	02.01.2019	659,591	1.7years
4	Milenge Police Post	Lumusa Company Ltd	2015	3,779,080	2	29.11.2018	266,296	1.8years
5	Residential Flats and VIP Laterin	Edmas General Dealers	2014	334,215	3	05.02.2019	101,965	1.6 years
6	Zambezi West Police Post	Pavesi Marketing	-	4,118,789	1	16.04.2016	1,029,697	4.3years
7	Luanshya Academy	Floyven Investment Ltd	-	5,709,981	2	18.09.2017	845,487	2.10years
8	Police Houses Serenje	Messers Walltech Enterprises Ltd	-	36,223,224	4	-	993,201	-
<b>Total</b>				<b>70,929,626</b>			<b>6,457,299</b>	

It was also observed that two (2) other infrastructure projects that commenced during the period from August 2012 to January 2016 had not been completed as at 31<sup>st</sup> August 2020 and there was no evidence of extension of the contracts. See table 12.3.

**Table 12.3: Projects not completed within Contract Periods**

No.	Project	Contractor	Year	Contract Price K	Amount Paid K	Outstanding Amount on Contract K	Status
1	Sichili Police Post	Raymond Contractor	2013	1,305,458	261,092	1,044,367	Works Stalled
2	Zambezi East Police Post	Pavesi Marketing	2015	4,118,789	1,029,697	3,089,091	Works Stalled
<b>Total</b>				<b>5,424,247</b>	<b>1,290,789</b>	<b>4,133,458</b>	

**f. Transport and Fleet Management – Failure to Insure Marine Equipment and Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

The Service had a fleet of 1,098 motor vehicles out of which only 45 were insured as at 31<sup>st</sup> August 2020.

It was also observed that the Service had a fleet of 22 boats that had not been insured.

<b>13</b>	<b>Head:</b>	<b>13</b>	<b>Ministry of Chiefs and Traditional Affairs</b>
	<b>Departments:</b>		<b>Various</b>
	<b>Units:</b>		<b>Various</b>
	<b>Programmes:</b>		<b>Various</b>
	<b>Activities:</b>		<b>Various</b>

### 13.1 Mandate

The Ministry of Chiefs and Traditional Affairs is mandated to provide policy formulation, planning, effective coordination and implementation of chiefs and traditional affairs programmes in the country.

### 13.2 Audit Findings

An examination of financial and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

#### a. Budget, Funding and Expenditure

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K128,509,688 was made to cater for the operations of the Ministry.

In this regard, amounts totalling of K92,338,365 were released by the Treasury resulting in an under funding of K36,171,323. See table 13.1.

**Table 13.1: Budget, Funding and Expenditure**

No.	Department	Provision K	Amount Released K	Under/(over) Funding K	Amount Spent K
1	Headquarters	42,064,119	31,371,445	10,692,674	31,259,207
2	Human Resources and Administration	26,196,190	18,416,967	7,779,223	18,416,747
3	House of Chiefs	3,910,470	3,845,920	64,550	3,577,333
4	Chiefs and Traditional Affairs	54,126,647	37,345,000	16,781,647	37,266,993
5	Planning, Research and Information	972,600	430,000	542,600	395,759
6	Finance	1,239,662	929,033	310,629	929,015
	<b>Total</b>	<b>128,509,688</b>	<b>92,338,365</b>	<b>36,171,323</b>	<b>91,845,054</b>

As at 31<sup>st</sup> December 2019, amounts totalling K91,845,054 had been spent.

**b. Accounting Irregularities**

**i. Unacquitted Payments**

Financial Regulation No. 45 (3) stipulates that any document which is acquitted, certified, and approved by a responsible officer should form part of cash sale receipts.

Contrary to the regulation, payments respect of allowances in amounts totalling K6,100 was not acquitted by the beneficiary.

**ii. Unretired Accountable Imprest**

Financial Regulation No. 96 (1) requires that special and accountable imprest should be retired immediately the purpose for which they are issued has been fulfilled.

Contrary to the regulation, accountable imprest in amounts totalling K264,292 issued to several officers, had not been retired as at 31<sup>st</sup> August 2020.

**iii. Missing Payment Vouchers**

Financial Regulation No. 65 (1) states that, “payment vouchers with supporting documents and any other form which support a charge entered in the accounts shall be filed, secured against loss and be readily available for audit”.

Contrary to the regulation, a payment voucher amounting to K12,800 was not availed for audit.

**c. Failure to Remit NAPSA Contributions – Chiefs’ Retainers’ Wages**

Section 15 (1) of the National Pensions Scheme Act, of 1996 states that “a contributing employer shall pay contributions to the Authority at the end of each month and such employer shall submit, with such payment, all prescribed supporting particulars concerning his identity, period of employment and earnings of the member to whom the contributions relate”.

Contrary to the Act, NAPSA contributions in amounts totalling K134,500 deducted from chiefs’ retainers’ wages at three (3) Councils were not remitted to NAPSA.

It was also observed that three (3) Councils owed NAPSA amounts totalling K1,713,350 in accumulated penalty charges as at 31<sup>st</sup> December 2019 bringing the total amounts owed to NAPSA to K1,847,850. See the table 13.2.

**Table 13.2: Failure to Remit NAPSA Contributions**

<b>No.</b>	<b>Province</b>	<b>Council</b>	<b>Unremitted Deductions K</b>	<b>Accumulated Penalty Charges K</b>	<b>Total K</b>
1	Eastern	Nyimba	12,000	271,977	283,977
		Chipata	80,000	987,660	1,067,660
2	Northen	Kasama	-	453,713	453,713
3	Central	Serenje	42,500	-	42,500
	<b>Total</b>		<b>134,500</b>	<b>1,713,350</b>	<b>1,847,850</b>

As at 31<sup>st</sup> August 2020, the outstanding amounts had not been settled by the Ministry.

**14 Head: 14 Ministry of Mines and Minerals Development**

**Departments: Various**

**Units: Various**

**Programmes: Various**

**Activities: Various**

#### **14.1 Mandate**

The Ministry of Mines and Minerals Development (MMMD) is mandated to develop and manage minerals in a sustainable manner for the benefit of the country.

#### **14.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

##### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K39,323,927 was made to cater for the operations of the Ministry against which amounts totalling K37,816,019 were released resulting in an under funding of K1,507,908.

As at 31<sup>st</sup> December 2019, amounts totalling K37,712,135 had been spent.

##### **b. Operational Matters**

###### **i Failure to Collect Fines from Mining Companies**

During the period under review, several companies did not comply with safety requirements and consequently the Ministry fined the companies amounts totalling K835,000.

As at 31<sup>st</sup> August 2020, the amounts had not been collected.

###### **ii Low Staffing Levels – Regional Bureaus**

During the period under review, the Ministry operated six (6) Regional Mining Bureaus namely Choma, Mansa, Chipata, Solwezi, Mkushi and Kitwe. However, a

visit to the Bureaus revealed that out of the total establishment of sixty (60) only twenty-four (24) positions were filled resulting in an under staffing of thirty-six (36). Included in the unfilled positions were that of Technologist and Surveyor Technician whose responsibilities were among others are to;

- Effectively undertake the collection of mining operations information to facilitate assessment of compliance to the programme of mining operations
- Effectively undertake the assessment of mine sites to determine the appropriate interventions, among others.

As at 31<sup>st</sup> August 2020, the vacant positions remained unfilled.

**c. Management of Assets**

**i. Failure to Claim Insurance**

The Ministry accumulated K296,489 in unpaid insurance premiums with an insurance company for the cover of a fleet of motor vehicles. In this regard, the Ministry was unable to claim insurance for the two (2) motor vehicles (Toyota Land Cruiser GRZ 720 BX and Ford Ranger GRZ 977 CB) that were involved in road traffic accidents in 2016 and 2019.

**ii. Failure to Insure Office Equipment, Fixtures and Fittings**

The Ministry did not insure 417 various pieces of office furniture, fixture, and equipment. As at 31<sup>st</sup> August 2020, the assets had still not been insured.

**15 Head: 15 Ministry of Home Affairs**

**Departments: Various**

**Programmes: Various**

**Activities: Various**

### 15.1 Mandate

The Ministry of Home Affairs (MHA) is mandated to provide and maintain internal security in order to promote sustainable social-economic development for the country.

### 15.2 Audit Findings

An examination of accounting and other records maintained at the Ministry of Home Affairs Headquarters and selected Districts for the period under review revealed the following:

#### a. Budget, Funding and Expenditure

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, the Ministry of Home Affairs had a total provision of K179,318,040 to cater for operations against which amounts totalling K122,068,772 were released, resulting in an underfunding of K57,249,268. See table 15.1.

**Table 15.1: Budget, Funding and Expenditure**

No.	Department	Provision K	Releases K	Underfunding K	Expenditure K
1	Headquarters	67,632,842	35,407,941	(32,224,901)	34,549,332
2	Passport and Citizenship	7,070,439	7,070,439	-	6,931,055
3	National Archives of Zambia	2,047,773	1,122,558	(925,215)	1,118,721
4	Immigration	28,987,238	24,461,237	(4,526,001)	23,110,132
5	National Registration	62,773,637	49,961,544	(12,812,093)	14,703,577
6	Research and Information	4,545,744	1,774,310	(2,771,434)	1,753,549
7	Internal Audit	606,558	279,364	(327,194)	279,280
8	Registrar of Societies	3,001,516	1,114,386	(1,887,130)	576,773
9	Finance	2,652,293	876,993	(1,775,300)	876,863
	<b>Total</b>	<b>179,318,040</b>	<b>122,068,772</b>	<b>(57,249,268)</b>	<b>83,899,282</b>

As at 31<sup>st</sup> December 2019, amounts totalling K83,899,282 had been spent.

**b. Procurement of Goods - Failure to Deliver Paid for Uniforms**

On 9<sup>th</sup> December 2019, the Ministry of Home Affairs ordered seven hundred (700) combat uniforms from Prime Link Investments limited costing K343,000 and the supplier was paid in full on 25<sup>th</sup> December 2019.

On 22<sup>nd</sup> November 2019, the supplier delivered 514 combat uniforms costing K250,900 leaving a balance of 186 costing K91,140 not delivered as at 31<sup>st</sup> July 2020.

**c. Infrastructure Development**

**i. Delayed Completion - Construction of District Immigration Office - Mwanzi**

In February 2015, the Ministry engaged Lamusa Construction Limited to construct the District Immigration Office block in Mwanzi at a contract sum of K2,948,325 with a completion period of seven (7) weeks.

As at 30<sup>th</sup> June 2020, the contractor had been paid a total amount of K1,290,343 leaving a balance of K1,657,983 outstanding.

The project had delayed for over five (5) years after the planned completion date and there was no evidence that the contract had been extended.

A physical inspection of the project carried out in June 2020 revealed that the project had stalled at 87% and the contractor was not on site. The outstanding works included plastering, electrical fittings, fitting of windows and doors, plumbing, flooring and painting. See pictures below.



*Mwanzi District Immigration Office under Construction*

**ii. Delayed Completion - Construction of Department of National Registration Passport and Citizenship Office – Senanga**

On 7<sup>th</sup> March 2014, the Ministry of Home Affairs engaged Kisukami Construction Limited to construct the National registration, Citizenship and Passport Office at a contract sum of K1,024,309 with a completion period of twenty four (24) weeks.

As at 30<sup>th</sup> June 2020, the contractor had been paid a total amount of K546,337 leaving a balance of K477,972 outstanding.

The project had delayed for over six (6) years after the planned completion date and there was no evidence that the contract had been extended.

A physical inspection of the project carried out in June 2020 revealed that the project had stalled and the contractor was not on site. The outstanding works included plastering, electrical fittings, fitting of windows and doors, plumbing, flooring and painting. See pictures below.



*Senanga - Department of National Registration Passport and Citizenship Office*

*Under Construction*

**d. Management of Assets**

**i. Failure to Avail Report on Public Assets and Stores**

Section 41(6) of the Public Finance Management Act No. 1 of 2018 requires a Controlling Officer to submit reports on public assets and stores to the Treasury one (1) month after the end of the current financial year.

Contrary to the Act, there was no evidence that the report on the public assets and stores was prepared.

Consequently, assets such as computers, furniture and motor vehicles costing K7,510,349 procured during the year under review were not reported.

**ii. Failure to Secure Title Deeds**

Section 41(4) of the Public Finance Management Act, No. 1 of 2018, requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

However, the Ministry had not secured title deeds for its land and buildings.

**iii. Wasteful Expenditure – Storage Charges**

In May 2016, the Ministry took five (5) motor vehicles to a garage for service and retrieved them in October 2018 without being serviced. Consequently, the Ministry paid storage charges amounting to K45,000 on 18<sup>th</sup> June 2019 rendering the payment wasteful.

**16 Head: 15/02: Ministry of Home Affairs – Zambia Correctional Service**

**Units: Prisons and Reformatory Unit**

**Programmes: Various**

**Activities: Various**

**16.1 Mandate**

The Ministry of Home Affairs – Zambia Correctional Service is mandated to manage, regulate and ensure the security of Prisons and Correctional Centres and inmates.

**16.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia Correctional Service Headquarters and selected stations revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K61,954,611 was made to cater for operations of the

Service against which amounts totalling K41,113,148 were released resulting in an under funding of K20,841,463.

**b. Accounting Irregularities**

**i. Unauthorised Transfer of Funds - Headquarters**

Section 32(5) of the Public Finance Management No.1 of 2018 requires that a transfer of public money should not be made between accounts at the same bank or different banks without the written approval of the Secretary to the Treasury.

On 14<sup>th</sup> February 2019, the Service borrowed and transferred an amount of K70,000 from General Administration account to the Prisons Industries and Revolving Fund (PIRF) account.

However, the transfer was done without authority of the Secretary to the Treasury. As at 31<sup>st</sup> August 2020, the funds had not been re-imbursed.

**ii. Variances between Inmates' Dietary Scale and Rations Ledger - Lusaka Central Correctional Facility**

A review of the inmates dietary scale and the rations ledger at Lusaka Central Correctional Facility revealed that 2,687kgs of beans, mealie meal and meal samp costing K271,374 was supposed to be issued from stores to the kitchen according to the number of inmates at the facility in May, June and December 2019. However, it was observed that a total of 2,971kgs of the rations costing K287,992 was issued resulting in a variance of 284kgs costing K16,618.

**iii. Non Remittance of Pay As You Earn – Central Region**

The Income Tax Act Chapter 323 of the Laws of Zambia requires that tax be deducted from individuals and remitted to the Zambia Revenue Authority (ZRA).

Contrary to the Act, the Service did not remit Pay As You Earn to ZRA in amounts totalling K15,452 deducted from payments of settling in allowances to two (2) officers.

**iv. Failure to Claim Compensation – North-Western Region**

In 2019, a Mitsubishi L200 motor vehicle bearing registration No. PS 2097 B for Solwezi Central Correctional Facility valued at K222,530 was involved in a road traffic accident. Although the motor vehicle was insured, no claim of compensation had been lodged with the insurance company as at 31<sup>st</sup> August 2020. See picture below.



*Figure 1: Damaged PS 2097B*

<b>17</b>	<b>Head:</b>	<b>15/02</b>	<b>Ministry of Home Affairs – Zambia Correctional Service</b>
	<b>Units</b>	<b>01</b>	<b>Prisons and Reformatory Unit</b>
	<b>Programmes:</b>		<b>Various</b>
	<b>Activities:</b>	<b>001</b>	<b>Animal Husbandry and Management</b>
		<b>005</b>	<b>Industrial Workshops</b>

**17.1 Introduction**

The Zambia Correctional Service operates a Prisons Industries Revolving Fund (PIRF) as part of revenue generation and feeding of inmates.

**17.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia Correctional Service for the period under review revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K120,000 was made to cater for operations of the PIRF and no amounts were released.

However, revenue in amounts totalling K9,570,196 was generated from PIRF activities. In addition, funds amounting to K2,110,671 were brought forward from the previous year bringing the total funds available to K11,680,867.

As at 31<sup>st</sup> December 2019, the Service had spent amounts totalling K9,950,493 leaving a balance of K1,646,874.

**b. Accounting Irregularities**

**i. Failure to Remit Funds To PIRF**

The Zambia Prison Service Standing Orders No. 674 (1) stipulates that revenue received in respect of Prison Industries will be credited to the Prisons Industries Revolving Fund Account.

During the period under review, nine (9) correctional facilities in Central Province generated amounts totalling K732,175 from sale of maize and mealie meal.

As at 31<sup>st</sup> August 2020, only K2,250 had been remitted and credited to the Fund while the balance of K729,925 was applied on administrative expenses contrary to the Standing Orders.

**ii. Failure to Collect Revenue for Credit Sales**

During the period under review, various farm produce amounting to K18,185 were sold on credit by Mwinilunga Remand Correctional Facility. However, as at 31<sup>st</sup> August 2020, revenue from the credit sales had not been collected.

**iii. Use of Revenue at Source – Milima and Kamwala Remand Correctional Facilities**

Section 28 (3) of the Public Finance Management Act No. 1 of 2018 stipulates that a Controlling Officer or an office holder who without reasonable cause fails to

deposit public monies received as provided under sub section (1) commits financial misconduct.

However, amounts totalling K40,631 generated from PIRF activities at Milima and Kamwala Remand Correction Facilities in Kasama and Lusaka respectively were not deposited into the PIRF account but were utilised at source.

**iv. Delayed Banking**

Financial Regulation No.121 (1) requires that all Government revenues collected be deposited by the following working day.

Contrary to the regulation, there were delays in banking revenue generated from sale of various products in amounts totalling K44,062 for periods ranging from two (2) to twenty-eight (28) days at four (4) correctional facilities. See table 17.1.

**Table 17.1: Delayed Banking**

No.	Facility Name	Amount K	Days Delayed
1	Kalonga Farm	2,820	2 - 4
2	Ndola Region Headquarters	1,250	4 - 11
3	Kamfinsa Correctional Facility	5,040	2
4	Kaoma Correctional Facility	34,952	8 - 28
	<b>Total</b>	<b>44,062</b>	

**v. Lack of Safe Facilities**

Financial Regulation No. 155 defines a safe as a secure container issued by Government in which public moneys, articles and accountable documents are to be kept.

However, it was observed that Solwezi Regional Office, Mukobeko Maximum, Solwezi, Isoka, Mpika and Chinsali Correctional Facilities operated without safes thereby rendering public funds, articles, and accountable documents unsecured.

**vi. Unretired Accountable Imprest**

Financial Regulation No. 96 (1) requires that special and accountable imprest should be retired immediately the purpose for which they are issued has been fulfilled.

Contrary to the regulation, accountable imprest in amounts totalling K47,114 issued to several officers had not been retired as at 31<sup>st</sup> August 2020. See table 17.2.

**Table 17.2: Unretired Imprest**

No.	Facility Name	No. of Transactions	Amount K
1	Mwembeshi Open Air	3	15,000
2	Mwembeshi Maximum	2	3,080
3	Kalonga Milling Plant	3	29,034
	<b>Total</b>	<b>8</b>	<b>47,114</b>

**vii. Irregular Use of Imprest**

Financial Regulation No. 86 (c), states that, “accountable imprest is imprest that is issued as payment to facilitate the purchase of goods and services whose value cannot be ascertained at the time”.

Contrary to the regulation, imprest in amounts totalling K102,819 was issued to several officers to procure goods and services whose values were obtainable on the market. See table 17.3.

**Table 17.3: Irregular Use of Imprest**

No.	Facility Name	No. of Transactions	Amount K
1	Kalonga Farm	2	4,100
2	Maximum Correctional Facility	2	8,905
6	Kawambwa Correctional Facility	3	12,916
7	Mwense Correctional Facility	3	16,911
8	Luwingu Correctional Facility	8	40,487
9	Lusaka Central Correctional Facility	1	3,000
10	Mwembeshi Open Air	2	14,000
11	Mpika Correctional Facility	3	2,500
	<b>Total</b>	<b>24</b>	<b>102,819</b>

**viii. Failure to Avail Activity Reports**

Mukobeko Maximum Correctional Facility issued imprest in amounts totalling K34,790 to four (4) officers to carry out exhibitions at the agricultural and commercial show and attend a senior management course in Lusaka.

However, no activity reports were availed for audit to confirm whether the activities were undertaken.

**ix. Failure to Follow Procurement Procedures – Irregular Approval of Payments above Threshold**

The Public Procurement Act No. 12 of 2008 stipulates that the Head of Department can approve payments up to K10,000.

However, the Regional Commanding Officer at Chitumba Correctional Facility authorised seven (7) payments in amounts totalling K504,500 which were above the K10,000 threshold.

**x. Management of Assets**

- **Failure to Insure Animals**

During the period under review, 382 animals were not insured by three (3) correctional facilities. Consequently, the correctional facilities could not be compensated for the loss of sixty-one (61) animals by death. See table 17.4.

**Table 17.4: Uninsured Animals**

No.	Facility Name	Animal Category	No.of Animals	Mortalities
1	Samfya	Cattle	42	1
		Goats	76	25
		Sheep	15	0
		Pigs	16	0
2	Mwense	Goats	26	28
3	Mukuyu farm	Cattle	207	7
	<b>Total</b>		<b>382</b>	<b>61</b>

- **Failure to Tag and Brand Animals – Luapula**

The Animal Identification Act No.28 of 2010 Clause 6 (1) requires that owners of animals should mark them with an identification mark.

Contrary to the Act, 159 animals belonging to Samfya and Mwense correctional facilities whose costs could not be ascertained were not tagged and branded with markings as at 31<sup>st</sup> August 2020. See table 17.5.

**Table 17.5: Animals not Tagged and Branded**

No.	Facility Name	Types of Animals	Total No. of Animals
1	Samfya	Cattle	42
		Goats	76
		Sheep	15
2	Mwense	Goats	26
<b>Total</b>			<b>159</b>

- **Failure to Secure Title Deeds and Insure Property**

Section 41(4) of the Public Finance Management Act, No. 1 of 2018, requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, title deeds for farmlands and parcels of land on which correctional facilities and other buildings are located had not been secured as at 31<sup>st</sup> August 2020.

In addition, the assets were not insured.

**18 Head: 17 Ministry of Foreign Affairs**

**Programmes: Various**

**Activities: Various**

**18.1 Mandate**

The Ministry of Foreign Affairs is mandated to formulate, administer Zambia's foreign policy, maintain international relations, and coordinate the signing of treaties.

**18.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters and London Mission for the period under review revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,366,680,247 was made to cater for operations of

the Ministry against which amounts totalling K934,076,604 were released resulting in an under funding of K432,603,643.

In addition, a revenue provision of K17,100,210 was made against which amounts totalling K22,563,838 were collected.

As at 31<sup>st</sup> December 2019, amounts totalling K779,409,917 had been spent.

**b. Staff Related Matters – Failure to Redeploy Recalled and Appointed Diplomats**

During the period under review, amounts totalling K5,991,972 were spent on the appointment and recalling of diplomats.

However, three (3) diplomats recalled from Missions Abroad during the period from January 2018 to December 2019 had not been redeployed and received salaries in amounts totalling K341,318 without providing a service to Government.

**c. Infrastructure Development**

**i. Construction of the Conference Hall – Increase in Contract Price**

On 20<sup>th</sup> July 2017, the Government of the People’s Republic of China made a donation to the Government of the Republic of Zambia for the construction of a conference hall at the Ministry Headquarters, with a condition that China Civil Engineering Construction Corporation (Zambia) Limited be the company to be engaged to execute the works.

In this regard, in August 2017, an amount of K2,598,418 was received from the Government of the People’s Republic of China and deposited into the Third Party Account for the Ministry while the Government of the Republic of Zambia was to provide counterpart funding of K1,180,207.

On 3<sup>rd</sup> August 2018, a contract was signed between the Ministry of Foreign Affairs and Messrs China Civil Engineering Construction Corporation (Zambia) Limited for the construction of the conference hall at a contract sum of K3,778,625, VAT inclusive with a completion period of six (6) months ending on 2<sup>nd</sup> February 2019.

The scope of works included design, excavation earthworks, substructure, super structure, roofing, carpentry, joinery and iron mongery, plumbing and electrical installation, flooring, wall and ceiling finishing and painting and decorating.

The site possession certificate was signed on 30<sup>th</sup> August 2018.

On 23<sup>rd</sup> October 2018, the contractor requested for an advance payment of K944,656 VAT inclusive which was not paid as the Ministry had misapplied the funds received on unrelated activities such as air tickets, subsistence allowances and stationary. In this regard, the execution of the works could not commence as the funds were only reimbursed on 18<sup>th</sup> September 2019.

Consequently, on 31<sup>st</sup> January 2020, the contractor requested the Ministry to extend the completion date from February 2019 to September 2020 and adjust the contract sum from K3,778,624 to K4,987,785 VAT inclusive. Further, the contractor requested for an increase of the advance payment from 25% to 50% of the contract sum. Subsequently, the Ministry approved the contract price variation on 5<sup>th</sup> May 2020.

As at 31<sup>st</sup> August 2020, no payments had been made to the contractor as the revised contract had not been signed. In addition, on 19<sup>th</sup> August 2020, the contractor requested for a further revision of the advance payment from 50% to 80%.

A physical inspection of the site carried out in July 2020 revealed that only site clearing had been done.

## **ii. Purchase of Properties in Missions Abroad – Mortgage Finance Lease**

In 2018, Ministry of Finance sourced a mortgage financing facility from Atlas Mara Bank for the purpose of construction and purchase of properties in missions abroad to release the pressure on the Treasury on rented properties.

On 29<sup>th</sup> June 2018, the Bank disbursed funds amounting to K199,000,000 into Ministry of Foreign Affairs bank account after deducting arrangement fees of K1,000,000.

The following were observed:

- **Unappropriated and Subsequent Delayed Disbursement of Funds**

Although the funds were disbursed into the Ministry’s bank account on 29<sup>th</sup> June 2018, the funds had not been appropriated by Parliament at the time of funding in June 2018.

The Ministry instructed the bank to disburse US\$20,000,000 to eleven (11) Missions on 26<sup>th</sup> December 2018, which was six (6) months after receipt of the funds.

However, the Bank disbursed the funds between 3<sup>rd</sup> and 16<sup>th</sup> January 2019. The total funds disbursed amounted to US\$16,488,967.24 at rates ranging from K12.06 to K12.08 per US\$1 resulting in exchange loss of US\$3,511,032.76. See table 18.1.

**Table 18.1: Foreign Exchange Losses**

No.	Mission	Request Date	Date Disbursed	Amount Requested to be Disbursed US\$	Rate Used	Amount Remitted US\$	Exchange Loss US\$
1	Washington	26.12.2018	03.01.2019	1,861,541.26	12.08	1,533,305.98	328,235.28
2	New York	26.12.2018	07.01.2019	2,500,000.00	12.07	2,060,894.77	439,105.23
3	Addis Ababa	26.12.2018	03.01.2019	3,000,000.00	12.08	2,471,026.48	528,973.52
4	Abuja	26.12.2018	04.01.2019	750,000.00	12.07	618,268.43	131,731.57
5	New Delhi	26.12.2018	03.01.2019	3,500,000.00	12.06	2,887,645.10	612,354.90
6	Maputo	26.12.2018	04.01.2019	750,000.00	12.07	618,268.43	131,731.57
7	Windhoek	26.12.2018	04.01.2019	1,165,390.00	12.07	960,698.46	204,691.54
8	Brussels	26.12.2018	16.01.2019	568,858.74	12.07	468,943.20	99,915.54
9	Harare	26.12.2018	04.01.2019	1,500,000.00	12.07	1,236,536.86	263,463.14
10	Geneva	26.12.2018	03.01.2019	4,000,000.00	12.06	3,300,165.82	699,834.18
11	Paris	26.12.2018	04.01.2019	404,210.00	12.07	333,213.71	70,996.29
	<b>Total</b>			<b>20,000,000.00</b>		<b>16,488,967.24</b>	<b>3,511,032.76</b>

Further, the basis of the amounts disbursed to the Missions was not clear as no contracts had been entered into at the time of disbursement.

Although management in their response dated 17<sup>th</sup> July 2020 stated that the delay was due to lack of a budget line and that supplementary approval by Parliament is done bi-annually in June and December, the above measures were supposed to be planned for at the time the decision to borrow was made.

- **Delayed Commencement of Projects**

During the period under review, only seven (7) Missions had formerly signed contracts for the acquisition or rehabilitation of Mission properties. However, it was observed that the contracts were signed between five (5) months to one (1) year after the date of disbursement of funds while four (4) Missions were still addressing tender procedures as at 31<sup>st</sup> August 2020, twenty (20) months after funds were disbursed.

As a result, the various Missions kept the money in the accounts without earning interest. See table 18.2.

**Table 18.2 Project Status**

No.	Mission	Amount US\$	Amount K	Remit Date	Project Status	Scope of Works
1	Washington	1,533,306	18,522,336	03.01.2019	Contract signed on 15.08.2019 at US\$2,547,628.71 (K33,144,649.51).	Rehabilitation of Chancery.
2	New York	2,060,895	24,875,000	07.01.2019	Tender Running	Rehabilitation of Chancery.
3	Addis Ababa	2,471,026	29,850,000	03.01.2019	Tender for construction of Chancery and Flats	i. Design, Bill of Quantities, and supervision of works. ii. Construction of new Chancery and Block of Flats.
4	New Delhi	2,887,645	34,830,000	03.01.2019	Awaiting Evaluation of Bids	Construction of Residence and Chancery.
5	Maputo	618,268	7,462,500	04.01.2019	Contract signed on 4 <sup>th</sup> December, 2019	Rehabilitation of Chancery.

					\$659,799.11 Vat inclusive.	
6	Windhoek	960,698	11,595,630	04.01.2019	Contract signed on 7 TH February 2020.	Rehabilitation of Chancery, Residence & Five (5) Staff Houses.
7	Brussels	468,943	5,660,144	16.01.2019	Contract Signed On 10.11.2017	Rehabilitation works to the Chancery Building.
8	Harare	1,236,537	14,924,999	04.01.2019	For Euro 571,364.33	Rehabilitation works to Chancery Building, Residence & Twelve (12) Staff houses.
9	Geneva	3,300,166	39,800,000	03.01.2019	House bought for US\$3,121,212 (K40,575,577.58) Contract signed 28.05.2019, with completion period of six (6) months.	Procurement of Official Residence.
10	Paris	333,214	4,021,889	04.01.2019	Contract signed for EURO296,865.31 ON 27.12.2018	Rehabilitation works to the Property held in Lisbon.
11	Abuja	618,268	7,462,500	04.01.2019	CONTRACT SIGNED ON 20.06.2019 US\$660,841.78 VAT EXCLUSIVE FOR A PERIOD OF 49 DAYS	Rehabilitation works of the Four (4) Storey Chancery.
	<b>Total</b>	<b>16,488,967</b>	<b>199,004,999</b>			

- **Contracts Above Disbursed Amounts – Over Commitment**

It was observed that three (3) Missions entered contracts with total sums of US\$3,868,269.10 against disbursements in amounts totalling

US\$2,769,842.84 resulting in over commitment of US\$1,098,426.26. See table 18.3.

**Table 18.3: Contracts above Disbursed Amounts**

No.	Mission	Amount Disbursed US\$	Contract Sum US\$	Over Commitment US\$
1	Washington	1,533,305.98	2,547,628.71	(1,014,322.73)
2	Maputo	618,268.43	659,799.11	(41,530.68)
3	Abuja	618,268.43	660,841.28	(42,572.85)
	<b>Total</b>	<b>2,769,842.84</b>	<b>3,868,269.10</b>	<b>(1,098,426.26)</b>

**d. Accounting Irregularities – Unsupported Payments**

Financial Regulations No. 45 (2) and No. 52 (1), requires that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts, official orders, and suppliers’ invoices.

Contrary to the regulation, several payments in amounts totalling K60,669 (Ministry Headquarters – K15,000 and Zambia Institute of Diplomacy and International Studies (ZIDIS) – K45,669) processed at the two (2) stations were not supported with documents such as authority to travel abroad, quotations and receipts.

**e. London Mission**

**i. Outstanding Bills not Settled by Re-called Diplomat**

Upon expiry of contract, the former High Commissioner was recalled and returned to Zambia on 19<sup>th</sup> November 2019. However, the officer left an unsettled bill of K80,165 (£4,134.77) for heating services. As at 31<sup>st</sup> August 2020, the bill had not been settled.

**ii. Management of Mission Properties**

The Mission had four (4) properties comprising the Chancery, the Official Residence and two (2) houses. See table 18.4.

**Table 18.4: London Mission Properties**

No.	Description	Location	Date of Acquisition
1	Chancery	Zambia House, 2 Palace Gate, Kensington	1971
2	Official Residence	Green Banks Residence, 17 Courtenay Avenue, High Gate	1983
3	House	13 Foscoote Road, Hendon	1979
4	House	12 Chelmsford Square, Willesden, London	1984

However, though amounts totalling K1,416,068 (£86,005.08) had been spent on maintenance on the properties, a review of records and a physical inspection of the properties in February 2020 revealed the following:

- **The Chancery**

The Chancery had the following defects:

- leaking roof,
- non-operational elevator,
- leaking pipes in the basement, and
- worn out carpets.



*Signs of leaking roof*



*Marks of leaking roof*

- **The Residence**

The Residence had the following defects:

- fallen wall bordering the lawn,
- leaking roof at the back of the house.
- fallen wooden fence at the backyard,
- two (2) non-operational automatic gate motors,

- leakages through the walls of the basement,
- no shower mixers in one bathroom on the upper floor.
- **12 Chelmsford Square – Willesden**

The property had the following defects:

- worn out carpet, leaking roof in one of the bedrooms,
- leaking roof in the master bedroom and the ceiling had cracked.

See picture.



*Stained ceiling due leaking roof*

**f. Zambia Institute of Diplomacy and International Studies (ZIDIS) – Non-Remittance of Taxes**

Income Tax Act Chapter 323 of the Laws of Zambia requires that tax be deducted from personnel emoluments and remitted to Zambia Revenue Authority (ZRA).

Contrary to the Act, Pay As You Earn in amounts totalling K31,349 deducted from part time lecturers had not been remitted to the ZRA as at 31<sup>st</sup> August 2020.

**19 Head: 19 Disaster Management and Mitigation Unit**

**Departments: Various**

**Programmes: Various**

**Activities: Various**

### **19.1 Mandate**

The Disaster Management and Mitigation Unit (DMMU) is mandated to ensure the achievement of the nation's Disaster Management Objectives.

### **19.2 Audit Findings**

An examination of accounting and other records maintained at the Unit's Headquarters for the period under review revealed the following:

#### **a. Budget against Funding**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K27,872,298 was made to cater for the operations of the Unit against which amounts totalling K26,430,694 were released resulting in an under funding of K1,441,615.

As at 31<sup>st</sup> December 2019, amounts totalling K26,430,683 had been spent.

#### **b. Operational Matters – Failure to Operationalise National Disaster Relief Trust Fund**

Section 30 (1) and (2) of the Disaster Management Act No. 13 of 2010 provides for the establishment of the National Disaster Relief Trust Fund.

Further, the Act provides under section 32 that the Fund would be used for any matter relating to the preparedness, prevention, mitigation of any recovery from disasters.

However, as at 31<sup>st</sup> August 2020, ten (10) years after being established by the Act, the Fund had not been operationalised.

**c. Procurement of Goods and Services**

**i. Contract with Delicious Milling Limited**

On 30<sup>th</sup> August 2019, DMMU and Delicious Milling Limited signed a contract for the milling, packing and branding of relief maize and ancillary services at a contract price of K39,200,000 with a delivery period of eight (8) months.

A review of the records revealed the following:

• **Failure to Follow Tender Procedures**

Public Procurement Regulation No. 39 (4) of 2011 requires that where an emergency situation affects the choice of procurement method, the procuring entity shall not automatically exclude competitive methods of procurement but shall obtain competition to the maximum extent practical in the circumstances.

Contrary to the regulation, no evaluation report of the Procurement Committee on the award of the contract to Delicious Milling Limited was availed for audit. Therefore, it could not be determined if tender procedures were followed in the engagement of the miller.

• **Undelivered Mealie Meal and Maize Bran**

The contract required DMMU to provide maize to the miller who was expected to produce and deliver mealie meal and maize bran to DMMU.

An examination of records relating to the contract revealed that the Miller did not deliver the expected 101,203 x 12.5-kilogram bags of mealie meal and 13,769 x 25-kilogram bags of maize bran from the 2,259 metric tonnes of maize that it had received from DMMU. As at 31<sup>st</sup> August 2020, the DMMU had not taken action against the Miller.

**ii. Contract with Choma Milling Company Limited - Undelivered Maize Bran**

On 30<sup>th</sup> April 2019, the Disaster Management and Mitigation Unit (the Procuring Entity), signed a contract with Choma Milling Company Ltd (the Miller) for the

milling, packing and branding of relief maize and ancillary services at a sum of K20,384,000 with a delivery period of eight (8) months.

During the period under review, DMMU released to Choma Milling Company Limited a total of 9,400 metric tonnes of maize valued at K18,424,000 out of which a total of 421,120 x 12.5 kg bags of mealie meal and 52,640 x 25 kg bags of maize bran were expected to be produced for DMMU.

A scrutiny of records revealed that 5,370 x 25 kg bags of maize bran whose value could not be ascertained at the time of the audit had not been delivered to DMMU as at 31<sup>st</sup> August 2020 and no action had been taken.

**d. Infrastructure Development – Construction of Lusaka City/Lumumba Market – Delayed Completion of the Main Market and Small Market**

On 4<sup>th</sup> July 2017, Lusaka City Market was gutted by fire. The extent of damage to the market called for a reconstruction of both the market and the surrounding areas.

DMMU was selected to spearhead the construction of the new market along Simon Mwewa Lane in Lusaka at a total estimated cost of K64,557,098. The project was scheduled to commence on 17<sup>th</sup> July 2017 with a completion period of six (6) months. The scope of the works included, the construction of the main market, small market, 4 x ablution blocks, pump house and external works.

The project technical team comprised of Zambia Army (contractor), Lusaka City Council (client) and the Ministry of Housing and Infrastructure Development (consultant).

DMMU was to procure and deliver materials directly to the site while Zambia Army was to be responsible for receiving and issuance of the materials.

As of July 2020, a total amount of K49,034,732 had been spent on the project.

A review of the progress report dated 31<sup>st</sup> July 2020 revealed that the main market was 88% complete whilst the small market was at 60% complete, thirty (30) months after the expected completion date.

<b>20</b>	<b>Head:</b>	<b>29</b>	<b>Ministry of Local Government</b>
	<b>Departments:</b>		<b>Various</b>
	<b>Units:</b>		<b>Various</b>
	<b>Programmes:</b>		<b>Various</b>
	<b>Activities:</b>		<b>Various</b>

### **20.1 Mandate**

The Ministry of Local Government is mandated to promote a decentralised good local governance system and facilitate delivery of quality municipal services. The Ministry also oversees the implementation of delegated functions and responsibilities by the Local Authorities.

### **20.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,799,457,083 was made to cater for the operations of the Ministry against which amounts totalling K1,314,028,862 were released resulting in an under funding of K485,428,221.

As at 31<sup>st</sup> December 2019, amounts totalling K1,313,860,946 had been spent.

#### **b. Infrastructure Development**

##### **i. Rehabilitation of Selected Urban Roads 25.01km to Bituminous Standard in Mpika District in Muchinga Province**

On 18<sup>th</sup> August 2014, the Ministry engaged China Henan International Corporation Group Company Limited in joint venture with ALD Plant and Fleet Management Limited for the rehabilitation and upgrading of selected urban roads (25.01km) to bituminous standard in Mpika District at a contract sum of K267,712,404 VAT

inclusive with completion period of twenty (24) months. Works were expected to commence on 1<sup>st</sup> September 2014 and end on 26<sup>th</sup> September 2016.

The scope of works included:

- Drainage related works
- Road reconstruction/completion of construction of some existing pavement layers
- Road markings
- Pothole patching
- Double seal surface works and asphalt concrete layer works

The contract under Clause 43.1 provided that certified payment certificates should be paid within twenty-eight (28) days failure to which simple interest at the prevailing Bank of Zambia lending rate will be charged on the outstanding amount.

As at 31<sup>st</sup> August 2020, the contractor had been paid K13,500,000 out of K113,716,044 of claims made on interim payment certificates numbers 1 to 10 leaving a balance of K100,216,044.

The following were however observed:

- **Failure to Settle Interim Payment Certificates and Interest Charges**

Contrary to Clause 43.1, the Ministry did not settle the claims on time resulting in the contractor claiming interest totalling K36,206,046 as at 31<sup>st</sup> December 2019.

- **Expired Contract**

In a letter dated 29<sup>th</sup> August 2016, the contractor raised concerns over the status of the project and asked the Ministry to make its decision to either terminate or extend the contract.

In this regard, on 12<sup>th</sup> April 2017, the Ministry suspended the contract for twelve (12) months due to budgetary constraints. After suspension of the

contract, the Ministry extended it for twelve (12) months from 23<sup>rd</sup> May 2018 to 23<sup>rd</sup> May 2019.

As at 31<sup>st</sup> July 2020, there was no correspondence availed for audit showing the status of the contract.

- **Physical Inspection**

A physical inspection carried out in July 2020 revealed the following:

- Only 11.98 of the 25.01 km road had been upgraded to bituminous standard
- The contractor demobilised in 2016 due to non-payment of IPC's.

ii. **Construction and Rehabilitation of Old Mushili Market in Ndola on the Copperbelt Province – Contract No. MLGH/W/004/2014**

On 6<sup>th</sup> November 2015, the Ministry of Local Government and Housing engaged Messrs Triple V Property Investments Limited to construct a market and related external works in Ndola on the Copperbelt Province at a contract sum of K13,403,408 VAT inclusive with a completion period of fifty – five (55) weeks ending 31<sup>st</sup> December 2017.

As at 31<sup>st</sup> December 2019, a total amount of K5,089,403 had been paid to the contractor.

The terms of the contract regarding payments under Clause 43.1 provided that the client should pay the contractor the amount certified by the project manager within twenty-eight (28) days of the date of each certificate.

The following were observed:

- **Failure to Pay Interim Payment Certificates**

Contrary to Clause 43.1, as at 31<sup>st</sup> August 2020, the Ministry had not settled IPCs in amounts totalling K825,949 which had been outstanding since August 2019 resulting in the contractor claiming interest in amounts totalling K209,328.

- **Failure to Meet Contractual Obligations**

The bill of quantities required the contractor to provide equipment/requisites which include 2 laptops, 1 desktop computer, 1 plotter HP design jet 510 or Canon printer, bond papers and 2 double cab motor vehicles to Ndola City Council who were the Project Managers.

However, as at 31<sup>st</sup> August 2020, the contractor had not provided the equipment/requisites.

- **Delayed Execution of Works**

On 1<sup>st</sup> March 2017, the contractor requested for an extension of the contract due to delayed submission of reviews by the Ndola City Council on the revised designs by two (2) months.

However, the designs were only finalised on 7<sup>th</sup> June 2018 which was six (6) months after the initial completion date of 31<sup>st</sup> December 2017.

A physical inspection conducted in July 2020 revealed that the roof had not been completed.

As at 31<sup>st</sup> August 2020, the contract had expired and the contractor was not on site.

**21 Head: 45 Ministry of Community Development and Social Services**

**Departments: Various**

**Units: Various**

**Programme: Various**

**Activities: Various**

### **21.1 Mandate**

The Ministry of Community Development and Social Services is mandated to provide and facilitate for the provision of equitable social protection services to communities in order to contribute to sustainable human development.

## 21.2 Audit Findings

An examination of accounting and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

### a. Budget, Funding and Expenditure

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,191,867,153 was made to cater for the operations of the Ministry against which amounts totalling K413,599,050 were released resulting in under funding of K778,268,103.

As at 31<sup>st</sup> December 2019, amounts totalling K408,952,925 had been spent.

### b. Food Security Pack (FSP)

#### i. Background

The Food Security Pack (FSP) Programme was introduced in November 2000 and is implemented by the Department of Community in the Ministry of Community Development and Social Services. The programme targets the poor and vulnerable but viable farming households and provides them with inputs (fertilizer, seed and livestock) to ensure household food security and nutrition at household and community level.

The FSP requires beneficiaries to pay back a part of their harvest in kind (10% of the produce) which promotes communities' food security grain banks. Once collected, the district offices were empowered to sell and deposit the funds in the recovery accounts maintained in the districts. The funds were to be applied for such similar undertakings of empowering vulnerable households to enable them achieve food security which includes purchasing of hammer mills and tractors.

#### ii. Budget, Funding and Expenditure

During the period under review, the Ministry had a provision of K100,000,000 to cater for FSP activities against which amounts totalling K63,000,000 were received resulting in an underfunding of K37,000,000.

The following were observed:

- **Late Delivery of Fertiliser – Copperbelt Province**

On 3<sup>rd</sup> December 2018, the Ministry engaged Kalula Express Limited to transport fertiliser to Copperbelt, Luapula, Muchinga, Northern and North Western provinces at a total cost of K5,778,743 with a delivery period of three (3) weeks up to 24<sup>th</sup> December 2018 and the transporter was paid in full.

However, it was observed that the delivery of the fertiliser on the Copperbelt Province was delayed by over three (3) months. See table 21.1.

**Table 21.1: Late Delivery of Fertiliser**

No.	District	No. of beneficiaries	No. of Bags for Compound D (50kg)	Date of Delivery	Period of Delay	# of Bags for Urea (50kg)	Date of Delivery	Period of Delay
1	Ndola	485	970	19.12.18 20.12.18		970	19.12.18 20.12.18 29.01.19	36 Days
2	Mufulira	486	972	29-12-18 02-02-19	5 Days 40 Days	972	01-02-19 02-02-19 24-02-19	39 Days 40 Days 62 Days
3	Kitwe	487	974	01.11.18 17.12.19		974	06.12.18 29.01.19	36 Days
4	Luanshya	438	876	02.01.19 07.02.19	9 Days 45 Days	876	26.02.19 01.03.19	64 Days 67 Days
	<b>Total</b>	<b>1896</b>	<b>3792</b>			<b>3792</b>		

- **Under Collection of Recoveries**

From the distributed inputs in twelve (12) districts, it was expected that amounts totalling K883,145 were to be realised from the sale of 10% harvest collected from beneficiary farmers. However, only amounts totalling K348,697 were realised resulting in an under recovery of K534,448 contrary to the FSP guidelines. See table 21.2.

**Table 21.2: Under Collection of Recoveries**

Province	District	Expected Recovery K	Deposited K	Uncollected K
Central	Chisamba	90,675	-	90,675
	Kabwe	57,000	9,255	47,745
	Kapiri Mposhi	84,150	27,652	56,498
	Itezhi tezhi	49,500	25,115	24,385
	<b>Sub Total</b>	<b>281,325</b>	<b>62,022</b>	<b>219,303</b>
Copperbelt	Ndola	116,400	80,000	36,400
	Mufulira	129,360	91,405	37,955
	Kitwe	94,520	46,200	48,320
	Luanshya	140,160	52,850	87,310
	<b>Sub Total</b>	<b>480,440</b>	<b>270,455</b>	<b>209,985</b>
Western	Kaoma	57,960	-	57,960
	Mongu	-	16,220	-
	Sesheke	63,420	-	-
	<b>Sub Total</b>	<b>121,380</b>	<b>16,220</b>	<b>105,160</b>
	<b>Total</b>	<b>883,145</b>	<b>348,697</b>	<b>534,448</b>

- **Failure to Reimburse Borrowed Funds**

During 2019/2020 farming season, the Ministry disbursed FSP inputs to seven (7) districts for various beneficiaries without disbursing funds to facilitate the distribution of the inputs. In this regard, the District Community Offices borrowed amounts totalling K195,248 from the recovery account for distribution of the inputs. The funds in the recovery account were meant for empowering vulnerable households to enable them achieve food security which included purchasing of hammer mills and tractors.

However, as at 31<sup>st</sup> August 2020, the Ministry had not reimbursed the recovery account. See table 21.3.

**Table 21.3: Unreimbursed Borrowed Funds**

No.	District	Amount K
1	Sesheke	42,396
2	Kaoma	36,678
3	Itezhi tezhi	33,025
4	Chisamba	32,474
5	Ndola	29,992
6	Kitwe	8,662
7	Luanshya	12,021
	<b>Total</b>	<b>195,248</b>

**c. Social Cash Transfer Scheme (SCT)**

**i. Background**

The Government through the Ministry of Community Development and Social Services has been implementing the Social Cash Transfer Scheme (SCT) in 116 districts across the country with the objective of reducing extreme poverty and vulnerability at household level.

These households need regular and continuous social assistance to survive and invest in the education of their children. The Scheme is administered by way of bi-monthly cash payments to the eligible beneficiaries.

**ii. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K699,494,400 was made to cater for the implementation of Social Cash Transfer programmes against which amounts totalling K105,779,645 were released resulting in an under funding of K593,714,755.

The Administration of the Social Cash Transfer Programme provides that 90% of the funded amount should be spent on the programme beneficiaries while 10% should be spent on the administration. In this regard, K95,201,681 (90%) was to be spent on programme beneficiaries while K10,577,964 (10%) was to be spent on administrative activities.

During the period under review, an amount of K3,939,902 was brought forward from 2018, in respect of administrative funds bringing the total available funds for administration to K14,517,866.

As at 31<sup>st</sup> December 2019, amounts totalling K90,462,009 had been spent on the programme beneficiaries resulting in under expenditure of K4,739,672 while K16,672,829 was spent on administrative activities resulting in over expenditure of K2,100,963.

The following were observed:

- **Under Disbursement of Social Cash Transfer Funds**

During the period under review, the Ministry had a total of 632,327 Social Cash Transfer beneficiaries located countrywide who should have been paid amounts totalling K542,772,052. See table 21.4.

**Table 21.4: Beneficiaries**

No.	Provinces	No. of Beneficiaries
1	Lusaka	31,768
2	Western	82,801
3	Eastern	88,516
4	Luapula	104,932
5	Southern	63,972
6	Muchinga	39,789
7	Central	41,846
8	Northern	68,974
9	Copperbelt	56,095
10	North Western	53,634
	<b>Total</b>	<b>632,327</b>

According to the programme, the beneficiaries were entitled to social cash payments every two (2) months to assist in poverty alleviation.

However, the 632,327 programme beneficiaries were only paid amounts totalling K90,462,009 out of an expected amount of K542,772,052 representing 16.67% of entitlement.

- **Management of Payroll and Staff Related Matters – Overpayment of Salaries to Officers on Contract**

In July 2017, the Ministry engaged 253 SCT programme employees on three (3) years renewable contracts. In this regard, amounts totalling K10,841,841 were released for personal emoluments during the period under review, against a provision of K16,509,333.

It was however observed that the employees were paid salaries in amounts totalling K10,841,428 instead of K9,959,481 resulting in an over payment of K881,947 due to higher basic salaries than those in their contracts.

As at 31<sup>st</sup> August 2020, the overpayment had not been recovered.

<b>22 Head:</b>	<b>46</b>	<b>Ministry of Health</b>
<b>Departments:</b>		<b>Various</b>
<b>Units:</b>		<b>Various</b>
<b>Programmes:</b>		<b>Various</b>
<b>Activities:</b>		<b>Various</b>

### **22.1 Mandate**

The Ministry of Health is mandated to provide effective quality healthcare services to the citizens.

### **22.2 Audit Findings**

An examination of accounting and other records for the financial year ended 31<sup>st</sup> December 2019 maintained at the Ministry Headquarters, Provincial Health Offices (PHOs) and selected District Health Offices (DHOs), Hospitals and Nursing Schools revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimate of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K7,874,189,078 was made to cater for operations of the Ministry against which amounts totalling K4,725,770,037 were released resulting in underfunding of K3,148,419,041.

As at 31<sup>st</sup> December 2019, amounts totalling K4,662,109,334 had been spent.

In addition, user fees in amounts totalling K79,621,974 were collected by twelve (12) Schools of Nursing and six (6) Hospitals.

#### **b. Accounting Irregularities**

##### **i. Uncollected Revenue**

During the period under review, five (5) Schools of Nursing were to collect fees such as tuition and boarding in amounts totalling K23,013,505. However, fees in amounts totalling K19,757,642 had been collected leaving a balance of K3,255,863 as at 31<sup>st</sup> August 2020. See table 22.1.

**Table 22.1: Uncollected Revenue**

No.	Province	Institution	Fees to be Collected K	Actual Fees Collected K	Uncollected Fees K
1	North Western	Solwezi School of Nursing	8,101,380	6,163,226	(1,938,154)
2	Muchinga	Chilonga School of Nursing	2,583,621	2,316,202	(267,419)
3	Central	Kabwe School of Nursing	1,089,695	880,364	(209,331)
4	Copperbelt	Ndola School of Nursing and Midwifery	10,001,304	9,522,666	(478,638)
		Ndola Community Health Assistant training School	1,237,505	875,184	(362,321)
<b>Total</b>			<b>23,013,505</b>	<b>19,757,642</b>	<b>(3,255,863)</b>

In addition, two (2) hospitals had not collected medical fees in amounts totalling K7,430,944 in respect of clients on medical schemes as at 31<sup>st</sup> August 2020. See table 22.2.

**Table 22.2: Uncollected Medical Fees**

No.	Province	Institution	Uncollected Medical Fees K
1	Central	Kabwe Women and Newborn Children's Hospital	1,013,614
2	Copperbelt	Ndola Teaching Hospital	6,417,330
<b>Total</b>			<b>7,430,944</b>

**ii. Failure to Maintain General Revenue Cashbook – Kapiri Mposhi District Urban Clinic**

Financial Regulation No. 128 (1) states that, “Collectors of revenue shall keep a General Revenue Cash Book (Accounts Form 47B) which shall be written up daily”.

Contrary to the regulation, Kapiri Mposhi District Urban Clinic did not maintain General Revenue Cash Book. Consequently, the completeness of revenue collected in amounts totalling K54,900 could not be validated.

**iii. Illegible Details on Duplicate Receipts – Kapiri Mposhi District Urban Clinic**

Financial Regulation No. 113 (2) states that, “Counterfoils or copies of receipt forms shall contain exactly the same details as those appearing on the original receipt form”.

Contrary to the regulation, twenty-six (26) duplicate receipts were illegible, as a result, the revenue collected could not be ascertained.

**iv. Unaccounted for Funds – Kapiri Mposhi District Urban Clinic**

Financial Regulation No. 129 (1) states that “Collectors of revenue are required to bring to account daily the whole amount of their collections”.

Contrary to the regulation, medical fees in amounts totalling K54,900 were collected during the period under review, out of which K34,785 were banked leaving a balance of K20,115 unaccounted for in that the money was not reflected on the bank statement and no cash was found on hand. As at 31<sup>st</sup> August 2020, the funds had not been accounted for.

**v. Failure to Sign Contracts for Communication Towers – Ndola Teaching Hospital**

During the period under review, Airtel Zambia, and Vodafone Zambia erected communication towers within the hospital premises. In this regard, rentals in amounts totalling K16,200 were received by the Hospital from Airtel Zambia whilst no amount had been received from Vodafone.

However, Airtel Zambia and Vodafone did not sign contracts with the Ministry of Health. As a result, it was not possible to ascertain the validity of the rental amounts payable by the companies.

**c. Management of Payroll and Staff Related Matters**

**i. Failure to Remove Deceased Officers from Payroll**

Public Service Management Division Circular No. B1 of 2019 requires that deceased employees who are not eligible for post humus retirement be deleted from the payroll with effect from the date of their demise.

Contrary to the circular, six (6) officers from four (4) stations who were separated from the service through death during the period under review had not been removed from the payroll at the time of the audit and had been paid salaries and allowances in amounts totalling K160,381. See table 22.3.

**Table 22.3: Deceased Officers on the Payroll**

No.	Station	No. of Officers	Salaries and Allowances Paid K
1	Solwezi DHO	1	4,149
2	Kabompo DHO	1	7,285
3	Zambezi DHO	2	9,062
4	Lusaka DHO	2	139,885
	<b>Total</b>	<b>6</b>	<b>160,381</b>

**ii. Irregular Payment of Salaries to an Absentee Officer – Senanga General Hospital**

Sections (a) and (b) of Part 60 of Chapter 4 of the Terms and conditions of Service for the Public Service requires that an officer who is absent from duty without leave for a continuous period of ten (10) or more working days be liable for dismissal and should not be paid a salary for the period they were absent from duty.

Contrary to the Terms and Conditions of Service, a Senior Resident Medical Officer at Senanga General Hospital who was absent from duty from 2014 had not been separated from the Service and was irregularly paid salaries in amounts totalling K1,981,551. As at 31<sup>st</sup> August 2020, the funds had not been recovered.

**iii. Irregular Payment of Salaries to Officers that Resigned from the Civil Service**

Cabinet Office Circular No. B1 of 2019 (3) (d) stipulates that employees who are separated from employment by way of resignation, dismissal or discharge should be terminated from the payroll with effect from the date of resignation, dismissal or discharge.

However, eight (8) officers who resigned from the Public Service were not removed from the payroll with effect from the date of resignation and were consequently paid salaries totalling K751,781. As at 31<sup>st</sup> August 2020, the salaries had not been recovered.

Further, an officer whose contract was terminated on 21<sup>st</sup> October 2019, had not been removed from the payroll as at 31<sup>st</sup> December 2019. In this regard, the officer was irregularly paid salaries totalling K25,389.

**d. Procurement of Goods and Services**

**i. Irregular Use of Imprest to Procure Goods and Services**

Financial Regulation No. 86 (c), defines accountable imprest as imprest which is issued to facilitate purchase of goods and services whose value cannot be ascertained at the time.

Contrary to the regulation, two (2) institutions issued accountable imprest in amounts totalling K39,899 to seven (7) officers to procure goods and services whose values could be ascertained. See table 22.4.

**Table 22.4: Accountable Imprest Issued**

No.	Station	No. of Officers	Amount K
1	Chilanga DHO	5	8,949
2	Matero 1st Level	2	30,950
	<b>Total</b>	<b>7</b>	<b>39,899</b>

**ii. Workshops Held without Authority**

Cabinet Office Circular Minute dated 24<sup>th</sup> November 2016 requires that authority be obtained from the Secretary to the Cabinet for government departments to use private facilities where conference facilities are unavailable or insufficient in terms of capacity.

Contrary to the circular, amounts totalling K369,380 were spent on conference facilities without authority from the Secretary to the Cabinet. See table 22.5 below.

**Table 22.5: Payments for Workshops Held**

No.	Province	Institution	Amount K
1	Luapula	Mansa General Hospital	150,762
		Nchelenge DHO	35,910
2	Central	Kapiri Mposhi Hospital	24,750
		Kabwe Women and Newborn Children's Hospital	69,286
		Provincial Health Office	17,875
		Kabwe School of Nursing	59,777
3	Western	Provincial Health Office	11,020
	<b>Total</b>		<b>369,380</b>

**iii. Tender for Supply of 50,000 Health Centre Kits – MOH/SP/032/19**

On 26<sup>th</sup> July 2019, the Director, Clinical Care and Diagnostics Services sought authority from the Permanent Secretary-Administration to urgently procure 50,000 Health Centre Kits.

According to the bidding document, the tender was split into five (5) lots to ensure that the Ministry would not be reliant on a single supplier for the delivery of the Health Centre Kits. See table 22.6.

**Table 22.6: Lots for Health Care Kits**

Lot No.	Quantity
1	15,000
2	15,000
3	7,500
4	7,500
5	5,000
<b>Total</b>	<b>50,000</b>

In November and December 2019, the Ministry engaged three (3) suppliers to supply and deliver 50,000 health centre kits at total contract sum of US\$35,651,700. See table 22.7.

**Table 22.7: Engaged Suppliers**

No	Date	Supplier	Quantity	Contract Sum US\$	Delivery Period
1	11/25/2019	Artemis Pharmaceutical Zambia Limited	22,500	14,139,450	6 -10 weeks
2	11/22/2019	Honeybee Pharmacy	22,500	17,958,150	8 -12 weeks
3	12/6/2019	Pharmanova Zambia Limited	5,000	3,554,100	14 -16 weeks
<b>Total</b>			<b>50,000</b>	<b>35,651,700</b>	

As at 24<sup>th</sup> September 2020, only Honeybee Pharmacy had supplied 4,752 health centre kits worth US\$3,792,761.28 which was invoiced to the Ministry and had not been settled while the contracts for Pharmanova Zambia Limited and Artemis Pharmaceutical Zambia Limited were in the process of being terminated by the Ministry due to failure to provide performance bonds.

The following were observed:

- **Questionable Referral Letters – Preliminary Evaluation**

Public Procurement Regulation No. 69 requires that an evaluation committee should conduct a preliminary examination to determine whether bids are complete and responsive to the basic instructions and requirements of the solicitation document.

A review of Phase 2 of the Preliminary Evaluation of bidders to consider in part whether the bidder had over two (2) years' experience in dealing with pharmaceuticals revealed that Honeybee Pharmacy had passed the evaluation based on referral letters of having supplied similar products to two (2) of its customers.

However, Honeybee Pharmacy's responsiveness was questionable in that

- The evidence provided by Honeybee Pharmacy comprised of referral letters from two (2) customers from Malawi and South Africa who had been supplied 16,000 units of health centre kits and 20,000 units of male condom kits respectively.
- The referral letters lacked details such as contact details of the referees (including the names of the directors who signed the letters, the

physical and postal addresses, phone numbers, and email addresses) and the letters had no dates. The referral letters did not therefore allow for follow up to verify the legitimacy of the references.

- Further, the pharmaceutical license which allows trade in wholesale was only issued on 28<sup>th</sup> August 2019 which was less than four (4) months at the time of signing the contract and therefore Honeybee could not have been supplying for more than two years.

- **Questionable Capacity to Perform the Contract – Post Qualification Evaluation**

The Evaluation committee in carrying out its Post Qualification Evaluation considered the ability of the successful bidders to perform the contract using three (3) criteria as indicated below;

1. Audited Financial Statements for the past three (3) years must be included in the bid unless the bidder was a new entity in which case statements for the period in business (Financial Capability),
2. Average turnover for the last three (3) years should be equivalent to at least three (3) times the total value of the bid under consideration (Financial Capability), and
3. Bidders must furnish evidence of having previously (in the last three years) supplied not less than the equivalent of the same quantity of similar goods to demonstrate that it meets the experience requirements for the procurement.

According to the results of the Post Qualification Evaluation, the three (3) bidders were responsive.

However, an analysis of the financial statements submitted by the three (3) bidders revealed that the average turnover from 2016 to 2018 did not meet the criteria as they fell below the value of the bid. See table 22.8.

**Table 22.8: Revenue Analysis of Companies**

Year	Vishwamitra DMCC (Artemis Parent Company)	Artemis Pharmaceuticals (Z) Limited	Honeybee Pharmacy	Pharmanova (Z) Limited
2016	414,417,658	5,200,505.00	N/a	43,890,207.00
2017	384,731,927	10,783,806.00	-	40,917,063.00
2018	452,232,053	11,470,111.00	39,419,610.00	46,762,419.00
Total	<b>1,251,381,638</b>	27,454,422.00	39,419,610.00	131,569,689.00
Average Annual Revenue (ZMW)	417,127,212.58	<b>9,151,474.00</b>	<b>19,709,805.00</b>	<b>43,856,563.00</b>
Value of Bid (US\$)	<b>14,139,450.00</b>	14,139,450.00	17,958,150.00	3,554,100.00
BOZ Exchange Rate 23/10/2019	13.1938	13.1938	13.1938	13.1938
Value of Bid (ZMW)	<b>186,553,075.41</b>	<b>186,553,075.41</b>	<b>236,936,239.47</b>	<b>46,892,084.58</b>

- **Other Findings – Honeybee Pharmacy**

- **Failure to Provide Power of Attorney Written by Lawyer**

ITB 14.1 required the bidder to include in its bid a written power of Attorney from a Lawyer authorising the signatory of the bid to commit the bidder and that bids not including the power of attorney would be considered non responsive.

Contrary to the Instruction to Bidders, the power of attorney attached was signed by an employee of the company who nominated himself and not by a lawyer as required.

- **Questionable Responsiveness on ZAMRA Registration**

ITB 14 1 (h) required that the bidder should furnish a certificate from the competent appropriate drug Regulatory Authority (RA) and that bidders should submit a Manufacturer Authorisation.

However, a review of the evaluation report at the technical stage revealed that out of the sixty (60) items bid, Honeybee Pharmacy did not have manufacturers' authorisation but were found to be responsive.

- **Sourcing of Medicines and Medical Supplies from Unapproved Manufacturers**

The schedule of requirements contained in the contract had listed the manufacturers of the medicines and medical supplies.

It was observed that the supplier sourced various medicines and medical supplies from unapproved manufacturers. In this regard, fifty-eight (58) out of the sixty (60) items with an invoice value of US\$3,400,151.04 that constituted the health centre kits supplied were sourced from non-contract stated manufacturers.

- **Questionable Supply of Unregistered Goods**

The contract required that the goods supplied under the contract shall be registered for use in the procuring entity's country.

It was observed that the medicines and allied substances contained in the 4,752 health centre kits with an invoice value of US\$3,792,761.28 delivered in August and September 2020 were not registered with the Zambia Medicines Regulatory Authority.

- **Failure to Avail Quality Control Test Certificates**

The Special Conditions of the Contract Clause (Delivery and Documents) requires among others that the original certificate of quality control test results in conformity with the World Health Organisation "Certification Scheme on the Quality of Pharmaceutical Products Moving in International Trade" be availed to the procuring entity.

A review of the letter of Goods Acceptance Certificate by Medical Stores Limited revealed that the Health Centre Kits were not accompanied by the Certificate of Analysis from the Manufacturer / Supplier.

In this regard, tests were carried out by ZAMRA and Zambia Bureau of Standards to assess the quality of the medicines and medical supplies and the results were as follows:

- **Tests on Paracetamol Tablets**

ZAMRA undertook tests on the paracetamol tablets (BP100mg and BP500mg) contained in the health centre kits that had been supplied and had an invoice value of US\$179,074.37.

A review of the Certificate of Analysis dated 10<sup>th</sup> September 2020 on paracetamol tablets BP500mg revealed that the tablets had mould like growth on the surfaces and that the sample did not meet acceptance criteria for appearance test. See pictures below.



*Sample of discoloured BP500mg paracetamol tablets*

In addition, a review of Certificate of Analysis dated 16<sup>th</sup> September 2020 on paracetamol BP100mg revealed that the sample did not meet the acceptable criteria for Assay and Friability Tests.

⊙ **Lubricated Latex Condoms**

A laboratory test report dated 22<sup>nd</sup> September 2020 from Zambia Bureau of Standards revealed that the condoms supplied with an invoice value of US\$114,428.16 had failed on the following parameters:

- ⊙ bursting volume,
- ⊙ hang and roll (water tightness),
- ⊙ length, and
- ⊙ package integrity.

⊙ **Latex Examination Gloves**

A laboratory test report dated 22<sup>nd</sup> September 2020 from Zambia Bureau of Standards revealed that the latex examination gloves supplied with an invoice value of US\$109,961.28 had failed the water tightness test.

⊙ **Other Observations**

- ⊙ The soap bar supplied in the kits with an invoice value of US\$13,068 did not have a trade and manufacturer's name.



*Soap bar Supplied without Manufacturers Name*

- ⊙ Diazepam injection with an invoice value of US\$4,656.96 was missing from the health centre kits supplied.
- ⊙ 4g of Tetracycline HCL 1% eye ointment tube was supplied instead of 5g which had an invoice value of US\$22,952.16.

**e. Infrastructure Development – Contract with Megha Engineering and Infrastructure Ltd – MOH/W/02/-13**

Megha Engineering and Infrastructure Ltd was engaged to construct 195 prefabricated structures, supply and install essential equipment and associated external works at a contract sum of US\$18,387,160 as part of the 650 health posts.

The financing arrangements were that US\$16,429,977.98 was to be financed through the Line of Credit extended by the Government of India/EXIM Bank of India to the Government of Zambia while the balance of US\$1,957,182.02 was to be financed by the Government of Zambia.

The Health Posts were to be constructed in three (3) provinces. See table 22.9.

**Table 22.9: Location of Health Posts**

No.	Province	No. of Districts	No. of Health posts
1	Western	13	64
2	Southern	6	99
3	Lusaka	6	32
	<b>Total</b>	<b>25</b>	<b>195</b>

The following were observed:

- In May 2017, Megha Engineering and Infrastructure Ltd demobilized from site due to failure by the Government to pay the contractor amounts totalling US\$1,957,182.02 which had been outstanding for a period of up to sixteen (16) months.
- At the time of demobilisation, 123 out of 195 health posts had been completed and handed over to the Ministry leaving a balance of 72 health posts.
- On 11<sup>th</sup> October 2018, the Ministry and Megha Engineering and Infrastructure Ltd signed an Addendum to amend the contract sum from US\$18,387,160 to US\$19,087,160. The additional amount of US\$700,000 was to cover the cost of remobilisation and setting up of site (US\$300,000) and payment of idle charges during the period from August 2016 to May 2017 (US\$400,000). Consequently, the completion date was revised to 31<sup>st</sup> July 2020.
- A review of progress reports availed by Southern, Western and Lusaka Provincial Health Offices revealed that there were delays in the completion of the Health Posts in that as at 30<sup>th</sup> April 2020, only thirty seven (37) had been completed out of the seventy two (72) leaving a balance of thirty five (35) health posts that were still under construction.

**f. Management of Assets**

**i. Failure to Secure Title Deeds**

Section 41 (4) of the Public Finance Management Act No. 1 of 2018 requires that controlling officers shall ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, title deeds for parcels of land on which 246 properties were located were not secured as at 31<sup>st</sup> August 2020. See table 22.10.

**Table 22.10: Assets without Title Deeds**

No.	Province	Institution	No. of Assets
1	Lusaka	Provincial Health Office	1
2	North Western	Kalumbila DHO	28
		Provincial Health Office	1
		Solwezi DHO	28
		Solwezi General Hospital	23
		Solwezi Urban Clinic	19
		Lumwana District Hospital	15
2	Copperbelt	Provincial Health Office	1
		Ndola Teaching Hospital	1
		Ndola School of Nursing and Midwifery	1
		Ndola Community Assistant Training School	1
		Ndola DHO	33
		Kitwe DHO	40
		Kalulushi DHO	23
		Chingola DHO	19
		Chililabombwe DHO	7
4	Luapula	Provincial Health Office	1
		Mansa General Hospital	1
		Mansa DHO	1
		Kawambwa DHO	1
		Nchelenge DHO	1
<b>Total</b>			<b>246</b>

**ii. Failure to Insure Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, sixteen (16) motor vehicles whose values could not be ascertained at five (5) stations were not insured as at 31<sup>st</sup> December 2019. See table 22.11.

**Table 22.11: Uninsured Motor Vehicles**

No.	Institution	No. Of Vehicles
1	Solwezi DHO	3
2	Kalumbila DHO	6
3	Lusaka DHO	1
4	Kabwe Women and Newborn Children's Hospital	1
5	Mongu PHO	5
	<b>Total</b>	<b>16</b>

Consequently, two (2) motor vehicles belonging to Lusaka DHO and Kabwe Women and Newborn Children’s Hospital that were involved in road traffic accidents, were repaired at a total cost of K65,529 during the period under review.

**iii. Failure to Inscribe Government Assets - Solwezi College of Nursing and Midwifery**

Public Stores Regulation No. 154, stipulates that all furniture and equipment belonging to the Government should be clearly marked with distinguishing letters of GRZ in an inconspicuous part of the asset to identify it as a Government property,

Contrary to the regulation, assets such as water dispensers, office chairs, a table, a laptop and a printer all costing K53,400 procured by the College had no identification marks as at 31st August 2020.

**iv. Failure to Report Road Traffic Accident to Standing Accidents Board**

Public Stores Regulation No. 122 D (3) requires the driver or the officer who had charge of the vehicle when it was involved in an accident to make a preliminary report within forty eight (48) hours of the accident and submit traffic accident form to the board or committee concerned within seven (7) days of the submission of the preliminary accident report form.

Contrary to the regulation, a motor vehicle registration No. ABR 1470 belonging to Levy Mwanawasa Teaching Hospital in Lusaka which was involved in road traffic accidents in 2019 had not been reported to the Standing Accidents Committee as at 31st August 2020.

**v. Wasteful Expenditure – Lundazi DHO**

On 1<sup>st</sup> October 2018, a Toyota Land Cruiser, registration No. GRZ 816 CN, was involved in a road traffic accident a day after expiry of insurance policy cover on 30<sup>th</sup> September 2018 and was extensively damaged. See pictures below.



*Damaged Toyota Land Cruiser GRZ 816 CN*

On 9<sup>th</sup> October 2018, the District Office signed a credit agreement with the insurer to renew the policy in respect of the same vehicle whose premium amounted to K46,855. The payment was scheduled to be made in two (2) instalments within sixty (60) days.

In this regard, a first instalment of K23,807 was made on 9<sup>th</sup> October 2018 and the second instalment of K22,999 was paid on 7<sup>th</sup> March 2019 which was 121 days after the due date of 30<sup>th</sup> November 2018.

Although the total premium had been paid, the insurer ZSIC General Insurance refused to compensate the District Health Office resulting in wasteful expenditure of K46,806.

The rationale of renewing an insurance policy for a wreckage of a motor vehicle is questionable.

**g. Management of Liabilities**

**i. Failure to Withhold Value Added Tax (VAT)**

The Value Added Tax (VAT) Amendment Act No.12 of 2017 read together with the Treasury and Financial Management Circular No. 6 of 2017 requires all institutions which were appointed as tax agents to withhold and remit VAT from

payments to suppliers of goods and services to the Zambia Revenue Authority (ZRA).

Contrary to the Act and Circular, the Ministry paid amounts totalling K4,930,405 to various suppliers without withholding VAT of K680,056 during the period under review.

**ii. Failure to Withhold Tax on Rental Payments – Senanga School of Nursing**

Section 82a (1c) of the Income Tax Act No. 3 of 1997 requires that every person or partnership making a payment of rent from a source within a Republic should before making any other deduction deduct tax from the payment.

In this regard, during the period under review the withholding tax on rental income was at ten percent (10%).

Contrary to the Act, amounts totalling K164,500 were paid as rent by Senanga School of Nursing without withholding tax at 10% amounting to K16,450 as at 31<sup>st</sup> August 2020.

**h. Management of Stores – Unaccounted for Stores**

Public Stores Regulation No. 16 requires that every stores officer or any other officer having in his charge any public stores or other articles of public property should keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, stores items costing K108,907 procured at five (5) stations had no receipt and disposal details. See table 22.12.

**Table 22.12: Unaccounted for Stores**

No.	Province	Station	No. of Transactions	Amount K
1	North Western	Kalumbila DHO	2	8,675
2	Northern	Kaputa DHO	2	3,645
3	Lusaka	Lusaka DHO	3	31,670
		Chilanga DHO	2	5,284
		Matero 1st Level Hospital	24	59,633
<b>Total</b>			<b>33</b>	<b>108,907</b>

As a result, it was not possible to establish whether the goods procured were used for the intended purpose.

<b>23 Head:</b>	<b>64</b>	<b>Ministry of Works and Supply</b>
<b>Units:</b>		<b>Various</b>
<b>Programmes:</b>		<b>Various</b>
<b>Activities:</b>		<b>Various</b>

### **23.1 Mandate**

The Ministry of Works and Supply (MWS) is mandated to oversee the preventive maintenance of government housing policies, control of government transport, evaluation of government property, government printing and gazetting, insurance of government property, office accommodation and maintenance services, state functions and government fleet management.

### **23.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K88,489,789 was made to cater for operations of the Ministry against which amounts totalling K68,627,965 were released resulting in an under funding of K19,861,824.

As at 31<sup>st</sup> December 2019, amounts totalling K68,499,221 had been spent.

#### **b. Operational Matters – Failure to Maintain an Inventory for Government Infrastructure**

The Ministry's mandate includes the general management of Government properties and conducting inventory and conditional surveys of buildings.

However, the Ministry did not maintain an inventory of Government properties such as buildings, aerodromes, and land contrary to the mandate of the Ministry.

Further, the Ministry did not have a maintenance policy.

**c. Procurement of Goods and Services**

**i. Irregular Use of Accountable Imprest to Procure Goods and Services**

Financial Regulation No. 86 (c), states that “Accountable imprest is imprest that is issued as payment to facilitate the purchase of goods and services whose value cannot be ascertained at the time”.

Contrary the regulation, accountable imprest in amounts totalling K1,534,457 (K28,600 - Ministry operations and K1,505,857 – State functions) issued to several officers was used to procure materials for painting, cleaning, sanitation and printing among others, whose values could be ascertained.

**ii. Failure to withhold VAT from Payments to Suppliers**

The Value Added Tax (VAT) Amendment Act No.12 of 2017 read together with the Treasury and Financial Management Circular No. 6 of 2017 directed all institutions which were appointed as tax agents to withhold and remit VAT from payments to suppliers of goods and services to the Zambia Revenue Authority (ZRA).

Contrary to the Act and circular, the Ministry procured various goods and services in amounts totalling K1,934,722 without withholding VAT in amounts totalling K266,857. See table 23.1.

**Table 23.1: VAT not Withheld**

No.	Details	No. of Transactions	Amount Paid K	VAT Component K
1	Treasury Single Account	14	203,522	28,072
2	Third Part Account	9	1,731,200	238,785
	<b>Total</b>	<b>23</b>	<b>1,934,722</b>	<b>266,857</b>

**iii. Failure to Obtain Authority for Conference Services**

Cabinet Office Circular Minute dated 24<sup>th</sup> November 2016 requires that authority be obtained from the Secretary to the Cabinet for government departments to use private facilities where conference facilities are unavailable or insufficient in terms of capacity.

Contrary to the circular, on 24<sup>th</sup> May 2019, the Ministry paid a local hotel an amount of K30,575 for conference facilities without obtaining authority from the Secretary to the Cabinet.

**iv. Management of Contracts**

Clause 18(3) of the Public Procurement Regulations of 2011 provides that all contract management records maintained should contain documents such as signed contract documents, amendments and any variations, minutes and progress reports, completion certificates and cumulative payment worksheets.

The following were observed:

- **Failure to Provide Documentation/Information for Contracts**

During the period from 2013 to 2019, the Ministry engaged ten (10) contractors and two (2) suppliers for total contract sums of K24,865,908 to undertake rehabilitation works at selected residences and Government departments, and to supply equipment for Government Printers.

However, documentation such as contracts, variation orders, interim certificates, progress reports and completion certificates for three (3) contracts with total sums of K10,364,192 were not availed for audit as at 31<sup>st</sup> August 2020.

In addition, the Ministry engaged three (3) other contractors for construction and renovation of various infrastructure. However, the contract amounts and documentation such as contracts, variation orders, interim certificates, progress reports and completion certificates were not availed for audit.

- **Failure to Maintain Vendors' Cumulative Payment Worksheets**

Payments in amounts totalling K10,747,359 were made to twenty (20) vendors for various projects and supply of goods and services.

However, cumulative payment worksheets for all payments made to each vendor were not maintained by the Ministry.

**d. Accounting Irregularities**

**i. Unsupported Payments**

Financial Regulation Nos. 45 (2) and 52 (1) require that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts, official orders and suppliers' invoices.

Contrary to the regulations, payments in amounts totalling K920,808 processed by the Ministry were not supported with documentation such as acquittal sheets, receipts and purchase orders.

**ii. Unretired Accountable Imprest**

Financial Regulation No. 96 (1) requires that accountable imprest should be retired immediately the purpose for which it was issued had been fulfilled.

Contrary to the regulation, accountable imprest in amounts totalling K16,086 issued to several officers had not been retired as at 31<sup>st</sup> August 2020.

**iii. Unaccounted for Stores**

Public Stores Regulation No. 16, requires that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, stores items costing K976,626 (general stores – K585,952 and fuel – K390,674) procured by the Ministry was not accounted for in that there were no receipt and disposal details. See table 23.2.

**Table 23.2: Unaccounted for Stores**

No.	Details	General Stores K	Fuel K	Total K
1	Ministry - Operations	367,328	25,302	392,630
2	State Functions	218,624	365,372	583,996
	<b>Total</b>	<b>585,952</b>	<b>390,674</b>	<b>976,626</b>

As at 31<sup>st</sup> August 2020, the procured stores remained unaccounted for. Further, there were no monthly reconciliations performed for the fuel account.

**e. Management of Assets**

**i. Failure to Insure Assets**

During the period under review, the Ministry had assets comprising office buildings, furniture, fixtures, and equipment. However, as at 31<sup>st</sup> August 2020, the assets had not been insured.

**ii. Failure to Insure Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, ten (10) motor vehicles were not insured as at 31<sup>st</sup> August 2020.

**iii. Failure to Secure Title Deeds**

Section 41(4) of the Public Finance Management Act No. 1 of 2018 requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, as at 31<sup>st</sup> August 2020, the Ministry had not secured a title deed for the parcel of land on which its Headquarters building is located.

**f. Infrastructure Development - Failure to Commission a Commercial Web Offset Printing Press**

In an effort to improve the operations of the Government Printing Department, the Government embarked on an exercise to modernize the operations of the Department in 2011, by procuring new printing equipment and improving the security system.

To achieve this, a company was engaged to supply a web printing press while another was engaged to install a closed-circuit television (CCTV), access control and fire detection system.

In paragraph (40) of the Report of the Auditor General on Accounts of the Republic for the financial year ended 31<sup>st</sup> December 2015, mention was made of the failure to commission a commercial web offset printing press for Government Printing Department.

In their Report for the Fifth Session of the Eleventh National Assembly, the Public Accounts Committee urged the Controlling Officer to ensure that the web printing press was commissioned.

A review of the situation in August 2020 revealed that the printing press had not been commissioned and the following were further observed:

- The contractor had been paid amounts totalling US\$8,668,570.63, representing 97.6% of the contract sum, leaving a balance US\$211,429.37.
- The equipment was not fully installed in that some components such as the log stacker (bar code), stitcher with four (4) stations, three (3) knife trimmer and a 750 KVA standby generator set were not installed.
- A physical inspection of the installed components of the web press revealed that the combination folder had developed rust. See pictures.



*Rusty Components of the Web Printing Press*

**24 Head: 77/01 Ministry of Defence, Headquarters**

**Programme: Various**

**Activity: Various**

**24.1 Mandate**

The Ministry of Defence is mandated to preserve, protect and defend the sovereignty and territorial integrity of Zambia for the sole purpose of ensuring that the country, its citizens and residents are safeguarded from both internal and external aggression.

**24.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters and selected stations for the period under review revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K290,026,833 was made to cater for operations of the Ministry Headquarters against which amounts totalling K143,442,337 were released.

As at 31<sup>st</sup> December 2019, amounts totalling K141,458,943 had been spent.

**b. Failure to Produce Activity Reports**

Imprest in amounts totalling K126,366 was issued to several officers to carry out activities such as monitoring, inspection of projects and assessments. However, no activity reports were availed for audit.

**c. Procurement of Goods and Services – Supply, Delivery, Installation and Commissioning of Oxygen Plant – Maina Soko Hospital**

In Paragraph 34 of the Report of the Auditor General for the financial year ended 31<sup>st</sup> December 2018, mention was made of the failure to supply, deliver, install and commission an Oxygen Plant at Maina Soko Military Hospital at a contract sum of K1,450,400 (US\$148,000), by On Site Gas Systems International (PTY) Limited of the Republic of South Africa.

As at 31<sup>st</sup> March 2016, a total amount of K501,892 (US\$56,480.20) had been paid to the supplier representing 38% of the contract sum leaving a balance of K813,265 (US\$91,250).

A review of the situation conducted in February 2020 revealed that the Oxygen Plant had still not been delivered and the Ministry had not claimed a refund while the slab where the plant was to be installed had been demolished.

**d. Contract for Restoration and Upgrading of the Production Line – Mupepetwe Engineering and Constructing Company**

On 23<sup>rd</sup> September 2013, the Ministry engaged China North Industries Corporation (NORINCO) to supply equipment for restoration and upgrading of the MECCO production line at a contract sum of US\$19,524,912.60. According to the agreement, the equipment was to be delivered within a period of two (2) months while the restoration and upgrading works were expected to be completed within two (2) years.

In December 2013, the supplier was paid a sum of US\$4,881,228.15 representing 25% of the contract sum leaving a balance of US\$14,643,684.45. In this regard, in December 2016, the supplier delivered the first batch of equipment equivalent to the amount paid.

As at 31<sup>st</sup> August 2020, the upgrading and restoration of the company production line had stalled due to non-payment of the outstanding balance.

**e. Failure to Secure Title Deeds**

Section 41 (4) of the Public Finance Management Act No. 1 of 2018 stipulates that a Controlling Officer should ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, the Ministry had not secured title deeds for parcels of land on which the Northern Command Military Hospital and Mupepetwe Engineering and Constructing Company are located.

**f. Infrastructure Development**

**i. Rehabilitation and Upgrading of Maina Soko Medical Centre**

On 10<sup>th</sup> May 2017, the Ministry engaged Ashtrom B.V of the Netherlands to finance, design, upgrade and rehabilitate Maina Soko Medical Centre in Lusaka at a contract price of US\$140,000,000 exclusive of VAT. The contract period was for 782 days with an expected completion date of 27<sup>th</sup> February 2021.

The contractor took possession of the site on 5<sup>th</sup> February 2018. A review of the minutes of the 24<sup>th</sup> site meeting held on 7<sup>th</sup> January 2020 revealed that the project was 74.2% complete.

The following were observed:

- **Failure to Provide Information for Audit**

Section 73 (1) of the Public Finance Management Act requires that the Auditor General and an office holder, agent or specialist consultant authorised by the Auditor-General, shall in the performance of duties under the Constitution, or any other law; have access to all the books, records, returns, reports, other documents and financial management systems, in electronic or any other form, relating to the accounts of public bodies as the Auditor-General considers necessary.

Contrary to the Act, the under listed information that was required for the purpose of the audit was not availed as at 31<sup>st</sup> August 2020;

- The expenditure records and interim payment certificates
- Documentation of the selection process of Investec Bank Plc. and repayment details
- The procurement plan and
- Bank guarantee against the advance payment

**ii. Construction of the 6<sup>th</sup> Construction Engineer Regiment**

On 30<sup>th</sup> December 2016, the Ministry engaged Zhongmei Engineering Group Ltd to finance, design and build the 6<sup>th</sup> Construction Engineer Regiment (also referred to as Buffalo Development Project – Chalala) at a contract sum of US\$201,391,650.69 exclusive of VAT.

The scope of works included designing and building of fully functional 6<sup>th</sup> Construction Engineering Regiment for the Zambia Army composed of;

- Housing Units,
- Regimental HQ,
- Office Block (01 No),
- Squadron HQ Offices (05 No),
- Officers Mess (01 No.),
- Warrant Officers and Sergeants Mess (01 No),
- Corporals Club (01 No.),
- Mechanical Transport Yard (01 No.),
- Mechanical Transport Yard (01 No.),
- Construction of Equipment Yard, and
- Camp Facilities and Services.

The contractor took possession of the site on 1<sup>st</sup> August 2019. The contract duration was three (3) years with a completion date of September 2022. The physical progress towards completion was at 35% as of May 2020.

A scrutiny of documentation revealed the following:

- **Failure to Issue Performance Security**

Section 127 (1) of the Public Procurement Regulations states that “A procuring entity shall request a performance security for all contracts for goods, works

and non-consulting services with a value greater than K500,000, to secure the supplier's obligation to fulfil the contract.”

Contrary to the regulation, the contract did not provide for the performance security.

- **Questionable Waiver of Advance Payment Guarantee**

On 3<sup>rd</sup> July 2019, the contractor applied for a waiver of the advance payment guarantee that was required as per Clause 41.2.1 of the General Condition and the special conditions of the contract. This was granted by the Permanent Secretary Defence on 5<sup>th</sup> July 2020. However, it was questionable as to why the contractor was granted a waiver on advance payment guarantee as this was a condition in the signed contract which was meant to safeguard the funds.

- **Failure to Provide Information for Audit**

Section 73(1) of the Public Finance Management Act No. 1 of 2018 requires that the Auditor General and an office holder, agent or specialist consultant authorised by the Auditor-General, shall in the performance of duties under the Constitution, or any other law; have access to all the books, records, returns, reports, other documents and financial management systems, in electronic or any other form, relating to the accounts of public bodies as the Auditor-General considers necessary.

Contrary to the Act, the under listed information that was required for audit was not availed as at 31<sup>st</sup> August 2020:

- Ministerial Procurement Committee Minutes and Evaluation Report, and
- Payment details.

**25 Head: 77/02 Ministry of Defence – Zambia Army**

**Programme: Various**

**Activity: Various**

### **25.1 Mandate**

The Zambia Army is mandated to defend the territorial integrity of Zambia from external and internal aggression.

### **25.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia Army Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,673,311,077 was made to cater for operations of the Army against which amounts totalling K1,604,328,788 were released resulting in an under funding of K68,982,289.

As at 31<sup>st</sup> December 2019, amounts totalling K1,594,222,652 had been spent.

In addition, the Army received amounts totalling K290,584,874 (K158,367,143 for troop allowances and K132,217,731 to cater for Contingent Owned Equipment) as reimbursement from the United Nations (UN) out of which K287,980,144 had been spent leaving a balance of K2,604,729.

#### **b. Procurement of Goods and Services – Undelivered Fuel**

During the period under review, the Army paid a service station amounts totalling K249,680 for the supply of fuel. However, the supplier delivered fuel costing K237,656 leaving a balance of fuel costing K12,023 undelivered as at 31<sup>st</sup> August 2020.

#### **c. Failure to Report Accident Vehicles to the Board of Inquiry**

In June 2002, the Ministry of Works and Supply issued guidelines on the procedure of handling accidents which required that the Transport officer on receipt of the report should immediately report the accident to the Standing Accidents Board. The Zambia

Army constitutes Boards of Inquiry each time there is an accident in order to investigate circumstances which led to the particular accident and to make recommendations accordingly. These Boards of Inquiry are decentralised to Formations.

Contrary to the requirement, Zambia Army did not report ten (10) vehicles that were involved in road traffic accidents to the Board of Inquiry as at 31<sup>st</sup> July 2020.

**d. United Nations Peace Keeping in Central African Republic**

On 8<sup>th</sup> February 2016, a Memorandum of Understanding (MOU) was signed between the UN and the Government through the Ministry of Defence on behalf of the Army to support peace keeping activities in the Central African Republic.

The UN reimburses the Government in respect of expenses for personnel provided, major equipment and provision of self-sustainment goods and services that the Government provides to the UN Operation.

The following were observed:

**i. Wasteful Expenditure – Purchase of Crown Heavy Duty Universal Knee Milling Machine**

On 14<sup>th</sup> July 2017, the Army entered into a contract with Spear Head Management Services Limited for the supply, delivery and installation of Crown Heavy Duty Universal Knee Milling Machine at Central Mechanical Workshop (CMW) at a total contract price of K319,328, VAT inclusive with a delivery period of thirty (30) days after the date of signing the contract.

The terms of payment were an advance payment of 25% within thirty (30) days of signing the contract secured against a valid advance bank guarantee and 75% upon submission of an invoice, delivery note and after the Procurement entity has accepted it.

As of February 2020, the Army had paid the supplier in full.

The following were observed:

- **Delayed Delivery of the Equipment**

Clause 3.0 of the contract provided for the delivery of the machine to be made within thirty (30) days after signing the contract. However, the machine was only delivered on 9<sup>th</sup> February 2018 while the advance payment was made on 21<sup>st</sup> July 2017. No explanation was given by management for the delay.

- **Questionable Certificate of Inspection**

Clause 4.0 on Inspection provided that prior to delivery, the seller (Spear Head Management Services Limited) was to arrange an inspection visit by the representative of the buyer (Zambia Army).

After the Crown Heavy Duty Universal Knee Milling Machine has been satisfactorily tested, both parties were to sign the Certificate of Inspection in line with the specifications.

Contrary to the clause, on 9<sup>th</sup> February 2018, the Certificate of Inspection was issued and the knee milling machine was certified as received in good condition without the machine being tested and put to use. The issuance of the Certificate of Inspection was therefore questionable as the machine was not tested and commissioned as per agreement.

- **Expired Warranty**

The contract provided for a twelve (12) months warranty which expired in January 2019 before the machine was tested and commissioned.

- **Failure to Use the Crown Heavy Duty Universal Knee Milling Machine**

A physical verification carried out at Central Mechanical Workshop (CMW) in February 2020 revealed that the machine had been installed but was not in use as the cutting tools had not been bought.

**ii. Failure to Supply and Deliver Mobile Field Kitchen and Raincoats**

On 30<sup>th</sup> September 2017, the Ministry engaged Lendor and Burton Limited on behalf of Zambia Army to supply and deliver mobile field kitchen and various clothing at a contract sum of K26,350,562 with a delivery period ranging from six (6) to twenty (20) weeks. The contract was divided into five (5) Lots as shown in table 25.1.

**Table 25.1: Supply and Delivery of Mobile Field Kitchen and Raincoats**

Item	Details	Quantity	Delivery Period	Amount K
Lot 1	Field Mobile Kitchens	50	16 - 20 weeks	18,941,425
Lot 2	Double and Single Rain Coats	15,000	06 - 10 weeks	2,890,321
Lot 3	Staff Shoes	8,500	06 - 10 weeks	2,072,987
Lot 4	Metres of Materials; Light Green, Serge Green, Navy Blue, Red Scarlet and Cream White	60,000	06 - 10 weeks	2,104,603
Lot 5	Socks Green And Socks Black For General Staff	12,000	06 - 10 weeks	341,226
	<b>Total</b>			<b>26,350,562</b>

The terms of payment were as follows:

- 25% of the contract sum to be paid within thirty (30) days of signing the contract against a bank guarantee for the equivalent amount and in the form provided in the bidding documents or another form acceptable to the procuring entity,
- 50% to be paid within sixty (60) days on receipt of goods and upon submission of documents, and
- 25% within sixty (60) days after the date of acceptance certificate for the respective delivery.

On 30<sup>th</sup> October 2018, an advance payment of K6,587,640 was made to the supplier and a further K500,000 was paid in July 2019 bringing total payments to K7,087,640.

The following were observed:

- **Delayed Payment of Advance**

Contrary to the condition on the advance payment, the Army paid the advance thirteen (13) months after the date of signing the contract.

- **Failure to Deliver Goods**

General Condition of Contract (GCC) Clause 28.3 required that goods were to be delivered within six (6) to twenty (20) weeks after the date of signing the contract.

Although an amount of K7,087,640 had been paid in advance, only goods costing K4,518,816 had been delivered. In addition, the advance security expired on 31<sup>st</sup> July 2019 and had not been renewed despite the supplier having a balance on the advance of K2,568,825 unrecovered.

Further, as at 31<sup>st</sup> August 2020, the balance of goods worth K21,831,746 had not been delivered contrary to the clause. See table 25.2.

**Table 25.2: Undelivered Mobile Field Kitchen and Raincoats**

Item	Details	Quantity	Delivery Period	Amount K
Lot 1	Field Mobile Kitchens	50	16 - 20 weeks	18,941,425
Lot 2	Double And Single Rain Coats	15,000	06 - 10 weeks	2,890,321
	<b>Total</b>			<b>21,831,746</b>

- **Failure to Issue Performance Security**

Clause 18.1 states that, “performance security shall be five percent (5%) of the contract sum and that the performance security shall be discharged by the procuring entity and returned to the supplier not later than the twenty eight (28) days following the date of completion of the supplier’s performance obligation under the contract”.

Contrary to the contract clause, no performance security was issued by the supplier.

**iii. Supply of a Small 100 Engine Type ADE-442**

On 3<sup>rd</sup> September 2019, the Zambia Army engaged GCP Trading Limited at a total contract price of K371,000 to supply a 100 Engine Type ADE-442 Turbo Charged with auxiliary component parts for Mercedes Benz truck. The delivery period was thirty (30) days after signing the contract.

The terms of payment were as follows:

- An advance payment of 25% within thirty (30) days of signing the contract against a bank guarantee for the equivalent amount,
- 50% upon receipt of the goods and submission of the invoice and delivery note, and
- 25% shall be paid after the date of acceptance certificate for the respective delivery issued by the Zambia Army.

On 13<sup>th</sup> September 2019, a payment of K92,750 was made to the supplier as advance payment following the submission of the advance payment guarantee which was valid up to 8<sup>th</sup> January 2020.

The following were observed:

- **Failure to Deliver Small 100 Engine for Mercedes Benz Truck**  
Contrary to the agreement, the engine had not been delivered as at 31<sup>st</sup> July 2020, nine (9) months after the expected delivery date.
- **Failure to Recover Advance Payment Guarantee and Terminate the Contract**  
General Condition of Contract Clause 14.2 states that, “the procuring entity may terminate the contract if the seller does not remedy a failure in the performance of their obligation under the contract, within thirty (30) days after being notified or within any further period as the procuring entity may have subsequent approved in writing”.

Contrary to the condition, the Zambia Army neither claimed the advance payment of K92,750 nor gave notice to terminate the contract for failure to deliver the engine within thirty (30) days and the bank guarantee had expired.

**26 Head: 77/03 Ministry of Defence – Zambia Air Force**

**Units: Various**

**Programmes: Various**

**Activities: Various**

### **26.1 Mandate**

The Zambia Air Force (ZAF) is mandated to safeguard the sovereignty of the Country against all enemy air threats and renders support to land forces in defence of the country.

### **26.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia Air Force Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,071,194,416 was made to cater for the operations of the Air Force against which amounts totalling K1,052,326,250 were released resulting in an underfunding of K18,868,167.

As at 31<sup>st</sup> December 2019, amounts totalling K1,044,511,865 had been spent.

#### **b. Procurement of Goods and Services**

##### **i. Supply and Delivery of 1,900 – Airmen Jerseys**

On 27<sup>th</sup> July 2019, Zambia Air Force awarded two (2) contracts to L.W. Vass Limited, a company incorporated under the laws of the United Kingdom to supply and deliver 1,900 Airmen Jerseys comprising Round-neck 950 and V-neck 950 at

total contract sums of £58,900 (K973,028) with a delivery period of eight (8) to twelve (12) weeks upon award and signing of the contracts.

The contracts provided for among other terms an advance payment of 25% upon signing the contract secured against a valid bank guarantee equivalent to the advance payment and the balance of 75% to be paid within thirty (30) working days after the supply and delivery of the goods.

In this regard, the supplier was paid total advance payments of £7,735.76 (K136,266.29) on 11<sup>th</sup> February and 4<sup>th</sup> March 2020. See table 26.1.

**Table 26.1: Payments for Procurement of Jerseys**

No.	Details	Contract Sum £	Date	Quantity	Amount £	Amount K
1	Round neck jersey	29,450	11.02.2020	950	5,221.93	86,266
2	V- neck jersey	29,450	04.03.2020	950	2,513.83	50,000
	<b>Total</b>	<b>58,900</b>		<b>1,900</b>	<b>7,735.76</b>	<b>136,266</b>

The following were observed:

- **Contracts without Approval of the Attorney General**

Public Procurement Act Clause 4 (1) (2) stipulates that a procuring entity should, before entering into any international agreement relating to procurement, obtain the approval of the authority, and the advice of the Attorney General and that any agreement purportedly entered into without the approval of the Attorney General is void.

Contrary to the Act, there was no approval by the Attorney General for the contracts entered into with the supplier.

- **Failure to Avail Bank Guarantee and Deliver Goods**

Clause 18.1 requires the supplier within fourteen (14) days of the notification of contract award to provide advance payments guarantee in the equivalent amount of the advance payment prior to receipt of any payment.

Contrary to the clause, no bank guarantee was provided against the advance payment of £5,221.93 (round neck) and £2,513.83 (V-neck) paid.

As at 31<sup>st</sup> August 2020, the goods had not been delivered while the advance payments had not been recovered.

**c. Management of Assets – Lack of Title Deeds for Properties**

Public Finance Management Act No. 1 of 2018 (4) stipulates that a controlling officer should ensure that all public properties under the controlling officer’s charge are secured with title deeds.

Contrary to the Act, ZAF had not secured title deeds for four (4) properties as at 31<sup>st</sup> August 2020. See table 26.2.

**Table 26.2: Properties without Title Deeds**

No.	Details	Status
1	Samora Machel	No title deed
2	Mumbwa	No title deed
3	Milken Airstrip - Kabwe	No title deed
4	Livingstone	No title deed

**d. Infrastructure Development – Construction of Ground Training School – (Samora Machel) – Delayed Completion and Hand Over of the Project**

On 22<sup>nd</sup> August, 2018 Zambia Air Force received an amount of K6,057,188 from the Ministry of Transport and Communication through the Ministry of Defence to construct a New Ground Training School (GTS) using force accounting following the commercialisation of the Samora Machel Airport.

Out of the K6,057,188 funded, the Air Force remitted amounts totalling K2,432,837 to Samora Machel base. As at 31<sup>st</sup> August 2020, amounts totalling K2,236,534 had been spent.

The scope of works included: substructure, reinforcement, block and brick works, structural steel and carpentry, aluminium and metal works, plumbing, engineering and electrical installations, floor, wall and ceiling finishes, glazing, painting and decorating, parade square (concrete), walk ways, car park and swimming pool. The works were to take eighteen (18) months from 19<sup>th</sup> November 2018 to 30<sup>th</sup> April 2020.

An inspection of the school carried out in August 2020 revealed that the project was at 40% completion four (4) months after the expected completion date and the following works were outstanding:

- Carpentry,
- Aluminium and metal works,
- Plumbing,
- Engineering and electrical installation,
- Floor, wall and ceiling finishes,
- Glazing, painting and decorating,
- Parade square (concrete),
- Walk ways,
- Car park, and
- Swimming pool.

**27 Head: 77/04 Ministry of Defence - Zambia National Service**

**Programmes: Various**

**Activities: Various**

### **27.1 Mandate**

The Zambia National Service (ZNS) is a defence force wing whose mandate is to train citizens to serve the Republic, develop infrastructure, enhance national food security and contribute to the social economic development.

### **27.2 Audit Findings**

An examination of accounting and other records maintained at the Zambia National Service for the period under review revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,039,344,312 was made to cater for operations at the Zambia National Service against which amounts totalling K958,580,531 were released resulting in an under funding of K80,763,781.

As at 31<sup>st</sup> December 2019, amounts totalling K946,777,967 had been spent.

**b. Operational Matter – Industries and Operations Account**

The Land Development Branch is a Unit under Zambia National Service whose core function is to provide services such as road construction, dam construction and land clearing.

During the year under review, the Units under Land Development Branch and Production realised amounts totalling K71,259,252 against expenditure of K97,428,670 resulting in a deficit of K26,169,418. See table 27.1.

**Table 27.1: Land Development Branch and Production deficits**

No.	Unit	Cost of Production K	Amount realised K	Deficit K
1	Land Development Branch	55,882,214	33,983,887	21,898,327
2	Production Unit	41,546,456	37,275,365	4,271,091
	<b>Total</b>	<b>97,428,670</b>	<b>71,259,252</b>	<b>26,169,418</b>

**c. Infrastructure Development**

**i. Construction of Perimeter Wall Fence-Kabwe Training School-Phase II**

On 18<sup>th</sup> January 2019, the ZNS engaged Dakwa General Dealers to construct a perimeter wall fence Phase II measuring 124 metres in length and 2.5 metres in height at the Training School in Kabwe at a contract sum of K415,690.

The scope of works included footing and block work. The contract period was for two (2) months. The contractor took possession of the site on 25<sup>th</sup> January 2019 and works were to be completed on 25<sup>th</sup> March 2019.

The terms of payment as provided for in Clause 2.3 of the contract were:

- an advance payment of 25% of the contract sum shall be paid prior to the commencement of the works on production of a valid bank guarantee by the contractor,
- 50% shall be paid when 75% of the works have been completed, and
- the balance of 25% of the contract sum shall be paid after the works have been satisfactorily completed and upon signing the certificate of completion.

As at 14<sup>th</sup> November 2019, the contractor had been paid the total contract sum of K415,690. See table 27.2.

**Table 27.2: Payments to Contractor**

No.	Date	Amount K
1	17.05.19	103,923
2	12.07.19	207,845
3	14.11.19	103,923
	<b>Total</b>	<b>415,690</b>

A scrutiny of documents revealed that the works had been completed and the site handed over to ZNS on 12<sup>th</sup> February 2019. However, a physical inspection carried out in July 2020 revealed that 102 metres of the fence had been constructed out of 124 despite the contractor being paid in full contrary to the contract terms.

**ii. Construction of an Ablution Block at ZNS Airport Farm**

On 8<sup>th</sup> August 2018, the Zambia National Service engaged Chris Valley Traders to construct an ablution block at Airport farm at a contract sum of K383,393. The scope of works included excavation, block work, roofing, and carpentry. The contract was for a duration of eight (8) weeks. The contractor took possession of the site on 13<sup>th</sup> September 2018 and works were to be completed on 15<sup>th</sup> November 2018.

The terms of payment as provided for in Clause 2.3 of the contract were:

- an advance payment of 25% of the contract sum shall be paid prior to the commencement of the works on production of a valid bank guarantee by the contractor,
- 50% shall be paid when 75% of the works have been completed, and
- the balance of 25% of the contract sum shall be paid after the works have been satisfactorily completed and upon signing the certificate of completion.

As at 31<sup>st</sup> December 2019, the contractor had been paid the full contract sum of K383,393. See table 27.3.

**Table 27.3: Payments to Contractor**

No.	Date	Amount K
1	02.10.18	95,848
2	05.11.18	191,697
3	31.12.19	95,848
<b>Total</b>		<b>383,393</b>

A physical inspection carried out in July 2020 revealed that various works costing K30,030 were not done despite the project having been handed over and the contractor paid in full. See table 27.4.

**Table 27.4: Outstanding Works**

No.	Description	Unit	BOQ Qty	Qty Done	Qty not Done	Unit Cost K	Total K
1	Ceiling board	m2	46	33	13	280	3,640
2	Door rubber stop		7	-	7	50	350
3	Towel rails		3	-	3	350	1,050
4	Mirror		3	2	1	600	600
5	Window 800x1200mm		2	-	2	2,000	4,000
6	Soap dispenser		2	-	2	500	1,000
7	Carpark shade		1	-	1	15,100	15,100
8	Tilling of floor	m2	46	33	13	330	4,290
<b>Total</b>							<b>30,030</b>

**28 Head: 80 Ministry of General Education**

**Departments: Various**

**Units: Various**

**Programmes: Various**

**Activities: Various**

### **28.1 Mandate**

The Mandate of the Ministry of General Education (MoGE) is to formulate and implement Education and Science Policies, set and enforce standards and regulations, licence, supervise and provide education and skills development, as well as promote science, technology and innovation education.

### **28.2 Audit Findings**

An examination of accounting and other records maintained at Ministry Headquarters and selected stations for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K10,219,542,865 was made to cater for operations of the Ministry against which amounts totalling K8,842,161,152 were released resulting in an under funding of K1,377,381,713.

As at 31<sup>st</sup> December 2019, amounts totalling K8,841,516,682 had been spent.

#### **b. Management of Payroll and Staff Related Matters**

##### **i. Introduction on the Payroll without Authority**

Terms and Conditions of Service for the Public Service No. 4 (a) states that, “subject to the provisions of the Constitution of Zambia, appointments to the public service shall be made by the President or by a Service Commission acting in the name and on behalf of the President”.

Contrary to the Terms and Conditions of Service, two (2) officers were employed and introduced on the payroll without appointment letters from the Teaching

Service Commission. In this regard, salaries in amounts totalling K70,886 paid to them during the period under review were irregular. See table 28.1.

**Table 28.1: Officers Introduced on Payroll without Authority**

No.	Province	Station	No. of Officers	Amount K
1	North Western	Solwezi DEO	1	3,990
2	Northern	Mpulungu DEO	1	66,896
	<b>Total</b>		<b>2</b>	<b>70,886</b>

**ii. Unknown Officers Drawing Salaries**

During the period under review, salaries in amounts totalling K321,827 were paid to thirteen (13) officers who were not known by the Heads of stations where the officers were assigned. See table 28.2.

**Table 28.2: Unknown Officers Drawing Salaries**

No.	Province	Station	No. of Officers	Amount K
1	Luapula	Nchelenge DEO	10	191,674
2	North Western	Solwezi DEO	3	130,154
	<b>Total</b>		<b>13</b>	<b>321,827</b>

As at 31<sup>st</sup> August 2020, the officers had not been identified.

**iii. Irregular Payment of Allowances**

- **Housing Allowance**

Cabinet Office Circular No. B2 of 2010 (2) (b) provides that housing allowance should only be paid to employees who are not accommodated by Government and that employees accommodated in a standard house shall not qualify for the payment of housing allowance.

Contrary to the circular, amounts totalling K24,711 were paid as housing allowances to two (2) officers who were accommodated in Government institutional houses.

- **Rural and Remote Hardship Allowances**

Terms and Conditions of Service for the Public Service No. 166 read together with Public Service Management Division Circular No. B6 of 2010 requires an

officer serving in an area declared to be in a rural and remote area to be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time.

Contrary to the Terms and Conditions of Service, amounts totalling K503,279 were paid as Rural Hardship (K134,705) and Remote Hardship (K368,575) allowances to sixty-seven (67) officers who were not eligible in that their work stations were not designated for payment of such allowances. See table 28.3.

**Table 28.3: Hardship Allowances Irregularly Paid**

No.	Province	Station	No. of officers	Rural Hardship K	Remote Hardship K	Amount K
1	Northern	Mbala DEO	1	10,694	-	10,694
2	Southern	Choma DEO	1	9,767	-	9,767
3	Lusaka	Chirundu DEO	4	6,022	-	6,022
4	Muchinga	Mpika DEO	61	108,221	368,575	476,796
	<b>Total</b>		<b>67</b>	<b>134,705</b>	<b>368,575</b>	<b>503,279</b>

- **Responsibility Allowances – Kapiri Mposhi DEO**

Section 7 of the Public Service Management Division (PSMD) Circular No. B.31 of 2017 stipulates that teachers eligible for payment of responsibility allowances are:

- Degree holders teaching ‘A’ level classes,
- Advanced diploma holders teaching either senior or ‘A’ level classes at a Secondary School,
- Diploma holders teaching senior classes, and
- Certificate holders teaching Upper Basic / Secondary School classes.

Contrary to the circular, responsibility allowance in amounts totalling K157,145 were irregularly paid to thirty-one (31) teachers who were not eligible.

**iv. Irregular Payment of Salaries to Seconded Officers**

Terms and Conditions of Service for the Public Service No. 34 (d) requires that a seconded officer should not receive a salary from the Public Service during the

period of secondment as payment of his or her salary should be the responsibility of the organisation they are seconded to.

It was however observed that six (6) officers who went on secondment during the period from March 2017 to December 2019 were irregularly paid salaries in amounts totalling K427,794 for the period they were on secondment. As at 31<sup>st</sup> August 2020, no recoveries had been made. See table 28.4.

**Table 28.4: Irregular Salaries paid to Seconded Officers**

No.	Province	Station	No of Officers	Amount K
1	Southern	PEO	1	163,229
		Choma DEO	2	108,137
		Livingstone DEO	1	22,931
2	Luapula	PEO	1	61,219
3	Western	Mongu DEO	1	72,277
	<b>Total</b>		<b>6</b>	<b>427,794</b>

**v. Payment of Allowances without Authority**

During the period under review, double class and responsibility allowances in amounts totalling K1,676,587 (Double Class – K9,055) (Responsibility – K1,667,532) were paid to 169 teachers without authority from the responsible officers. See table 28.5.

**Table 28.5: Allowances Paid without Authority**

No.	Province	Station	No. of Teachers	Double Class Allowance K	Responsibility Allowance K	Total K
1	Central	Kabwe DEO	1	-	10,076	10,076
		Kapiri Mposhi DEO	159	-	1,598,442	1,598,442
2	Muchinga	Mpika DEO	5	9,055	19,329	28,384
		Shiwang'andu DEO	4	-	39,685	39,685
	<b>Total</b>		<b>169</b>	<b>9,055</b>	<b>1,667,532</b>	<b>1,676,587</b>

**vi. Failure to Remove Deserters from Payroll**

Terms and Conditions of Service for the Public Service No. 60 (a) and (b) requires that an officer who is absent from duty without leave for a continuous period of ten (10) or more working days should be liable to dismissal. In addition, such an officer

should not be paid a salary for the period of absence from duty without leave unless they produce satisfactory evidence justifying such absence.

Contrary to the Terms and Conditions, eight (8) officers who were absent from duty for periods ranging from one (1) to thirty-two (32) months, had not been separated from the service. As at 31<sup>st</sup> July 2020, the officers had been irregularly paid salaries in amounts totalling K671,295.

**vii. Delayed Removal of Separated Officers**

Public Service Management Division (PSMD) Circular No. B1 of 2019 provides that deceased employees who are not eligible for posthumous retirement should be deleted from the payroll with effect from the date of their demise and clause (d) stipulates that employees who are separated from employment by way of resignation, dismissal or discharge should be terminated from the payroll with effect from the date of resignation, dismissal or discharge.

However, forty-two (42) officers who were separated from the service through death, resignation or dismissal were retained on the payroll for periods ranging from one (1) to forty-two (42) months. In this regard, the officers were irregularly paid amounts totalling K1,363,185. See table 28.6.

**Table 28.6: Salaries Paid to Separated Officers**

No.	Province	Station	No. of Officers	Amount K
1	North Western	Solwezi DEO	5	257,543
		Kabompo DEO	2	41,757
2	Southern	Choma DEO	10	583,502
3	Luapula	Nchelenge DEO	5	185,176
4	Muchinga	Mpika DEO	10	181,133
		Shiwang'andu DEO	5	36,452
		Chinsali DEO	5	77,622
<b>Total</b>			<b>42</b>	<b>1,363,185</b>

**viii. Failure to Remove Convicted Officer from Payroll – Mansa DEO**

Contrary to the Public Service Commission Disciplinary Code and Procedures for handling offences in Public Service Nos. 58 and 59, an officer who was convicted in 2017 for the offence of obtaining money by false pretence had not been removed

from the payroll. During the period under review, the officer had been paid salaries in amounts totalling K47,750 for the period from January to December 2019. Further, as at 31<sup>st</sup> August 2020, no action had been taken against the officer who was still on the payroll.

**ix. Failure to Conclude Staff Disciplinary Cases**

- **Livingstone DEO**

An Accounts Assistant at Livingstone DEO was suspended on 10<sup>th</sup> October 2011 for absconding from work for nine (9) consecutive months. However, as at 31<sup>st</sup> July 2020, nine (9) years after being suspended, management had not resolved the disciplinary case and the officer had been paid half salaries in amounts totalling K52,931 for the period from January 2018 to December 2019.

- **North-Western Province**

A review of staff personal files and minutes of the disciplinary committee at the PEO revealed that eleven (11) officers from four (4) DEOs were suspended and subsequently recommended for dismissal for committing offences such as absconding from teaching duties for periods exceeding ten (10) days and abrogating the Code of Ethics for the Public Service.

However, it was observed that the cases had not been concluded by the Teaching Service Commission and that officers had continued drawing salaries in amounts totalling K961,420 for periods ranging from eight (8) to eleven (11) months after their recommendation for dismissal. See table 28.7.

**Table 28.7: Amounts Paid to Officers that were on Suspension**

No.	Station	No. of Officers	Amount K
1	Solwezi DEO	7	594,769
2	Manyinga DEO	1	47,876
3	Ikelenge DEO	1	143,628
4	Mufumbwe DEO	2	175,146
	<b>Total</b>	<b>11</b>	<b>961,420</b>

As at 31<sup>st</sup> August 2020, the cases had not been concluded.

c. **Accounting Irregularities**

i. **Failure to Collect School Fees**

During the period under review, school fees in amounts totalling K99,708,153 were expected to be collected by thirty-one (31) institutions out of which K90,098,389 was collected leaving a balance of K9,609,764. See table 28.8.

**Table 28.8: Uncollected School Fees**

No	Province	Institution	Expected Revenue K	Revenue Collected K	Uncollected K
1	Western	Sefula Secondary School	2,246,165	2,018,400	227,765
2	Copperbelt	Masala Secondary School	1,695,953	1,254,833	441,120
		Kansenshi Combined School	551,192	523,332	27,860
		Temweni Secondary School	1,029,181	791,240	237,941
		Helen Kaunda Secondary School	1,578,520	1,441,485	137,035
		Chavuma Secondary School	586,364	507,406	78,958
		Lubuto Secondary School	1,823,859	966,300	857,559
		Ndola Skills	770,090	668,701	101,389
3	Northern	Kitwe College of Education	16,310,540	15,948,940	361,600
		Kasama Girls Secondary School	4,093,029	4,012,629	80,400
4	Central	Lupososhi Secondary School	625,200	476,383	148,817
		Chisamba Boarding Secondary School	3,056,000	2,702,664	353,336
		Kapiri Girls National Secondary School	2,894,153	2,599,838	294,315
5	Eastern	Malcolm Moffat College of Education	29,692,094	28,121,877	1,570,217
		Nyimba Boarding Secondary School	2,109,200	1,724,644	384,556
		Mambwe Boarding Secondary School	2,363,500	2,200,916	162,584
6	Muchinga	Kacholola Boarding Secondary School	1,565,500	1,482,711	82,789
		Lwitikila Girls Secondary School	3,480,000	3,189,112	290,888
		Chinsali Girls Secondary School	3,762,063	3,624,143	137,920
		Mulakupikwa Secondary School	181,500	133,800	47,700
		Chitulika Secondary School	620,900	558,893	62,007
		Chinsali Day Secondary School	690,440	561,073	129,367
		Mununga Day Secondary School	216,000	177,124	38,876
		Mishishi Day Secondary School	553,600	517,125	36,475
		Chama Boarding Secondary School	1,992,100	1,768,040	224,060
7	North Western	Lamba Day Secondary School	119,050	56,550	62,500
		Kabulonga Boys Secondary School	1,608,750	1,323,640	285,110
8	Lusaka	Libala Secondary School	3,577,660	3,227,285	350,375
		Kamwala Secondary School	4,342,800	3,192,036	1,150,764
		Luangwa Boarding Secondary School	2,702,050	2,567,750	134,300
		Lusaka Girls Secondary School	2,870,700	1,759,520	1,111,180
		<b>Total</b>	<b>99,708,153</b>	<b>90,098,389</b>	<b>9,609,764</b>

ii. **Failure to Disburse Grants to Schools**

During the period under review, amounts totalling K770,394 were released by the Ministry to three (3) DEOs to cater for grants to community and primary schools. However, amounts totalling K507,998 were disbursed leaving a balance of K262,396 which was applied on administrative activities at the DEOs. See table 28.9.

**Table 28.9: Amounts not Disbursed to Schools**

No.	Province	Station	Grants Received K	Grants Disbursed K	Undisbursed Grants K
1	Western	Mongu DEO	219,866	218,701	1,165
2	Northern	Mbala DEO	363,983	110,100	253,883
3	Eastern	Katete DEO	186,546	179,197	7,349
	<b>Total</b>		<b>770,394</b>	<b>507,998</b>	<b>262,396</b>

**iii. Misapplication of Funds**

- Ministry Headquarters**

During the period under review, the Ministry Headquarters misapplied funds in amounts totalling K2,030,195 meant for Primary Education – Home Grown School Feeding and Secondary Educations programmes on administrative activities. See table 28.10.

**Table 28.10: Misapplied Funds - Headquarters**

No.	Programme	Purpose of Fund	Misapplied on	Amount K
1	Primary Education - Home Grown School Feeding	purchase of food commodities for use in the Home Grown School Meals (HGSM) programme, facilitating transport & administration costs of food commodities, workshops to review & validate School Health Nutrition (SHN)	subsistence allowance, purchase of stationery, book allowance and servicing motor vehicles	525,241
2	Secondary Education	capacity building of teachers on the new content in the revised and new school curriculum, sponsoring secondary school teachers for the Fast Track Teacher Education upgrading, conducting review and planning meetings with TRC coordinators, rehabilitation and completion of secondary schools	subsistence allowances, purchase of goods and services	1,504,953
	<b>Total</b>			<b>2,030,195</b>

- Provincial and District Education Offices**

During the period under review, twenty (20) stations misapplied funds in amounts totalling K4,695,155 meant for school grants on activities such as procurement of fuel, imprest, and payment of subsistence allowances. See table 28.11.

**Table 28.11: Misapplied Funds**

No.	Institution	Amount Misapplied K
1	Chibombo DEO	125,678
2	Mumbwa DEO	342,625
3	Shibuyunji DEO	226,595
4	Luanshya DEO	168,609
5	Mpongwe DEO	125,655
6	Chikankata DEO	190,353
7	Monze DEO	498,764
8	Sinazongwe DEO	598,239
9	Southern PEO	166,448
10	Choma DEO	122,881
11	Central PEO	300,000
12	Kabwe DEO	18,206
13	Kapiri Mposhi DEO	702,473
14	Mkushi DEO	496,042
15	Chisamba Boarding Secondary School	41,014
16	Katete DEO	7,349
17	Nchelenge DEO	252,515
18	Luangwa DEO	40,635
19	North Western PEO	74,432
20	Kalumbila DEO	196,642
	<b>Total</b>	<b>4,695,155</b>

**iv. Missing Grade four (4) Literacy Books - Mpongwe DEO**

During the period under review, Mpongwe DEO received 23,310 Grade four (4) Literacy Books from Ministry Headquarters out of which 22,257 books were distributed leaving a balance of 1,053. However, a review of records and physical count conducted in June 2020 revealed that 343 books were missing.

**v. Failure to Collect Revenue – Solwezi Technical Secondary School**

Six (6) churches rented classrooms at the school for worship at monthly rental charges of K300 from which rentals totalling K21,600 was to be collected during the period under review. However, only K1,600 was collected leaving a balance of K20,000 as at 31<sup>st</sup> August 2020.

Further, no lease agreements were availed for audit.

**vi. Failure to Collect Rental Income – Ndola PEO**

The PEO was owed amounts totalling K45,500 as at 31<sup>st</sup> December 2019 by six (6) tenants that occupied its workshop in Masala. The debt was outstanding for periods ranging from seven (7) to twenty-four (24) months. As at 31<sup>st</sup> August 2020, no action had been taken against defaulting tenants and the amount remained outstanding.

**vii. Unsupported Payments**

Financial Regulation Nos. 45 and 52, requires that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts and that vouchers relating to purchases should be supported by an official order and the supplier's invoices.

Contrary to the regulations, eighteen (18) payments in amounts totalling K41,699 processed in seven (7) stations in three (3) provinces were not supported with documents such as leave forms, transfer letters, quotations, cash sales receipts and purchase orders. See table 28.12.

**Table 28.12: Unsupported Payments**

No.	Province	Institution	No. of Transactions	Amount K
1	North Western	Lamba Day Secondary School	4	5,970
2	Luapula	PEO	1	13,059
		Kawambwa DEO	5	4,700
		Nchelenge DEO	5	11,390
3	Lusaka	Luangwa DEO	1	900
		Kabulonga Boys Secondary School	1	4,680
		Luangwa Boarding Secondary School	1	1,000
<b>Total</b>			<b>18</b>	<b>41,699</b>

**viii. Irregular Use of Accountable Imprest**

Financial Regulation No. 86 (c) define accountable imprest as imprest issued to facilitate the purchase of goods and services whose value cannot be ascertained at the time.

Contrary to the regulation, accountable imprest in amounts totalling K742,899 was issued to seventy-one (71) officers to procure goods and services whose values could be ascertained and procured directly from suppliers. See table 28.13.

**Table 28.13: Irregular Use of Accountable Imprest**

No.	Province	Institution	No. of Officers	Amounts K
1	North Western	Kalumbila DEO	5	32,127
		Solwezi Technical Secondary School	7	17,030
		Maheba Secondary School	2	13,550
		Lamba Day Secondary School	5	27,175
2	Luapula	Mansa College of Education	4	34,155
		Mansa DEO	1	87,322
		Kawambwa DEO	2	8,650
		Kawambwa Central Secondary School	7	32,960
		Chitamba Secondary School	3	20,736
		Nchelenge Secondary School	2	74,017
3	Western	Sefula Secondary School	2	21,760
4	Central	Chisamba Boarding secondary school	6	21,700
		Kapiri Girls National Secondary School	6	238,295
5	Muchinga	Lwitikila Girls Secondary School	2	28,174
		Mulakupikwa Secondary School	6	13,407
		Chitulika Secondary School	2	13,650
		Mununga Day Secondary School	9	58,191
<b>Total</b>			<b>71</b>	<b>742,899</b>

**ix. Unaccounted for Funds**

Financial Regulation No. 65 (1) requires that payment vouchers with supporting documents, and any other forms which support a charge entered in the accounts, should be filled, secured against loss, and be readily available for audit.

A scrutiny of bank statements revealed that amounts totalling K41,124 involving thirteen (13) transactions were drawn at two (2) stations for unknown activities.

Contrary to the regulation, there were no expenditure details such as payment vouchers, acquittals and receipts and no cash was found on hand. See table 28.14.

**Table 28.14: Unaccounted for funds**

No.	Province	Institution	No. of Transactions	Amount K
1	North Western	PEO	2	2,970
2	Lusaka	Luangwa Boarding Secondary School	11	38,154
<b>Total</b>			<b>13</b>	<b>41,124</b>

**x. Failure to Submit Expenditure Returns for School and Orphaned and Vulnerable Children (OVC) Grants**

Financial Regulation No. 10 (k), stipulates that accounting officers should prepare and dispatch all financial statements and returns in the prescribed format.

Contrary to the regulation, 226 schools which received grants from the PEOs and DEOs in amounts totalling K502,250, did not submit returns to show how the grants were utilised.

As at 31<sup>st</sup> August 2020, no action had been taken against the schools for non-submission of returns. See table 28.15.

**Table 28.15: Failure to Submit Expenditure Returns**

No.	Province	Institution	No. of Schools	Amount K
1	Central	Kabwe DEO	35	41,438
		Kapiri Mposhi DEO	68	252,459
		Mkushi DEO	96	183,976
2	Eastern	Chipata DEO	23	19,335
3	Lusaka	Luangwa DEO	4	5,042
	<b>Total</b>		<b>226</b>	<b>502,250</b>

**xi. Irregular Contributions by Schools – Solwezi PEO**

Minute No. MOGE/101/4/2 dated 25<sup>th</sup> July 2019 issued by the Permanent Secretary – Technical Services under the Ministry of Education, abolished the practice of the PEOs and DEOs soliciting for contributions from schools for various activities.

Contrary to the Minute, amounts totalling K313,718 were contributed towards the selection process for Grades 8 and 10, Grade 9 GCE and subject associations among others by all secondary schools in North – Western Province under the directive of the PEO.

**d. Management of Stores – Unaccounted for Stores**

Public Stores Regulation No. 16 states that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, stores items costing K308,352 comprising general stores (K274,264) and fuel (K34,089) procured at several stations were not accounted for in that there were no receipt and disposal details. See table 28.16.

**Table 28.16: Unaccounted for Stores**

No.	Province	Institution	General Stores K	Fuel K	Total K
1	North Western	Solwezi Technical Secondary School	21,022	-	21,022
		Maheba Boarding Secondary School	142,356	-	142,356
		Lamba Day Secondary School	3,410	-	3,410
		Kalumbila DEO	-	9,813	9,813
2	Luapula	Mansa College of Education	50,740	-	50,740
		Nchelenge DEO		24,276	24,276
4	Central	Kapiri Mposhi DEO	3,844	-	3,844
		Chisamba Secondary School	30,448		30,448
		Malcolm Moffat College of Education	10,694	-	10,694
4	Eastern	Kacholola Secondary School	11,750		11,750
	<b>Total</b>		<b>274,264</b>	<b>34,089</b>	<b>308,352</b>

**e. Management of Assets**

**i. Failure to Secure Title Deeds**

Section 41(4) of the Public Finance Management Act, No. 1 of 2018, requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, title deeds for several parcels of land on which twenty-eight (28) properties are located had not been secured as at 31<sup>st</sup> August 2020. See table 28.17.

**Table 28.17: Unsecured Public Properties**

No.	Province	No. of Institutions
1	Luapula	7
2	Northern	5
3	Copperbelt	12
4	Norh Western	3
5	Central	1
	<b>Total</b>	<b>28</b>

Further, two (2) schools were not fenced, as a result, illegal structures such as houses and shops had been erected on the school land. See table 28.18.

**Table 28.18: Encroachment on the School Land**

No.	Institution	Name	Position	Type of Development
1	Solwezi Technical Secondary School	Yikona Damson	Former Head teacher	Dwelling houses
		Muleya Stephen	Former Bursar	
		Mutoya John	Former teacher	
		Siwali Charles	Former teacher	
		Kafwimbi Gloria	Current Boarding mistress	
		Kikwato Fredson	Current teacher	
		Kang'wanda	Current teacher	
2	Maheba Secondary School	Settlers	Settlers	Shops

**ii. Uninsured Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, fourteen (14) motor vehicles and six (6) motorcycles were not insured as at 31<sup>st</sup> August 2020. See table 28.19.

**Table 28.19: Uninsured Motor Vehicles**

No.	Province	Institution	No. of Motor Vehicles	No. of Motorcycles
1	Luapula	PEO	2	0
		Kawambwa DEO	1	1
	Northern	Mpulungu DEO	0	1
4	Southern	PEO	10	0
		Choma DEO	0	2
		Zimba DEO	1	2
	<b>Total</b>		<b>14</b>	<b>6</b>

**iii. Failure to Mark Animals – Malcolm Moffat College of Education**

Clause 6 (1) of the Animal Identification Act No.28 of 2010 requires an owner of the animal to mark an animal with an identification mark as prescribed.

Contrary to the Act, forty-eight (48) animals (sheep – 24 and cattle – 24) at Kabanda Campus Farm had not been marked.

**iv. Failure to Insure Animals – Malcolm Moffat College of Education**

During the period under review, sixteen (16) herds of cattle costing K96,000 died. However, the animals were not insured and as such the College could not claim compensation for the loss.

v. **Missing Motor Vehicle Engines**

- **Solwezi Technical Secondary School**

In 2017, a Mitsubishi Rosa Bus Registration No. ACL 2967 belonging to the school developed an engine fault.

A physical inspection of the vehicle carried out on 20<sup>th</sup> March 2020 revealed that the engine was missing. See pictures below.



*Reg No. ACL 2769 Bus without Engine*



*Body of a Bus without Engine*

- **Solwezi College of Education**

In 2015, a Mitsubishi Rosa Registration No. GRZ 599 BM developed an engine problem in Kisasa and was taken to Shamma Garage for repairs. In 2017, the college decided to collect the vehicle from the garage as the repair could not be done due to lack of finances.

A physical inspection carried out in April 2020 revealed that the engine was missing. See picture below.



*GRZ 599 BM Bus with No Engine*

- **Cannibalisation of Motor Vehicle – Solwezi College of Education**

In 2018, a Toyota Land Cruiser registration No. GRZ 786BM belonging to Solwezi College of Education was involved in an accident and was parked at the PEO in Solwezi.

A physical inspection carried out in March 2020 revealed that the vehicle had been cannibalized as all the parts had been removed without authority. See pictures below.



*Shell of GRZ 786BM Cannibalized Landcruiser*



*Interior of GRZ 786BM*

**f. Management of Liabilities**

**i. Failure to Deduct Tax and NAPSA Contributions**

Contrary to the Treasury and Management Circular No. 6 of 2017 and National Pension Scheme Authority (NAPSA) Act of 1996, payments in amounts totalling K1,896,444 (VAT – K1,743,931 and NAPSA – K152,513) involving 136 transactions at six (6) stations were made without deducting VAT and pension contributions. See table 28.20.

**Table 28.20: Failure to Deduct Tax and Pension Contributions**

No.	Province	Institution	No. of Transactions	VAT K	NAPSA K	Amount K
1	Central	Malcolm Moffat College of Education	20	112,274	-	112,274
		Chisamba Boarding School	2	-	152,513	152,513
2	North Western	PEO	10	104,658	-	104,658
3	Eastern	Mambwe Boarding Secondary School	37	291,019	-	291,019
		Kacholola Boarding Secondary School	14	536,081	-	536,081
4	Muchinga	PEO	53	699,899	-	699,899
<b>Total</b>			<b>136</b>	<b>1,743,931</b>	<b>152,513</b>	<b>1,896,444</b>

**ii. Failure to Remit Tax**

The Income Tax Act Chapter 323 of Laws of Zambia requires that Pay As You Earn (PAYE) be deducted from officers' emoluments and be remitted to the Zambia Revenue Authority (ZRA).

Contrary to the Act, PAYE in amounts totalling K22,114 deducted from several officers had not been remitted to the ZRA as at 31<sup>st</sup> August 2020. See table 28.21.

**Table 28.21: Failure to Remit Tax**

No.	Province	Institution	PAYE Amount K
1	North Western	PEO	14,716
2	Central	Malcolm Moffat College of Education	7,398
	<b>Total</b>	<b>Total</b>	<b>22,114</b>

**iii. Wasteful Expenditure – NAPSA Penalties**

During the period under review, amounts totalling K41,606 were paid to National Pension Scheme Authority (NAPSA), as penalties at three (3) institutions for failure to meet the monthly payment deadlines of contributions deducted from employees' earnings. However, the expenditure was wasteful in that the penalties arose as a result of failure to timely settle NAPSA contrary to the Pensions Acts of 1996. See table 28.22.

**Table 28.22: NAPSA Penalties**

No.	Province	Institution	Amount K
1	Luapula	Nchelenge Secondary School	2,480
2	Southern	Batoka Secondary School	6,080
3	Central	Malcolm Moffat College of Education	33,046
		<b>Total</b>	<b>41,606</b>

<b>29 Head:</b>	<b>85</b>	<b>Ministry of Lands and Natural Resources</b>
<b>Departments:</b>		<b>Various</b>
<b>Units:</b>		<b>Various</b>
<b>Programmes:</b>		<b>Various</b>
<b>Activities:</b>		<b>Various</b>

### **29.1 Mandate**

The Ministry of Lands and Natural Resources is mandated to administer land and manage natural resources by promoting sustainable land use and climate resilient low emission systems.

### **29.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K230,093,729 was made to cater for the operations of the Ministry against which amounts totalling K99,786,252 were released resulting in an under funding of K130,307,477.

As at 31<sup>st</sup> December 2019, amounts totalling K96,056,998 had been spent.

#### **b. Management of Information and Communications Technology Systems – Lack of Continuity and Disaster Recovery Plans**

The Ministry is responsible for maintaining a National Database for ownership of various properties in the Country. However, the Ministry did not have Information and Communications Technology (ICT) continuity and disaster recovery plans to mitigate against loss of data.

**c. Operational Matters**

**i. National Land Titling Programme**

During the period under review, an amount of K30,000,000 was budgeted and released for the National Land Titling Programme (NLTP) to produce 1,000,000 certificates of title.

Although K30,000,000 was spent on the programme, it was observed that, as at 31<sup>st</sup> December 2019, only 10,280 certificates of title were produced, resulting in a deficit of 989,720.

**ii. Over Payment on Administrative Costs – Land Development Funds (LDF)**

Clause 1.7 of the LDF guidelines states that “the administrative costs shall not be more than 5% of the total disbursed funds and must be used on activities related to the LDF projects such as stationary, bank charges, fuel and allowances”.

During the period under review, amounts totalling K12,527,173 were available for LDF activities. According to the guideline, a sum of K626,359 being 5% of the available funds should have been spent on administrative activities.

It was however observed that a total of K738,210 was spent on administrative activities representing 6% of the total available funds resulting in over expenditure of K125,686.

**d. Management of Payroll and Staff Related Matters – Failure to Deduct Pension Contributions**

The National Pension Scheme Act No. 40 of 1996 stipulates that contributing employers should pay contributions to the Authority at the end of each month and such employers should submit all prescribed particulars.

Contrary to the Act, wages in amounts totalling K428,361 were paid to fifty-one (51) Scanning Assistants without deducting the 5% pension employee contributions in amounts totalling K21,418.

**e. Failure to withhold VAT from Payments to Suppliers**

The Ministry of Finance through Treasury and Management Circular No. 6 of 2017 instructed all institutions which were appointed to act as tax agents to withhold and remit Value Added Tax (VAT) effective 1<sup>st</sup> June 2017.

Contrary to the circular, the Ministry did not withhold VAT in amounts totalling K56,037 on payments made to various suppliers of goods and services.

**f. Accounting Irregularities – Inadequately Supported Payments**

Financial Regulation Nos. 45 and 52 require that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts and that vouchers relating to purchases be supported by an official order and the supplier's invoices.

Contrary to the regulations, payments in amounts totalling K34,914 processed by the Ministry were not supported with documents such as cash sale receipts, purchase orders, goods received notes, attendance registers, invitation letters, contracts, and authority.

**g. Management of Stores – Unaccounted for Stores**

Public Stores Regulation No.16 requires that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the Regulation, fuel costing K85,846 procured by the Ministry was not accounted for in that there were no receipt and disposal records as at 31<sup>st</sup> August 2020.

**h. Operations of Zambia Forestry College**

Zambia Forestry College (ZFC) located in Kitwe, Mwekera Forest No.6 is responsible for providing long-term and short-term technical training in management of the forestry sector, including other natural resources. The mandate of the College is to provide training and education in the sustainable management and utilisation of the environment and natural resources for socio-economic development to benefit the present and future generations.

During the period under review, the college received amounts totalling K1,900,000 to cater for its operations.

In addition, funds in amounts totalling K3,190,391 were generated from various sources including students' fees, timber sales and charges for school tours, bringing the total available funds to K5,090,391.

An examination of financial and other records at the College review revealed the following:

**i. Failure to Insure Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, four (4) motor vehicles were not insured during the period under review.

**ii. Management of Institutional Houses – Irregular Occupation of Institutional Houses by Non – Government Employees**

A review of the register for Institutional houses revealed that the College had one hundred (100) housing units.

A review of occupants of the houses revealed that eight (8) houses were occupied by either retired or spouses of deceased employees who were not owed any funds by Government.

**iii. Failure to Secure Title Deeds**

Section 41 (4) of the Public Finance Management Act No. 1 of 2018 requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, the title deeds for a parcel of land on which the College is located was not secured.

**iv. Construction of a College Library**

On 6<sup>th</sup> June 2014, the Provincial Administration, Copperbelt Province engaged Horizon Properties Limited to construct a two (2) storey building at the Zambia Forestry College at a contract sum of K1,916,158, with a completion period of thirty two (32) weeks.

As at 31<sup>st</sup> July 2020, the contractor had been paid amounts totalling K1,549,755 representing 80% of the contract sum.

The following were observed:

- **Uncompleted Works**

A physical inspection of the structure conducted on 26<sup>th</sup> June 2020, revealed that the works were not completed, and the contractor had abandoned the site.

- **Failure to Terminate the Contract**

Although the contractor failed to complete the works within the contract period, the Provincial Administration failed to terminate the contract and invoke the clause on liquidated damages.

As at 31<sup>st</sup> August 2020, no decision had been made on the progression of the works. See pictures below.



*Front view of the incomplete Library*



*Back view of the incomplete Library*

<b>30 Head:</b>	<b>86</b>	<b>Ministry of Fisheries and Livestock</b>
<b>Departments</b>		<b>Various</b>
<b>Units:</b>		<b>Various</b>
<b>Programmes:</b>		<b>Various</b>
<b>Activities:</b>		<b>Various</b>

### **30.1 Mandate**

The Ministry of Fisheries and Livestock (MFL) is mandated to formulate policies and oversee the development of fisheries and livestock sectors in the country.

### **30.2 Audit Findings**

An examination of financial and other records maintained at the Ministry Headquarters, Provincial Fisheries and Livestock Coordinating Offices (PFLCOs) and selected District Fisheries and Livestock Coordinating Offices (DFLCOs) for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K1,171,709,231 was made to cater for the operations of the Ministry against which amounts totalling K291,783,442 were released resulting in an under funding of K879,925,789.

As at 31<sup>st</sup> December 2019, amounts totalling K288,860,877 had been spent.

#### **b. Procurement of Goods and Services**

##### **i. Failure to withhold VAT from Procurements**

The Value Added Tax (VAT) Amendment Act No.12. of 2017 read together with the Treasury and Financial Management Circular No. 6 of 2017 directed all institutions which were appointed as tax agents to withhold and remit VAT from payments to suppliers of goods and services to the Zambia Revenue Authority (ZRA).

Contrary to the Act and circular, the Ministry did not deduct VAT in amounts totalling K45,269 during the period under review.

**ii. Unretired Accountable Imprest**

Financial Regulations No. 96 (1) stipulates that accountable imprest should be retired immediately the purpose for which it was issued had been fulfilled.

Contrary to the regulation, accountable imprest in amounts totalling K53,520 issued to two (2) officers to pay subsistence allowance for monitoring and evaluation of Foot and Mouth Disease vaccination exercise had not been retired as at 31<sup>st</sup> August 2020.

**iii. Wasteful Expenditure – Failure to Utilise Insecticides**

On 27<sup>th</sup> July 2017, the Ministry engaged a joint venture of Share Mix Limited and Avima Pty Limited of South Africa to supply and deliver 425,489 Litres of Deltamethrin ULV Insecticide at a contract sum of K14,420,627 (US\$1,621,114.80) with a delivery period of two (2) weeks.

The joint venture was also required to oversee the application of the insecticide in an aerial spraying operation, to control tsetse flies and trypanosomiasis in livestock and in humans in parts of Rufunsa, Luano and Nyimba districts.

As at 31<sup>st</sup> December 2018, the supplier had been paid amounts totalling K7,748,902 (US\$810,554.64), for the delivery of the first consignment of 212,744.50 litres, being 50% of the contracted quantity.

In this regard, on 15<sup>th</sup> June 2018, the Ministry engaged a joint venture of CK Scientific Group (Zambia) Limited and Sandriver Crop Protection of South Africa to provide night time aerial spraying services to control tsetse flies (*Glossina Morsitans* and *G. Pallidipes*) in a 9,293 km<sup>2</sup> area covering parts of Rufunsa, Luano and Nyimba districts. The contract sum was US\$3,192,000 (K31,812,429.60) with a delivery period of three (3) months ending on 15<sup>th</sup> September 2018. The contract was further extended for another three (3) months from 1<sup>st</sup> May 2019 to 31<sup>st</sup> July 2019 at no additional cost.

The terms of the contract included the following:

- The starting date for the commencement of services was seven (7) days after contract signing.
- 10% performance security of the contract price shall be provided within 14 days of contract signing.
- Advance payment of 25% of the contract price shall be paid on the commencement date against the submission of a bank guarantee for the equivalent amount.

As at 31<sup>st</sup> December 2019, the contractor had been paid amounts totalling K6,602,522 (US\$452,262.98) representing 14.17% of the contract sum as advance payment instead of 25%.

However, as at 31<sup>st</sup> August 2020, the contractor had not executed the works despite the works being rescheduled three (3) times between 2018 and 2020 while 90,000 litres of insecticide valued at K3,278,124 (US\$342,900) delivered by a joint venture of Share Mix Limited and Avima Pty Limited of South Africa in October 2017 had expired rendering the expenditure of K3,278,124 (US\$342,900) wasteful.

**iv. Contract with Botswana Vaccine Institute (BVI)**

On 21<sup>st</sup> December 2018, the Ministry engaged Botswana Vaccine Institute to supply and deliver Contagious Bovine Pleuropneumonia (CBPP) vaccine TI/14 Strain and Foot and Mouth Disease vaccine (FMD) on a three (3) year running contract.

During the period under review, the supplier had been paid amounts totalling K3,280,780 for the supply of 840,500 doses of FMD and 100,000 doses of CBPP vaccines.

The terms of the contract included the following:

- The supplier shall at its own expense and at no cost to the procuring entity carry out all such tests and/or inspections of the goods and related services.
- The supplier shall provide the procuring entity with a report of the results of any such tests and/or inspections.

- Physical inspections and laboratory tests of the vaccines prior to acceptance by the purchaser shall be conducted on delivery at Central Veterinary Research Institute (CVRI).

The following were observed:

- **Failure to Perform Pre-inspection Tests on Delivered Vaccines**

Although the contract provided for the vaccines to be inspected physically and tested at the CVRI, there was no evidence of physical inspections and/or laboratory tests before acceptance of the vaccines.

- **Unaccounted for Vaccines**

During the period under review, 840,500 doses of FMD vaccine valued at K3,097,100 and 100,000 doses of CBPP vaccines valued at K183,680 were distributed to thirty-four (34) districts that were affected by the disease.

However, a physical inspection of vaccines distributed to seven (7) selected District Fisheries and Livestock Offices carried out in June 2020 revealed that 323,000 vaccines costing K1,005,397 were unaccounted for in that there were no disposal details.

Further, it was observed that Mongu Provincial Fisheries and Livestock Office did not have cold rooms to store the vaccines and relied on a third party for the storage.

**c. Management of Payroll and Staff Related Matters**

**i. Irregular Payment of Rural Hardship Allowances**

Terms and Conditions of Service for the Public Service No. 166 read together with Public Service Management Division Circular No. B6 of 2010 requires an officer serving in an area declared to be in a rural and remote area to be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time.

Contrary to the Terms and Conditions of Service, rural hardship allowance in amounts totalling K27,950 was paid to three (3) officers who worked at two (2) stations that did not qualify for the allowances. See table 30.1.

**Table 30.1: Rural Hardship Allowances**

No.	Province	Station	No. of Officers	Rural Hardship Allowance K	Total K
1	Southern	PFLCO	1	9,767	9,767
2	Muchinga	PFLCO	2	18,183	18,183
		<b>Total</b>	<b>3</b>	<b>27,950</b>	<b>27,950</b>

**ii. Irregular Payment of Housing Allowance**

The Public Service Management Division Circular No. B 24 of 2013 requires housing allowance to be paid to officers not accommodated by Government in standard/pool houses through the payroll.

Contrary to the Circular, twenty-seven (27) officers who were accommodated in institutional houses were irregularly paid housing allowance in amounts totalling K257,815. See table 30.2.

**Table 30.2: Payment of Housing Allowances**

No.	Province	Station	No. of Officers	Amount K
1	North Western	PFLCO	3	29,609
2	Northern	PFLCO	1	10,076
3	Western	PFLCO	22	214,867
4	Muchinga	PFLCO	1	3,263
		<b>Total</b>	<b>27</b>	<b>257,815</b>

**iii. Irregular Payment of Salaries to an Officer Absent from Duty without Leave-Vubwi DFLCO – Eastern Province**

Terms and Conditions of Service for the Public Service No. 60 (a) and (b) stipulate that an officer who is absent from duty without leave for a continuous period of ten (10) or more working days, should be liable for dismissal and should not be paid a salary for the period he or she was absent from duty.

Contrary to the Terms and Conditions of Service, a Veterinary Officer absconded from duty for eight (8) months and was irregularly paid salaries in amounts totalling K107,232 for the period from January to August 2019.

**d. Accounting Irregularities**

**i. Lack of Safe Facilities – North Western Province**

Financial Regulation No. 155 defines a safe as a secure container issued by Government in which public moneys, articles and accountable documents are to be kept.

However, the Provincial and Solwezi District Fisheries and Livestock Offices operated without safe facilities rendering public funds, articles and accountable documents unsecured.

**ii. Delayed Banking of Revenue**

Financial Regulation No.121 (1) requires that all Government revenues collected be deposited by the following working day.

Contrary to the regulation, there were delays in banking of revenue in amounts totalling K72,531 collected at three (3) stations for periods ranging from 1 to 139 days. See table 30.3.

**Table 30.3: Delayed Banking**

No.	Province	Station	Amount K	Days Delayed
1	Copperbelt	PFLCO	61,926	1-100
2	Muchinga	Chama DFLCO	7,255	4-135
		Mpika DFLCO	3,350	4-139
	<b>Total</b>		<b>72,531</b>	

**iii. Unsupported Payments**

Financial Regulation Nos. 45 and 52 require that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts and that vouchers relating to purchases be supported by an official order and the supplier's invoices.

Contrary to the regulations, thirteen (13) payments in amounts totalling K68,290 processed at three (3) stations were not supported with documentation such as invitation letters, receipts, and list of beneficiaries. See table 30.4.

**Table 30.4: Unsupported Payments**

No.	Province	Institution	No. of Transactions	Amount K
1	Central	Chibombo DLFO	3	8,180
2	Muchinga	Lavuchimanda DFLCO	3	26,040
		Mbesuma Livestock Breeding Centre	7	34,070
		<b>Total</b>	<b>13</b>	<b>68,290</b>

**iv. Unretired Accountable Imprest – Chibombo DFLCO**

Financial Regulation No. 96 (1) requires that special and accountable imprest should be retired immediately the purpose for which they are issued has been fulfilled.

Contrary to the regulation, accountable imprest in amounts totalling K49,735 issued to an officer for various activities had not been retired as at 31<sup>st</sup> August 2020.

**v. Irregular Payment of Subsistence Allowance – Muchinga Province**

Cabinet Circular Minute of 2015 dated 30<sup>th</sup> December 2015, on Implementation of Cost Saving Measures No. 9, defines workstation as a place of work within the district boundary and prohibits payment of subsistence allowance while at workstation.

Contrary to the circular minute, subsistence allowance in amounts totalling K132,683 was paid to twenty-five (25) officers at two (2) stations in respect of for activities undertaken within the district boundaries. See table 30.5.

**Table 30.5: Subsistence Allowances Irregularly Paid**

No.	Station	No. of Officers	Amount K
1	Chama DFLCO	18	104,605
2	Lavushimanda DFLCO	7	28,078
	<b>Total</b>	<b>25</b>	<b>132,683</b>

**vi. Unaccounted for Funds – Chibombo – Central Province**

Financial Regulation No. 65 (1) requires that payment vouchers with supporting documents, and any other forms which support a charge entered in the accounts, should be filled, secured against loss, and be readily available for audit.

A scrutiny of bank statements and cash book revealed that amounts totalling K20,292 involving seven (7) transactions were paid to an officer to carry out various activities.

Contrary to the regulation, there were no expenditure details such as payment vouchers, acquittals and receipts and no cash was found on hand.

**e. Management of Assets**

**i. Failure to Insure Motor Vehicles and Motorcycles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, eighteen (18) motor vehicles and thirty-two (32) motorcycles whose value could not be ascertained, were not insured. See table 30.6.

**Table 30.6: Uninsured Motor Vehicles and Motorcycles**

No.	Province	Station	No. of Vehicles	No. of Motorcycles	Total
1	Southern	PFLCO	6	0	6
		Choma DFLCO	2	10	12
		Zimba DFLCO	1	5	6
2	Central	Mkushi DFLCO	1	8	9
3	Western	PFLCO	6	0	6
		DFLCO Mongu	1	0	1
		Kalabo DFLCO	0	8	8
		Sesheke DFLCO	1	0	1
4	Eastern	Chpata DFLCO	0	1	1
		<b>Total</b>	<b>18</b>	<b>32</b>	<b>50</b>

Consequently, Chipata DFLCO could not be compensated for its motorcycle (GRZ 10 FT) that was stolen on 28<sup>th</sup> May 2019.

**ii. Failure to Operationalise Regional Laboratory – North Western Province**

The Ministry constructed a regional laboratory block in 2015 at a total cost of K3,770,836 which was handed over to the Government in 2017.

However, a physical inspection carried out in May 2020 revealed that although the building was completed, it had not been operationalised thirty-six (36) months after handing over.

**iii. Failure to Claim Compensation for Insured Animals – Mbesuma Breeding Centre - Chinsali District**

During the period from August 2019 to February 2020, four (4) insured cattle died. However, as at 31<sup>st</sup> July 2020, the Breeding Centre had not processed the insurance claims, three (3) to nine (9) months after the death of the animals.

Further, the Breeding Centre could not be compensated for three (3) cattle that died in March and June 2019 as they were not insured.

<b>31 Head:</b>	<b>89</b>	<b>Ministry of Agriculture</b>
<b>Departments:</b>		<b>Various</b>
<b>Units:</b>		<b>Various</b>
<b>Programmes:</b>		<b>Various</b>
<b>Activities:</b>		<b>Various</b>

**31.1 Mandate**

The Ministry of Agriculture is mandated among others to promote and strengthen efficient and effective management of agricultural production and productivity to ensure sustainable household and national food and nutrition security and increased incomes.

**31.2 Audit Findings**

An examination of accounting and other records maintained at the Ministry Headquarters, Provincial Agriculture Coordinating Offices (PACOs), selected District Agriculture

Coordinating Offices (DACOs), Agriculture Training Institutions and physical inspections revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K5,213,434,633 was made to cater for operations of the Ministry against which amounts totalling K1,865,970,074 were released resulting in an under funding of K3,347,464,558.

As at 31<sup>st</sup> December 2019, the Ministry had spent K1,789,489,872.

**b. Ministry Headquarters – Farmer Input Supply Programme (FISP)**

**i. Direct Input Supply**

The Government of the Republic of Zambia through the Ministry of Agriculture designed the Farmer Input Support Programme (FISP) in 2002, which was aimed at improving access of small scale farmers to inputs and enhancing the participation and competitiveness of the private sector in the supply and timely distribution of agricultural inputs in adequate amounts. In this regard, the Ministry supported and facilitated the implementation of FISP to small scale but viable farmers to access inputs for 2019/2020 farming season through direct input supply and e-voucher programmes.

Each farmer under this modality was to be assisted with Urea and D – Compound fertilisers and maize, sorghum, groundnut, and soya bean seeds after making a contribution of K400.

During the period under review, the direct input supply programme was implemented in seventy-four (74) districts of the country. The number of targeted beneficiaries in the 2019/2020 agricultural season was 688,931 small-scale farmers.

However, out of the targeted beneficiaries, 688,376 deposited farmer contributions totalling K275,350,400 while the remaining 555 farmers did not benefit from the programme as they did not deposit the contributions.

The Government planned to support small scale farmers with 277,384.81 metric tonnes (MT) of inputs as shown in table 31.1.

**Table 31.1: Direct Input Supply**

No.	Input Type	Metric Tonnes (MT)
<b>Fertilisers</b>		
1	Urea	101,822.15
2	D Compound	148,253.22
	<b>Subtotal</b>	<b>250,075.37</b>
<b>Seeds</b>		
1	Maize Seed	6,338.21
2	Sorghum Seed	674.84
3	Groundnut Seed	6,085.74
4	Soya bean Seed	14,210.65
	<b>Subtotal</b>	<b>27,309.44</b>
	<b>Overall Total</b>	<b>277,384.81</b>

The following were observed:

- **Procurement of Seeds**
  - **Failure to Deliver Inputs**

The Ministry engaged ten (10) companies to supply, deliver and distribute 27,309.44 MT of assorted seed varieties with a delivery date of 31<sup>st</sup> December 2019, out of which 18,897.24 MT were delivered leaving a balance of 8,412.20 undelivered as at 31<sup>st</sup> August 2020. See table 31.2.

**Table 31.2: (Under)/Over Supply**

No.	Supplier	Maize MT	Sorghum MT	Groundnuts MT	Soya Beans MT	Total MT
1	Zambezi	1,336.75	516.60	1,683.62	1,569.03	5,106.00
2	Stewards Globe	-	-	76.84	450.80	527.64
3	MRI	579.93	-	-	1,801.10	2,381.03
4	Seed Co	1,160.06	-	-	1,420.85	2,580.91
5	Klein Karoo	100.00	-	-	-	100.00
6	Zamseed	538.55	-	-	132.00	670.55
7	Pannar	1,385.83	-	-	140.00	1,525.83
8	Farmers Barn	820.26	-	991.82	1,517.50	3,329.58
9	Pioneer	702.99	-	-	-	702.99
10	Kamano	231.41	220.00	900.00	621.00	1,972.41
	<b>Delivered MT</b>	<b>6,855.78</b>	<b>736.60</b>	<b>3,652.28</b>	<b>7,652.28</b>	<b>18,896.94</b>
	Targeted Amount as per FISP guideline 1.2 (MT)	6,338.21	674.84	6,085.74	14,210.65	27,309.44
	<b>Shortfall (MT)</b>	<b>(517.57)</b>	<b>(61.76)</b>	<b>2,433.46</b>	<b>6,558.07</b>	<b>8,412.20</b>

- **Failure to Conduct Inspections and Tests**

General Conditions of Contract (GCC) Clause 23.1 stipulates that the supplier should at its own expense and at no cost to the procurement entity carry out tests and inspections of goods and related services in selected district central warehouses and provide the procurement entity with a report of the results of any such test or inspections.

Contrary to the clause, there were no inspections conducted on the delivered seeds by the ten (10) suppliers.

- **Unaccounted for Inputs**

A scrutiny of records at three (3) stations revealed that 326,720 bags of inputs were received out of which 323,046 were distributed leaving a balance of 3,674 bags costing K1,890,929 unaccounted for as they were not in the warehouses as at 31<sup>st</sup> August 2020. See table 31.3.

**Table 31.3: Unaccounted for Inputs**

No.	District	Received		Distributed		Unaccounted for		
		Fertiliser (50 Kgs)	Seed (10kgs)	Fertiliser (50 Kgs)	Seed (10kgs)	Fertiliser (50 Kgs)	Seed (10kgs)	Cost K
1	Katete	177,098	26,869	177,098	26,716	-	153	49,436
2	Lufwanyama	81,924	20,746	81,701	18,561	223	2,185	1,481,871
3	Petauke	-	20,083	-	18,970	-	1,113	359,621
	<b>Sub total</b>	<b>259,022</b>	<b>67,698</b>	<b>258,799</b>	<b>64,247</b>	<b>223</b>	<b>3,451</b>	<b>-</b>
	<b>Grand Total</b>		<b>326,720</b>		<b>323,046</b>		<b>3,674</b>	<b>1,890,929</b>

- **Failure to Supply Groundnut Seed – Mansa District**

On 23<sup>rd</sup> July 2019, the Ministry engaged Farmers Barn Limited to supply and deliver 50 metric tonnes of groundnut seed to Mansa District in Luapula Province at a contract sum of K2,107,960 with a delivery date of 31<sup>st</sup> December 2019. However, as at 31<sup>st</sup> August 2020, the company had not delivered the seed.

- **Failure to Deliver Inputs**

On 12<sup>th</sup> August 2019, the Ministry engaged Zambia Seed Company Limited (Zamseed) to supply and deliver 2,000 x 10 kgs bags of maize seed to Mansa District at a contract sum of K646,220 and a delivery date of 31<sup>st</sup> December

2019. However, as at 31<sup>st</sup> August 2020, the Company had delivered 1,500 x 10kgs bags of seed leaving a balance of 500 bags costing K161,555 undelivered.

**ii. Management of Assets – Failure to Insure Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, 105 motor vehicles belonging to the Ministry were not insured during the period under review.

**c. Provincial and District Agriculture Coordinating Offices and Training Institutions**

**i. Management of Payroll and Staff Related Matters**

**• Unknown Officers Drawing Salaries – Eastern Province**

During the period under review, salaries in amounts totalling K904,328 were paid to sixteen (16) officers who were not known by the heads of stations where they were purportedly assigned.

**• Salary Overpayment due to Wrong Salary Scale – Copperbelt Province**

Terms and Conditions of Service for the Public Service No. 32 states that “no officer shall be transferred to a post carrying a different salary scale to that applicable to his or her present salary scale without the consent of the Service Commission or the responsible officer as the case may be”.

Contrary to Terms and Conditions of Service, in June 2018, an Agriculture Officer (salary scale I) was transferred from Northern to Copperbelt Province – Kitwe DACO and placed on a salary scale of a Senior Irrigation officer (Salary Scale J) without authority.

In this regard, the officer was irregularly paid salaries in amounts totalling K223,446 instead of K121,903 resulting in an overpayment of K101,543. As at 31<sup>st</sup> August 2020, the overpayment of salary had not been recovered.

- **Irregular Payment of Salaries to Officers Absent from Duty Without Leave**

Terms and Conditions of Service for the Public Service No. 60 (a) and (b) state that “an officer who absents himself or herself from duty for a period of ten (10) days or more shall be liable for dismissal from the service and shall not get a salary for the period he/she is absent from duty”.

Contrary to the Terms and Conditions of Service, no action had been taken against six (6) officers who were absent from duty for periods ranging from one (1) to twelve (12) months and were irregularly paid salaries in amounts totalling K544,434 during the period of absence. See table 31.4.

**Table 31.4: Payment of Salaries to Officers absent from Duty**

No.	Province	Station	No. of Officers	Amount K
1	Copperbelt	Ndola	3	438,035
2	Northwestern	Solwezi	1	24,896
3	Western	Mongu	2	81,503
	<b>Total</b>		<b>6</b>	<b>544,434</b>

- ii. **Procurement of Goods and Services – Unsupported Payments – Chibombo DACO**

Financial Regulation Nos. 45 and 52 require that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts and that vouchers relating to purchases be supported by an official order and the supplier’s invoices.

Contrary to the regulation, payments in amounts totalling K124,593 made to several officers and suppliers for various activities were not supported, in that documentation such as payment vouchers, imprest retirements and receipts were not availed for audit.

- iii. **Management of Assets**

- **Failure to Insure Motor Vehicles and Motorcycles**

The Road Traffic Act No 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, twenty one (21) motor vehicles and fifty one (51) motorcycles were not insured during the period under review. See table 31.5.

**Table 31.5: Motor Vehicles and Motorcycles Not Insured**

No.	Province	Institution	No. of Vehicles	No. of Motorcycles
1	Southern	Choma PACO	9	-
		Choma DACO	1	15
2	Muchinga	Shiwangandu DACO	1	11
3	Eastern	Chadiza DACO	3	13
4	Western	Mongu PACO	4	-
		Mongu DACO	1	8
		Kalabo DACO	-	4
		Shesheke DACO	2	-
<b>Total</b>			<b>21</b>	<b>51</b>

As at 31<sup>st</sup> August 2020, the assets were still not insured.

- **Lack of Title Deeds**

Section 41(4) of the Public Finance Management Act, No. 1 of 2018, requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, title deeds for parcels of land on which 384 properties such as administration blocks, institutional and guest houses are located, were not secured. Consequently, the properties were not insured. See table 31.6.

**Table 31.6: Lack of Title Deeds**

No.	Province	Institution	No. of Properties
1	Eastern	Chipata PACO	234
2	Luapula	Mansa PACO	93
3	NorthWestern	Solwezi PACO	14
4	Southern	Choma PACO	1
		Zimba DACO	7
6	Western	Mongu PACO	6
		Mongu DACO	3
		Kalabo DACO	19
		Sesheke DACO	7
<b>Total</b>			<b>384</b>

<b>32 Head:</b>	<b>91</b>	<b>Office of the President – Copperbelt Province</b>
<b>Programmes:</b>		<b>Various</b>
<b>Activities:</b>		<b>Various</b>

### **32.1 Mandate**

The Provincial Administration is mandated to coordinate and implement national programmes and policies at the provincial level.

### **32.2 Audit Findings**

An examination of accounting and other records maintained at the Provincial Administration Headquarters and selected districts for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K87,078,733 was made to cater for operations of the Provincial Administration against which amounts totalling K72,131,528 were released resulting in an under funding of K14,947,205.

As at 31<sup>st</sup> December 2019, amounts totalling K72,082,309 had been spent.

In addition, the Provincial Administration raised amounts totalling K3,861,213 for the Copperbelt Investment Expo (CIEX) from various stakeholders out of which K3,729,595 had been spent.

#### **b. Management of Payroll and Staff related Matters – Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 stipulates that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations as directed by a Service Commission or a responsible officer by 30<sup>th</sup> September 2019.

Contrary to the Circular, a reconciliation of the payroll and staff returns at five (5) stations revealed that as at 31<sup>st</sup> December 2019, there were 147 officers who drew

salaries in amounts totalling K8,601,356 from pay-points that were different from their physical stations. See table 32.1.

**Table 32.1: Misplaced Officers**

No.	Station	No. of Officers	Amount K
1	Provincial Administration	136	7,893,615
2	Kitwe District Administration	4	221,222
3	Kalulushi District Administration	5	350,108
4	Chingola District Administration	1	69,514
5	Chililabombwe District Administration	1	66,896
	<b>Total</b>	<b>147</b>	<b>8,601,356</b>

As at 31<sup>st</sup> August 2020, the pay-points had not been normalised.

**c. Accounting Irregularities**

**i. Delayed Banking**

Financial Regulation No. 121 (1) requires that all Government revenues collected be deposited by the following working day.

Contrary to the regulation, there were delays in banking of revenue collected in amounts totalling K28,250 for periods ranging from three (3) to eleven (11) days despite proximity to banking facilities. The delay did not include weekends and public holidays. See table 32.2.

**Table 32.2: Delayed Banking**

No.	Station	Amount Banked K	Days Delayed
1	Kitwe District Administration	5,550	6 to 8
2	Kalulushi District Administration	22,700	3 to 11
	<b>Total</b>	<b>28,250</b>	

**ii. Copies of Receipt Forms without Details – Ndola District Administration**

Financial Regulation No. 113 (1) and (2) requires that receipt forms be completed either in ink or in indelible pencil and copies should contain the same details as those appearing on the original.

Contrary to the regulation, there were six (6) duplicate receipts that did not show the details of the original.

In addition, the details of the receipts were not entered in the cash book and no deposit slips were availed for audit in respect of the amounts received. See table 32.3.

**Table 32.3: Receipt Numbers with no Details**

No.	Receipt Number
1	7630501
2	7630507
3	7630523
4	7630526
5	7630529
6	7630547

In this regard, it was not possible to ascertain the amounts that were collected on the receipts.

**iii. Unsupported Payments**

Financial Regulation Nos. 45 and 52 require that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts and that vouchers relating to purchases should be supported by an official order and the supplier's invoices.

Contrary to the regulations, nine (9) payments in amounts totalling K78,601 processed at two (2) stations were not supported with documents such as quotations, invoices, and receipts. See table 32.4.

**Table 32.4: Unsupported Payments**

No	Station	Account Type	No. of Transactions	Amount K
1	Provincial Administration	EXPO	5	59,615
2	Ndola District Administration	General Administration	4	18,985
	<b>Total</b>		<b>9</b>	<b>78,601</b>

**iv. Irregular Use of Accountable Imprest**

Financial Regulation No. 86 (c) stipulates that accountable imprest is imprest that is issued to facilitate the purchase of goods and services whose value cannot be ascertained at the time.

Contrary to the regulation, imprest in amounts totalling K123,995 was issued to seventeen (17) officers to facilitate the purchase of fuel, stationery, cleaning materials, motor vehicle repairs, mineral water and hire of chairs whose values could be ascertained and procured directly from the suppliers. See table 32.5.

**Table 32.5: Accountable Imprest**

No.	Station	Account Type	No. of Officers	Amount K
1	Ndola District Administration	State Functions	3	27,700
2	Chingola District Administration	General Administration	9	12,150
		National Events	3	79,945
3	Chililabombwe District Administration	General Administration	1	2,900
		Events	1	1,300
<b>Total</b>			<b>17</b>	<b>123,995</b>

**v. Unaccounted for Stores**

Public Stores Regulation No.16 requires that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, there were no receipt and disposal details in respect of various stores items costing K84,403 comprising general stores (K73,968) and fuel (K10,435) procured at two (2) stations. See table 32.6.

**Table 32.6: Unaccounted for Stores**

No.	Station	General Stores K	Fuel K	Total K
1	Chingola District Administration	30,673	-	30,673
2	Chililabombwe District Administration	43,295	10,435	53,730
<b>Total</b>		<b>73,968</b>	<b>10,435</b>	<b>84,403</b>

Consequently, it was not possible to ascertain whether the stores items were received and used for the intended purpose.

**d. Weaknesses in Management of Assets – Failure to Secure Title Deeds for Properties**

Section 41 (4) of the Public Finance Management Act, No. 1 of 2018, requires controlling officers to ensure that all public properties under their charge are secured with title deeds.

Contrary to the Act, the Provincial Administration did not secure title deeds for the office block and eighty-three (83) other properties. It was also observed that the properties had not been insured as at 31<sup>st</sup> August 2020.

**e. Management of Liabilities**

**i. Failure to Settle Outstanding Bills**

A review of records revealed that, the Provincial Administration had accrued debts in amounts totalling K17,922,898 in respect of personal emoluments, utility bills and other supplies of goods and services dating as far back as 1<sup>st</sup> December 1993. As at 31<sup>st</sup> August 2020, the bills had not been settled.

**ii. Failure to Remit Taxes**

Income Tax Act Chapter 323 of the Laws of Zambia requires that tax be deducted from personal emoluments and remitted to Zambia Revenue Authority (ZRA).

Further, the Value Added Tax (VAT) Amendment Act No. 12 of 2017 and Treasury and Financial Management Circular No. 6 of 2017 directed all institutions which were appointed as tax agents to withhold and remit VAT from payments to suppliers of goods and services to the Zambia Revenue Authority (ZRA).

Contrary to the Acts, tax in amounts totalling K68,498 deducted from officers' dues and withheld from payments for goods and services had not been remitted to ZRA. See table 32.7.

**Table 32.7: Unremitted Taxes**

<b>Station</b>	<b>VAT K</b>	<b>PAYE K</b>	<b>Total K</b>
Provincial Administration	-	59,955	59,955
	8,543	-	8,543
<b>Total</b>	<b>8,543</b>	<b>59,955</b>	<b>68,498</b>

As at 31<sup>st</sup> August 2020, the taxes had not been remitted.

In addition, two (2) District Offices did not withhold VAT in amounts totalling K12,822 from payments for procurement of goods and services. See table 32.8.

**Table 32.8: VAT not withheld**

<b>No.</b>	<b>Station</b>	<b>Amount K</b>
1	Ndola District Administration	9,648
2	Chingola District Administration	3,174
	<b>Total</b>	<b>12,822</b>

<b>33</b>	<b>Head:</b>	<b>92</b>	<b>Office of the President – Central Province</b>
	<b>Departments:</b>		<b>Various</b>
	<b>Units:</b>		<b>Various</b>
	<b>Programmes:</b>		<b>Various</b>
	<b>Activities:</b>		<b>Various</b>

### **33.1 Mandate**

The Provincial Administration is mandated to coordinate and implement national programmes and policies at the provincial level.

### **33.2 Findings**

An examination of accounting and other records maintained at the Provincial Administration Headquarters and selected districts for the period under review revealed the following:

**a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K89,219,993 was made to cater for operations of the Provincial Administration against which amounts totalling K70,296,067 were released resulting in an under funding of K18,923,926.

As at 31<sup>st</sup> December 2019, amounts totalling K70,169,587 had been spent.

**b. Management of Payroll and Staff Related Matters – Failure to Transfer Officers from the Payroll**

During the period under review, the Ministries of Agriculture and Fisheries and Livestock in the provinces were separated from the Provincial Administration. However, it was observed that 539 officers under the departments in the province were not removed from the Provincial Administration payroll.

In this regard, salaries in amounts totalling K28,679,494 were paid to the officers on the Provincial Administration payroll during the period under review. As at 31<sup>st</sup> August 2020, the matter had not been addressed.

**c. Accounting Irregularities**

**i. Irregular Payment of Transport and Meal Allowances**

Cabinet Office Circular No. 11 of 2013, Clause 7 (iv) states that “Meal allowance shall only be paid to an officer who travels away from his/her normal station of duty on official duty for eight (8) hours or more but not including an overnight stay. This allowance is only paid in circumstances where lunch is not provided.’

Further, Cabinet Office Circular Minute of 2015 referenced CO.101/4/531 stipulates that a workstation shall mean a place of work within a district boundary.

Contrary to the circulars, transport and meal allowances in amounts totalling K20,400 were paid to officers for activities carried out within the district boundary.

**ii. Failure to Obtain Authority to Travel Abroad**

In October 2018, two (2) officers travelled to China to attend a workshop on social security. On 7<sup>th</sup> March 2019, the officers were paid amounts totalling K6,000 out of a total claim of K37,842 leaving a balance of K31,842.

However, the payment was irregular in that there was no authority to travel abroad from the Secretary to the Cabinet.

**iii. Failure to Prepare Bank Reconciliations – Chibombo District Administration**

Financial Regulation No. 138 Section (1) to (3) states that “Bank reconciliations for Government accounts at the Bank of Zambia and commercial banks shall be submitted to the Office of the Accountant General by the fifteenth day of the following month.”

Contrary to the regulation, bank reconciliations for the General Administration Account for the period under review were not done. As a result, errors, omissions and fraudulent activities on the account could not be corrected and/or detected.

It was further observed that on 10<sup>th</sup> and 12<sup>th</sup> June 2019, the Office issued two (2) cheques in amounts totalling K17,200 on an insufficiently funded bank account. Contrary to the National Payment System Act of 2007 which criminalises issuance of cheques on bank accounts which are not sufficiently funded.

**iv. Payments Made without Processing Vouchers – Chibombo District Administration**

Financial Regulation No. 45 requires that all payments be vouched for on a payment voucher.

Contrary to the regulation, fourteen (14) payments in amounts totalling K19,673 were processed by the District Administration Office without preparing payment vouchers and no expenditure details were availed for audit.

**v. Unaccounted for Stores**

Public Stores Regulation No.16 requires that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, stores items costing K33,591 comprising fuel (K20,306) and general stores (K13,285) procured at three (3) stations had no receipt and disposal details. See table 33.1.

**Table 33.1: Unaccounted for Stores**

No.	Station	Fuel K	General Stores K	Total K
1	Provincial Administration	2,306	-	2,306
2	Kabwe District Administration	5,000	13,285	18,285
3	Luano District Administration	13,000	-	13,000
	<b>Total</b>	<b>20,306</b>	<b>13,285</b>	<b>33,591</b>

**d. Management of Assets – Uninsured Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, twenty-eight (28) motor vehicles were not insured by the Provincial Administration during the period under review. See table 33.2.

**Table 33.2: Uninsured Motor Vehicles**

No.	Station	No. of Vehicles
1	Provincial Administration (HQ)	23
2	Mkushi District Administration	2
3	Luano District Administration	3
	<b>Total</b>	<b>28</b>

As at 31<sup>st</sup> August 2020, the vehicles had not been insured.

**e. Management of Liabilities – Failure to Remit Tax – Kabwe District Administration**

Income Tax Act Chapter 323 of the Laws of Zambia requires that tax be deducted from

personnel emoluments and remitted to Zambia Revenue Authority (ZRA).

Contrary to the Act, Pay as You Earn (PAYE) in amounts totalling K13,692 deducted from payments made to two (2) officers in respect of settling in allowances had not been remitted to ZRA as at 31<sup>st</sup> August 2020.

**f. Irregular Issuance of Imprest – Central Province Planning Authority Account**

The Ministry of Finance Treasury and Financial Circular No. 01 of 2019 requires that payments relating to conditions of service such as subsistence and other allowances be paid directly into the beneficiaries' accounts.

Contrary to the circular, imprest in amounts totalling K1,576,488 was issued to thirty-nine (39) officers to facilitate the payments of subsistence allowances to several officers instead of paying directly into the beneficiaries' accounts.

**34 Head: 92 Office of the President – Central Province**

**Departments: Various**

**Units: Various**

**Programmes: Various**

**Activities: Various**

**34.1 Background**

During the financial year ended 31<sup>st</sup> December 2019, amounts totalling K2,533,493 were deposited in the General Deposit Account for activities such as presidential visits, national day of prayers and Board of Survey.

In addition, amounts totalling K479,927 were brought forward from the previous year, bringing the total amount available to K3,013,420. See table 34.1.

**Table 34.1: Deposits and Other Income**

No.	Source	Activity	Amount K
1	Balance Brought Forward		479,927
2	Ministry of Finance	Presidential Visits	1,305,332
3	Ministry of National Guidance and Religious Affairs	National Day of Prayers	70,530
4	Revenue from Board of Survey	Sale of Obsolete Assets	1,079,740
6	Others (Cash Deposits)	Sale of Tender Documents and Cash Refunds	77,892
	<b>Total</b>		<b>3,013,420</b>

As at 31<sup>st</sup> December 2019, amounts totalling K3,069,377 had been spent.

### **34.2 Audit Findings**

An examination of accounting and other records relating to the General Deposit Account maintained at the Provincial Administration for the period under review revealed the following:

#### **a. Unauthorised Borrowing of Funds**

Contrary to the Appropriation Act No. 22 of 2018, during the period under review, amounts totalling K307,451 were borrowed from the General Deposit Account for general administrative activities such as payment of allowances for investment expo, audits, Minister's tour of districts, infrastructure verifications, and procurements of service parts for motor vehicles without authority from the Secretary to the Treasury.

#### **b. Management of Assets – Irregularities in the Board of Survey**

During the period under review, the Secretary to the Treasury authorised Provincial Administration in Central Province to dispose of all unserviceable or obsolete assets valued at a total reserve price of K968,730 through public auction sale as provided in Section 46 sub-section 2I of the Public Finance Management Act No. 1 of 2018.

In this regard, a Board of Survey (BOS) Committee was appointed to carry out the exercise.

A review of records revealed that K1,118,340 was realised from the sale of obsolete assets out of which K381,514 was spent on allowances for several officers who undertook the survey (K332,753) and other expenses (K48,761).

The following were observed:

**i. Use of Revenue without Treasury Authority**

Section (44) Sub-section (4) of the Public Finance Management Act No.1 of 2018 stipulates that all proceeds from disposal of public assets and stores except those that belong to local authorities and statutory corporations should be transmitted to the Consolidated Fund.

Out of the net revenue of K1,118,340 realised from the auction of boarded assets, K699,645 was remitted to Control 99 and K37,181 was paid as commission to the auctioneer leaving a balance of K381,514 which was used on payments of allowances and other expenses without authority from the Secretary to the Treasury. See table 34.2.

**Table 34.2: Revenue Generated from Sale of Obsolete Assets**

<b>Descriptions</b>	<b>Amount K</b>
Sale of Obsolete Assets	1,058,970
Sale of Tender Documents	59,370
<b>Grand Total</b>	<b>1,118,340</b>
Less: Auctioners Commission	37,181
<b>Net Revenue Amount</b>	<b>1,081,159</b>
Less: Funds remitted to Control 99	699,645
<b>Unremitted funds to Control 99</b>	<b>381,514</b>

**ii. Delayed Banking**

Financial Regulation No. 121 provides that all monies received by any accounting officer should be deposited not later than the next business day following the day of receipt.

Contrary to the regulation, there were delays in banking of revenue collected from BOS in amounts totalling K197,450 for periods ranging from thirteen (13) to thirty-six (36) days excluding weekends and public holidays. See table 34.3.

**Table 34.3: Delayed banking**

No.	Date Received	Receipt Range	Amount K	Date Deposited	Period of Delay
1	26.06.19	8497701 to 8497707	1,900	02.08.19	36 days
2	27.06.19	8497708 to 8497728	5,000	02.08.19	35 days
3	28.06.19	8497729 to 8497740	2,300	02.08.19	34 days
4	03.07.19	8497741 to 8497504	2,000	02.08.19	30 days
5	04.07.19	8497505 to 8497535	6,400	02.08.19	29 days
6	05.07.19	8497536 to 8497568	6,000	02.08.19	28 days
7	8.07.19 to 09.07.19	8497569 to 8770917	142,930	02.08.19	24 days
8	16.07.19 to 19.07.19	8771009 to 8771055	30,920	02.08.19	13 days
	<b>Total</b>		<b>197,450</b>		

**35 Head: 94 Office of the President, Western Province**

**Units: Various**

**Programmes: Various**

**Activities: Various**

### **35.1 Mandate**

The Provincial Administration is mandated to coordinate and implement national programmes and policies at the provincial level.

### **35.2 Audit Findings**

An examination of accounting and other records maintained at the Provincial Administration Headquarters and selected districts for the period under review revealed the following:

#### **a. Budget, Funding and Expenditure**

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K106,589,668 was made to cater for operations of the Provincial Administration against which amounts totalling K63,115,041 were released resulting in an under funding of K43,474,627.

As at 31<sup>st</sup> December 2019, amounts totalling K62,805,237 had been spent.

#### **b. Management of Payroll and Other Staff Related Matters**

During the period under review, amounts totalling K55,591,738 were released and spent on personnel emoluments.

The following were observed:

**i. Misplacement of Payroll Area**

Cabinet Office Circular No.13 of 2019 requires that all employees not operating from designated duty stations should be placed in their designated duty stations and any employee who shall not be at their duty stations by 30<sup>th</sup> September 2019 would be removed from the payroll.

However, a review of the Provincial Administration payroll and staff returns revealed that seven (7) officers drew salaries in amounts totalling K403,596 when they were serving at Chilanga District Education Board Office, Zambia National Service Headquarters and Ministry of Home Affairs Headquarters in Lusaka among others. As at 31<sup>st</sup> August 2020, the paypoints for the officers had not been normalised.

**ii. Irregular Payment of Salaries to Officers Absent from Duty without Leave**

Sections (a) and (b) of Part 60 of Chapter 4 of the Terms and Conditions of Service for the Public Service requires that an officer who is absent from duty without leave for a continuous period of ten (10) or more working days, be liable for dismissal and should not be paid a salary for the period they were absent from duty.

Contrary to the Terms and Conditions of Service, three (3) officers who were absent from duty for periods ranging from three (3) to twelve (12) months had not been separated from the Civil Service and were paid salaries in amounts totalling K160,289. As at 31<sup>st</sup> August 2020, the officers had not been separated from the service.

**c. Accounting Irregularities**

**i. Unaccounted for Revenue – Kalabo District Forestry Office**

Financial Regulation No. 129 (1) states that “Collectors of revenue are required to bring to account daily the whole amount of their collections”.

Contrary to the regulation, revenue in amounts totalling K187,424 and K24,840 collected from issuance of Production and Conveyance Licences respectively, were unaccounted for in that the funds were neither banked nor was cash found on hand as at 31<sup>st</sup> August 2020.

**ii. Unsupported Payments**

Financial Regulation Nos. 45 and 52 require that all payments by cheque or cash for goods, services and works should be supported by cash sale receipts and that vouchers relating to purchases be supported by an official order and the supplier’s invoices.

Contrary to the regulations, fifty-three (53) payments in amounts totalling K139,975 were not supported with documents such as cash sales receipts and invitation letters. See table 35.1.

**Table 35.1: Unsupported Payments**

No.	Account	No. of Transactions	Amount K
1	Treasury Single Account	39	112,371
2	Rural Sawmill	3	9,986
3	Value Added Tax	11	17,618
	<b>Total</b>	<b>53</b>	<b>139,975</b>

**iii. Single Sourcing – Procurement of Casing Pipes and Gravel Packs – Department of Water Affairs**

Section 38 (2) (a) to (d) of the Public Procurement Regulations of 2011 provides guidelines on the procedures to be followed on procurement of goods and services when single sourcing which include getting a “No Objection” from the Zambia Public Procurement Authority (ZPPA).

Contrary to the regulation, in April and December 2019 the Department of Water Affairs single sourced the procurement of casing pipes (K92,400) and gravel packs (K14,490) for borehole drilling from two (2) suppliers.

**iv. Unaccounted for Stores**

Public Stores Regulation No. 16 states that, “every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores”.

Contrary to the regulation, various stores items costing K122,470 comprising general stores (K30,433) and fuel (K92,038) procured at four (4) stations were not accounted for in that there were no receipt and disposal details such as stores ledgers, stock control cards, Goods Received Vouchers (GRVs) and Goods Issued Vouchers (GIVs). See table 35.2.

**Table 35.2: Items without Receipt and Disposal Details**

<b>No.</b>	<b>Institution/ Department</b>	<b>General Stores K</b>	<b>Fuel K</b>	<b>Total K</b>
1	Provincial Administration	28,433	65,228	93,661
2	Sesheke DC	2,000	-	2,000
3	Lands Department	-	18,620	18,620
4	Kalabo DC	-	8,190	8,190
	<b>Total</b>	<b>30,433</b>	<b>92,038</b>	<b>122,470</b>

As a result, it was not possible to ascertain whether the stores items procured were received and used for the intended purpose.

**v. Failure to Insure Assets**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, forty-four (44) motor vehicles whose cost could not be ascertained were not insured during the period under review. As at 31<sup>st</sup> August 2020, the vehicles had still not been insured.

**36 Head: 97 Office of the President – North Western Province**  
**Programme: Various**  
**Activities: Various**

### 36.1 Mandate

The Provincial Administration is mandated to coordinate and implement national programmes and policies at the provincial level.

### 36.2 Audit Findings

An examination of accounting and other records maintained at the Provincial Administration Headquarters and selected districts for the period under review revealed the following:

#### a. Budget, Funding and Expenditure

In the Estimates of Revenue and Expenditure for the financial year ended 31<sup>st</sup> December 2019, a provision of K89,105,306 was to cater for operations of the Provincial Administration against which amounts totalling K54,609,096 were released resulting in an under funding of K34,496,210.

As at 31<sup>st</sup> August 2020, amounts totalling K54,345,130 had been spent.

In addition, amounts totalling K51,753 were brought forward from the previous year and K2,016,327 were realised during the period under review. See table 36.1.

**Table 36.1: Income from other Departments**

No.	Department	Balance b/f K	Amount Received/ Collected K
1	Forestry	12,740	475,275
2	Physical Planning and Housing	14,455	262,778
3	Water Affairs	24,558	1,278,274
	<b>Total</b>	<b>51,753</b>	<b>2,016,327</b>

#### b. Accounting Irregularities

##### i. Irregular Issuance of Accountable Imprest

Treasury and Financial Management Circular No. 5 of 2018 abolished issuance of accountable imprest and instructed that if a Ministry, Province or a Government

Agency is faced with a disaster, such an institution may apply to the Secretary to the Treasury for consideration to issue accountable imprest.

Contrary to the circular, accountable imprest in amounts totalling K473,679 was issued to several officers to undertake activities such as monitoring of concession areas in the districts without authority from the Secretary to the Treasury.

In addition, accountable imprest in amounts totalling K49,913 issued to five (5) officers had not been retired as at 31<sup>st</sup> August 2020 contrary to Financial Regulation No. 96.

**ii. Unaccounted for Stores**

Public Stores Regulation No. 16 requires that every stores officer or any other officer having in his charge any public stores or other articles of public property must keep and maintain record of the receipt and issue of such public stores.

Contrary to the regulation, stores items costing K91,097 comprising general stores (K79,519) and fuel (K11,578) procured by three (3) departments were unaccounted for as there were no receipt and disposal details. See table 36.2.

**Table 36.2: Unaccounted for Stores**

No.	Department	General stores K	Fuel K	Total K
1	Provincial Administration	12,037	11,578	23,615
2	Forestry	59,172	-	59,172
3	Physical Planning and Housing	8,310	-	8,310
	<b>Total</b>	<b>79,519</b>	<b>11,578</b>	<b>91,097</b>

**c. Management of Assets**

**i. Failure to Insure Motor Vehicles**

The Road Traffic Act No. 11 of 2002 requires all users of motor vehicles or trailers to have at least third-party insurance.

Contrary to the Act, forty-eight (48) motors vehicles were not insured during the period under review. As at 31<sup>st</sup> August 2020, the motor vehicles remained uninsured.

**ii. Failure to Safeguard Motor Vehicles**

- **Nissan Hard Body – Registration No. GRZ 551 BX**

Motor vehicle registration number GRZ 551BX – Nissan Hard Body belonging to Department of Labour which was parked at Government premises in Solwezi was moved to a private residence by the Assistant Controller of Government Transport without authority from the Permanent Secretary.

A physical inspection carried out on 8<sup>th</sup> April 2020 revealed that the vehicle was cannibalised in that engine parts, seats, dashboard, right and left fenders, gearbox, radiator, bonnet, front grill and bumper among others had been removed. See pictures below.



*Cannibalised Motor Vehicle – GRZ 551 BX*

- **Toyota Land Cruiser GX – ABC 3006**

A Toyota Land Cruiser GX bearing registration number ABC 3006 belonging to Local Government Department was taken to a private garage in 2013 for repairs. A physical inspection conducted in April 2020 revealed that the motor vehicle had been cannibalised. See pictures below:



*Cannibalised Motor Vehicle – ABC 3006*

**iii. Failure to Produce Accident Report – Provincial Planning Unit**

Public Stores Regulation No. 122 D (2) requires that all accidents which take place should be reported to the Police, the Standing Accidents Committee, the Provincial Commissioner of Works and the Permanent Secretary for the Province.

On 14<sup>th</sup> April 2019, a Mitsubishi Sportero (GRZ 486 CB) whose value could not be ascertained was involved in a road traffic accident. However, there was no evidence that the accident was reported to the Police and Standing Accidents Committee.

At the time of the accident the motor vehicle was not insured and as at 31<sup>st</sup> August 2020, the motor vehicle had not been repaired. See pictures below.



*Damaged motor vehicle – GRZ 486 CB*

**d. Management of Liabilities – Failure to Remit Tax**

The VAT Amendment Act of 2017 and Treasury and Financial Management Circular No. 6 of 2017, requires all Government institutions to collect and remit withheld Value Added Tax (VAT) from payments to suppliers of goods and services to the Zambia Revenue Authority (ZRA).

Contrary to the Act, VAT in amounts totalling K80,056 withheld from various suppliers of goods and services during the period under review had not been remitted as at 31<sup>st</sup> August 2020.

## 37 Recommendations

In order to improve Public Financial Management and ensure that the Ministries, Provinces and Agencies (MPAs) are operating within the financial management and accounting framework as set out in the Constitution of Zambia (Amendment) Act No. 2 of 2016, Public Finance Management Act No. 1 of 2018, Public Procurement Act No. 12 of 2008, Appropriations Act No. 22 of 2018 and any other laws and regulations, the following are recommended:

- i. Controlling Officers must ensure that revenue collection and expenditure is appropriately planned and controlled. This should be done by:
  - Adhering to relevant laws, regulations, circulars, and minutes,
  - Establishing and maintaining an effective, efficient, and transparent system of financial and risk management as well as adequate and robust internal controls,
  - Managing prudently public resources and safeguarding them.
  - Taking effective and appropriate steps to collect revenues due to the Government that is under their charge,
  - Prevention of irregular or wasteful expenditure, misapplication of funds, theft or loss resulting from negligence or criminal conduct,
  - Taking immediate, effective, and appropriate disciplinary steps against erring office holders in the ministry or department under their charge, and
  - Taking immediate and appropriate action on internal and external audit observations and recommendations.
- ii. The general revenue collected by appointed agents on behalf of Government should be promptly remitted to the Consolidated Fund,
- iii. Controlling Officers should ensure that there is strict adherence to procurement procedures and all contract provisions,
- iv. Controlling Officers should ensure prompt updating of the Establishment Register and placement of staff in designated duty stations,

- v. Controlling Officers must ensure that all the assets under their charge are appropriately secured and insured, and
- vi. Controlling Officers must ensure that all taxes and other statutory contributions are deducted and timely remitted to the respective institutions.

### **38 Acknowledgements**

I wish to thank all my staff for their hard work in ensuring that this report is produced despite the constraints highlighted in this report. I also wish to express my gratitude to the Secretary to the Treasury, the Accountant General and Controlling Officers and their staff for their cooperation during the audit process which enabled me to execute my duties diligently.

### **39 Recommendations of the Public Accounts Committee**

In 1992, the Public Accounts Committee (PAC) resolved to appoint a Committee of Officials comprising officers from the Ministry of Finance, National Assembly and Office of the Auditor General to exclusively deal with the outstanding issues on a continuous basis.

However, it is important to note that the outstanding issues in this report do not include matters for the financial years 2017 and 2018 as the Action Taken Report from the Ministry of Finance had not been adopted by Parliament at the reporting date.

*Appendix 1* to this Report summarises the status of the unresolved issues as at 31<sup>st</sup> December 2019 for which necessary remedial action is required.

*Appendix 2* is the Glossary of Terms which has been included to make the report clearer and assist the users of the report fully understand the issues raised.



**PART III**  
**OUTSTANDING AUDIT**  
**MATTERS**



**Appendix 1 – Summary of Outstanding Issues as at 31<sup>st</sup> December 2019**

***OUTSTANDING ISSUES FROM THE TREASURY MINUTE ON THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE FOR THE FIFTH SESSION OF THE TENTH NATIONAL ASSEMBLY.***

***Zambia Revenue Authority***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 14, a.(i) Failure to review Banking Service Level Agreement ; a (ii) Failure to Sign E-Payment Service Level Agreement; a. (iii) Failure to Honour Time to Pay Agreement (TPAs) – K805,191,407; b. (i) Failure to update the Taxpayer Register; b.(ii) Non-Filing of Tax Returns – K762,529,852; b. (iii) Returns Pending Acknowledgement or Validation –K42, 785,445; b. (iv) Delays in Resolving Disputed Tax Assessment – K13, 931,211; c. (i) Uncollected Duties on Transits – K12, 224, 624; c. (ii) Failure to Collect Customs Taxes – K487, 803,271; c. (iii) Unaccounted for Revenue on Ex-Bonded Warehouse Goods – K1, 792,877; c. (iv) Unaccounted for Revenue on Report Orders – Livingstone – K243, 633; c. (v) Motor Vehicle Brought in the Country on Customs Import Permit (CIP) and later on introduced on the Asycuda World as Ex-GRZ Vehicles – K149, 811.*

***Ministry of Communication and Transport***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2005.***

*Paragraph 37 (37) b. Aircraft Lease Agreement*

***Ministry of Communication and Transport***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

*Paragraph 39 (39) e. Abandoned Works, Nyangwe Airstrip; h. Interest Erroneously Charged by the Bank.*

***Ministry of Transport Works, Supply and Communication***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 50 (50) o. Construction of fire Station at Chipata Airport*

*Paragraph 51 (51) i. Construction of a Fore Station at Chipata Airport; ii. Abandoned Works; iii Failure to Submit Claims for Certification; iv. Sub Contracted Works*

***Ministry of Transport and Communication***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016  
(Road Transport and Safety Agency)- Road Traffic Collections***

*Paragraph 21 a. (i) Under Banking of Revenue – Zampost – K16,290,947; a. (ii) Unexplained Withdrawals on the Revenue Transit Account – Finance Bank; b. Irregularities in administration of the e-ZAMTIS Contract; b. (i) Incomplete Works on e-ZamTIS (Phase I); b. (ii) Lack of Audit Trail Reports on e-ZamTIS and poor user account management – OTI (developer) access to the E-ZamTIS Live Environment.*

*Paragraph 23 a. Expired Radio Licenses K2,241,730; b. Non-compliant Postal and Courier Firms; c, Outstanding Fees – Zamtel Limited – K105,029,725; d. Unlicensed International Operators; e. Failure to Type Approved Imported Electronic Communication Equipment; f. Failure to set up the Universal Access Fund.*

***Ministry of Tourism and Arts***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 13 (13) a. Outstanding Hotel License Fees, Complxity of the Application Cycle, Inadequate budget Releases, Creation of E-payment System for Tourism Licences; b. Poor Monitoring and Reconciliation of Tourism Development Credit Facility (TDCF) Loans*

***Ministry of Tourism and Arts***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 12 (12) a. Unaccounted for Revenue K6,435; b. Delayed Banking K816,709; c. Lack of a Safe; d. Failure to Collect Hotel and Tourism Enterprise Annual Licence Fees for 2015 K687,560*

***Ministry of Tourism and Arts***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 22 a. Delays in Banking Revenue Collection – Ministry Headquarters – K1,246,888;*

*b. Outstanding Lease Fees – South Luangwa National Park K105,959.*

***Ministry of Finance***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2010.***

*Paragraph 33(33) f. weaknesses in the Administration of Outstanding Bills (JJ Lowe Ltd – Kashikishi – Luchinda Road – Overstatement K20, 040, 096, 855 and JJ Lowe Ltd (Mbesuma Bridge – K14, 437, 218,315) and NCC Phoenix (Kashikishi – Luchinda Road – K72, 095, 637, 323)*

***Ministry of Finance***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012.***

*Paragraph 12 (12) a. failure to collect arrears on rent of government premises*

*Paragraph 13 (13) a. Un-presented receipt books*

***Ministry of Finance***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 32 (32) – c. (i) Eurobond Proceeds – Zambia Railways (Failure to recover advance payment guarantee)*

***Ministry of Finance***

***Report of the Auditor General on the Accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 14 (14) I.i. Property without Land Size/Area; I.ii Property without Names of Owners; I.iv Properties without Property type; o.ii Weaknesses in the ZILMIS Oracle Database Management. Lack of a Database Management Policy; s. Failure to interface ZILMIS with Critical External Systems*

***Ministry of Commerce, Trade and Industry***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 37 a. Misapplication of Funds on Travel Expenses – K459,041; b. Irregular Payment of Rural Hardship Allowance – K49,652; c. Unsupported Payment – K143,970; 37 d. Irregular Use of Accountable Imprest to Procure Goods and Services – K37,350; e. Failure to Recover Salary and Tuition Advances – K82,000.*

***Ministry of Information and Broadcasting Services***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 35 a. Failure to Recover Advances*

***Cabinet Office***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 13 (13) a.i. Procurement of Works for Rehabilitation of Kenneth Kaunda International Airport (KKIA), Questionable justification for Direct Bidding; a.ii. Lack of Contract; a.iii. Moving on Site before Award of the contract; a.iv. Non Compliance with ZPPA Regulation on Advance Payment; v. Payments made to the Contractor without issuing certificates of Completion; vi. Inflating Quantities curtaining Materials Contract for fitting of a Carpets; b.i. Questionable payment of contract sum; b.ii Inflation of Office Space floor area; c. Failure to follow procurement procedures – Contracting; c. VVIP and VIP Meals; h. Undelivered Services FICOM Limited*

***Ministry of Mines and Minerals Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Exploration of more than permitted minerals quantities 6,241,628 kg; Non-enforcement of export permit returns*

*Paragraph 8 (8) d. Unreconciled Revenue.*

***Ministry of Energy, Mines and Minerals Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 8 (8) c. Non-payment of area charges by active mineral rights holders 617 mining rights. D. Missing accountable documents (10) general receipt books.*

*Paragraph 11 (11) a. Failure to collect outstanding ERB Fees K54,078,218; b. Failure to collect outstanding water board fees K3,553,332*

*Paragraph 18 (18) a. Questionable transfer of funds – Revolving fund account K150,000; b. Unsupported transfers K156,283; c. Failure to Recover advances K40,525; d. Failure to Remit tax K173,914*

*Failure to meet revenue targets on some individual tax types – K2,057,789,533, b. Treasury unit – failure to recover domestic tax debt and failure to honour time to pay agreements.*

*Paragraph 6 (6) b.(i) Failure to recover domestic debt, (ii) Failure to honour time to pay agreement (iii) Failure to seize Assets from Taxpayers after expiry of warrant of distress; (iv) Reduction in Tax Arrears without supporting payments;*

*Paragraph 6 (6) c. Domestic Taxes: (i) Failure to file tax declarations, (ii) Failure to collect mineral royalty tax, (iii) Property transfer tax – lack of supporting documentations;*

*Paragraph 6 (6) d. Custom taxes: (i) Uncollected duties and Transits, (ii) Failure to recover guaranteed amounts on blocked accounts of Agents with Outstanding Transits, (iii) Amounts owed in customs Taxes, (iv) Motor vehicles Report order not on ZRA database of cleared vehicles, (v) Failure to provide Post Clearance Audit Reports – CACP*

*Paragraph 8 (8) a. Lack of Inspections at exit points; b. Exportation of more than Permitted Mineral Quantities – 6,241,628 kg; c. Non- enforcement of export permit returns; d. Non-payment of area charges by Active mineral rights holders 617 mining rights; e. Missing Accountable documents (10) general receipt books*

*Paragraph 11 (11) a. Failure to collect outstanding ERB Fees, K54,078,218; b. Failure to collect outstanding water board fees, K3,553,332.*

*Paragraph 18 (18) a. Questionable transfer of funds – Revolving Fund Account K150,000; b. Unsupported transfers K156,283; c. Failure to recover advances K40,525; d. Failure to remit tax K173,914; e. Failure to prepare accurate bank reconciliations; f. (i) five (5) missing payment vouchers K55,527, (ii) Payment not captured in the IFMIS K1,537,046; h. (i) Sitting and Audit Committee Allowance K125,275, (ii) Meal/lunch allowances K183,554, (iii) Transport refunds K749,995; i. Unretired accountable imprest K133, 253; j. Failure to produce activity reports K3,691,950; k. Unsupported payments (38) K1,157,814; (18) l. Unaccounted for stores K523,752;*

*m. Unaccounted for furniture and equipment K54,366; n. Geological survey department – Infrastructure development; o. Construction of rural filling stations at Mporokoso and Luwingu in Northern province; p. Contract for consultancy services for the development and establishment of an integrated mining information system for the mineral economics unit.*

***Ministry of Mines and Minerals Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 25 a. Unaccounted for fuel – K28,000; b. Failure to Recover Advances K47,663*

***Ministry of Local Government and Housing***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 31(31) I. Questionable Payment of Allowances and Understanding of Activities; n. (i) Disbursements to Provincial Department of Housing and Infrastructure Development (DHID) Offices and Councils, Failure to implement Funded Activities; g. (ii) Irregularities in the purchase of Graders – Choma Council; g. (iv) Construction of an Administration Block at Chinsali Day Secondary K73,316; g.iv Construction of a Police Cell at Thendele Police Post K27,850; h. (ii) Kafue, Construction of 1 x2 Teachers Houses at Chikwama Basic School; h.(ii) Copperbelt Province, Project Management Masaiti District Council,*

***Ministry of Local Government and Housing***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 40(40) c. 2014 Failure to Avail Activity Reports; d. Unaccounted for Stores; c. Water Supply and Sanitation Projects, Rehabilitation and Expansion of Chinsali Water Supply and Sanitation Infrastructure in Chinsali District; e. Network Expansion of Mufumbwe Water Supply System in Mufumbwe District; e. Rehabilitation and Expansion of Isoka Water Supply System in Isoka District.*

*Paragraph 40(40) f. Markets and Bus Station, Construction of a Bus Station in Mpika District; f. Construction of a Bus Station in Chinsali District; c. Failure to avail activity Report; d. Unaccounted for Stores; e. Water Supply and Sanitation Projects, Rehabilitation and Expansion of Chinsali Water Supply and Sanitation Infrastructure in Chinsali District; e. Network Expansion of Mufumbwe Water Supply System in Mufumbwe District; e, Rehabilitation and Expansion of*

*Isoka Water Supply System in Isoka District; f. Market and Bus, Construction of a Bus Station in Mpika District; f. Construction of a Bus Station in Chinsali District; f. Construction of Market and Bus Station in Sinazongwe District; f. Construction of Ten Medium Cost Houses in Ikelenge District; f. Construction of Ten Medium Cost Houses in Sinda District; f. Construction of Ten Medium Cost Houses in Rufunsa District; f. Construction of Ten Medium Cost Houses in Chipili; f. Construction of Ten Medium Cost Houses in Chikantanta; f. Construction of Ten Medium Cost House in Pemba f. Construction of Ten Medium Cost Houses inimba; g. Construction of Twenty (20) Medium Cost Houses in Lunga District, Construction of Twenty Medium Cost Houses in Lunga District Delayed Completion of Work; h. Fire Services, Construction of sub-fire station at Bonaventure in Lusaka District; h. Construction of Sub-fire station at Chilenje in Lusaka District; h. Construction of Sub-fire station at Chelstone, in Lusaka District*

*Paragraph 42 (42) n. Unaccounted for Storee Solwezi Municipal Council; t. Failure in implement Funded Projects, Chipata Municipal Council –K3,235,000; t. Mongu Municipal Council; t. Ndola City Council K137,000; z. Undelivered Tipper Truck – Ndola City Council; bb. Unreimbursed Borrowing – Mulobezi District Council; cc.i. Project Management, Western Province, Construction of 1 x 3 Semidetached Staff Houses at Kaama Basic School and Construction of 1 x3 Classroom Block at Ndau Basic School; cc. ii Other Infrastructure Project Western Province, Construction of Yuka Traditional Court; cc.ii Rehabilitation of Brown off Roof at Looma Primary School; cc. Mulobezi (ii) Procurement; cc. (ii) Shangombo (Sinjembela) – Construction of Kwandu Community Radio Station; cc. (ii) Completion of 1x2 classroom block at Malala community school; cc. (ii) Completion of staff house at Liyuwayuwa; cc. (ii) Rehabilitation of 1x2 classroom block Mashitolo Primary school in Samfya, Chifunabuli Constituency, Luapula province; cc. (ii) Mwense – Construction of 1x3 staff house block at Lwamfwe primary school, Luapula province; cc. (ii) Construction of 1x3 staff house block at Kakomba Primary School, Luapula province; cc. (ii) Construction of water borne toilets at Nsakaluba Primary School, Luapula Province; cc. (ii) Construction of Market Shelter at Namwandwe, Luapula Province*

### ***Copperbelt Province – Kalulushi***

*Paragraph 42 (42) cc. (ii) Construction of 1x2 classroom block and double VIP Latrine at Musakashi Primary School.*

***Eastern Province – Katete***

*Paragraph 42 (42) cc. (ii) Construction of a staff house with a kitchen at Chavuka Community School; cc. (ii) Construction of 1x3 Classroom Block at Vulamukoko; cc. (ii) Construction of Mwaziputa Health Post; cc. (ii) Rehabilitation of D128 Road from Chainage 0.0 Km to Chiyambi Primary School.*

***Muchinga Province***

*Paragraph 42 (42) cc. (ii) a project at Nakonde Council.*

***Central Province – Mumbwa***

*Paragraph 42 (42) cc. (ii) Construction of three (3) bedroom house at muleke community school; cc. (ii) Construction of a Market Shelter; cc. (ii) Construction of a clinic at soloboni community school; cc. (ii) Construction of a Market Shelter at Chipongwe; j. (i) Unsupported payments – Shangombo district council K803,428; j. (ii) Kasama municipal council – K963,857; j. (iii) Solwezi municipal council K760,084,.09; j. (iv) Mbala municipal council – K757,499; n. Failure to remit statutory contributions; r. Management of Capital Projects (Mulobezi District Council) – Construction of ten medium cost houses in Mulobezi – K4,689,881.*

***Ministry of Works and Supply***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 40 (40) Unaccounted for Stores K120,000; b.i. Partial Delivery of Equipment and Passenger Vessels; b.ii. Partial Delivery of Equipment and Passenger Vessels; c. Failure to Commission Commercial Web Offset Printing Press*

*Paragraph 41 (41) a. Payments for Works Not Done K225,110; b. Irregular Payments K5,223,126; c. Abandoned Contracts K5,438,098; d. Non-Preparation of Recovery Certificates K24,023,667*

***Ministry of Works and Supply***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 44 a. Grant Aided Institution under Hostels Boards –(i) Failure to Abide by the Contract Terms in the Supply of Air Conditioners – Lothian House – K333,023*

***Ministry of Works and Supply***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 45 a. Abandoned works and fundamental breach by the contractor- (i) Construction of a Post Office and Associated External Works in Mpongwe District by T.I investments at a Contract sum of K2,131,891; Construction of a Post Office in Mulobezi District by Zambica Trading Limited at a Contract Sum of K2,054,057; Construction of a Single Storey Office Block and Associated External Works in Mpongwe district by Kawazane Investment Limited at a a Contract Sum of K4,124,319.55; Construction of a Post Office in Rufunsa District by Lumworks Enterprises Limited at a contract sum of – K2,391,895*

*Paragraph 45 b. Abandoned works and fundamental breach by the contractor (i) Construction of 10 Medium Cost Houses and Associated External Works in Mpongwe District at a Contract Sum of K7,109,315.00 by Kawazane Investment Limited; Construction of No. 20 Low Cost Houses in Shibuyunji District by Shumpe Investment Limited at contract sum of K7,885,956; Construction of a Post Office in Siavonga District by Contech Engineering Limited at a contract sum of K2,203,505; Construction of District Administration Blocks in Mwandu District by Harbour side Entreprises limited at a contract sum of K5,710,028; Construction of a Post Office in Mwandu District by Lukanko Investments Limited at a contract sum of K3,638,554;*

*Paragraph 45 b Payments on Unpriced Works – Swadocom Trading Limited – K27,660; Conquest limited – K11,943; Kawazane Enterprises (Zambia) Limited – K179,504; Ngalitas Hardware and Electrical Limited – K73,557; Talo Investment – K59,581; Henina Engineering Limited – K73,643; Dove Enterprises Limited – K327,641*

***Ministry of Chiefs and Traditional Affairs***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 15 (15) Unaccounted for Stores K512,112*

***Ministry of Chiefs and Traditional Affairs***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 17 (17) a. Failure to Settle Insurance Premiums K1,144,000; b. Irregular Payments of Loans K88,000*

***Ministry of Community Development, Mother and Child Health***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 43(43) g.i. Weaknesses in Accounting for Drugs and Other Medical Supplies,*

*Unaccounted for Drugs and Medical Supplies ;(43)g.ii undelivered Drugs and Medical Supplies-  
Mumbwa DCMO*

***Ministry of Community Development Mother and Child Health***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 34(34) a. Inadequately Supported Payments K68,296; b. Unaccounted for Stores K48,567; c. Failure to Effect Recoveries for Tution Advances K192,000; d. Misapplication of Funds K536,323; e. Failure to insure Motor Vehicles K195,000; f. Inadequate Details on Motor Vehicles Data base; g. Food Security Pack programme i. Wasteful Expenditure K53,519, ii. Partial Refund of Advances Payment K206,340*

*Paragraph 35 (35) a. Missing Payment Vouchers K240,103; b. Unsupported Payments K345,969; c. Unapproved Payments K3,000; d. failure to correct errors on the Bank Statement K26,839; e. Questionable Encashment of Stale Cheques – Kasama DMO K21,940; f. Unretired Accountable Imprest K1,113,056; g. Questionable Retirement of Imprest K279,466; i. Irregular Payments i. Subsistence Allowance on First Appointment K113,651; i. ii. Payment of Meal Allowances within the Station K123,153; i. iii. Payment of Out of Pocket Allowance – Solwezi DCMO K23,659; i.vi. Payment of Subsistence Allowance for Working within the District K479,200; i.v. Use of Imprest to Procure Goods and Service K187,990; i.vi. Over payment of Subsistence Allowances – Lundazi DCMO K22,800; j. Unauthorised Retention of Standing Imprest K75,729; Failure to follow procurement K26,652; l. Workshops held outside government meeting facilities without Authority K204,942; m. Failure to Refund Accountable Imprest K138,000; n. Questionable Servicing of Motor Vehicles – Katete DCMO K14,140; o. Failure to produce activity reports K212,478; p. Misapplication of Funds; q. Failure to produce Expenditure Returns K433,743; r. Failure to Report Road Traffic Accident to Standing Accidents Board; s. Failure to Inscribe Government Assets K422,768; t. Failure to Deduct tax – Kabwe DCMO K144,472; u. Failure to insure Motor Vehicles; v. Unlicensed Motorcycles operators; w. Failure to Register Motorcycles; x. Wasteful Expenditure; y. Unacquitted Allowances K23,272; z. Outstanding Bills K5,824,915; a. a.*

*Questionable Engagement of Contractor for Maintenance Services –Mansa DCMO K32,600; bb. I unaccounted for Stores and Fuel; bb. Ii. Fuel drawn by Vehicles not belonging to DCMO K40,398; bb. Iii. Fuel drawn by unknown vehicles – Chama DCMOK1,974; bb. Iv. Unaccounted for Spare Parts – Kapiri Mposhi DCMO K287,558; bb. V. Unaccounted for drugs and Medical Supplies; cc. Infrastructure Development i. Misapplication of Funds – Kaputa DCMO K222,039; cc. ii. Construction of a Wall Fence and a Drainage with a Soak Away – Chelstone Health Centre – Lusaka DCMO K38,393; cc. iii. Rehabilitation of the Maternal Child Health and Outpatient Department – Kanyama 1<sup>st</sup> Level Hospital*

*Paragraph 36 (36) a. Employee on payroll (PMEC) but not at their Stations K272,460; b. Failure to take Disciplinary Action K91,137; c. Payment of Salaries to Unknown Officers K147,226; d. Introduction on Payroll without Authority K1,109,506; e. Irregular Payment of Salaries to Officers Attending Studies without Leave K1,640, 604; f. ii Irregular payment of Allowances, i. Irregular payment of housing Allowances K2,197,903; f. iii. Irregular payment of Health Personnel Shift Deferential K384,048; f. iv. Irregular Payment of Allowances K63,658; f. v. Irregular payment of Rural and Remote Hardship Allowance K1,271,550; f.vi. Irregular payment of remote instead of Rural Hardship Allowance K86,635; g. Failure to deduct Statutory Contributions; h. Delay to Remove Officers from payroll K349,127*

#### ***Ministry of Youth and Sport***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 49 (49) a. Failure to recover Loans – Youth Development Fund (YDF)*

#### ***Ministry of Youth and Sports***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 52 (52) c.i Youth Development Fund (YDF) lack of Records – Loan Recoveries; c.iii. Irregular Transfer of YDF Funds; c.vi. Yahweh Embassy Ministry*

***Ministry of Youth and Sports***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 42(42) a. Unsupported Payments K185,; b. Failure to Avail Details of Recoveries of Loans and Advances K35,765,772 ; c. Failure to effect Recoveries of Loans and Advances K121,000; d. Unaccounted for Stores K32,725*

***Ministry of Gender and Child Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 15 (15) a. Unretired Accountable Imprest K9,280; b. Misapplication of Funds K311,800; c. Irregular payment of Subsistence Allowances K132,767; d. Unaccounted for Stores K206,518; e. Outstanding Debt on Insurance Premiums for Motor Vehicles K375,978; f. Six (6) Missing payment vouchers K126,966; g. Failure to Adhere to Procurement Procedures; h. Unexplained Debit Entry K10,464; i. Non Submission of Expenditure Returns K750,833*

***Ministry of Education***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012***

*Paragraph 55(55) z. Abandoned Infrastructure Projects , Wasteful Expenditure, Nabwalya Boarding Secondary School, Luansobe Boarding Secondary School, Chikando Day High School, Chalimbana University, Kapekesa, Umi Primary School, Chikowa Basic School; z.vii. Musa Day High School, Ntumpa Baording High School, Kampamba Day High School, John Mubanga Day High School, Copperbelt Secondary Teachers College (COSETCO); z.viii. Mukuba University, Chasefu Boarding Secondary School, Chikowa Day Secondary School, Construction of Kanona Day Secondary School, Limulunga Day High School, Construction Kaumba Boarding Secondary School; z. vii. Construction of two Hostel Blocks at Ukwimi Trades; i. Luanshya Based Institution Abandoned Infrastructure Projects*

***Ministry of Education***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013.***

*Paragraph 53 (53) b. Bursaries Abroad, Failure to Recover Student Loans; h. Infrastructure Development, Abandoned Projects*

*Paragraph 54 (54) p. Failure to procure a Scania F95 HB 65 Seater Bus – Mongu PEO; i. Mbunde Primary School, Construction of a Staff House and a Single VIP Latrine; ii. Kalabo Resource Centre Construction of 3 Double VIP Latrines Maoma; iii. Primary School, Construction of a Staff House and a Single VIP Latrine; b. Construction of 2 Staff Houses and a VIP Toilet – Kaikumbe Primary School, Chipata, Project, and Status*

### ***Ministry of Education***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 55(55) Wasteful Expenditure, Luansobe Boarding, Secondary School, Chikando Day High School, Chalibana University, Kapekesa, Umi Primary School; i. Chikowa Basic School*

*Paragraph 59(59) t. ii. Western Province, Failure to Account for Receipts – Luampa Secondary School*

*Paragraph 59 (59) t. iv Employees not Paying Statutory Contributions, Chama Boarding Secondary*

### ***Ministry of Education***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 45 (45) a. Failure to Prepare Accurate Bank Reconciliations; b. Failure to Remit Funds to Lower Level Institutions; c. (35) Missing Payment Vouchers K23,181,533; d. Irregular Payments, i. Out of Pocket Allowance K241,066; d.ii Parliamentary and Meal Allowances K1,183,525; d.iii Sitting and Audit Committee Allowances K421,624; d. iv. Transport Allowances/Refunds K992,205; d.v. Payment of Overtime Allowances K703,059; e. Payment of Accountable Imprest, i. Failure to disclose details on Budgets K814,454; e.ii. Failure to Provide Activity Reports; f. Irregular use of accountable imprest to procure Goods and Services K500,474; g. Unretired Accountable Imprest; h. Unaccounted for Stores K3,462,017; i. bursaries i. Misapplication of Funds – Bursaries for Orphans and Vulnerable Children K15,648,435, i.ii. Lack of Cash Book and Bank Reconciliation Statement and Bank Recommendation; i.iii. Irregularities in the Payment of Top UP Allowances K4,150; i.iv Questionable Payments of Top Up Allowances K2,131,690; i.v. Lack of Expenditure Returns K431,009 (UU\$46,345); j. Misapplication of Funds K500,000; k. Undistributed Educational Equipment K84,300,300; m. Undelivered Educational Equipment, African Brothers Corporation*

*Ltd; n. Failure to insure Motor Vehicles; o. Infrastructure development i. Unpaid Certificates; o.ii Wasteful Expenditure- Interest Paid on Delayed Payments;*

*Paragraph 46 (46) a. Irregularities in Establishment Register over staffing of 1,246 positions; b. Misplacement of Payroll Arrear K45,060, 222; c. Irregular Payment of Salaries to Officers absent from Duty without Official Leave; d. Unknown Officers Drawing Salaries K18,839,673; e. Payment of Full Salary to an Officer on Suspension Sesheke District K36,750; f. Questionable Payment of Salaries – Sichili Secondary School K34,172; g. Failure to remove Retired and Deceased Officers from the payroll K1,119,989; h. Failure to Retire Officers after Attaining Retirement Age of 55 - Western Province K563,296; i. Allowances Paid to Officers without Authority- Western Province K337,025; j. Questionable payment of Double Class Allowances K559,340; k. Irregular payment of Rural Hardship Allowance K8,319,244; i. Officers getting Acting Allowance without Authority – Southern Province K1,624,965; m. Irregular payment of Housing Allowance K8,902,784; n. Irregular payment of Responsibility Allowance K373,930; o. Payment of Remote instead of Rural Hardship Allowance K48, 816; p. Failure to Constitute Medical Boards K976,535; q. (34) Staff employed on positions not on Establishment K1,490,840; r. (27) Employees without National Registration Cards on Payslips K212,430; s. (8) Officers with Duplicate National Registration Card on Payslips K115,282; t. Officers Drawing Double Salaries K40,560; u. Drawing of Salaries on Wrong Salary Scales – Central Province K724,019; v. irregular payment of Responsibility Allowance to Senior Officers – Central Province K46,862*

*Paragraph 47 (47 a. (18) Missing Payment Vouchers K235,176; b. Unsupported Payment K547, 045; c. Unapproved Payments K8,000; d. Officers on Studies without Approved Leave K59,600; e.i Unacquainted funds K7,200; e. ii. Unacquainted funds K24,008; f. Unretired Accountable Imprest K1,257,434; g. Failure to provide Monitoring/Activity Reports; i. Failure to follow Tender Procedures K199,661; j. Failure to Inscribe Government Assets K135,505; k. Unaccounted for Stores K396,309; l. Fuel Drawn by Private Vehicles K5,399; n. Misapplication of Funds K1,599,033; o. Failure to Deduct Tax K64,530; p. Failure to Remit Tax K11,160; q. Failure to Recovers Loans and Salary Advances – Revolving Fund Account K42,250; r. Irregular Payment of Teachers Subsidies and Incentives K222,620; s. Unaccounted for Funds K11,516; t. Failure to Collect User Fees K2,231,778; u. North-Western Province, i. Theft of Building Materials, Mukumbi Secondary School K31,147. Iii. Undelivered Building Materials- Solwezi*

*District Education Board Secretary K140,176; v. Copperbelt Province, i. Irregular Drawings of Fuel – Mpongwe District Education Board Secretary K7,825; v.ii. Irregular fuel drawings by Private Vehicle- Lufwanyama, District Education Board Secretary 6,518; v.iii Irregular Procurement of Computers – Ndola District Education Board Secretary K168,000; w. Irregular Procurement of ICT Equipment- Petauke District Education Board Secretary K456,766; x. Lusaka Province Revolving Account, i. Failure to collect Materials – Kafue District Education Board Secretary K3,459; x.ii Hire of Conference Facility without Authority, Sports Account- Lusaka PEO K38,900; y. Unreceived School Grants – Western Province K263,449; z. Muchinga Province, i. Unreimbursed Borrowings – Chinsali Provincial Education Office, Revolving Fund Account K30,746; z. ii Uninsured Motor vehicles – Chinsali Kafue District Education Board Secretary; aa. Over Payment of Subsistence Allowance K6,160; bb. Funds for Orphans and Vulnerable Childred (OVCS) K1,226,48; cc. Irregular Procurement – Nyimba Kafue District Education Board Secretary K164,500*

*Paragraph 48(48) a. Failure to produce Activity Report K650,215; b. irregular use of imprest to procure Goods and Service K51,022 c. Unaccounted for Stores K106,394; d. i. failure to Provide Contracts – Zambia Education Publishing House K8,155,245; d. ii. Failure to Provide disposal Zambia Education Publishing House K8,155,245; e. Supply and Delivery of Textbooks for Grade1, 5,8 and 10, i. Lack of Bidding Documents and Evaluation Reports; e.ii. Lack of Variation Order; e.iii. Undelivered Textbooks K3,119,463; f. Unaccounted for Textbooks between DEBS and Schools K440,194; g. Failure to Distribute Books to Primary Schools K477,010; h. Failure to Deliver Free Education Materials to Schools, Chembe District K3,330; i. Failure to Distribute Books – Ikelenge DEBS Office K94,054; j. Failure to Delivers Books to Schools as Per Allocation, District Education Board Office, Zimba K4,086; k. Failure to Delivers Mobile Science Laboratories – National Science Centre; i. Missing Laboratory, **Apparatus Provincial Education Officer, Mongu K27,300; k. ii Failure to use Mobile Science Laboratories Provincial Education Officer, Mongu; l. Failure to Supply Mathematical Graph Boards- National Science; Centre, i. Undistributed Mathematical Graph Boards- Western Province K19,600; ii. Failure to Distribute Mathematical Graph Boards, Southern Province; iii. Failure to Distribute Graph Boards to schools, Chisamba District Education Board Secretary K8,750; m. Contract for the Construction of Wall Fence – Ya Investments Limited i. Failure to Provide Pre-award of Contract Documents;***

*m. ii. Questionable Payment K178,840.22; n. Construction of Administration Block – October First Enterprises; o. Failure to procure Apparatus and SWAP Chemicals K4,355,993*

### **Ministry of General Education**

#### **Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016**

*Paragraph 52 a. Weaknesses in the management of Bank Account – RDCs (i) Failure to prepare timely bank reconciliation: Uncorrected Bank Errors and Omissions – K8, 230,471; Questionable Payments – K3, 488,327; Failure to Rectify Double Payments – K324, 571; (ii) Failure to Remit Funds to Lower Level Institutions K3,420,435; (iii) Inadequate Funds to Pay Unpresented Cheques K15, 674,251; (iv) Clearance of Cheques on Uncredited Backing Sheets – K571,610; b. Unsupported Payments – K125, 982,274; c .Irregularities in Imprests and related transactions: (i) Failure to Avail Activity Reports – K3, 344,236; (ii) Failure to Avail Acquittal Sheets K1, 170,521; (iii) Over Payments of Subsistence Allowance – K611, 730; (iv) Over Payment of Fuel Imprest – K74, 042; (v) Payment for Accountable Imprest for Refreshments –K25, 500; d. Misapplication of Funds – K141, 512,928; e. Management of the teacher accreditation board (TAB) account – (i) Opening of Account without Authority; (ii) Questionable Location of the Account; (iii) Misapplication of Funds – K2, 705,000; (iv) Questionable Retirement of Accountable Imprest – K2, 484,653; Irregular Payment of Transport Allowance/Refunds – K100, 025; h. Home grown school feeding program (HGSFG): (i) Lack of details of Maize Supplied – K16,200,000; (ii) Imprest for verification HGSFP: Irregular Payment of Imprest K401, 410; Incorrect use of Subsistence Rates – K56, 100; Questionable Distances Used in Calculations for Fuel Imprest – K36, 080; i. Secondary Education Infrastructure – Over Expenditure on Infrastructure Supervision – K2, 416,631; j. Educational Equipment: (i) Partial Deliveries of Music Equipment – Muleka Investments Ltd; (ii) Undistributed Equipment ( Muleka Investments Ltd); (iii) Supply of Educational Equipment (Ngwala Electrical Limited); k. Failure to insure Motor Vehicles; l. Poor Maintenance of Records of Procurement Process and Contract.*

*Paragraph 53 a. Unauthorised Excess Staff on the Payroll – 734; b. Officers Occupying Positions not on the Establishment – K9, 721,847; c. Misplacement of Payroll Area –K104, 963,058; d. Officers paid at wrong Notches of Salary Scales – North Western –K35, 732; e. Drawing of Salaries on Wrong Salary Scales – K977, 715; f. Salary Underpayments – K487, 236; g. Absent from duty without Leave- Ndola DEBS – K309, 949; h. An Unapproved Study Leave – K850, 079;*

i. *Unknown Officers Drawing Salaries* – K112, 263,889; j. *Failure to Remove Deceased Officer from Payroll – Mpulungu DEBS* – K102,188; k. *Payment of Salaries to an Officer who resigned – Mufumbwe DEBS* –K26, 189; l. *Allowances Paid to Officers without Authority* – K5, 024,983; m. *Irregular Payment of Double Class Allowances* – k74, 857; n. *Double Class and Responsibility Allowances- Mbala DEB Office* – K37, 226; o. *Irregular Payment of Responsibility Allowance* – K791,442; p. *Irregular payment of Rural and Remote Hardship Allowance* – K9,946,085; r. *Payment of Acting Allowance Without Authority* – K1,719,791; s. *Irregular Payment of Fuel Allowance – Northern Province* – K29,132; t. *Fraudulent Payment of Salary Arrears – Isoka* – K35,452; u. *Irregular Payment of Salary Arrears – Central Province* K83,109; v, *Wrong Claim of Salary Arrears* – K507,719; w. *Irregular Payment of Housing Allowance* – K8,302,372; x. *Failure to Deduct Statutory Contributions*; y. *Officers with Duplicate National Registration Cards on pay slips* K288,517; z. *Employees with Duplicate Bank Account Numbers- Northern Province* – K84,428; aa. *Employees without Bank Account on DDACC- Kasama* – K4,779.23; bb. *Questionable Salary Scale – Lusaka DEBS* – K754,647.

Paragraph 54 a. *Unretired accountable imprest – Headquarters* – K686,093; b. *Unaccounted for Stores – Headquarters* – K18,730; c. *Irregular Payment of Subsistence Allowances – Headquarters* –K155,030; d. *Failure to Produce Activity Reports – Headquarters* – K290,086; e. *Holding of Workshops Without Authority – Headquarters* – K14,820; f. (i) *Irregularities in the Management of Zambia Educational Publishing House (ZEPH) Contracts* – K143,200; (ii) *Failure to deliver Grade 3 Term 1 Literacy Course Text Books* – K1,086,240; g. (i) *Undelivered Text Books from the Central Warehouse* – K7,826,929; (ii) *Failure to Distribute Text Books to Schools by DEBS Offices* – K82, 283; (iii) *Unaccounted for Text Books* – K1, 374,489; (iv) *Failure to Provide Expenditure Returns* – K2, 864,024; (v) *Misapplication of Funds – Grants to Schools* – K185, 755; (vi) *Misapplication of Funds –Orphans and Vulnerable Children (OVCs)-* K157,606; (vii) *Misapplication of Sector Pool Grants* – K1, 242,643; (viii) *Undelivered Desktop Computers* –K585, 000; (ix) *Undelivered Flash Disks* – K68, 800 (x) *Procurement of Science Apparatus and Equipment: (i) Undelivered Science Apparatus Equipment – Sioma DEB* – K13, 647; (ii) *Over Statement of Contract Amount* – US\$4, 793; xi. *Missing Payment Vouchers – Choma DEB Office* – K13, 407; xii *Unsupported Payment Vouchers* – K72, 455; xiii. *Unretired Accountable Imprest – Provincial Laboratory – Ndola*; xiv. *Failure to Produce Activity Report – PEO – Copperbelt Province* – K133, 896; xv. *Unaccounted for Stores* – K76, 154; h. *Management of National*

*Implementation Framework (NIF III) in the provinces: (i) Copperbelt Province: Failure to avail NIF Fund Legers – Ndola DEB – K29, 785; Failure to Disburse Grants by Ministry Headquarters – K36, 174; (ii) Lusaka Province – Lack of Documentation – Book Hut Limited; (iii) Central Province – Irregular Bank Charges – K8, 398; (iv) Undelivered Science Apparatus- Muchinga Province; (v) Western Province: Failure to follow Tender Procedures- Nalolo DEB Office – K22, 000; Distribution of Text Books of Subjects not Offered by the Schools – K2, 005; Distribution of Grade 3 Term 1 Silozi Books by ZEPH; Unaccounted for Books – Sioma DEB Office; Failure to use computers (vi.) Southern Province: Double Payments of Grants to Schools – Choma DEB Office – K26, 814; Non-Receipt of Funds from the Ministry – Monze DEB Office – K76, 517; (vii.) Northern Province – Failure to Mark Assets with GRZ Numbers – K44, 500; (viii) North western province: Misapplication of Funds – Grants for Distribution of Books – K24, 549; Irregular Payment of Subsistence Allowances – Kasempa DEB – K13, 040; i Management of National Science Centre (i) Contract for Construction of a wall Fence – Ya Investment Limited; (ii) Construction of Administration Block – October First Enterprises; (iii) Procurement of Apparatus and SWAP Chemicals; In Lot 4, distillers costing K192,042 were rejected by the National Science Centre as they did not meet the specifications, however, they had not been replaced by the contractor as at 31<sup>st</sup> August 2017; In Lot 2 chemicals costing K127,494 had not been supplied as at 31<sup>st</sup> August 2017; In Lot 1 and 3, although the supplier had delivered the science apparatus to the National Science Centre, the apparatus had not been distributed to the school as at 31<sup>st</sup> August, 2017 (iv) Distribution of Mathematical Graph Boards – K2, 081,450.*

*Paragraph 55 a. Failure to Maintain a Register of Accountable Documents – Masaiti Boarding Secondary Schools; b. Failure to collect fees – K13, 692,924; c. Use of Revenue at Source – K580, 738; d. Delayed Banking of User Fees – K53, 875/K303, 506; e. Failure to issue Receipts – K996, 663; f. Failure to collect Rental Income: (i) Ndola PEO – K9,000; (ii) Solwezi Technical Secondary School – K61,500; (iii) Solwezi Urban Primary and Secondary School – K15,700; g. Deposit of funds into Private Entities’ accounts – Masaiti Boarding Secondary School – K86,100; h. Unauthorised Printing of Receipt Books – North Western Province- K192, 205; i. Over Charging of Centre Fees – North Western Province – K59, 750; j. Missing Original Receipt Forms – Lusaka Province; k. Failure to Prep were Financial Statement – Charles Lwanga College of Education; l. Missing Payment Vouchers – K558, 999; m. Unsupported Payment – K3, 005,741; n. Misapplication of Funds – Nalituwe Secondary School – K145, 800; o. Misapplication of Funds*

– K2, 528,050; p. *Failure to Produce Expenditure Returns for School Grants* – K2, 215, 444; q. *Failure to Disburse Grants to Schools* – K6, 834,693; r. *Failure to Reimburse Borrowing between Institutions* –K 223,000; s. *Failure to Deduct Tax* – K2, 393,937; t. *Failure to Remit Tax* – K132, 613; u. *Claims without Obtaining Prior Authority* – K277, 993; v. *Irregular Payment of Subsistence and Meal Allowances* – K968, 328; w. *Irregular Payment of Subsistence Allowance – Solwezi PEO* – K29, 951; x. *Purchase of a Laptop- Kitwe College of Education* – K14, 000; y. *Wasteful Expenditure – Solwezi College of Education* – K8, 500; z. *Irregular Payment of Hostel Bills for Officers on Transfer – Kabwe DEBS* – K5, 120; aa. *Irregular Payment of Funeral Grant – Solwezi PEO* –K5, 000; bb. *Irregular Payment of Administrative Allowance* – K3, 183,374; cc. *Contract for Security Services – Kitwe College of Education* – K149, 500; dd. *Overpayment of Lecturers Allowances – Kitwe College of Education* – K940, 849; ee. *Payments Made without Processing Payment Vouchers* – K332, 685; ff. *Irregular Expenditure – Masaiti Boarding Secondary School* – K16, 519; gg. *Unauthorised Training* – K29, 700; hh. *Failure to Recover Subscriptions* – K5, 835; ii. *Questionable Payments – Chinsali PEO* – K25, 745; jj (i) *Charles Lwanga College of Education* K14, 020; jj. (ii) *Lusaka DEB Office* – K54, 895; kk. *Questionable Payment of Subsistence Allowance – Solwezi College of Education* K6, 240; ll. *(Questionable Payment of Allowances – Nalituwe Secondary School* – K4, 118; mm. *Questionable Payments – PEO Central Province* – K12, 309; nn. *Irregular Payment of Water Bills – Solwezi College of Education* – K5, 924; oo (i) *Unaccounted for Funds – K218, 504 – Lack of Expenditure Details – Lusuntha Day Secondary School*; oo. (ii) *Advance to the Tuck Shop – Solwezi College of Education* – K17,386; pp *Unacquitted Funds* K39, 840; qq. *Unretired Accountable Imprest* – K336, 920; rr. *Failure to Produce Activity Report* – K1, 012,842; ss. *Irregular Procurement of Goods and Services Using imprest* – K1, 575,660; tt. *Failure to Report Motor Vehcile Accident – Charles Lwanga College of Education*; uu. *Irregular Procurement of Second hand Computers- Mwinilunga DEB Office*; vv. *Unaccounted for Computers – Masiti Boarding Secondary School* – K47, 520; ww. *Unaccounted for Stores* – K6, 393,575; xx. *Fuel Not Recorded in Log Books – Kapiri Mposhi DEBS*; yy. *Overpayments Due to Wrong Distances Used in the Computation of Fuel Imprest- Kitwe College of Education* – K8, 509; zz. *Uninsured Motor Vehicles*; aaa. *Failure to Maintain an Asset Register – Luwingu Secondary School* – K59, 060; bbb. *Failure to inscribe Government Assets* K816, 226; ccc. *Outstanding Bills* – K50, 301,282; ddd. *Failure to Recover Loans and Salary Advances* – K97, 150; ddd (iii) *Unaccounted for Funds – Solwezi Technical*

*Secondary School – K3, 000; jjj. Irregular Procurements from Members of Staff – K266, 99; kkk. Procurements Supported by Forged Quotations – Mungwi Technical Secondary School- K62, 707; lll. Procurement of Sick Bay Medicines from Unlicensed Dealer – Mungwi Technical Secondary School – K12, 258; mmm. Irregular Payment of DSTV Subscription – Luwingu Secondary School – K2, 600; nnn. Irregular Drawing of Fuel – St Theresa Secondary School- K28, 196/2,221; ooo. Irregular Procurement of a Motor Vehicle – St Theresa Secondary School K40,000 . The Payment for the motor vehicle were paid as imprest to the School Accounts Assistant instead of directly to the supplier, No explanation was given for using this mode of payment; The letter of sale signed between the school authorities and the seller did not indicate the price of the motor vehicle and the date when the agreement was entered into; The ownership of the motor vehicle had not changed as records pertaining to the vehicle were still bearing the names of the seller; ppp. (i) Hardened Cement – K6,154; ppp. (ii) Infrastructure Management.*

***Ministry of Science Technology and Vocational Training***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2009.***

*Paragraph 46(44) c. Management of Contracts i. Kasiya Trades Training Institute, Male Hostels.*

***Ministry of Science Technology and Vocational Training***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2010***

*Paragraph 39 (39) a. Rehabilitation of Technical, Education Vocational and*

*Entrepreneurship Training Authority (TEVETA) Building; iii. Substandard Electrical Installations; iv. Poor workmanship on Carpentry and Joinery and ironmongery; e. Trades Training Institute ;( iii.) Kabwe Trades Training Institute; (iv) Kasiya Secretarial and Business College K366,116,700; Office of the President – Southern Province.*

*Paragraph 75 (76) b. Extension of an Office Block and Rehabilitation of two (2) Staff*

*Houses at Nanga in Mazabuka; (iii) Questionable Issuance of Certificates; Irregular Payment; Failure to Effect Contract clauses; Office of the President – Copperbelt Province*

*Paragraph 57(58) a. Headquarters Infrastructure Development; (ii.) Construction of District Commissioner's House – Ndola; (iii) Construction of Teachers House in Kafubu Block Resettlement*

## ***Ministry of Higher Education***

### ***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 46 a. (i) Failure to Avail Activity Reports – K996, 832; (ii) Failure to Avail Acquittal Sheets – K1, 186,081; (iii) Questionable Payments of Imprest for Selection of First Year Students – K159, 000; Overpayment of Subsistence Allowance – K87, 900; b. (i) Irregular Payment of out of Pocket Allowance – K31, 545; (ii) Transport Allowances/Refunds – K183, 830; (iii) Meal/Lunch Allowances – K35, 700; c. Lack of Receipts and Disposal Details – Fuel – K40, 000; d. (i) Unreconciled Student Tuition and Accommodation Cost – UNZA and CBU – K242, 083,333- Copper belt University and University of Zambia; (ii) Irregularities in Payments of Allowances – Students Loan and Bursary Awards; (iii) Students Bursary Awards – Abroad K6,750,000; Failure to Correct Double Posting; Top up allowances – Student on Bursary Committee Schedule but not on Bank Statement; Overpayment of allowances; Underpayment of Allowances; e. Science, Technology and Innovation – Contract for supply, delivery and installation of a Ground Receiving Station; The advance payment expired on 15<sup>th</sup> March, 2016 and performance security expired on 15<sup>th</sup> January, 2017 prior to delivery of the equipment; f. Misapplication of Funds (i) University Education – Kapasa Makasa University – K15, 000,000; (ii) Skills Development – TEVET Bursary – K10, 000,000; g. Infrastructure Development: (i) Construction of Four Hostel Blocks at UNZA (Lot 1); (ii) Construction of five Hostel Blocks at UNZA (Lot 4); (iii) Construction of Four Hostel Blocks UNZA (Lot 5); (iv) Construction of External Works (Lot 7); (v) Delayed Completion of Projects – Construction of Four Hostel Blocks at UNZA (Lot 3)*

## ***Ministry of Health***

### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2009.***

*Paragraph 42(40) d. Drugs without disposal details K5,406,298,725; n. Infrastructure development.*

## ***Ministry of Health***

### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2011.***

*Paragraph 44(43) b. Tender and award of contract to AVIC international limited, (i) Irregular award of the contract.*

**Ministry of Health**

**Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012**

Paragraph 37 (37) a. Grants (Recurrent Departmental Charges – RDCs), Missing payment vouchers K1,240,612,324; a. (i) Unsupported payments and transfers of funds K5,738,272,259, Unretired imprest K343,475,572; a. (xiv) Expired drugs; a. (xv) Undelivered drugs; c. Wasteful expenditure – construction of sewer ponds – Kalabo district hospital; c. (ii) Construction of Milenge district hospital – Phase 1: stalled project; c. Delayed opening of Samfya District Hospital – Dry Boreholes; i. (v) Wasteful expenditure – Chitukuko Health Post (matero constituency) Lusaka (DMO)

**Ministry of Health**

**Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2013**

Paragraph 46 (46) o. Infrastructure Development – Lewanika School of nursing construction of student hostel; o Lusaka province – Kanyama and Chelstone Maternity.

**Ministry of Health (Headquarters)**

**Report of the Auditor General on the accounts for the financial Year ended 31<sup>st</sup> December 2016**

Paragraph 39 a. Failure to Replace Returned Drugs and Medical Supplies – K943,889;

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016**

**Ministry of Health (Personnel Emoluments)**

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016**

Paragraph 39 a. Irregular Payment of Salaries – Isoka DMO – K97,646; b. Irregular Payment of Housing Allowances – K535,944; c. Payment of Acting Allowance to ineligible Employees- Northern Province – K81,248; d. Employees on Wrong Salary Scale – K2,843,239, K101,720; e. Employees on Wrong Basic Salaries – K74,551

**Ministry of Health (Various)**

**Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016**

Paragraph 41 a. Unsupported Payment – K41,324; b. Unretired Accountable Imprest – K256,302; c. Irregular Payment of Allowances – K59,706; d. Failure to Remit Tax – Central Provincial

*Health Office – K31,425; e. (i) Unaccounted for Drugs and Medical Supplies – Mambwe District Health Office – K18,559; f. Unaccounted for Stores – K247,093; g. Weaknesses in the Management of Assets ( (i) Questionable Payment for Repairs of Motor Vehicle GRZ 139 CK – Mporokoso District Health Office – K67,500; (ii) Non-Functional Mobile Hospital Equipment-Mongu Provincial Health Office.)*

*Paragraph 41 b. Transport Management – Delays in Payment of the Insurance Claim for GRZ 552 CK – Mporokoso District Health Office – K200,000; c. Weakness in the Management of Loans and Advances – K33,800; d. Masaiti District – Construction of Masaiti District Hospital Phase III; (i) Nchanga North – Construction of Lecture Theatre;( ii) Ndola Central Hospital – Psychiatric Unit;(iii) Kitwe District Mindolo Clinic 1 – Standard Maternity Block; (iv) Ndola District CIMAS Hostel – Construction of a Kitchen and Dining Hall; (v) Masaiti District – St Theresa – Renovation of X-Ray Department; (vi) Ndola District – Kabushi Health Centre – Construction of a Maternity Wing; a. Mpika District – Kaonda Rural Health – Construction of Post Maternity Wing – PMO 004/15; Kaonda Rural Health Centre – Construction of Post-Mother’s Shelter – PMO 006/15; Construction of Katozi Rural Health Centre (initially Mbuko HP); Ntaumbila Rural Health Centre – Construction of Maternity Wing; Shiwangndu District – Construction of Mukwille Rural Health Post; Construction of Lwanya Health Post; Construction of Chibamba Rural Health Centre; a. Mpulungu District – Construction of Ten Staff Houses*

*Paragraph 41 Construction of Male Ward; Mbala District – Renovations of the Female Ward and Ablution Block at Mbala General Hospital;c. Nalolo District – Out Patient Department (OPD) and X-Ray Block; d. Limulunga District – Limulunga District Hospital Phase 1*

*Paragraph 41 Administration Block; Mongu District – Lecture Theatre at Lewanika Nursing School;e. Kaoma District – Construction of Laboratory at Kaoma District Hospital; a. Namwala District – Construction of Namwala District Hospital Phase III; Female Ward; Two Staff Houses; Four Staff Houses;b. Gwembe District –Construction of Gwembe District Hospital Phase II and Maternity, Theatre and Service Block; Incinerator; Mortuary; Staff Houses; c. Kazungula District- Construction of Kazungula District Phase 1 and Out Patient Department (OPD); Administration Block; d. Kalomo District – Construction of the Kalomo District Hospital Phase II; e. Macha School of Nursing – Construction of Dining Hall and Demonstration Laboratory; Chitambo District – Construction of Staff House and VIP at Nakatamba in Chitambo; Completion*

of Student Hostels at Chitambo Nursing School; Construction of a Staff House at Chitambo Hospital; f. Mumbwe District – Construction of Staff House and VIP Toilet at Naluvwi Rural Health Centre in Mumbwa District; Construction of Maternity Ward at Naluvwi Rural Health Centre (RHC) in Mumbwa District; a. Chisamba District – Electrification of Malombe Rural Health Centre; Chibombo District – Completion of Theatre at Mwachisompola Health Demonstration Zone; Construction of the Dining Hall and the Kitchen at Mwachisompola Health Demonstration Zone in Chibombo; Kapiri – Mposhi District- Construction of Staff House VIP at Kakulu Health Post in Kapiri-Mposhi; Completion of Two Staff Houses at Kapiri –Moshi District Hospital; Construction of Lukali Rural Health Post, Staff Houses and Three VIP Toilets in Kapiri-Mposhi g. Serenje District – Construction of Serenje District Hospital Phase III; h. Mkushi District- Construction of Mkushi District Hospital Phase II; Construction of Mkushi District Hospital Phase III; a. Chembe District – Maternity Annex at Chipete Rural Health Centre; b. Mansa District – OPD and Ablution Block at Mibenge; Construction of OPDs at Kapopwa, Lwingishi, Mupita, Lukali, Changila, Mupofwe and Noonga; Construction of OPD, Ablution Block and Associated works at Matenda; e. Nchelenge District- Reconstruction of Guttled Hostels and Ablution Block at St Paul’s School of Nursing; Construction of Operation Theatre at St Pauls Hospital; a. Kafue District – Construction of Health Post and Staff House at Kanyangala; b. Chirundu District – Completion of staff house at Chiawa Health Centre; c. Shibuyunji District – construction of a rural health post in Shibuyunji (Masteak rural health centre).

### **Ministry of Health**

#### **Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016**

Paragraph 37 a. Unsupported payments K980,974; b. Failure to Recover Salary Advances K65,000; c. Medical Supplies; i. Procurement of Drugs with Short Shelf Life, Questionable Procurement of Laboratory commodities K1,998,913; c. i. Supply of Laboratory Commodities with Remaining Short Life Span K1,998,913, Supply of Expired Miniclean, Delivery of damaged Minidil; c. i Rejected Minidil, Supply of short Shelf Life Minolyse and Minidil ; d. Undelivered Medical Equipment K23,122,641;7 (37) e. Outstanding Suppliers Bills K505,343,095.

### **Ministry of Health**

Paragraph 38 a.i. Unaccounted for Drugs K3,115,385; b. Failure to dispose off Expired Drugs K506,448; c. Under supply of Medical Supplies K98,825.

## **Ministry of Health**

*Paragraph 39 a. (2) Missing Payment Vouchers K19,446; b. Unsupported Payments K318,377; c. Weaknesses in the Management of imprest; (39) i. Unretired Accountable imprest K400,290; c.ii. Irregular use of Accountable imprest to procure goods and services K68,596; c. iii. Questionable Retirement of Imprest – PHO-Western Province K8,940; c. iv. Failure to compute Fuel imprest using prescribed formula – Southern Province (PMO) K6,845; c.v. Failure to produce Activity Reports K153,197; d. Failure to produce Expenditure Returns – PMO (Copperbelt Province) K2,400; e. Irregular Payment of Allowances, i. Subsistence K199,169; e.ii. Night Coverage Allowance – Solwezi General Hospital (North-Western Province) K43,800; e.iii. Responsibility Allowance – Mukinge School of Nursing (N/Western Province) K6,500; f. Failure to Recover Loans and Advances K162,167; g. Questionable Refunds-Kabwe PMO K13,414; h. Unaccounted for Stores K96,420; i. Irregular Procurement of Graduation Attire – Mukinge School of Nursing (N/Western Province) K15,000; j. Cannibalising of Government Vehicle- Kasama School of Nursing (Northern Province) K57,141; k. Failure to Mark GRZ Property K472.259; l. Failure to insure Government Properties; m. Failure to use GRZ receipts – (N/Western Province) K2,699.018); n. Unaccounted for Revenue – Solwezi General Hospital (N/Western Province) K59,876; o. Infrastructure Development, i. Violation of Public Procurement Act/Regulations Central Province; o. ii. Delayed completion of projects and poor workmanship, Eastern Province Vubwi- Construction of District Hospital Phase I, Vubwi Pharmacy Block Chadiza District, Nzadzu Health Post; o.ii. Construction of Lundazi District Hospital Phase III Southern Province, Namwala District Hospital Phase III, Gwembe District hospital- Phase II; o.ii. Southern Province, Kazungula District Hospital, Phase I; o.ii. Western Province, Mongu District Hospital – Phase III, Lukulu District Hospital – Phase II; o.ii. North-Western Province, Ikelenge; .ii. Northern Province, Chilubi District Hospital – Phase II; Mungwi District Hospital – Phase I*

*Paragraph 39 (39) o. ii. Central Province, Kabwe completion of Chililalila Health Post, Kabwe, Construction of Staff house and VIP at Muunga Health Post. Chibombo, Construction of Staff House at Chibombo Health Centre*

*Paragraph 39(39) o.ii Central Province, Chibombo – Construction of staff house and 3 No. VIPs at Namakolongo Health Post. Chitambo- Construction of Staff House and VIP at*

*Katikulula Health Post, Serenje-Construction of Serenje District Hospital Phase III, Mkushi – Construction of Mkushi District Hospital Phase III*

*Paragraph 39 (39) o.ii. Central Province, Chibombo- Construction of staff house and 3 No.*

*VIPs at Namakolongo Health Post, Chitambo – Construction of Staff House and VIP at Katikulula Health Post., Serenje- Construction of Serenje District Hospital Phase III*

*Paragraph 39 (39) o.ii Central Province, Serenje Construction of Staff house and VIP at Muzamni Health Post, Mkushi- Construction of Mkushi District Hospital Phase II, Mkushi-*

*Construction of Mkushi District Hospital Phase III*

*Paragraph 39 (39) o.ii Central Province, Kapiri Mposhi- Construction of Kashitu Health Post, Kapiri Mposhi Construction of Kakulu Health Post.*

*Paragraph 39 (39) o.ii. Muching Province, Mpika Urban Clinic – Staff House*

#### ***Ministry of Home Affairs***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2009.***

*Paragraph 18 (16) m. Failure to Operationalise Photo capturing facility*

*Paragraph 10 (8) a. Misappropriation of Revenue – K3,746,266,735, Immigration Headquarters; (8) dishonoured Cheques – K13,000,000.*

#### ***Ministry of Home Affairs***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2010.***

*Paragraph 18 (17) c. Construction of the National Registration Offices, i. Kapiri Mposhi Office Block – K3,074,445,907; (ii) Luangwa Office Block – K3,255,724,418*

*Paragraph 19 (18) a. Construction of Administration, Reception and Duty Rooms – Kalabo **State Prison***

*Paragraph 19(18) Drilling of a borehole and mounting of overhead tank had not been done*

*Paragraph 20(20) c. Irregular Payment of House Rentals K160,249,191*

***Ministry of Home Affairs***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

***Passports***

*Paragraph 10 (10) d. Passports Produced without Payment; e. Failure to Present Accountable Documents*

*Paragraph 16 (16) g. Lack of Comprehensive Data on Property; Rehabilitation of the Office Block for National Registration and Passport in Mporokoso*

*Paragraph 19 (19) Western Region, construction of two low cost houses at Kalabo State Prison*

***Ministry of Home Affairs Zambia Police***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 7 (7) a. Failure to Reconcile Revenue K3,668,952; b. Delayed Banking – HQ K4,770,988*

*Paragraph 16(16) a. i. Irregular Payment of Rural Hard and Remote Hardships Allowances K391,104; a. ii. Irregular Payment of Housing Allowances K226,444; b. Failure to deduct taxes K38,162; c. Unretired Accountable Imprest K106,375; d. Overpayment of Subsistence Allowance K20,597; a Undelivered Goods I, Supply and Delivery of one Explosive trace particulate and vapour K299,00; e. ii. Supply and Delivery of Test Bench K265,000*

***Ministry of Home Affairs Prisons and Reformatories***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 20 (20) a. Undelivered Soya Beans Seed K125,000; b. Weaknesses in the Management of Infrastructure Projects; c. Failure to insure farm equipment – Chitumba Prison farm*

*Paragraph 21 (21) a. Delayed Banking K23,296; b. Failure to issue GRZ Receipts – Muchinga Province K35,166; c. Failure to Refund borrowed funds K28,218; d. Inadequately Supported Payments K29,103; e. Unaccounted for fuel K5,166; f. Kalonga Milling plant Revenue Account, failure to issue Receipts K374,845; f. i. Unreimbursed borrowings K454,797; f. i Uncollected Revenue (bounced cheque) K49,660; f. ii. Expenditure, unretired Accountable imprest K27,530; f. ii Irregular use of Accountable imprest K24,616; f. ii. Expenditure, Outstanding Debt Insurance Premium K207,729.*

*Paragraph 22 (22) a. Inadequately Supported payment K595,977; b. Misapplication of funds K1,402,510; c. Other Personal Emoluments I, under deduction of PAYE K25,335; c. ii Failure to Deduct Tax from Settling in Allowances – Eastern Province K19,149; d. Transport Management, i. Failure to Report Road Traffic Accidents to Standing Accidents Board K34,453; d. ii. Failure to insure 4 Motor Vehicles, Northern Region; e. Unaccounted for Uniforms and Accessories – Central Province K133,350; f. Staff Uniforms distributed by HQ but not received by the intended stations K141,215; g. Failure to Deliver Stores Items – North Western Region K4,176; h. Unaccounted for General Stores K259,390; i. Unaccounted for fuel K102,735; j. i. Unretired Accountable Imprest K151,736; j. ii. Irregular Payment of Subsistence Allowance – Northern Western Region K9,100; j. iii. Failure to produce activity reports K73,098; j. iv. Irregular use of Accountable Imprest K21,850; k. Committing Government to Debt K8,976,829; l. Procurement Management–Delivery of food Rations to North Western Region Office instead of Prison Stations K310,310;*

*Paragraph 9 (9) a. Failure to reconcile revenue K1,453,596; b. Failure to Replace Stale Cheques K12,000; c. Failure to Adopt N-ZIMS Computer Generated Receipts as Official Accountable Documents; d. i Failure to Adopt ICT Frameworks; d. ii. Failure to Capture Key Fields – New Zambia Immigration Management System (N-ZIMS); d. iii. Failure to Insure ICT Equipment; d. iv. Lack of interface between N-ZIMS and Other Systems; d. v. Failure to implement Electronic Payment Methods on N-ZIMS System; d.vi Failure to Implement System Automated Reminders/Alerts on N-ZIMS; d. vii. Lack of Control over Personal Identification Security*

*Paragraph 19 (19) a. Misapplication of Funds K77,822; b. Issuance of National Identity Documents; c. Failure to claim Compensation for insured Motor vehicles K1,141,000; d. i. Failure to Obtain performance security; d. ii. Failure to obtain Advance Guarantee K311,000; d. iii. Failure to Deliver Generators K155,500*

### ***Ministry of Home Affairs***

#### ***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 16 a.(i) Missing Permits not Aailed for Audits – K255,000; a. (ii) Reversals of Credited Cheque – K104,000; a. (iii) Unaccounted for Revenue – K103,550; b. (i) Failure to record Permits in the Register of Accountable Documents; b. (ii) Unaccounted for Revenue – Permits and VISAs – K24,000 (US\$9,620);b. (iii) Unaccounted for Revenue – Mongu Regional*

*Immigration Office K24,000; c. (i) Application Sharing Case Numbers on the System; c. (ii) Lack of Awareness of Information Security Policy.*

***Ministry of Home Affairs***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 20 a. Use of Unsupported Servers – Windows Server 2003; b. Use of Unsupported Operating System – Windows XP; c. (i) Duplicate Transaction; c. (ii) Under Collection of Revenue – K152,750; c. (iii) Passports Issued without Payments –K912,880; d. Failure to Maintain a General Cashbook – Head Office.*

***Ministry of Home Affairs***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 26 a. Unaccounted for Stores – K155,358; b. Failure to Update an Asset Register – K571,892; c. Rehabilitation of the Commissioner for Refugees Houses in Makeni – K30,130.*

*Paragraph 27 a. Failure to Deduct and Remit PAYE to ZRA – K14,583; b. Weaknesses in the Management of Infrastructure Projects.*

***Ministry of Home Affairs***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 24 a, Unaccounted for Stores – K546, 187; b. Supply and Delivery of an Automated Fingerprint Identification System Machine (AFIS)*

***Prison and Reformatories***

*Paragraph 19 (19) i. Western Region, construction of two low cost houses at Kalabo State Prison*

***Ministry of Justice***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012.***

*Paragraph 35 (35) i.v. Un-reconciled Payments voluntary Separatees Association (VSA)- K472,843,648,093*

**Ministry of Justice**

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.**

Paragraph 31 (31) a. Misapplication of Funds K750,929; b. Delays in Settling Compensation and Award; c. Judgement Entered in Default K1,674,752; d. Loss of Public Funds Through Negligence by Public Workers K2,606, 049

**Ministry of Justice**

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016**

Paragraph 36. Irregular Use of Imprest to Procure Goods and Services – K105,713; Delays in Settling Compensation and Awards – K1,759,083,266; Judgement Entered in Default – K949,766; Failure to Recover Funds from Negligent Public Officers- K2,949,931;. Unsupported Payments – Funds Remitted to Law Firms – K10,554,178; Payments for incurred by Other Institutions K88,333,910.

**Judiciary**

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.**

Paragraph 10 (10) a. variances between revenue returns and receipted revenue K485,986; b. Unaccounted for Revenue K7,338; c. Delayed Banking of Revenue K568,937; d. Missing Receipt Page – Choma Subordinate Court; e. Lack of Safe – Monze Urban Local Court

**Judiciary**

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016**

Paragraph 17 a. Failure to Reconcile Accounts – K528,994; b. Unaccounted for Revenue K368,307; c. Use of Revenue without Treasury Authority K8,404; d. Long Outstanding Uncredited Lodgement/Dishonoured Cheque- K141,945 (Ndola High Court –K119,900 and Kabwe High Court –K9,555).

**Luapula Province**

Paragraph 17 (i) Unbanked Revenue – K12,972; (ii) Missing accountable documents at Kawambwa Local Court.

### ***Muchinga Province***

*Paragraph 17 (i) Kasoka Local Court – K2,241; (ii) Unaccounted for Revenue K2,546*

### ***Southern Province***

*Paragraph 17 (i) Monze Magistrate Court – K728; (iii) Failure to Maintain a Register of Accountable Documents; (iv) Lack of Safe Facilities (iii) Failure to Maintain a Record of Cause Lists – Ndola Main and Nchelenge Local Courts.*

### ***Ministry of Lands***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 13(13) Weaknesses in the Management of ZILMIS Database a. i Missing Land Size/Area; b. Failure to Upload Receipts K235,684; f. Unaccounted for Revenue for K7,940; i. Dishonoured Cheques – ZEMA Headquarters K896,993*

### ***Ministry of Lands and Natural Resources***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 18 a. Failure to Collect Ground Rent – K513,895,457; b. Undercharges on Timber Export Permits – K76,659.*

### ***Ministry of Mines and Minerals Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 19 a. Expired Mining Licenses – K315,000; b. Failure to Collect Outstanding Area Charges for Mineral Right Holders – K11,102,566.*

### ***Ministry of Lands, Natural Resources and Environmental Protection***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 55 a. Failure to Deduct Tax K77, 717.80; b. Failure to Reimburse Borrowed Funds – K267, 453; c. Theft of two Motor Vehicles (Toyota Land Cruiser).*

***Ministry of Energy and Water Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 43 a. Misapplication of Funds – K112, 898; b. Procurement of a Technical RIG, Compactor and Trucks.*

***Ministry of Energy***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 15 a. Failure to Collect Outstanding ERB Fees – 109,654,366; b. Failure to Reconcile the OMCs Sales and ERB Licence.*

***Ministry of Defence***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2011.***

***HQ (Medical Services)***

*Paragraph 48 (47) d. Construction of Housing Units for Defence, I. Non – Adherence to Contract Terms and Conditions; (ii). Rehabilitation of Bon Accord Building for Zambia Army in Livingstone*

***Zambia National Service***

*Paragraph 50 (49) c. Renovation of Deputy Commandant’s Residence – Outstanding works and defects, i. Non- Adherence to Agreed Specifications, ii. Physical Inspection*

***Ministry of Defence***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 53 (53) f. Outstanding Arrears; g. Drilling and installation of Boreholes – Zambia Army Operation area; h. Procurement of Subdivision Farm 688 (Lusaka West) – Failure to transfer Title*

*Paragraph 54 (54) a. Irregular Drawing of Salary; c. Unaccounted for Funds – Renovation of Officers Quarters- ZNS Luanshimba*

***Ministry of Defence***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2015.***

*Paragraph 43(43) a. Failure to Align the Procurement Plan to the Budget K98,221,548; b. Failure to utilise funds K252,548; c. Outstanding Arrears K3,27,253,334;(d). Supply and Delivery of Specialised Waterman Ship Equipment, Military Uniforms and General-Purpose Shelter Tents, I. Delayed Delivery of Materials*

*Paragraph 44 (44) a. Supply and Delivery of Mobile Kitchen Trailers, Field Ablutions and Various Containers; b. Supply and Delivery of Mobile Kitchen Trailers, Field Ablutions and Various Containers; c. Supply and Delivery of Ultrasound and X-Ray Machine; d. Supply and Delivery of Various Radio Communication Equipment*

***Ministry of Defence***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 48 a. Irregular use of imprest to procure goods and services – K305,279; b. Failure to Complete Construction of Water Tank Stand and Pump House at Zambia Air Force Lusaka – K1, 678,606; c. Failure to settle outstanding bills: (i) Accumulated Debt – K3,270,160,952; (ii) Expenditure Details – K130, 000; d. Mupepetwe Engineering and Contracting Company (MECCO) (i) Poor Management of Debts; Outstanding Trade Receivables – K288, 601; Outstanding Payables – K13, 883,590.*

***Ministry of Defence – Zambia Army***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 49 a. Lack of Title Deeds; b. Irregularities in the Management of Rented Houses; c. Outstanding Bills – K297, 022,689; d. Failure to Settle Insurance Premiums and Outstanding Debt – K18, 881,438;*

***Ministry of Defence – Zambia National Service***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 50 a. Rural Roads Unit (i) Failure to transfer Payroll – K20, 459,693; (ii) Failure to Report for Duty; (iii) Failure by Provincial Administration to Hand over Motor Vehicles; (iv) Failure to Avail Records for Spare Parts.*

***Ministry of Defence – Zambia Air Force***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 51 a. Weaknesses in Maintenance of Cash Books; b. Unretired Accountable Imprest – K1, 695,292; c. Irregular Use of Imprest to Procure Goods and Services – K1, 128,984; d. Outstanding Debt for goods and Services – K15, 043,085; e. Unsupported Payments – K1, 446,601; f. Unaccounted for Stores – K1, 559,231; g. Failure to procure Expenditure Returns – K240, 993.*

***Ministry of Lands and Water Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012***

*Paragraph 46 (46) c. Failure to Collect Materials K1,745,179,459; c. failure to collect materials K1,745,179,459; e. (i). Misapplication of Funds Customary Land Identification and Acquisition K1,680,217.478; e. (ii) Misapplication of funds customary land identification and acquisition K1,680,217,478*

***Ministry of Lands***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2014.***

*Paragraph 14 (14) a. Unaccounted Revenue- ZILMIS (Lands Survey Collections); d. Manipulated Receipts; e. Failure to Collect Grounds Rent; j (ii) Revenue Generated from Survey Departments. Use of Revenue without Treasury Authority;*

*Paragraph 60 (60) a. Unvouched Expenditure K94,072; b. Failure to Reimburse Funds K223,898*

***Ministry of Youth, Sport and Child Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012***

*Paragraph 36(36) e.i. Youth Development Fund (YDF) irregular Disbursement of Loans*

***Ministry of Youth, Sport and Child Development***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 47 a. Failure to Distribute Sports Items; b. Failure to Avail Details of Recoveries for the Youth Development Fund Loans; c. Procurement of Higer Buses for Youth Empowerment: (i) Facilitating acquisition of land for setting up garages had not been done as of May, 2017; d.*

*Failure to Avail Details for Empowerment Scheme for Youth Street Vendors; e. Youth Development Fund (YDF): (i) Northern Province – Kasama – Poor Record Keeping – K1,262,620; Non-Repayment of Loans – K472,656; Non monitoring and evaluation of funded projects; (ii) Muchinga Province – Mpika District: Non repayment of loans – K76,350; (iii) Eastern Province – Chipata District and Lundazi – Non Repayment of Loans – K266,875.*

***Ministry of Local Government and Housing***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2010***

*Paragraph 31 (31) b. Unaccounted for funds – HQs Details Chadiza K7,321,000; c. Stores Items without Receipts and Disposal Details Chadiza K385, 038,754; c. ii. Central Province –Kabwe Municipal Council, Non-Delivery of Motor Vehicles K55,107,000.*

***Ministry of Local Government and Housing***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2011***

*Paragraph 38(37) e. Failure to Submit Expenditure Returns – K70,000,000; g. Weaknesses in the Management of Revolving Fund Account.*

***Ministry of Local Government and Housing***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

*Paragraph 31(31) i.iii. Decentralisation Secretariat, Disbursements to the District Councils, Chadiza District Council – Failure to Provide Accounting Records; Questionable Payment of Allowances*

***Ministry of Transport Works and Supply and Communication***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 46 (45) d. Upgrading of Kasaba Bay Run Way; e. District Aerodromes K3,939,432,900, Provincial Administration Western Province, Shangombo, Lack of Receipt and Disposal Details for fuel, Senanga District, Unretired Imprest Sesheke District, and Kalabo District.*

***Ministry of Transport and Communication***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 42 a. Third Party Funds – Tanzania Zambia Railways Authority (TAZARA) – Failure to avail Expenditure Returns – K27,3522,965; b. Questionable claims and payments – Kasaba bay runway. (i) Interest Charges Claimed; (ii) Opportunity Cost for a Crusher – K82,684,800; c. Failure to deliver Dredgers and Excavators – MCD Civil and Mechanical Engineering; d. Failure to deliver Passenger Vessels – Multi-Industry Limited; e. Failure to Utilise Delivered Dredgers; f. Construction and Rehabilitation of Airports- Construction of Kasama Airport Aerodrome.*

***Ministry of Agriculture and Cooperatives***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2010***

*Paragraph 40 (50) a. Construction and Rehabilitation of Disease Free Zone infrastructure i. Renovation of Central Veterinary Research Institute (CVRI) (a) Nelkan Industrial*

*Construction, i.v. Construction of Office Block and 2x3 Bed Roomed Houses at Luangwa Bridge – Lot 7; v. Renovation of a House and Construction of an Office Block at Nkalamabwe – Lot 9;) Renovation of Four Houses at Nkalamabwe Site – Lot 10;*

*Paragraph 50 (51) a. Stores – No. Receipt and Disposal Details – K555,441,356) ( No.*

*Disposal details – K1,028,074,881); b. Unretired imprest K1,281,928,738;*

*Paragraph 9 (9) c. Unaccounted for Revenue – K62,859,000- Manda Hill Police Post; a. Receipt Books not presented for Audit; c. Refer to Drawer Cheques – K7,279,994*

*Paragraph 14 (14) j. Incomplete Contractual Works, i. Mongu Records, ii. Kazungula Boarder Post.*

***Ministry of Agriculture***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 54 (54) a. Misplacement of Officers on the Payroll K5,987,513; b. Irregular Payment of Acting Allowance K1,756,266; c. Irregular Payment of Salaries to Separated Staff K385,627; d.(i) Allowances Paid to Ineligible Officers K682,094; d. (ii) Payment of Remote instead of Rural Hardship Allowances K109,018; d. (iii) Overpayment of Rural Hardship Allowance K14,660; e. Irregular Payment of Housing Allowances: e. (i) Allowances Paid to Ineligible Officers K320,832;*

*e. (ii) Overpayment of Housing Allowance Muchinga; f. (i) Payment of Salaries to Officers absent from work without Official Leave K238,851; f. (ii) Failure to effect Half pay , Southern Province PACO K220,587; f. (iii) Payment of Salaries Resigned Senanga District Agricultural Coordinator K27,300; f. (iv) . Questionable Payment of Salary Arrears – National Agriculture Research and Development Centre (NARDC) – Kitwe K14,066; g. Introduction to Payroll without Authority K467,113; h. Failure to recover Salary Advances – Lusaka PACO K6,400*

### **Ministry of Agriculture and Co-operatives**

#### **Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2011**

*Paragraph 14 (13) a. Unaccounted for Revenue, Zambia Agriculture Research Institute K147,417,300*

### **Ministry of Agriculture**

#### **Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2011**

*Paragraph 55 (55) a. Missing Payment Vouchers K116,941; b. Unsupported Payments K478,925; c. Misapplication of Funds – Southern Province K281,036; d. Irregular Refunds – Chinsali District Agricultural Coordinator K51,868; e. (i) Irregularities in the payment of Allowances K86,197; e. (ii) Out of Pocket Allowance – Western Province K5,416; e.(iii) Meal Allowance; f. Irregularities in the payment of imprest; f (i) Unretired Accountable Imprest K163,463; f. (ii) Retirement of Imprest; f (iii) Failure to Produce Activity or Monitoring Reports K208,611; f.(iv) Irregular use of Accountable imprest K41,626; g. Management of Stores; g (i) Unaccounted for Stores K1,203,585; g.(ii) Failure inscribe Government Assets K465,503; g.(iii) Failure to insure Assets; h. Failure to Remit Pay As You Earn Tax K87,753; i. Failure to Sign Payment Vouchers – Chipata Provincial Agricultural Coordinator; j. Failure to Report A Road Traffic Accident – Ndola PACO; k. Irregular Payment of Wages – Chapula Zambia Horticulture Training Centre Kalulushi; l. Questionable Drawing of Fuel; m. Irregular Management of Infrastructure, Senanga, Livingstone, Mansa, Samfya, Masaba, Katebe and Chongwe.*

### **Eastern Province**

*Paragraph 56(56) a.(i) Chilombwe Dam- Chipata; a.(ii) Kalichelo and Chiparamba Dip Tanks Incomplete Works and Works contrary to the project Bill of Quantities and Project Manager's Instruction; a. (iii) Mshoka Dip Tank – Katete; a. (iv) Kagoro Dip tank – Katete; a. (v) Joel Dip*

*Tank – Katete; a. (vii) Construction of Nyamphande Dip Tank and Rehabilitation of North Nyamphande Dip Tank Rehabilitation of North Nyamphande Dip Tank – K39,569; a. (vii) Nsenya Dam, Petauke.*

### ***Southern Province***

*Paragraph 56 (56) b.i. Nega Nega Dip Tank – Mazabuka; b. (vii) Construction of an Office Block Sinazongwe; b. (viii) Construction of Two Low Cost Houses- Sinazongwe; b.(ix) Construction of One (1) Medium Cost House – Sinazongwe;*

### ***Copper belt***

*Paragraph 56 (56) c. Copperbelt – Rehabilitation of the Exhibition Stand at the Show Grounds*

### ***Ministry of Agriculture***

#### ***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 15 (15) d. Missing Accountable Documents*

*Paragraph 66 (66) iii. Kalungwishi State Ranch –Mporokoso DACO, Unaccounted for Animals; jii.i. Infrastructure Development, construction of Nsenga Earth Dam, Petauke District; jii.ii Southern Province, Construction of an Office Block at Kanchindu State Ranch; jii.ii. Construction of a Medium Cost House at Kachindu Ranch; jii.iii. Livingstone, Construction of an Office Block at livingstone DACo; jii.ii. Lusaka Province, Chongwe, Construction of Milk Shed at Kanakantapa; jii.ii. Rufunsa, Construction of Rufunsa Livestock Breeding Centre; jii.ii. Sibuyunji, Construction of DIP tank at Chintanga and Rehabilitation of a Dip Tank at Martin Luther King, Construction of Dip Tank at Chingtanga; jii.ii. Dip Tank at Martin Luther king; jii.ii, Construction Milk Collection Centre; jii.ii. Rehabilitation of Administration Block at Kaunga Farmers Training Centre; jii.ii . Muchinga, Chama Construction of Chama dip tank at Chama central Camp; jii.ii. Eastern, Chadiza, Rehabilitation of Khulika and Chilenga Dip Tank; jii.ii. Mlolo Dip Tank; jii.iii, Construction of Kapiri Mhhika Dip Tank; jii.ii Lundazi, Rehabilitation of four (4) dip tanks at Kamphanda Kathimba, Kamtomo and Kamamphina; jii.ii. Rehabilitation of Kamuzoole, Emusa, Mtwalo and Chiungwe Dip Tanks; jii.ii. Vubwi, Construction of an Office Block at Vubwi DACO; jii.ii. Katete, Rehabilitation of Mshoka Dip Tank/Storeroom and Sinking of Borehole; jii.ii. Rehabilitation of Kagoro Dip Tank; jii.ii. Luapula, Samfya, Construction of a Dip Tank at*

*Chitundwa Camp; jjj.ii. Copper belt , Mufulira; jjj.iii. Kasaka Fisheries Training Institute- Kafue, Failure to adhere to Procurement Guidelines.*

*Paragraph 67 (67) b. Drawing of Salaries on Wrong Salary Scales; b. irregular Payment of Rural and Remote Hardship Allowances; d. Irregular Payment of Housing Allowances*

*Paragraph 68 (68) a. Failure to undertake Paid for Activities; x.v. Missing ATDs Deposit Slips and ATCs; f.vii. Weaknesses in internal Controls, Irregular Payments of Sitting Allowances*

*Paragraph 14(14) a. Permits not Supported with Deposit Slips 2,509 permits at K87,815; b. Delayed Banking of Revenue K9,183; c. Missing Accountable Documents 117 imports and Export at K204,750*

### ***Ministry of Agriculture***

#### ***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 57 (57) a.i Failure to recover funds for Fertiliser not supplied – Nyiombo K9,696,240; a.ii. Irregularities in the supply of seed K29,371,644 and Unsupported Invoices K258,500; b.i Failure to Collect Revenue – farmer input Support Programme Ring Fence Accounts; b. ii. Failure to Avail Bank Statements – Lusaka K138,990; c. ii. Late Delivery of Inputs; c. ii. Late Distribution of Inputs to Farmers; c. iii. Expired Inputs; c. iv. Unacquainted for Farming inputs K417,30; c.v. Stolen Farm inputs – Mpulungu K35,190; c.vi. Issuance of Inputs to Unqualified farmers K584,930; c.vi. Undelivered Farming Inputs K584,450; c. viii. Inputs paid for but not delivered K460,630; c. ix. Excess Delivery of inputs K1,718,090; c. x. Unaccounted for input K224,940 ; c. xi. Unsupported Collection of Inputs K2,571,630; c. xii. Questionable Acquittals of Inputs – Rufunsa K10,800; c. xiii. Excess Issuance of Inputs – Luampa; d. xiv. Loss of Fertilizer in Transit – Manyinga K22,950; d. i Failure to provide Bank Statements; d. iii. Failure to Load E. Voucher Cards, (Choma, Pemba, Kalomo, Mazabuka, Chikankanta, Chongwe, Ndola, Monze); d.vi. Beneficiaries with E.Voucher Cards Berring same Numbers; d. v. Failure to Distribute E.Voucher Cards- Kalomo; d.vi. Unqualified Farmer Groups/Co-operatives; d. vii. Issuance of Unapproved Items by Agro Dealers – Monze K37,909; d. viii. Irregular Drawing of Cash from an ATM using E. Voucher Cards K19,590; d. ix. Issuance of Cards to ineligible Farmers- Monze; e. i. Missing Payment Vouchers; d. ii. Misapplication of Funds K180,387; d. iii. Unsupported Payments Headquarters K1,174,251; d.vi. Unretired Accountable imprest K166,918; d. v. Failure to provide breakdowns of inputs procured from agro dealers K109,718,700*

## **Ministry of Agriculture**

### **Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2016**

Paragraph 62 a. Camp House at Kafubu Block – Ndola District – K35.491; (i) Construction of Farmers Shelters and VIP Toilets – Luanshya District – K83. 579; a. (ii) Rehabilitation of a Camp House at Mukolwe – Masaiti District – K62, 884; a. (iii) Construction of a Camp House at the Boma – Lufwanyama District – K66, 826; a (iv) Rehabilitation of a Dormitory at Mibenge Farmers Training Centre – K13, 297; (v) Completion of Executive Dormitory at the Farmers Training Centre – Luwingu District – K14, 600; a. (iv) Construction of an Office Block – Rufunsa – K131.169; b. Unsupported Claims – Contracts Awarded for the Supply of Seed –K204.071.651; c. Unaccounted for Funds – Luangwa District – K74, 250; d. Weakness in the management of inputs: (i) Late Distribution of Inputs to Farmers; d. (ii) Unacquitted for Farming Inputs – K50, 800; d. (iii) Issuance of inputs to Unqualified Farmers – Shiwangandu DACO- K42.000; d. (iv) Failure to Distribute Inputs – K422.270; d. ( v) Failure to Replace Damaged inputs – K179.270; e Electronic Voucher – FISP Programme: (i) Failure to Provide Bank Statements – K803, 706,000; e. (ii) Un-reconciled Revenue – K55, 001,600; e. (iii) Deposits Not Reflecting on Bank Statements – K1, 798,400; e. (iv) Irregular Deposits – Monze; e. (v) Failure to Load E-Voucher Cards – K89.166.000; e. (vi) Beneficiaries wit E-Voucher Cards Bearing same Numbers K552, 300; e. (vii) Drawing of Cash from ATM using E-Voucher Cards – Mungwi District- K4, 420; e. (x) Failure to Replace Cards – K1, 121,400; e. ( xi) Retention of E-Vouchers Cards by Agro – Dealers

Paragraph 64 a. Misplacement of Payroll area – K41, 524,367; b. Employees on Wrong Salary – K162, 139; c. Irregular Payment of Housing Allowance and Salary Arrears – Central Province – K37, 807

## **Ministry of Livestock and Fisheries Development**

### **Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2010**

Paragraph 53 (53) a. Payment of Rural and Remote Hardship Allowance to Ineligible Officers K708,799; b. Failure to submit monthly Expenditure Returns to the Ministry Headquarters K4,420,757; c. Inadequately Supported Payments K1,460,188; d. Unretired Accountable Imprest K933,411; e. Unaccounted for Stores K1,028,845; f. Misapplication of Funds K62,380; g. Delays in Settling Outstanding Bills K2,609,980 (US\$388,769.41);

***Ministry of Livestock and Fisheries Development***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 53 (52) b. Unretired imprest K299,425,500; c. Non-recovery of Loans and Advances K847,000,000; d. Unaccountable for fuel K1,394,100,000; f. Chilanga Department of Fisheries,( i) Non –recovery of Loans and Advances K155,000,00; f ( ii) Failure to utilise boats*

***Office of the President, Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2009.***

*Paragraph 66 (64) a. Construction of Health Posts; g. Completion of Construction of a Clinic, (i). Failure to prepare Bill of Quantities – K169,744,898; (ii) Unverified Building Materials K91,375,898; (iii) Physical Inspection of the Project.*

***Office of the President- Western Province***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2011***

*Paragraph 80 (79) c. Weaknesses in the Management of PRP Projects, i. Kalabo – Kalongola Road (D319)*

***Office of the President- Western Province***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012***

*Paragraph 66(66) a. Rehabilitation of Training Centre at Namushakende; b. Un-Completed Works – Construction of Limulunga – Ushaa Road*

***Office of the President- Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

*Paragraph 57 (56) b. Unretired Imprest K78,822,560; c. Unaccounted for fuel –K81,165, 611*

*Paragraph 58 (57) c. Unretired impres K47,703,500; d. Questionable Retirement Imprest i. Mongu District livestock and Fisheries Office – K1,393,700; e. Unaccounted for Fuel and Store – K290,664,214*

*Paragraph 75 (75) d. Installation of Street lights Along Airport Road in Kalabo; i. Construction of Office Block – Shangombo DC*

*Paragraph 76(76) a. Failure to Implement Funded Projects; c. Construction of Liulunga – Ushaa Road; d.ii. Construction of Culverts on Kalabo Mapungu Road, Project Status.*

***Office of the President- Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 84 (84) i. Overpayment of Fuel Imprest; i. Rehabilitation of Mulobezi Dam – Department of Water Affairs; b. Failure to implement funded project; c. Drilling of Boreholes in Kalumwange Resettlement Scheme*

***Office of the President- Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 73(73) a. Unsupported payment vouchers 7,440; b. Management of imprest i. Unretired Accountable Imprest K107,501; b.ii. Over Payment of fuel Imprest; b.iii Over Payment of Subsistence Allowance K4,500; b. iv. Questionable Retirement of Imprest; b.v. Use of Accountable Imprest to procure Goods and Services; c. Irregular Payments, i. Payments of Subsistence Allowance- Limulunga District Administration K2,840; d. Payment of Over time Allowances Outside Payroll K22,306; e. Questionable Payments I, Purchase of Meals for Registry Officers at PSMD K8,225; e.ii. Payment of Refund – Mongu District Commissioner K2,685; e.iii. Payment of Refund – Nalolo District Administration K3,580 ; f. Irregular Payment of Water Bills K27,955; h. Management of Guest Houses i. Failure to Collect Revenue from Government Officers – Senanga Guest House K56,600;) h.ii Unaccounted for Revenue - Senanga Guest House K1,745; h.iii. Delayed Banking – Senanga Guest House. K46,770*

*Paragraph 74 (74) a. Delays in Deleting Officers from the Payroll i. Separated Officers K180,308; a. ii. Officers transferred out of the Province K957,012; a.iii. Officer Retired from the Civil Service (Still Drawing a Salary) K327,896; b. Payment of Salaries to Employees not on their Duty Station K1,719,641; c. Irregular Payment of Rural Hardship Allowances K11,920; d. Irregular Payment of Housing Allowances K120,474; e. Irregular Payment of Double Class Allowance K3,500; f. Irregular Payment of Responsibility Allowance K1,400; g. Irregularities in the Appointment of Former Sesheke District Commissioner K122,440; h. Questionable introductions on the Payroll K478,179; i. Irregular Payment of Salary to an Employee K222,882; j. Revolving Account i. Failure to recover Salary and Tuition Advances*

*K98,734; j.ii. Salary Advances paid to Officers with Net Pay less than 40 Percent of Basic Pay;*

*Paragraph 75 (75) a. Misapplication of Funds K163,362; b. Unretired Accountable Imprest K57,451; c. Irregular payment, i. Subsistence Allowances K1,220; c.ii. Payment of Overtime Allowances K3,331; d. Questionable Payment of Accountable imprest for Sensitisation on Salary Advances K41,865; e. Questionable Payment for Repair of Damaged Vehicle GRZ 536 CL K28,850; f. Unaccounted for Stores K18,622; g. Questionable Payment of Imprest K6,863; h. Survey of 1,500 Plots in Sikongo District; i. Construction of Chiefs' Palaces – Ministry of Chiefs and Traditional Affairs; i. Construction of the Chief's Palace at Namayuka Lukulu District*

*Paragraph 76 (76) a. Misapplication of Funds K689,458; b. Unretired Accountable Imprest K69,156; c. Questionable Payment and Retirement of Imprest K20,144; d. Construction of a Crossing Point at Lunyati Dam, i. Undelivered Building Materials, fifty pockets of Cement K4,500; d. ii Stalled Works; e. Construction and Rehabilitation of Boreholes – Water Affairs; f. Rehabilitation of the Assistant Secretary's Residence; g. Rehabilitation of the Deputy Permanent Secretary's Residence*

***Office of the President – Western Province (PRP)***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016***

*Paragraph 78 a. (i) Misapplication of Funds – K241,400; (ii) Misapplication of K200,000.*

*Paragraph 79 a. Failure to Deduct PAYE – K39,815; b. Irregular Payment of Salaries to District Commissioner – K208,148; c. Irregular Payment of Heath Shift Allowance – K2,257.*

*Paragraph 80 a. Unsupported Payments – K97,622; b. Unretired Accountable Imprest – K62,151; c. Failure to Produce Activity Reports – K9,750; d. Irregular Use of Imprest – K90,682; e. Failure to obtain Authority for paid Study Leave – K18,800; f. Misapplication of Funds – Top Uo on Procurement of Motor Vehicles – K81,549; g. Unaccounted for Stores – K222,955; h. Questionable Claim for Fuel – Lukulu DC – K6,124; i. Failure to inscribe Government Assets – K11,700; j. Failure to Remit Tax – K43,030.*

***Office of the President – Northern Province***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012***

*Paragraph 60 (60) e.ii. Construction of Rice Dehuller Shelter at Chiwenge; e.iii. Completion of Police Post at Matipa in Chilubi District; a. Contract for Drilling of Borehole and Irregular payment*

*Paragraph 74 (74) a.i. Irregular payments, irregular Award of Tender; a.ii. Undelivered items; g. Irregular payment on the provision of Security Services; a. Resettlement Department, Failure to implement projects, Storage Shed – Janyauki Resettlement Scheme; b. Rehabilitation and Maintenance of Solwezi Sports Complex; c.i Magrade Extension Road Works paid for but not done; c.ii. Delayed Completion; d. Solwezi College Road; d. Questionable payments; e. failure to follow tender procedures; b.i. Implementation of Road chikonkwelo- Kayombo Road Kabompo District Incomplete works*

***Office of the President – Northern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

*Paragraph 56 (55) a. Unremitted funds K337,987,650*

*Paragraph 71 (71) Irregular Award of Contracts*

*Paragraph 72 (72) a. i. Rehabilitation of Feeder Roads – Luwingu District, Irregular payments to the Contractor; a.ii Failure to Enforce Performance Security Bond*

***Office of the President – Northern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 80 (80) a. Rehabilitation of Feeder Roads – Mipita Lundu Road;*

*Paragraph 82, (82) a. Failure to Deliver a Generator; b. Fish cages – Livestock and Fisheries Development*

***Office of the President – Northern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 69 (69) a. Failure to correct errors on the Banks Statements K35,862; b. (5) Missing payment vouchers K39,166; c. Unretired Accountable Imprest K95,269; d. Failure to Insure Assets; e. Failure to Report Accident – GRZ 883 CH*

*Paragraph 70 (70) a. Irregular payment of Salaries K1,887,930; b. Misplacement of Payroll Area K430,416; c. Irregular payment of Rural and Remote Hardship Allowance K195,315; d. Failure to recover Tuition and Salary Advances K63,924; e. Issuance of Concurrent Salary Advances K145,060*

*Paragraph 71 (71) a. Failure to Correct Errors on the Bank Statement K12,972; b. Unaccounted for Fuel K129,096*

*Paragraph 72 (72) a. Misapplication of Funds – Construction of Mbala Youth Skills Training Centre K26,097; b. Failure to insure Building – Mwela Rocks Cultural Village K293,40; c. Construction of Mpulungu Youth Training Workshop Block –Mpulungu District K35,000; d. Failure to Reimburse Borrowed Funds K540,497*

***Office of the President – Northern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 74 a. Bank Reconciliation – K8,450; b. Questionable Payment of Imprest – K10,613.*

*Paragraph 75 a. Unaccounted for Stores – K105,885; b. Failure to insure Motor Vehicles – K522,000.*

*Paragraph 76 a. Unaccounted for Stores and Fuel – K24,767; b. Wasteful Expenditure – Construction of Chiefs' Palaces – K51,000 and K8,130.*

*Paragraph 77 b. Irregular payment of Rural and Remote hardship Allowance – K704,072 and K254,644.*

***Office of the President – Muchinga Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

*Paragraph 58 (58) a. Failure to recover Funds – Contract for installation of Water tank; b. Rehabilitation of Five (5) Offices at the Marketing Department under*

***Ministry of Agriculture and Livestock in Chinsali***

*Paragraph 58 (58) c. Construction of an Office Block for Shiwangandu District Administration; d. Construction of a House for the District Commissioner Shiwangandu; e. Construction of ten (10) Medium Cost Houses in Mafinga; h. Drilling of five (5) Boreholes in Shiwangandu and Mafinga; i. Rehabilitation of a House for a District Commissioner in Mpika; j. Construction of Curvets at Icheshi – Chinsali; k. Construction of Nchenga – Upukwe Bridge – Nakonde*

***Office of the President – Muchinga Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 61 (61) g. Construction of a Police Post at Ntantumbila – Nakonde District Administration; b. Construction and Rehabilitation of Feeder Road; c. Drilling of Boreholes in Kaozi Resettlement Scheme; a. Construction of a Cultural Village – Failure to Sink a Borehole*

*Paragraph 64 (64 b. Access Roads Development Project; c. Construction of Permanent Wells*

***Office of the President – Muchinga Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 49 (49) a. Construction of a Six Storey Office Block for the Provincial*

*Administration Chinsali K33,468,792; b. Construction of a four Storey Office Block for Provincial Administration in Chinsali K16563,290; c. Construction of Thirty Medium Cost Houses in Chinsali K10,774,303; d. Construction of a Two Storey Office Block for Office of the President, (Special Division) K10,333,170; e. Construction of Twenty Low Cost Houses, Ten Medium Cost Houses and Ten High Cost Houses K24,693,704; f. Construction of One (1) Minister’s House and One (1) Permanent Secretary’s House in Chinsali; g. Construction of Three (3) Storey Civic Centre for Chinsali Municipal Council K18,089,434; h. Construction of a Post Office Block in Shiwangandu K852,648; i. Construction of an Office Block for Shiwanganu District Administration K7,542,636; j. Construction of Ten (10) Medium Cost Houses in Shiwangandu*

*District K5,029,633 ; k. Construction of a Post Office Block in Mafinga K2,490,825; l. Construction of Ten (10) Medium Cost Houses in Mafinga District K6,335,839; p. Failure to Renew performance Security Bonds K11,102,614; q. Use of Incorrect Rates in the Payment of Subsistence Allowances K24,820; r. Inadequately Supported payments K2,683*

*Paragraph 50 (50) a. Misapplication of Funds K111,323; b. (6) Missing Payment vouchers K13,025; c. Inadequately Supported Payments 6,350; d. Unretire Accountable Imprest Shiwangandu District Administration K2,975; e. Unaccounted for Stores K6,860; f. Weaknesses in Management of Fuel i. Unaccounted for Fuel K84,322; f. (ii) Fuel not recorded in the log Books – Chinsali District Administration; f.iii. Irregular Drawing of Fuel – Chinsali District Administration*

*Paragraph 51 (51) a. Inadequately Supported payments k24,330; b.i. Irregular Drawing of Fuel K3,005; b ii. Unaccounted for Fuel K42,443; biii. Irregular Drawing of Fuel K17,508; c. Irregular payment of Subsistence Allowances K5,490; d. Use of incorrect rated in the payment of subsistence Allowances K3,150; e . Irregular use of Accountable imprest to procure Goods K20,140; f. Failure to produce an Activity Report K29,023;h. Failure to Remit tax to ZRA K54,302; i. Over Expenditure on Other Emoluments K232,718; j. (2) Missing Payment Vouchers K44,808; k. Failure to Recover Salary Advances K10,000;*

*Paragraph 52 (52) a. Excess Employees K6,219,881; b. Employees on the Payroll for the Provincial Administration but not working in Muchinga Province K66,591; c. Rural Hardship Allowance Paid to Ineligible Employees K291,956; d. Irregular Payment of fuel Allowance K22,958; e. Salary Overpayment due to Employees being on Wrong Salary Scales*

*Paragraph 52 (52) f. Irregular Payment of Housing Allowances K9,183*

#### ***Office of the President – Muchinga Province***

#### ***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 59 a. Irregular Payments for Accommodation – Mafinga DC- K5, 000*

*Paragraph 60 a. Iregular Payment of Refund – K28.330; b. Failure to Insure Government Assets; c. Failure to Recover Costs of Damaged Vehicles.*

*Paragraph 61 a. Irregular Payment of Subsistence Allowance – K1, 200;b. Unretired Accountable Imprest – K28.231; c. Irregular Payment of Allowances – K19.633; d. Overpayment of Training Allowance – K11.205.*

***Office of the President – Lusaka Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

*Paragraph 64 (64) b.ii. Construction of Community Hall – Shibuyunji District, Unaccounted for Building Materials*

*Paragraph 65 (65) f. D177 Kalubwe Road, D482 (Ngombe Ilede and Imbwe Munyama Roads); f. Mutimbisha Road 8.6 Km, Chishiko Kabeleka Road – 5.5 Km; f. Nchute Lukoshi Road 4.3 Km, Mpango Road 7.8 Km; f. Water falls Road, Luangwa – Other Roads; f. D168 Kacheta Road, Chilanga District, Kabanana/C hisakila Road –Kafue District.*

***Office of the President – Lusaka Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 70 (70) a. Unsupported Payments; d. Unaccounted for Stores Items and Fuel; e. Fuel drawn unauthorised Motor Vehicles;*

*Paragraph 71 (71) a. i Rehabilitation of Feeder Roads, Grading Spot Gravelling and Culvert*

*Installation – 22 km Other Roads Luangwa ( Chilombwe Road); a.xii Gravelling and Culvert Installation – 25 Km Nampundwe Mine Road and 24 Km Situmbeko Chimbotela Road, Nampundwe Mine Road, 24 Km Situmbeko Chimbotela Road*

*Paragraph 72 (72) c.ii. Questionable payments fo certificates for abandoned works on*

*Rehabilitation of Dams, Rehabilitation on the Zemba Dam*

***Office of the President Lusaka Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 58 (58) a. Unsupported payments K337,362; b. Weaknesses in the management of imprest i. Unretired Accountable imprest K118,870 ; b.ii Irregular use of Accountable imprest K156,175; b.iii. Unaccounted for Stores; b.iv. Fuel Drawing not entered in Log Books K33,203;*

*c. Failure to value and insure an Office Block – Lusaka Provincial Administration; d. Unsupported payments K489,789.*

*Paragraph 59 (59) a. Failure to Produce Activity Reports K206,753; b. Failure to Reimburse Funds; c. Unaccounted for Buildings Materials – Construction of Chieftainess Nkomeshya's Palace K128,148*

*Paragraph 60(60) a. Payroll Irregularity Officer on Secondment but still drawing salary K67,695*

*Paragraph 61(61) a. Construction of Funzwe Damin Kafue District K3,883,408*

***Office of the President – Lusaka Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 65 a. Unretired Accountable Imprest – K13, 000; b. Irregular Use of Accountable Imprest to Procure Goods and Services –K75.293; c. Disbursement of Loans from the Revolving Fund Account; d. Failure to Recover Loans and Advances – K93, 200*

***Office of the President – North Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

*Paragraph 60 (59) unretired Imprest K158,721,950; c. Unaccounted for Stores and Fuel K57,489,285.60*

*Paragraph 83 (83) a. Failure to follow Procurement Procedures; b.i. Infrastructure development – Headquarters- Construction of Dining Hall at Mutanda High School, Poor Workmanship; b.ii. Rehabilitation of Kabompo Rest House Delayed Completion; b.iii Rehabilitation of Kabompo Rest House Poor Workmanship; b.ii. Implementation of Road Projects, Rehabilitation of Kanongesha Road; b.iii. Rehabilitation Kakela Kakoma Road.*

***Office of the President – North-Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 96 (96) b. Rehabilitation of Manyimga Choonga Road*

*Paragraph 97 (97) c. Infrastructure Development, Construction of Zambia Compound*

*Health Centre Staff houses and Three Pit Latrines K473,688; c. Construction of Zangamenu Health Centre, Staff House and Three Pit Latrines; c. Construction of Weighbridge Health Centre, Staff house and Three Pit Latrines*

***Office of the President – North Western Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 81 (81) a. Unvouched Expenditure K78,767; b. Questionable Air Travel K33,513; c. failure to provide Expenditure Return K270,020; d. Unaccounted for Funds K11,252; e. Payment of Overtime Allowance Outside the Payroll; f. Failure to Remit income Tax K140,731; g. failure to Provide Activity Reports K30,895; h. Irregular use of Accountable Impres K80,435; i. Questionable payment of Subsistence Allowances K158,100; j. irregular payment of Meal Allowances K5,370; k. Failure to insure Motor Vehicle and Report motor Vehicle Accident K345,000; l. Unaccounted for Fuel K13,606*

*Paragraph 82 (82) a. Employees on Payroll but not at Station K80,912; b. Misapplication of Officers on the payroll K1,225,211; c. Irregular Payment of Acting Allowance K415,905; d. Irregular payment of Rural and Remote Hardship Allowance; e. Irregular payment of Salaries to Officers Absent from Duty without Leave K11,760; a. Misapplication of Funds K156,280; b. Failure to Reimburse Borrowed Funds K338,042; c. Construction of Kankujere Earth Fill Dam*

*Paragraph 84 (84) a. Misapplication of Funds K831,544; b. Payment of Overtime Allowance Outside the Payroll K10,498; c. Questionable Air Travel K18,347; d. Construction of kasempa Meterological Office; i. Payment of VAT to a Non-Registered Supplier; d. ii Poor Workmanship; e. Construction of Chiefs Palaces, i. Contract for the Supply of Building Material; e. ii. Construction of Chieftainess Ikelenge's Palace ( Wastafe of Cement and Abandoned Works); e. iii. Delay in Completion of Chief Kalilele's Palace.*

*Paragraph 32(32) a. Unsupported payments K2,521,647; b. Stores without receipt and disposal details K40,000*

***Office of President – Southern Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 87 (86) h. Rehabilitation Aerodromes, i. Choma, Lack of Bills of Quantities (BOQs); incomplete works and poor workmanship*

*Paragraph 88 (87) a. Failure to Account for Funds K121,365,177*

*Paragraph 89 (88) ii. Procurement of two Graders K997,600,000; c. Procurement of Tyres Tubes and Spare Parts K841,884,198*

*Paragraph 89 (88) f. Road Rehabilitation and Construction; (ii) Questionable usage of Fuel – Grading and Rehabilitation of Choma Roads*

***Office of President – Southern Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

*Paragraph 80 (80) PRP Projects Implementation incomplete Works/poor Workmanship*

***Office of the President – Southern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

*Paragraph 55 (54) e. Unaccounted Stores K499,755,279; g. Infrastructure – Provincial Livestock and Fisheries Office*

*Paragraph (86) (86)a.ii. Infrastructure Project, Construction of Duty Room and Ablution Block at Monze State Prison*

*Paragraph 89 (89) a.iii. Rehabilitation Maramba Stadium; a.iv. Rehabilitation of Harry Mwaanga Nkumbula Stadium; e.ii. Construction of International Bus Terminus in Livingstone, Lack of Bills of Quantities Equal to Construct Sum; i. Delayed Completion of Works; f. Construction of an Ultra- Modern Market in Livingstone*

*Paragraph 90 (90) Failure to Implement Projects*

***Office of the President – Southern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 98 (98) j. Failure to Collect Outstanding Rentals*

***Office of the President – Southern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 85 (85) a. Misapplication of Funds K148,123; b. Failure to Remit Tax K158,058; (85) c. Unaccounted for Funds K110,090; d. Unretired Accountable Imprest K12,000; e. Irregular Payment of Overtime Allowances K47,917*

*Paragraph 86 (86) a. Misapplication of Funds K191,671; b. Failure to Remit Tax to ZRA K46,890; c. Unretired Accountable Imprest K76,833; d. Construction of Culverts at Mulila Mponde – Chief Macha’s Area; e. iii. Lack of Expenditure Details K831,725; f. Construction of Chief Chona’s Palace, i. Failure to Provide a Contract Document for the Supply of Buildings Materials; f. ii. Physical Inspection; g. Construction of Chief Choongo’s Palace; h. Construction of Chieftainess Mwenda’s Palace; i. Failure to Provide a Contract Document for the Supply of Building Materials; h. ii. Physical Inspection*

*Paragraph 87 (87) a. Employees on the Payroll (PMEC) but not at the Station K366,834; b. Failure to Update Payroll; c. Failure to remove retired or deceased officer from payroll K332,907; d. Officers with Duplicate National Registration Card on Payslips K204,335; e. Non-Recovery of Salary Advances*

*Paragraph 88 (88) a. i. Misapplication of Funds K321,683; a. ii. Misapplication of Funds K588,522; b. Rehabilitation of a Community Hall that was not Budgeted for i. Irregular charge of VAT; i. Physical Inspection;*

*Paragraph 88 (88) a. Misapplication of Funds K262,483; b. Failure to Remit Tax to ZRA K61,869; c. Questionable Procurement of Turbo Charger k13,100*

***Office of the President – Southern Province (Various)***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 84 a. Weaknesses in the Management of Imprest: (i) Questionable Retirement of Imprest – K213,451.*

***Office of the President – Southern Province (Gda)***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 85 a. Construction of Chiefs Palaces: (i) Chieftainess Mweenda’s Palace – Stalled works; (ii) Chieftainess Choongo’s Palace – Stalled works; (iii) Chief Chona’s Palace – Stalled works.*

***Office of the President – Southern Province (GA)***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 86 a. Unsupported Payments- K2,906; b. Weaknesses in the Management of Imprest: (i) Questionable Retirement – K252,731; (iii) Construction of a Six Storey Office Block in Choma.; Irregular Payment of Acting Allowance – K124,224 and K103,46.*

***Office of the President – Luapula Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 71 (70) e. Infrastructure Development – Funds Released K1,440,000,005 i.*

*Construction of Institutional House - Chongwe Over Commitment K359,779,750*

***Office of the President – Luapula Province***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2012***

*Paragraph 71 (71) i.ii. Construction of Chipungu Boarder Post, K800,000,000 Failure to follow Procedures on the Cancellation of Contract Paragraph 71 (71) i.vi. Incomplete Works*

***Luapula Province***

***Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2013***

*Paragraph 36(36) h.ix. Mwense District Council, Construction of Kalanga Market –(Over-commitment of K394,638); h. ix. Chipili District Council, Construction of Ten (10) Three Bedroom Medium Cost Houses (over commitment of K2,774,094); h.ix. Mwansabobwe District Council – Construction of Ten Three-Bedroom Medium Cost Houses (Over –commitment of K3,156,774)*

*Paragraph 81 (81) d.i. Failure to Implement projects, Rehabilitation of Mulwe Road Kawambwa District; d.ii. Rehabilitation of Feeder Roads – Mwansabombwe District; d.iii. Rehabilitation of Senama – Fiyongoli Road; d.vi. Construction of a Bridge on Mansa Tayali Road, Mansa District; d.v. Rehabilitation of Chembe Kasmalwela Road – Chembe District*

***Office of the President – Luapula Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 92 (92) b. Failure to implement funded activities – Rehabilitation of Roads in Mwansa bombwe District; c.i Failure to complete Projects, Chienge District; c.ii. Mansa District, Kapesha*

– Mukanga Prison Farms Road, Mwense District; c.iii. Mabilima – Lukolongo Road; c.iii. Mwense clinic, Finkesenge Road;

*Paragraph 93 (93) b. Oil Palm Out-growers Scheme – Stalled Project*

***Office of the President – Luapula Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 79 (79) a. Failure to Settle Insurance Premiums K296,008; b. Failure to insure Buildings; c. Failure to insure Motor Vehicles*

*Paragraph 80 (80) a. Irregular use of Accountable Imprest K28,200; b. Chieftainess Kanyembo's Palace – Nchelenge District; c. Chief Mununga's Palace – Chiengi District*

***Office of the President – Luapula Province (Ga)***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 81 a. Outstanding Personal Emoluments – K8,633,830.*

***Office of the President – Copperbelt Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 69(69) a. Undelivered Stores; c. Failure to Supply a Grader*

*Paragraph 73 (72) d. Rehabilitation of Kitwe little Theatre K156,655,100*

*Paragraph 75 (74) g. Failure to implement Projects, I. Drilling and Rehabilitation of Boreholes; h. Construction of Youth Skills Centre in Masaiti*

***Office of the President – Copperbelt Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

*Paragraph 52(52) d. Infrastructure Development, Levy Mwanawasa Stadium Car Park , Poor Workmanship*

***Office of the President – Copperbelt Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2013***

*Paragraph 54(53) e. Unaccounted for Store K6,945,000; d. Unretired imprest K24,597,000*

***Office of the President – Copperbelt Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 74 (74) d. i Poor project implementation, Rehabilitation of Kalulushi Town ship, Mwambashi Road*

*Paragraph 75 (75) d. Water Affairs Department Borehole Setting and Drilling in Masati; c. Road formation inn Resettlement – Schemes Kambilombilo*

***Office of the President – Copperbel Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 62 (62) a. Unaccounted for Stores K66,369; b. Irregular use of Imprest; c. Failure to Mark Assets with Identification Symbols K106,436; d. Committing Government to Unauthorised Debts K9,958,433; e. Failure to Avail Accounting Records for Audit K192,304; f. Unaccounted for Revenue Provincial Buildings Office K157,870*

*Paragraph 64 (64) a. Delayed Completion Lufwanyama Government Houses; b. Poor Workmanship – Masaiti Youth Training Centre; c. Delayed Completion of Works – Youth Training Centre*

***Office of the President – Copperbelt Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 66 a. Misplacement of Payroll Area – K2, 244,986; b. Payment of Acting Allowances for More than Six Months K517, 270; c. Irregular Payment of Rural and Remote Hardship Allowance – K189.619; d. Irregular Payments of Salaries to an Officer absent from Duty without Leave – K224, 564; e. Failure to Conclude Staff Disciplinary Cases- K545, 212; f. Irregular Payment of Salaries to an Officer absent from Duty without Leave= 224, 564; g. Failure to conclude Staff Disciplinary Cases – K545, 212; h. Revolving fund account: (i) Non-recovery of advances – K49, 399; h. (ii) Misapplication of Funds.*

*Paragraph 67 a. Unauthorised Swapping of Motor Vehicles Engines – Department of Labour and Factories*

***Office of the President – Central Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 37 (36) b. Provinces, ii. Central Province*

*Paragraph 77 (76) a. Wasteful Expenditure Repairs of a Low Bed Truck K132,922,560*

***Office of the President – Central Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

*Paragraph 58 (58) a. Non delivery of Materials*

***Office of the President – Central Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 65 a. Inadequately Supported Payments K181,129; b. Misapplication of Funds K445,705; c. Unauthorised Refunds; d. Failure to Remit Tax to ZRA K62,063; e. Irregular Payment of Study related Allowances K6,170; f. Unretired Accountable Impres K42,280; g (i). Irregular Payments of Impres K55,032; g.(ii) Irregular payments of imprest K13,567; g. (iii) Irregular payments of imprest K19,650; h. Failure to Avail Activity Reports; i. Unaccounted for Stores K632,222; j. Unauthorised fuel drawings K48,755; k. Failure to Settle outstanding Insurance Premiums K581,109.*

*Paragraph 66 a. Unauthorised Excess Staff on the Payroll K8,895,258; b. Misapplication of Payroll Area K919,854; c. Starters and Leavers; c.(i) Introduction of Officers on the Payroll without Authority K56,570; c. ii. Failure to remove officers from payroll K153,469; c. (iii) Failure to terminate officers from the payroll K152,772; d. Questionable Basic pay K5,441; e. Questionable payment s of salary arrears K46,832; f. Questionable payment of allowances: f (i). Commutate night Duty allowance; f. (ii) Irregular Payment of Night Duty and Health Shift Allowance K1,434; g. Irregular payment of Rural and Remote Hardship Allowances K29,460; h. Acting Allowance: h (i) Irregular Payment of Acting Allowances for more than six months K743,806; h. (ii) questionable payment of Acting Allowance to Officers not in Acting positions K6,218; h. (iii) Over and under Payment of Transport and Housing Allowances K10,060; i. Failure to deduct National Pensions Scheme Authority Contributions K655,663; j. Irregular payment of salary Advances K100,000; k. Officers with Net pay less than 40 percent K102,600; l. Non recovery of salary and Tuition Advances K92,000.*

***Office of the President – Central Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2016***

*Paragraph 69 a. Irregular Collection of Fees and Usage – K576,899; b. Irregular Recruitment of Planners – K50, 400; c. (i) Unretired imprest – K42, 234; c. (ii) Irregular Use of Accountable Imprest for Procurements – K20, 160; d. Payment of House Rentals*

*Paragraph 70 a. Officers Placed on incorrect Salaries Scales – K15, 804; b. Failure to Deduct Statutory Contribution – K249, 906; c. Irregular Payment of Housing Allowances – K88, 348/K36, 732; d. Irregular Payment of Remote and Rural Hardship – K1, 451,909.*

*Paragraph 71 a. Misapplication of funds – K193, 697; b. Inadequately Supported Payment – K71, 866; c. Questionable Refunds/Claims – K51, 013; d. Weaknesses in the management of Imprest: (i) Unretired Accountable Imprest – K86, 068; d. (ii) Questionable Imprest Retirement – K59, 897; d. (iii) Irregular Use of Imprest to Procure Goods and Services – K94, 968; d. (iv) Subsistence Allowance to Report at New Station – K2, 800; d. (v) Subsistence Allowance to Report at New Station – K2, 800; d. (vi) Irregular Payment of Settling –In-Allowance K59,033; d. (vii) Special imprest – K14, 567; d. (viii) Unaccounted for Stores K223, 080; d. ix (i) Failure to insure Motor Vehicles – K426,000; (ii) Fuel Drawn by authorised Motor Vehicles; (iii) Payment of Advances to Officers with Net Pay Less Than 40 Percent – K212, 700; (iv) Irregular Payment of Salary Advance – K32, 000*

*Paragraph 72 a. Failure to Provide Funding Guidelines – K487, 741; b. Misapplication of Funds K438, 308; c. Unretired Accountable Imprest – K47, 815; d. Failure to Prepare Activity Reports – K94, 025; e. (i) Irregular use of imprest for Procurement – K11.068; e. (ii) Irregular issuance of fuel imprest – K50, 972; e. (iii) Lack of Record for the Extension of Programme – K5,600; e. (iv) (i) Lack of Terms of Engagement; (ii) Stalled Works; (v) Construction of Broken Cultural Village.*

*Paragraph 73 a. Failure to Provide Expenditure Details – Chibombo – K90, 185; b. Unsupported Payments – K40, 561; c. Lack of Prior Authority for Refunds – K39, 045; d. Questionable Payment – Serenje – K6, 851; e. Weaknesses in the management of imprest: e. (i) Unretired Accountable Imprest – K3, 050; e (ii) Irregular Retirements of Imprest – Ngabwe – K8,062; e. (iii) Irregular use of imprest to Procure Goods and Services – K41,764; e. (iv) Irregular Payments of Lunch Allowances – K7,385; f. Unaccounted for Stores – K96,285.*

***Office of the President – Eastern Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2011***

*Paragraph 82 (82) c. Unaccounted for Store K39,990.00; i. Unaccounted for bags of cement – 666 bags; i. Undelivered Plumbing and Electrical Materials K21,914,500*

***Office of the President – Eastern Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

*Paragraph 68 (68) b. Drilling of Boreholes – Kaozi Resettlement Scheme in Chama District*

***Office of the President – Eastern Province***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2013***

*Paragraph 36(36) Project Management, Completion of a 1 X 2 Class Room Block at Chidolo Primary School K14,805.*

*Paragraph 59 (58) d. Unretired Imprest K37,288,810*

*Paragraph 77 (77) a. Construction of Vubwi DCs Office Block; b. Construction of Vubwi DCs Staff House; c. Construction of a Low Cost House at Ukwimi Basic School ; ) b.i. Rehabilitation and Construction of Drainage Structures NonDelivery of Culverts; Kampondo – Chanyalubwe Road (Via Kapongolo Lundazi District)*

***Office of the President – Eastern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

*Paragraph 88(88) e.i. Grading and Reshaping of R296 Undi Off Road (T4 to msoro), Poor compaction of Embankments on culvert's*

*Paragraph 89 (89) d.ii construction of Chalets at Cultural Centre in Chipata , Delayed in completion of the Project; e.i Construction of Boundary wall Fence – David Kaunda Stadium*

*Irregular Engagement of a Contractor; e.ii. Construction of Boundary wall fence – David Kaunda Stadium Abandoned Project*

***Office of the President Eastern Province***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

*Paragraph 77 a. Irregular Hotel Bills K81,436; b. Failure to Reimburse Borrowed Funds K2,393,693; c. Construction of Borehole at Kapata Cultural Village – Delivery of wrong tank, c. (i) Failure to avail a Contract Document K23,000; c. (ii) Delivery of a Wrong water Tank K23,000; d. Construction of Chiefs Palaces, I. Construction of Cheftainess Nyanje’s Palace in Sinda District; d. (ii) Construction of Paramount Chief Mpenzeni’s Palace in Chipata District.*

*Paragraph 78 (78) a. Inconsistent Expenditure Reporting; b. Irregular Payment of Salaries to Deceased Employees K22,407; c. Irregular payment of Rural Hardship Allowance K9,995; d. failure to deduct Statutory Contribution K8,060; e. failure to recover Tuition and salary Advances K20,000*

***Ministry of Foreign Affairs***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2011.***

***Mission Abroad Lubumbashi***

*Paragraph 22 (21) iii. Staff Houses; b. Delayed replacement of Title Deeds; c. Rehabilitation of Properties, i. Termination of contract*

***Mission Abroad Washington***

*Paragraph 23 (22) b. Failure to recover Security Deposit; c. Properties (i) Chancery – 2419 Massachusetts Ave (ii) 2300 Wyoming; (iii) Wasteful Expenditure on Rentals*

***Mission Abroad – Lilongwe***

*Paragraph 24 (23) b. Repairs maintenance Residence K55,588,776 (US\$10,548)*

***Mission Abroad – London***

*Paragraph 25 (24) a. internal Control Weaknesses, ii. Unclaimed Rental Security Deposits K197,444,063 (25,539 pound)*

*Paragraph 25(24) g. Inspection of 13 Foscoote Road, Hendon NW4*

***Mission Abroad Dar-Es-Salaam***

*Paragraph 26(25) e. Mission Properties i. The Chancery ii. The Residence, iii. Plot No.*

*396 Toure Drive Masaki, iv Plot No. 22 Ocean Road*

***Mission Abroad – Gaborne***

*Paragraph 27 (26) The Chancery – 1118-1119- Main Mall Gaborone, ii. Plot No. 4703/105 – Mongana Close*

*Mission Abroad 29 (28) c. Prperties i. The Residence – 1 George Hunter Street Olympia, ii.*

*House No. 14 Lydia Street- Ludwigsdorf, iii. 93 –Gever Street Ludwigsdorf i.v. 17 Veronica Street Ludwogsdorf*

***Mission Abroad Brussels***

*Paragraph 30 (29) h. Failure to 240ehabilitee the Residence- 260 Dreve Richele Waterloo*

***Mission Abroad Paris***

*Paragraph 34 (33) iii. Property Management: The Chancery and the Residence. The Chancery – 18 Avenue de Trouville 75007*

***Ministry of Foreign Affairs***

***Report of the Auditor General on the Accounts for the Financial Year ended 31<sup>st</sup> December 2012***

***Mission Abroad – New York***

*Paragraph 20 (20) c. (i) Property Management, 201 Wyndcliff Road Residence; c. (ii). 237 East 52<sup>nd</sup> Street Chancery*

***Ministry of Foreign Affairs***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2013.***

***Mission Abroad London***

*Paragraph 20 (20) a. Transfer of Revenue without Authority; f.ii Property Management, Lack of Title Deeds for Mission Properties*

***Mission Abroad Maputo***

*Paragraph 24(24) c. Rehabilitation of the Official Residence at Plot 20 Don Alfonso Henrique Avenue – Maputo; d. Chancery plot No. 1286 Kenneth Kaunda Avenue*

### ***Mission Abroad Brussels***

*Paragraph 26 (26) c. Rehabilitation of the Chancery – Avenue Moliere 469 1050 Bruxelles*

### ***Ministry of Agriculture (PACOs) and (DACOs)***

*Paragraph 60 (60) hh. Li. Construction of a Dip Tank at Kalovya – Chama DACO Paragraph 60 (60) nn. Construction of Chasato Earth Dam, Chama DACO; oo. Other Projects , Western Province, Construction of a Regional Veterinary Laboratory, Mongu K4,299,995; oo. Southern Province , Rehabilitation of One Staff House and construction of a Double Pit Latrine- K84,840; oo. Choma Mochipapa Research Station construction of an Office Block K158, 450 ( Materials K107,505 and Labour K50,945; oo. Lusaka Province construction of a Breeding Centre K814,043.04; oo. Muchinga Province, construction of Medium Cost Houses atMbesuma State Ranch – K803,096*

### ***Mission Abroad Harare***

*Paragraph 27 (27) c.i.ii.iii.iv.v.vi Weaknesses in the Management of Properties Chancery, House No.8 Simms Road Mount Pleasant. , House No.44 , Sloans Road Highlands, 10 Turnsteas the garage, 5 Cowden , Close, Chisipite, 7 Samson Road Mount Pleasant*

### ***Missions Abroad 2009 – Berlin***

*Paragraph 30 (28) b. Properties, i. Vorschorho 23 Berlin-Pankow, Repairs on the Ambassador’s Residence*

*Paragraph 34 (32) b. Unclaimed Rental Security deposit – Balance of K27,984,004 (5,500 pound)*

### ***Ministry of Foreign Affairs***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2014.***

### ***Mission Abroad Lubumbashi***

*Paragraph 23(23) e. Rehabilitation of Mission Properties, Mission Properties, House No. 6 Lundula Avenue, House No. 18 Kamanyola Avenue, House, No. 26 Luvua Avenue (Residence) House /No. 1332 Kapenda Avenue, House No. 6 Tshinyama Avenue. The Chancery, Servants Quarters (x4), House No.6 Lundula Avenue, House No. 18, Kamanyola*

*Avenue. House No. 26 Luvua Avenue (Residence). House No. 1332 kapenda Avenue House No. 56 Tshinyama Avenue . Kitchen Units (x6) . Construction of the Wall Fences, Screening Room.*

***Mission Abroad – Addis Ababa***

*Paragraph 28 (28) b.iv. Undeveloped Land*

***Mission Abroad Windhoek***

*Paragraph 32(32) e.i State of Mission Properties, The chancery- No. 22 Sam Nujuma/Mandume Ndemufayo Street; e.ii. Official Residence – No. 1 George Hunter Street Olympia; e. iv (9) Schwerinburg Street, Luxury Hill*

***Ministry of Foreign Affairs-***

***Report of the Auditor General on the accounts for the Financial Year ended 31<sup>st</sup> December 2015.***

***Ministry of Foreign Affairs H/Q***

*Paragraph 23 (23) a. Failure to Redeploy Recalled Diplomats K320,208*

***Washington DC***

*Paragraph 24 (24) a. Obsolete Stores Items and Aged Motor Vehicles, Allowance K81,370 (US\$8,749.44); c. Irregular Insurance of Personal Effects K466, 307; d. Rehabilitation of the Properties , i. The Residence, ii. Chancery , iii. House, iv. – 5208 Linnean Avenue*

***Mission Abroad – London***

*Paragraph 25 (25) a. Revenue, i. Unaccounted for Revenue K19,531 (1,563 pound), ii.*

*Delayed banking K532,938 (42,635 pound), iii. Irregular Transfers of Revenue K625,888 (52,231 pound); a.iv. Irregular Transfer of Fund into a Personal Account K25,000 (2,000 pound); b. Expenditure i. (3) Missing Payments Vouchers; b.iii Overpayment of Foreign Service Allowances K35,832 (2,755.48)*

***Mission Abroad – Paris***

*Paragraph 28 (28) a. Overpayment of Foreign Services Allowances K480, 164*

*(US\$78,307.48); b. Overpayment of Rentals for Officers K3,783 (US\$694.72); c. Failure to Dispose of Boarded Items K18,334; d. Irregular Payment for Works Carried Out at a Rented*

*House – First Secretary – Economic and Trade K44,486 (4,000 pound); e. Property Management Irregular Engagement of a Contractor – The Residence*

***Mission Abroad Harare***

*Paragraph 29(29) a. Uncollected Rental Arrears from Leased Propertis K624,415 (US\$98,364); b. Property Management I, Properties without Title Deeds;b. ii. 48 Kwame Nkrumah – The Chancery; b. iii. 4 Kevin Road Chisipite – The Residence; b. iv 10 Turnstead the Grange; b. v. 16 Cockington Mandara; b. iv. 5 Cowden*

***Mission Abroad – Beijing***

*Paragraph 26(26) a. Stores without Receipt and Disposal Details K41,325; b. Unauthorised Procurement of Carpet; c. Failure to Mark Assets with CRZ Serial Numbers; d. Failure to dispose of Motor Vehicles (6); e. Increment of Commuted Overtime without Approval K19,551 ( RMB 13,500)*

***Mission Abroad Stockholm***

*Paragraph 27 (27) a. Mission Performance; b. Failure to Dispose a Boarded Vehicle and Obsolete Assets; c. The Residence i. Engagement of a Consultant; c.ii. Payment of Heating and Lighting Bills for a Vacated House K54,051 (SEK 48,096); c.iii. Defects at the Residence*

***Mission Abroad Seoul***

*Paragraph 30 (30) a. Failure to recover contribution Towards Utility Bills K30,042, (US\$4,026.48); b. Failure to recover contributions towards Medical Bills K9,406 (US\$1,008.76); c. Unretired Accountable Imprest K333,610 ( US\$52,819.62); d. Unapproved Payments K11,140,487 ( US\$ 1,545,366.72); e. Unsupported Payment K1,663,037 (US\$ 262,058.92); f. Stores without Receipt and Disposal Details K1,110,912 (US\$177,392.93); g. Failure to Mark Assets with GRZ Serial Numbers; h. Payment of Rentals in Excess of Entitlement K747,420 (US\$60,000)*

**Ministry of Foreign Affairs –**

**Report of the Auditor General on the accounts for the financial year ended 31<sup>st</sup> December 2016**

**Headquarters**

Paragraph 28 a. Unretired Accountable Imprest – K152,619; b. Undelivered Goods-Donations from South Korea – K998,000; c. Failure to Effect Recoveries of Tuition Advance – K50,700; d. Uncompleted Works on the Contract for the Upgrade of the Access Control System and Installation of CCTV – K261,149.

**Mission Abroad – Cairo**

Paragraph 29 a. Unaccounted for Stores – K179, 614; b. Failure to Maintain Asset Register – K102, 732; c. Failure to Reimburse Funds for Medical Expenses K22, 207; a. Irregular Payment of Rent for the Chauffeur – K19, 291; b. Irregular Claim of Medical Expenses – K2, 943.

**Mission Abroad – Dar-es-Salaam**

Paragraph 29 a. Unsupported Payments – K441, 298; b. Irregular Payment of Allowances – Former Deputy High Commissioner K85, 961; c. Irregular Payment of Education Allowances – K15, 469; d. Property Management: Irregular Refunds – Repairs and Maintenance Outstanding works – Plot 39 Ali Hassan Mwinyi; 22 Ocean Road – Upanga; 396 Toure Drive – Masaki; 350/351 Lugalo Road – Upanga; 484 Mindu Street – Upanga; The Chancery.

**Mission Abroad – Addis Ababa**

Paragraph 31 a. Delayed Banking – K17612; b. Unaccounted for Stores – K82, 651; c. Failure to Update Assets Register – K21,212; d. Failure to follow Procurement Procedures – Approval of Procurement Above Threshold – K46,365; e. Payments of Subsistence Allowances and Penalties Without Authority – K57,033;. Over Payment on Cost of Living Allowance Contrary to the regulations; Over Payment of Education Allowance – K85,087; Unauthorised Use of Funds from the Revolving Account – K287,008;. (i) Failure to insure Buildings

Paragraph 31 d. (ii) The Chancery

**Mission Abroad – Gaborone**

Paragraph 32 a. Irregular Payment of Spouses Allowance – K47,670; b. Failure to Mark Assets with GRZ Serial Numbers; e. (i) Failure to Avail Title Deeds; (ii) Vacant Properties (Plot 3036

*and 3037 Sobhuza close – old residence; Plot 48/59 – Dinatra Close; 118 Morukuru Close; Plot 105, Mongana close; Plot 262 Kgari close - the new residence; plot 280 – Tawana close and plot 1121 and 1122 – formerly Zambia Airways Offices)*

***Mission Abroad – Nairobi***

*Paragraph 33 a. Unauthorised Financial Assistance – K17,125; b. Questionable Payment of Education Allowances – K874,327; c, Failure to recover Funds Paid for Medical Bills – K4,369; d. Failure to recover Security Deposits – K119, 415; e. Irregularities in the Management of Lease Agreement –K60,566; e, (i) failure to Dispose of Boarded Items; f, Property management ((i) the Chancery; (ii) High Commissioner’s residence – K33,424)*

***Mission Abroad – Berlin***

*Paragraph 34 a, Failure to Recover Security Deposits on Rented Properties – K689,333; b. Irregular Payment of Education Allowance – K1,262,880; c. Irregular Purchases of Calling Cards – K66,000; d. Non Recovery of Funds Paid on behalf of Staff – Utility Bills – K379,248; e. Unaccounted for Stores – K115,752; f. Transport Management – K14,690; g. (i) Property Management (Building Located on Strasse Vor Schoholz, 23 – K3,476,786); h. Ambassador’s Official Residence.*



## **Appendix 2 – Glossary of Terms**

<b>Accountable Documents</b>	Documents such as receipts, licences, certificates, discs or tokens and others used in the collection of Revenues.
<b>Audit Finding</b>	The result of audit procedures and tests conducted by the auditor.
<b>Controlling Officer</b>	An officer designated as such by the Secretary to the Treasury to maintain accounts of a Ministry, Province or Spending Agency.
<b>Delayed Banking</b>	Failure to bank moneys received not later than the next business day or at least twice every month where banking facilities do not exist.
<b>Excess Expenditure</b>	Expenditure incurred above the authorised budget amounts without the authorisation of Parliament.
<b>Failure to Follow Procurement Procedures</b>	Non-Compliance with the Zambia Public Procurement Act and Procurement guidelines in the purchase of goods and services.
<b>Irregular payments</b>	Payments made outside the normal practice or acceptable regulations or norms.
<b>Irregularity</b>	Breach of laws, regulations or rules.
<b>Imprest</b>	Funds or monies issued out to facilitate payments of a minor nature, meet expenses when the officer is travelling on duty or to facilitate the purchase of goods and services whose value cannot be ascertained at the time.
<b>Misapplication</b>	Use of funds budgeted for a programme on an unrelated programme without authority from the Secretary to the Treasury.

<b>Misappropriation</b>	Use of public funds for personal purposes or crediting public funds to a private bank account.
<b>Outstanding Issues</b>	These are audit queries that remain unresolved in the Treasury Minutes (Action Taken Report) prepared by the Ministry of Finance on the Reports of the Auditor General
<b>Overpayments</b>	Payments made above the correct price or rate.
<b>Parliament</b>	Legislative organ of Government
<b>Public Accounts Committee (PAC)</b>	A sessional committee of the National Assembly established in terms of the standing orders. PAC examines the Auditor General's Report, as part of their mandate of examining the accounts showing the appropriation of the sums approved by the National Assembly.
<b>Unaccounted for Revenue</b>	Revenue collected but neither banked nor cash found on hand.
<b>Unvouched Expenditure</b>	Payment vouchers not availed for audit because they are either missing or inadequately supported.
<b>Unretired Imprest</b>	Imprest not accounted for.
<b>Unauthorised Expenditure</b>	Funds spent without approval by a responsible officer.
<b>Unacquitted Payments</b>	Payments made without evidence of having been received by the intended beneficiaries.
<b>Unaccounted for Stores</b>	Missing stores items without evidence of how they were received and utilised.
<b>Undelivered Materials</b>	Goods paid for but not received.
<b>Non-Submission</b>	Failure to provide details of how funds disbursed were utilised.

**of Expenditure Returns**

**Unaccounted for Funds**

Missing funds without expenditure records.

**Wasteful Expenditure**

Expenditure incurred without benefits derived.

**Reconciliation**

The process of ensuring that two (2) or more sets of records agree