



**REPUBLIC OF ZAMBIA**

**AUDIT OF  
GOVERNMENT  
PAYROLL**

**REPORT OF THE  
AUDITOR  
GENERAL**

**FOR THE**

**FINANCIAL YEARS**

**ENDED 31<sup>ST</sup> DECEMBER 2017 - 2021**



**REPUBLIC OF ZAMBIA**

**REPORT OF THE**

**AUDITOR GENERAL**

**ON THE**

**AUDIT OF GOVERNMENT PAYROLL**

**FOR THE**

**FINANCIAL YEARS ENDED 31<sup>ST</sup> DECEMBER 2017 TO 2021**

## **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 to submit the Report of the Auditor General on the Audit of Government Payroll for the financial years ended 31<sup>st</sup> December 2017 to 2021 in accordance with the Constitution (Amendment) Act No. 2 of 2016, the Public Audit Act No. 13 of 1994 and the Public Finance Management Act No.1 of 2018.

My Office is mandated 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 were budgeted in the Estimates of Revenue and Expenditure for the period under review. I conducted audits on the institutions to examine whether the funds appropriated by Parliament and disbursed for personal emoluments 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.

I wish to take this opportunity to thank the Secretary to the Treasury, Controlling Officers and staff in the audited entities for the support rendered to my Office during the audits.



Dr. Dick Chellah Sichembe

**AUDITOR GENERAL**



# Table of Contents

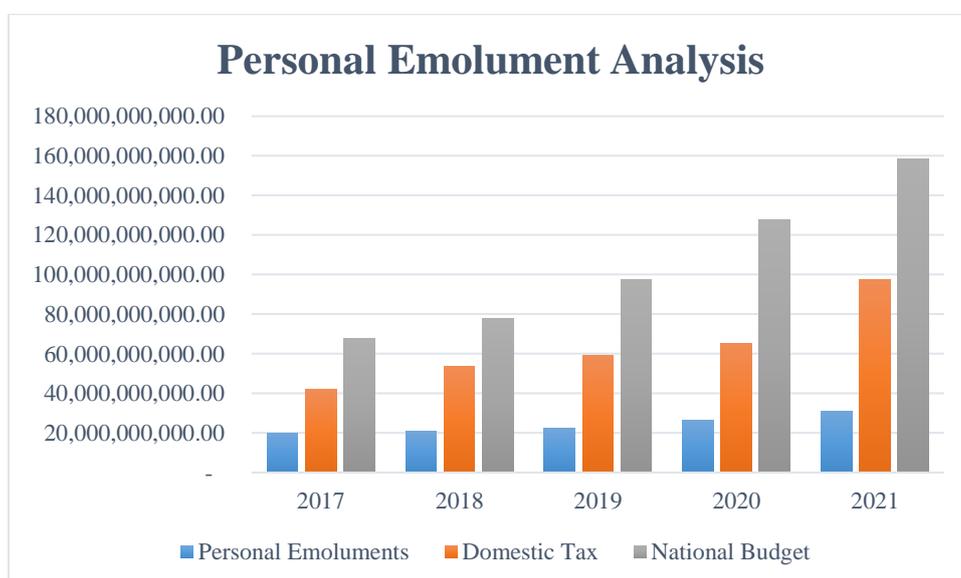
Executive Summary .....	iii
1. Introduction.....	1
2. Scope and Methodology.....	1
3. The Reporting Process.....	1
4. Governance.....	1
5. Management.....	2
6. Information Communication and Technology .....	2
7. Internal Controls.....	2
8. Head 46 - Ministry of Health .....	3
9. Head 80 - Ministry of Education .....	46
10. Head 37 - Ministry of Finance .....	78
11. Head 11 - Zambia Police Service .....	92
12. Head 89 - Ministry of Agriculture .....	98
13. Head 86 - Ministry of Fisheries and Livestock.....	105
14. Head 30 - Zambia Correctional Service.....	111
15. Head 17 - Ministry of Foreign Affairs.....	113
16. Head 18 – The Judiciary.....	117
17. Head 29 - Ministry of Local Government.....	119
18. Head 68 - Ministry of Tourism and Arts .....	122
19. Head 04 - Ministry of Gender .....	125
20. Head 06 - Civil Service Commission .....	127
21. Head 08 - Cabinet Office .....	130
22. Head 15 - Ministry of Home Affairs.....	131
23. Head 19 - Disaster Management and Mitigation Unit.....	134
24. Head 25 - Local Government Service Commission.....	136
25. Head 26 - Ministry of Information and Media .....	138
26. Head 27 - Public Service Management Division.....	141
27. Head 32 - Ministry of National Guidance and Religious Affairs .....	148
28. Head 33 - Ministry of Commence, Trade and Industry .....	150
29. Head 37- Ministry of Finance (Dissolved Ministries) .....	153
30. Head 51 - Ministry of Transport and Communications .....	154
31. Head 52 - Ministry of Water Development and Sanitation.....	156
32. Head 62 - Ministry of Energy.....	159

33. Head 65 - Ministry of Higher Education .....	161
34. Head 76 - Ministry of Youth, Sports and Child Development .....	164
35. Head 85 - Ministry of Lands and Natural Resources .....	167
36. Head 88 - Office of President - Muchinga Province.....	169
37. Head 90 - Office of the President – Lusaka Province .....	171
38. Head 91 - Office of the President – Copperbelt Province.....	173
39. Head 92 - Office of the President – Central Province.....	177
40. Head 93 - Office of the President – Northern Province.....	181
41. Head 94 - Office of the President – Western Province.....	183
42. Head 95 - Office of the President – Eastern Province.....	189
43. Head 96 - Office of the President – Luapula Province .....	192
44. Head 97 - Office of the President – North-Western Province .....	195
45. Head 98 - Office of the President – Southern Province .....	197
46. Recommendations .....	200
47. Conclusion .....	204
48. Acknowledgements .....	204

## Executive Summary

This Report on Audit of Government Payroll has been produced in accordance with Article 250 of the Constitution (Amendment) Act No. 2 of 2016 of the Republic of Zambia, the Public Finance Management Act No. 1 of 2018 and Public Audit Act No. 13 of 1994. The audit involved the review of Payroll Management in all Government Ministries, Provinces and Agencies and covered the financial years ended 31<sup>st</sup> December 2017 to 2021.

During the period under review, the number of employees under the Civil Service increased from 202,731 in January 2017 to 245,154 as at 31<sup>st</sup> December 2021. An analysis of the Government estimates of revenue and expenditure revealed an increase in budget and actual expenditure on payroll for the period under review. See graph below.



This Report contains thirty eight (38) paragraphs that were audited and remained with unresolved issues at the time of publication. During the audit process, there were several levels at which the Office interacted and communicated with Controlling Officers whose payroll was audited. The purpose of this interaction was to provide an opportunity for the responsible officers to clarify and take corrective action on the findings of the audits.

### 1.1. Key Findings

Some of the key findings raised in this Report are as follows:

#### a. Failure to Reconcile the Salaries Account

During the period under review, the Government had processed net salaries in amounts totalling K95,421,558,342 through the salaries account held at Zanaco Bank.

However, there was no evidence that the Ministry of Finance had performed any reconciliation on the account. Further, it was observed that the unutilised funds in the salaries account had grown by 79% from K42,468,545 in June 2021 to K75,944,374 as at 30<sup>th</sup> June 2022. This was attributed mainly to salaries which were not paid to employees due to various reasons such as disciplinary action. As at 31<sup>st</sup> July 2022, the accumulated balance in the Salaries Account had not been returned to the Consolidated Fund.

**b. Suspected Fraudulent Diversion of Salaries**

Three (3) ministries had eighty-seven (87) end users who had diverted salaries in amounts totalling K10,552,424 into their personal accounts and other accounts belonging to individuals who are not in public service.

**c. Unaccounted for Officers**

During the period under review, nineteen (19) ministries had 9,800 unaccounted for officers who were paid salaries in amounts totalling K707,633,806. As at 31<sup>st</sup> July 2022, the institutions had not accounted for the officers in that they were not known.

**d. Irregular Payment of Allowances**

Nineteen (19) institutions had irregularly paid allowances to 6,227 officers in amounts totalling K73,682,441.

**e. Irregular Payment of Salaries to Deserters**

Sixty-one (61) officers who had left the Institutions without permission (deserted) were irregularly paid salaries in amounts totalling K6,280,066. The officers had been away for periods ranging from one (1) to sixty six (66) months.

**f. Irregular Recruitments**

239 officers who were paid salaries in amounts totalling K70,305,937 were irregularly recruited in that there are no appointment letters. Further, the Ministry had introduced 299 teachers on the payroll who had received salaries in amounts totalling K3,056,013 without authority from the Teaching Service Commission.

**g. Double Payment of Salaries**

Twenty five (25) officers from four (4) Institutions had irregularly drawn double salaries in amounts totalling K967,411 through the same officers' individual account numbers using two (2) different employee numbers.

**h. Wasteful Expenditure - Delayed Conclusion of Disciplinary Cases**

579 officers were paid amounts totalling K51,727,719 despite not rendering any service due to delayed conclusion of disciplinary cases for periods ranging from six (6) months to fourteen (14) years.

Included in the amount of K51,727,719 were amounts totalling K26,136,076 that were paid to the 243 officers who were on suspension due to being in possession of fake school certificates.

Further, an amount of K2,774,100 was paid to six (6) officers who were on holding position for periods ranging from five (5) months to thirty (30) months without rendering any service.

**i. Irregular Upgrading of Teacher's Salaries**

539 teachers had their salary scales changed to a higher position without authority from Teaching Service Commission resulting in excess salary payments totalling K2,541,327.

**j. Other Findings**

The table 1 below shows a summary of some of the findings contained in the report.

**Table 1: Other Findings**

No.	Detail	No. of Officers	Amount K
1	Paid Retirees Still drawing Salaries	1,127	236,987,447
2	Irregular Management of Separatees Payroll	7,331	250,162,212
3	Misplacements of Officers	22,485	944,990,554
4	Recruitment on positions not on establishment	162	47,551,974
5	Introduction and Termination without Authority	1,670	16,422,838
6	Irregular Payment of Salary-Delayed Termination	430	15,454,578
7	Irregular Payment of Salaries to Voided Bank Accounts	603	7,651,350
8	Irregular Payment of Salary - Wrong Salary Scale	175	4,153,180
9	Irregular Payments of Salaries to Seconded Officers	12	891,081
10	Excess Recruitment without Authority	13,307	167,773,327
11	Irregular Payment of Arrears	36	280,378
12	Recruitment without Vacant Positions	1,844	647,183
	<b>Total</b>		<b>1,692,966,102</b>

## 1.2. Action Taken on the Preliminary Findings

As a result of the preliminary findings of the audit, some MPAs commenced recoveries of irregular allowances in amounts totalling K37,539,052 that were paid. Further, there is need for controlling officers who have been cited in this report to ensure that action is taken on all the observations. See table 2 below.

**Table 2: Analysis of Recoveries**

No.	Institution	Amount Confirmed for Recovery K
1	Judiciary	70,595
2	Ministry of Commerce Trade and Industries	59,727
3	Ministry of Education	21,143,038
4	Ministry of Health	575,757
5	Ministry of Home affaires	1,296,767
6	Ministry of Transport and Logistics	5,058
7	Minsitry of Agriculture	1,490,717
8	Minsitry of Fisheries and Livestock	2,694,070
9	Provincial Administrartion - Copperbelt Province	114,490
10	Provincial Administrartion - Southern Province	585,048
11	Provincial Administration - Central Province	33,093
12	Provincial Administration - Luapula Province	574,862
13	Provincial Administration - Lusaka Province	127,852
14	Provincial Administration - Muchinga	8,928
15	Provincial Administration - Western Province	231,582
16	Zambia Correctional Services	269,954
17	Zambia Police	8,104,954
	<b>Total</b>	<b>37,539,052</b>

## 1.3. Recommendations

- Controlling officers should ensure that circulars, regulations and laws relating to management of payroll are adhered to and enforced accordingly.
- The establishment register should be updated timeously, recruitments should be based on the vacancies in the establishment register and any recruitments outside the establishment register should be supported by Treasury Authority.
- There is need for all the relevant investigative wings to conduct further investigations on all the cases of suspected fraudulent diversion of salaries.
- There is need to enhance human resource planning to ensure that the processes relating to human resource forecasts, recruitment and associated budgets are properly done.

- PSMD should implement a system of monitoring and managing disciplinary cases within the public service.
- The management of the holding position, third party deduction codes and thirty party access to government payroll should be reviewed and strengthened.
- Stronger oversight over activities performed by end user and super-users and all actions by super users on behalf of other institutions should be properly authorised.
- There is need to automate the manual budgeting of personnel cost through implementation of the Personnel Cost Planning Module on P MEC.
- There is need for policy guidance relating to unutilised funds in the salaries account, undelimited local authorities and defence wing salary structures and prolonged disciplinary cases.
- There is need for capacity building to officers in MPAs providing oversight on the payroll.
- Controlling officers should ensure that disciplinary cases are timely processed and erring officer's account are locked as opposed to voiding.
- The controls and processes on the P MEC system relating to management of the payroll should be reviewed and strengthened.

#### **1.4. Conclusion**

This report has evidently shown that there are serious weaknesses in controls in the management of Government payroll which has resulted in loss of public funds. There will therefore need to review and reinforce the internal controls.



# **PART 1**

---

## **PREAMBLE**

---



## **1. Introduction**

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

## **2. Scope and Methodology**

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 2020. Although the Report is for the financial years ended 31<sup>st</sup> December 2017 to 2021, in some cases observations that required updating were reported as at 31<sup>st</sup> July 2022.

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 programmes were designed to give reasonable assurance on the management of personal emoluments. The programmes included test checks, inspections and examination of accounting and other records maintained by the public officers entrusted with management of public resources. To ensure optimal utilisation of resources at my disposal, a risk-based audit approach was used.

## **3. The Reporting Process**

The reporting process involves three (3) major stages. The first stage is where a preliminary query is issued to the Controlling Officer and is required to respond within ten (10) days. The second stage is the interim management letter where the controlling officer is given fifteen (15) days to respond. The third stage is the final management letter (Draft Annual Report Paragraph (DARP)) where the Controlling Officer is given three (3) days to confirm the correctness of the facts presented in the management letter. At every stage where responses received are satisfactory, amendments are made accordingly.

## **4. Governance**

Cabinet is the supreme policy and strategic decision-making body of Government. It comprises the Republican President, Vice President, and Cabinet Ministers. The decisions of Cabinet are implemented through various portfolio ministries and provincial

administrations which are headed by Ministers. A Ministry also oversees the operations of various Government Agencies that operate within the preserve of its mandate.

## **5. Management**

The operations of the Ministries, Provinces and Agencies is the responsibility of a Permanent Secretary who reports to the Secretary to the Treasury and are all appointed by the President.

## **6. Information Communication and Technology**

The Government through Ministry of Finance and National Planning operated the Payroll Management and Establishment (PMEC) system which is intended to control the establishment and manage the payroll.

The system comprises five (5) modules namely:

- i. Organisational Management Module used for maintenance of the organisational structure (Establishment Control),
- ii. Personnel Administration used for maintenance of payroll information,
- iii. Personnel Cost Planning Module used for conducting personnel cost planning,
- iv. Payroll Management Module used for payroll management including processing of salaries, and
- v. Technical Support Module used by Information Communications and Technology (ICT) staff to provide technical support.

## **7. Internal Controls**

In this report, specific mention is made of weaknesses in internal controls relating to removal of separated officers, disposal of disciplinary cases, renewal of diplomats' contract, administration of inputs and system configurations, manual preparation of personal emolument's budgets as well as failure to adhere to Government policies such as Treasury and Financial Management Circular No. 9 of 2020.

## **PART II**

---

## **PARAGRAPHS**

---



## 8. Head 46 - Ministry of Health

### 8.1 Mandate

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

### 8.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, provisions totalling K21,040,861,092 were made to cater for Personal Emoluments under the Ministry of Health against which amounts totalling K23,302,645,285 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2017	3,171,102,903	3,552,325,251
2018	3,675,712,900	4,265,870,086
2019	4,448,645,622	4,631,649,799
2020	4,727,661,419	5,093,950,538
2021	5,017,738,248	5,758,849,610
<b>Total</b>	<b>21,040,861,092</b>	<b>23,302,645,285</b>

#### b. Manual Preparation and Execution of Personal Emoluments Budgets

The P MEC System has the Personnel Cost Planning module that is used for budget planning and budget execution of personal emoluments.

A review of the budgeting process revealed that the Ministry of Health prepared budgets outside P MEC using Microsoft Excel spreadsheet and manually uploaded them in output-based software for onward execution. This exposed the personal emolument budget to errors and manipulation.

**c. Unauthorised Recruitment of Excess Staff**

Ministries Provinces and Agencies conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A comparison of selected positions on the payroll and the 2021 Establishment Register at the Ministry Headquarters and ten (10) provincial offices revealed that five (5) provinces had excess recruitments of 2,909 positions on the payroll as at 31<sup>st</sup> December 2021. See the table 2 below.

**Table 2: Excess Recruitment of Staff**

No.	Province	No. of Positions on the Establishment Register	No. of Officers on Payroll	Unfilled Positions	Excess Recruitments
1	Central Province	6,087	5,266	821	-
2	Copperbelt Province	10,529	10,320	209	-
3	Eastern Province	7,273	4,901	2,372	-
4	Luapula Province	3,680	4,037	-	357
5	Lusaka Province	14,095	14,425	-	330
6	Muchinga Province	2,592	2,694	-	102
7	North Western Province	2,902	4,145	-	1,243
8	Northern Province	2,611	3,488	-	877
9	Southern Province	7,663	7,564	99	-
10	Western Province	4,746	4,118	628	-
11	MOH HQ	561	430	131	-
	<b>Total</b>	<b>62,739</b>	<b>61,388</b>	<b>4,260</b>	<b>2,909</b>

As at 31<sup>st</sup> July 2022, treasury authority for 2,541 out of the 2,909 excess positions had been availed for audit leaving a balance of 368 unsupported.

**d. Unauthorised Salary Inputs**

Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) provides that Controlling Officers are responsible for appointment of payroll End-Users in their respective institutions. The authorised end-users are supposed to carryout payroll inputs for the MPA.

In the case of super users, they are authorised to perform inputs for MPAs such as departmental transfers and re-entries which must be requested in writing by the Controlling Officer.

During the period under review, 3,735 input transactions were performed by twenty-seven (27) PMEC end-users who were in different payroll sub-areas

(ministries) without supporting documentation or authority from the Controlling Officer.

**e. Unaccounted for Officers**

Public Finance Management Regulation of 2020, No. 78 (1) and (3) requires that a public body should ensure that the payroll is verified and reconciled by responsible office holder from an accounting unit and human resource and administration respectively. A reconciliation under sub regulation (1) should include a head count of staff each month with regard to the payroll expenditure.

Contrary to the Regulation, 8,461 officers in 109 districts drew salaries in amounts totalling K808,558,616 during the year 2021 were on the payroll but not on the staff returns.

A sample head count of 6,999 officers in sixty (60) districts carried out in June 2022 revealed that 3,147 officers who were paid salaries in amounts totalling K322,921,335 were still not accounted for in that the Ministry did not know the officers or their whereabouts. See table 3 below.

**Table 3: Unaccounted for Officers**

No.	Province	Districts	No. of Employees	Amount K
1	Lusaka	Lusaka	2541	260,811,823
2	Central	Kabwe	70	6,922,343
		Kapiri Mposhi	20	2,097,251
		Chisamba	32	3,496,392
		Serenje	23	1,905,092
		Chibombo	10	744,711
		Mumbwa	2	156,323
3	Copperbelt	Ndola	4	551,688
		Mpongwe	33	3,817,733
		Kitwe	42	4,290,017
		Mufulira	56	4,069,936
		Chingola	86	9,521,642
		Chililabombwe	5	548,409
4	North-Western	Solwezi	30	2,410,711
		Mwinilunga	9	680,150
		Manyinga	4	213,325
		Zambezi	1	87,254
5	Southern	Choma	54	7,822,896
		Kalomo	1	250,032
		Monze	3	252,360
		Kazungula	1	46,832
		Mazabuka	5	667,114
		Sinazongwe	11	765,843
6	Northern	Kasama	8	649,071
		Mbala	1	320,101
7	Luapula	Mansa	14	1,494,317
		Kawambwa	1	46,832
		Nchelenge	5	394,809
8	Muchinga	Chinsali	9	767,751
		Mpika	2	101,274.69
		Shiwang`Andu	5	343,262.24
		Chama	1	93,571.44
		Nakonde	1	57,905.04
8	Eastern	Chipata	23	3,576,497
		Nyimba	1	78,670
		Lundazi	14	1,121,774
		Katete	5	411,840
		Petauke	1	89,184
		Mambwe	7	841,351
9	Western	Mongu	2	128,550
		Nalolo	1	87,214
		Sesheke	2	120,333
		Limulunga	1	67,152
		<b>Total</b>	<b>3147</b>	<b>322,921,335</b>

**f. Misplacement of Payroll Area**

Cabinet Office Circular No.13 of 2019 requires Controlling Officers to ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their duty stations as directed by the Service Commission or the responsible officer and that any employee who is not at their duty stations by 30<sup>th</sup> September 2019 would be removed from the payroll. Contrary to the Circular, a reconciliation of the payroll and staff returns for Ministry of Health for 2021 revealed that 7,814

officers in 111 districts drew salaries in amounts totalling K40,410,368 from pay-points that were different from their physical stations.

In response dated 19<sup>th</sup> May 2022, the Controlling Officer stated that administrative transfers of staff were made to new areas and existing facilities at the time pending issuance of treasury authority.

However, a sample head count of 6,041 officers in sixty (60) districts for new areas and existing facilities carried out in June 2022 revealed that 1,410 officers who were paid salaries in amounts totalling K9,943,261 were not accounted for in the areas they were purported to have been transferred. See table 4 below.

**Table 4: Misplacement of Payroll Area**

No.	Province	Districts	No. of Employees	Amount K
1	Lusaka	Lusaka	510	3,490,505
		Luangwa	9	38,602
		Chongwe	18	78,083
2	Central	Chibombo	26	112,934
		Chisamba	37	164,013
		Kabwe	119	789,800
		Kapiri Mposhi	25	117,270
		Mumbwa	38	206,326
		Serenje	23	126,139
3	Copperbelt	Chililabombwe	15	86,651
		Chingola	54	316,336
		Kitwe	72	419,339
		Mpongwe	33	155,856
		Mufulira	60	326,618
		Ndola	139	1,341,513
4	North-Western	Manyinga	4	213,325
		Mwinilunga	9	680,150
		Zambezi	1	87,254
5	Southern	Kalomo	12	71,266
		Monze	19	121,915
		Kazungula	3	14,011
		Mazabuka	26	141,869
		Sinazongwe	5	21,471
6	Luapula	Mansa	3	12,016
7	Eastern	Chipata	73	444,247
		Katete	21	132,158
		Lundazi	24	100,570
		Mambwe	8	36,417
		Nyimba	5	20,273
		Petauke	9	35,682
8	Western	Kalabo	1	4,481
		Limulunga	2	7,535
		Mongu	6	25,093
		Nalolo	1	3,546
<b>Total</b>			<b>1,410</b>	<b>9,943,261</b>

**g. Irregular Diversion of Salaries**

According to Terms and Conditions of Service for the Public Service No. 12(a), an officer on appointment to the Public Service shall submit to the responsible officer confirmation of date of arrival at duty station.

This is done through the completion and submission of Arrival Advice Form 81 which specifies the officers pay point and bank account details. Form 81 is approved by the Head of Department or Controlling Officer before being submitted to the end user. In addition, any further changes should be supported by a written submission by the officer.

In particular, the following was observed:

**i. North-Western Province**

**• Employee No. 259532**

During the period under review, ten (10) employees under Solwezi General Hospital had their account details irregularly changed by payroll end user employee number 259532 and salaries in amounts totalling K3,050,391 were diverted into seventeen (17) accounts of which two (2) belonged to the end user and the other fifteen (15) belonged to beneficiaries who were not in the Public Service.

Further, it was noted that from the ten (10) employees whose accounts were changed, five (5) individuals had no record of being employed under Solwezi General Hospital but were created as ghost employees. See table 5 below.

**Table 5: Salaries Diverted by Employee No. 259532**

Emp No.	Date created/ Uploaded	Created By Emp No	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark	Confirmed Bank Account Owner
334525	01.07.2019	259532	01.03.2020	249574	01.07.2019	259532	8	30,996	29,212	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx. An account belonging to the end user.	End User
219956	30.05.2011		01.10.2018	259532	01.09.2018	259532	1	26,153	16,046	Unpaid Leave	Employee who went on unpaid leave had his bank details changed to bank account Number xxxxxx. An account belonging to the end user.	End User
298658	01.03.2017	259532			01.03.2017	259532	17	117,717	104,741	No formal termination on the system	Employee who is not on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
298658	01.03.2017	259532			01.06.2018	259532	1	5,538	4,903	No formal termination on the system	Employee who is currently not on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
298658	01.03.2017	259532			01.03.2019	259532	31	217,473	179,508	No formal termination on the system	Employee who is currently not on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
298645	01.03.2017	259532			01.03.2017	259532	49	315,592	254,875		Employee who is still working had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
163535	01.04.2010	MNZUVA	01.01.2022	95804	01.09.2018	259532	10	323,395	176,288	Resignation with Notice	Employee who deserted had his bank details changed to bank account Number xxxxxx.	Beneficiary in Public Service
163535	01.04.2010	MNZUVA	01.01.2022	95804	01.10.2019	259532	8	244,196	225,076	Resignation with Notice	Employee who deserted had his bank details changed to bank account Number xxxxxx.	Beneficiary Unknown
298716	01.03.2017	259532			01.03.2017	259532	1	30,419	27,588		Employee who is still working had his bank details changed to bank account Number xxxxxx.	Beneficiary Unknown
298716	01.03.2017	259532			01.09.2017	259532	5	26,316	23,605		Employee who is still working had his bank details changed to bank account Number xxxxxx.	Beneficiary Unknown

**Table 5a: Salaries Diverted by Employee No. 259532**

Emp No.	Date created/ Uploaded	Created By Emp No	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark	Confirmed Bank Account Owner
298716	01.03.2017	259532			01.04.2019	259532	30	194,028	152,260		Employee who is still working had his bank details changed to bank account Number xxxxxx. An account belonging to Unknown officer.	Unknown
298716	01.03.2017	259532			01.03.2018	259532	13	71,997	63,232		Employee who is still working had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
317737	01.05.2018	208209	04.09.2021	249574	01.01.2019	259532	7	40,217	34,251	Dismissal	A dismissed employee had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
317737	01.05.2018	208209	04.09.2021	249574	01.08.2019	259532	5	28,799	24,726	Dismissal	Employee who was dismissed had the bank details changed to bank account Number xxxxxx.	End User
320360	05.02.2018	259532			01.07.2018	259532	1	6,145	5,430		Employee who is still on payroll had his bank details changed to bank account Number xxxxxx. An account belonging to unknown officer.	Unknown
320360	05.02.2018	259532			01.02.2017	259532	25	150,511	132,655		An employee who is still on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
320360	05.02.2018	259532			08.08.2018	259532	6	38,695	32,580		An employee who is still on payroll had his bank details changed to bank account Number xxxxxx. An account belonging to the Unknown officer.	Unknown
320360	05.02.2018	259532			05.02.2018	259532	1	28,085	24,756		Employee who is still on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
325942	06.07.2018	259532			6.07.2018	259532	36	314,676	252,257		Employee who is still on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
334374	02.07.2019	259532			02.07.2019	259532	27	839,443	568,549	Officer not on payroll but there is no evidence of termination on the system	Employee who is not on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not in Public Service
	<b>Total</b>							<b>3,050,391</b>	<b>2,332,539</b>			

- **Employee No. 249574**

During the period under review, seven (7) employees under Solwezi General Hospital had their account details irregularly changed by payroll end user Employee Number 249574 and salaries in amounts totalling K472,336 were diverted into nine (9) accounts of which two (2) belonged to another end user Employee Number 259532 and the other seven (7) belonged to beneficiaries who were not in Public Service.

Further, it was noted that from the seven (7) employees whose accounts were changed, one (1) individual had no record of being employed under Solwezi General Hospital but was created as a ghost employee. See table 6 below.

**Table 6: Salaries Diverted by Employee No. 249574**

Emp No.	Date Created/Uploaded	Created By Emp No	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark	Confirmed Bank Account Owner
338021	01.09.2019	259532	01.10.2020	249574	5.01.2020	249574	1	6,307	4,564	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx. An account belonging to Unknown officer.	Unknown
338021	01.09.2019	259532	01.10.2020	249574	5.01.2020	249574	4	25,227	18,247	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx.	Beneficiary Not In Public Service
338014	01.09.2019	259532	01.09.2020	249574	01.04.2020	249574	2	12,033	10,416	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx.	End User
338014	01.09.2019	259532	01.09.2020	249574	01.06.2020	249574	3	18,049	15,616	Resignation with notice	Employee who is still on payroll had his bank details changed to bank account Number xxxxxx.	Beneficiary Not In Public Service
170750	01.04.2010		01.09.2020	249574	31.08.2020	249574	5	31,534	21,413	Resignation without notice	Employee who resigned had his bank details changed to bank account Number xxxxxx.	End User
212538	03.06.2011		30.09.2020	249574	01.05.2020	249574	6	58,274	38,991	Resignation without notice	Employee who resigned had his bank details changed to bank account Number xxxxxx. An account belonging to unknown officer	Unknown
317737	01.05.2018	208209	04.09.2021	249574	01.03.2020	249574	18	106,756	93,332	Dismissal	Employee who was dismissed had his bank details changed to bank account Number xxxxxx.	Beneficiary Not In Public Service
163535	01.04.2010	MINZUVA	01.01.2022	95804	01.06.2020	249574	5	164,997	116,108	Resignation with Notice	Employee who resigned had his bank details changed to bank account Number xxxxxx.	Beneficiary Not In Public Service
320360	05.02.2018	259532			01.03.2021	249574	8	49,158	43,176		Employee who is still on payroll had his bank details changed to bank account Number xxxxxx. An account belonging to unknown officer.	Unknown
								<b>472,336</b>	<b>361,862</b>			

- **Employee No. 208209**

On 1<sup>st</sup> May 2018, a Zambia Enrolled Nurse, employee No. 317737, was introduced on the payroll under Solwezi General Hospital by an End User with Employee No. 208209 and later transferred to Saluzhingwa Rural Health Centre in Ikelegi District.

However, a review of the payroll records revealed that the salary for the months of September 2019, January 2020 and February 2020 amounting to K17,279 was diverted to a bank account held at Zambia National Commercial Bank PLC, belonging to the P MEC end user Employee No. 259532 for Solwezi General Hospital.

Further, on 4<sup>th</sup> September 2021, employee No. 317737 was terminated from the payroll by another end user employee number 249574, no supporting documentation for the termination was availed. In addition, the Ministry could not account for this employee and no personal file or record of the employee's arrival were availed for audit.

- **Employee No. 293289**

On 20<sup>th</sup> April 2020, a Junior Resident Medical Officer, employee number 00342249, reported at Solwezi General Hospital and filled in the arrival advice form (Accounts Form No. 81). The bank details indicated on the arrival advice form was for an account at First National Bank.

On 8<sup>th</sup> May 2020, the officer was introduced on the payroll with an effective date of 1<sup>st</sup> January 2020 by Employee No. 249574. On the same day, another payroll end user Employee No. 293289 introduced another First National Bank account number as the officer's salary account to which salaries in amounts totalling K95,019 were paid. The paid salaries related to the months of January 2020 to April 2020, a period before the officer reported and for the month of May 2020 after the officer had reported.

Enquiries with the commercial bank where bank account was held, revealed that the account belonged to an individual who was not known in the public service.

- **Employee No. 191304**

During the period under review, Solwezi District Health Office Payroll end user, Employee No. 191304 introduced a bank account number on Employee No. 304529, a General Worker under Solwezi General Hospital, in which the salary for January 2018, amounting to K4,376 was paid.

In addition, on 1<sup>st</sup> May 2019, the end user created a Registered Nurse, Employee No. 334893, under the same Hospital with a Zambia National Commercial Bank PLC account in which salaries amounting to K218,459 were paid.

Enquiries with the Commercial Bank to which the bank accounts were held revealed that the accounts belonged to the payroll end user Employee No. 259532 and Employee No. 334893 respectively.

It was further established that Employee No. 334893 neither reported for duty nor was the officer known by the Hospital Administration, the District Health Office and Provincial Health Offices, thereby rendering him a ghost worker. See table 7 below.

**Table 7: Salaries Diverted by Employee Number 191304**

Emp No.	Date created/ Uploaded	Created By Emp No	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark	Confirmed Bank Account Owner
304529	01.01.2018	191304	01.01.2018	191304	1	4,376	4,027		Officers Salary diverted to account number xxxxxx belonging to end user.	End User
334893	01.05.2019	191304	01.05.2019	191304	26	218,459	149,411	Officer not on payroll but there is no evidence of termination on the the system	Officers Salary diverted to account number xxxxxx belonging to a ghost employee.	Ghost Employee
	<b>Total</b>					<b>222,835</b>	<b>153,438</b>			

- **Employee No. 334268**

Section 12(a) of the Terms and Conditions of Service for the Public Service requires that an officer on appointment to the public service should submit to the responsible officer confirmation of date of arrival at duty station. This is done through the completion and submission of Arrival Advice Form 81 after which the officer is introduced on the payroll with effect from the date of arrival.

In addition, an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion and resignation. The position for the terminated employee is then made available for re-assignment.

On the 12<sup>th</sup> July 2021, a Pharmacy Technologist, Employee No. 334268 working under Ministry of Health Zambezi District resigned. However, a review of records revealed that on 31<sup>st</sup> October 2021, the bank account details were changed from one account to another by a super user at PMEC Employee No. 210392.

Further, as at 31<sup>st</sup> July 2022 the officer was still on the payroll and had not been terminated twelve (12) months after his resignation and was paid amounts totalling K97,824.

ii. Central Province

- Employee No. 261836

During the period under review, three (3) employees under Chitambo District Health Office had their account details irregularly changed by payroll end user employee number 261836 and salaries in amounts totalling K71,374 were diverted into an account which belonged to the end user. See table 8 below.

**Table 8: Salaries Diverted by Employee No. 261836**

Emp No.	Date created/ Uploaded	Created By Emp No	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net K)	Reason for Termination	Remark
295860	01.02.2017	208801	01.02.2020	184390	07.09.2019	261836	5	36,513	13,670	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx. An account belonging to the end user.
198123	01.04.2010		01.02.2020	184390	05.05.2019	261836	4	27,998	10,601	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx. An account belonging to the end user.
294249	01.02.2017	189057	01.04.2019	261836	12.03.2019	261836	1	6,862	3,593	Resignation without notice	Employee who resigned had his bank details changed to bank account Number xxxxxx. An account belonging to the end user.
	<b>Total</b>							<b>71,374</b>	<b>27,864</b>		

- **Employee No. 162851**

During the period under review, three (3) employees under Chibombo District Health Office had their account details irregularly changed by payroll end user employee number 162851 and salaries in amounts totalling K155,251 were diverted into three (3) accounts of which two (2) belonged to another end user Employee No. 261836 and the other one (1) belonged to named beneficiary who was not in Public Service. See table 9 below.

**Table 9: Salaries Diverted by Employee No. 162851**

Emp No.	Date created/ Uploaded	Created By Emp No	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark	Confirmed Bank Account Owner
318398	02.03.2018	162851			10.06.2018	162851	1	27,158	22,995		Bank account for an existing employee had bank details changed to bank account Number xxxxxx.	End User
299193	01.06.2017	162851			07.09.2017	162851	3	33,284	29,318		Bank account for an existing employee had bank details changed to bank account number xxxxxx.	Beneficiary Service
146649	01.04.2010		01.09.2018	199585	01.06.2018	162851	3	94,809	38,691	Resignation with notice	Employee who resigned had his bank details changed to bank account Number xxxxxx.	End User
								<b>155,251</b>	<b>91,004</b>			

**iii. Copperbelt Province**

**• Diverted Salaries Employee No. 244959**

During the period under review, twenty-two (22) employees under Luanshya District Health Office had their account details irregularly changed by payroll end user employee number 244959 and salaries in amounts totalling K611,235 were diverted into five (5) personal accounts belonging to the end user employee No. 244959.

Further, it was noted that from the twenty-two (22) employees whose accounts were changed, eight (8) individuals had no record of being employed under Luanshya DHO but were created as ghost employees. See table 10 below.

**Table 10: Diverted Salaries by Employee No. 244959**

Emp No.	Date created/Uploaded	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark
127316	01.04.2010	01.07.2017	244959	01.07.2017	244959	1 month	16,366	14,224	Dismissal	Bank account for the existing employee who was dismissed had the bank details changed to bank account Number xxxxxx. An account belonging to the end user. The salary for June 2017 was diverted.
127573	24.02.2010	02.10.2017	244959	01.03.2017	244959	2 Months	11,879	12,441	Secondment	Bank account for the existing employee who proceeded on secondment were changed to bank account number xxxxxx. The salary was credited to this account in March and October 2017. An account belonging to the end user
132117	01.04.2010	01.06.2018	244959	01.12.2017	244959	3 Months	28,228	12,481	Resignation	Bank account for the existing employee was changed to bank account number xxxxxx while she was still serving. The salary was credited to this account in January, February and May 2018.
187335	01.04.2010	01.11.2018	244959	01.09.2017	244959	3 Months	11,368	7,304	Unpaid Leave	Bank account for the existing employee who proceeded on unpaid leave were changed to bank account number xxxxxx. The salary was credited to this account in September, October and November 2017. An account belonging to the end user
201531	01.04.2010	01.12.2017	244959	01.09.2017	244959	2 Months	11,435	5,584	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in September and October 2017. An account belonging to the end user
212744	01.04.2010	01.09.2017	244959	01.08.2017	244959	1 month	21,898	19,567	Resignation	Bank account for the employee who resigned were changed to bank account number 0062638606650. The salary was credited to this account in August 2017. An account belonging to the end user
219033	05.10.2011	01.09.2018	244959	01.12.2017	244959	3 Months	26,555	16,987	Unpaid Leave	Bank account for the existing employee who proceeded on unpaid leave were changed to bank account number xxxxxx. The salary was credited to this account in January, February and August 2018. An account belonging to the end user
241955	07.08.2018	28.08.2017	244959	01.06.2017	244959	2 Months	25,280	20,287	Dismissal	Bank account for the employee who was dismissed were changed to bank account number xxxxxx. The salary was credited to this account in June and September 2017. An account belonging to the end user
252156	01.04.2014	01.05.2017	244959	01.04.2017	244959	1 month	13,093	12,431	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in April 2017. An account belonging to the end user
275410	01.03.2016			01.03.2016	244959	1 month	5,859	5,049	Still on Payroll	Bank account for the existing employee were changed to bank account number xxxxxx for one month on introduction. The salary was credited to this account in March 2016. An account belonging to the end user

**Table 10a: Diverted Salaries by Employee No. 244959**

Emp No.	Date created/ Uploaded	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark
286841	01.08.2016	01.12.2016	244959	01.08.2016	244959	1 month	25,932		Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in November 2016. An account belonging to the end user
297933	01.07.2017	01.12.2017	244959	01.11.2017	244959	1 month	6,859	6,610	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in November 2017. An account belonging to the end user
285346	01.10.2016	01.12.2016		01.10.2016	244959	2 Months	12,796	10,855	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in October and November 2016. The account belongs to the end user.
286836	01.02.2016	01.11.2016		01.02.2016	244959	1 month	45,720	40,653	Death	Bank account for the employee who died were changed to bank account number xxxxxx. The salary was credited to this account in November 2016. The account belongs to the end user.
298498	01.03.2017	01.08.2017		12.07.2017	244959	1 month	22,152	20,622	Death	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account for the month of July 2017. The account belongs to the end user.
318395	01.01.2018	01.07.2018		01.01.2018	244959	1 month	36,385	31,711	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account for the month of June 2018. The account belongs to the end user.
321025	02.06.2018	01.01.2019		02.06.2018	244959	6 Months	58,174	46,860	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account for 6 months. Between July and December 2018. The account belongs to the end user.
321640	10.01.2018	01.09.2018		10.01.2018	244959	1 month	54,201	46,202	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in August 2018. An account belonging to the end user
323617	02.10.2018	01.11.2018		02.10.2018	244959	1 month	6,189	5,373	Resignation	Bank account for the employee who resigned were changed to bank account number xxxxxx. The salary was credited to this account in October 2018. An account belonging to the end user
279311		01.10.2016		01.01.2016	244959	1 month	81,560	64,595	Death	Bank account for the existing employee was changed to bank account number xxxxxx when she died. The salary was credited to this account in September 2016. An account belonging to the end user
127333		01.03.2017		01.12.2016	244959	17 Months	81,995	64,070	Resignation	Bank account for the existing employee were changed to bank account number xxxxxx. The salary was credited to this account for 12 months, between January 2016 and January 2020. In addition, the employee was terminated and reintroduced on the payroll three (3) times. An account belonging to the end user
127333		01.10.2019							Termination	
127333		01.02.2020							Termination	
275257		08.07.2017		01.03.2017	244959	1 Month	7,310	5,173	Dismissal	Bank account for the employee who was dismissed were changed to bank account number xxxxxx. The salary was credited to this account in March 2017. An account belonging to the end user
<b>Total</b>							<b>611,235</b>	<b>469,079</b>		

- **Employee No. 127289**

On 1<sup>st</sup> July 2017, six (6) employees under Mpongwe District Health Office in Copperbelt Province had their account details irregularly changed by payroll end user Employee No. 127289 and salaries in amounts totalling K62,773 were diverted into six (6) accounts belonging to other beneficiaries. See table 11 below.

**Table 11: Salaries Diverted by Employee No. 127289**

Emp No.	Date created/ Uploaded	Created By Emp No	Date Bank Account was Changed	Changed By	Termination Date	Terminated By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Remark
297764	01.07.2017	127289	01.07.2017	127289			2	12,555	10,782	Bank account for an existing employee had bank details changed to bank account Number xxxxxx for an officer in the Public Service.
297912	01.07.2017	127289	1.07.2017	127289			1	6,277	5,391	Bank account for an existing employee had bank details changed to bank account Number xxxxxx for an officer in the Public Service.
297936	01.07.2017	127289	01.07.2017	127289			2	12,555	10,742	Bank account for an existing employee had bank details changed to bank account Number xxxxxx for an officer in the Public Service.
297845	01.07.2017	127289	01.07.2017	127289			1	6,279	5,391	Bank account for an existing employee had bank details changed to bank account Number xxxxxx for an officer in the Public Service.
297873	01.07.2017	127289	01.07.2017	127289	01.05.2018	147388	2	12,554	10,782	Bank account for an a employee who was dismissed had bank details changed to bank account Number xxxxxx.
297811	01.07.2017	127289	01.07.2017	127289			2	12,554	10,782	Bank account for an existing employee had bank details changed to bank account Number xxxxxx for an officer in the Public Service.
	<b>Total</b>							<b>62,773</b>	<b>53,870</b>	

Further, a scrutiny of the salaries bank file revealed that a Zambia National Commercial Bank PLC account number was used by three (3) different officers that were created by an end user employee No. 127289.

However, confirmation with Zambia National Commercial Bank PLC revealed that the account belonged to employee No. 297764 who was among the three (3) officers created on the system by the same end user, Employee No. 127289.

**iv. Northern Province**

- **Employee No. 230458**

During the period under review, Kasama General Hospital payroll end user, employee number 230458 changed bank account details for seven (7) employees under Northern Province.

In this regard, salaries in amounts totalling K238,060 were diverted into eight (8) accounts belonging to an end user employee No. 230458, beneficiary not in Public Service and three (3) other accounts whose owners could not be established. See table 12 below.

**Table 12: Salaries Diverted by Employee No. 230458**

Emp No.	Date created/Uploaded	Created By Emp No	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark
320513	10.04.2018	230458			10.04.2018	230458	2	22,637	19,990		Bank account for an existing employee had bank details changed to bank account Number xxxxxx whose owner could not be established.
320513	10.04.2018	230458			01.08.2018	230458	1	6,064	5,272		Bank account for an existing employee had bank details changed to bank account Number xxxxxx whose owner could not be established.
317388	22.01.2018	230458			22.01.2018	230458	1	29,157	25,607		Bank account for an existing employee had bank details changed to bank account Number xxxx an account belonging to a beneficiary not in Public Service.
322388	02.02.2018	230458	01.09.2019	258923			10	104,092	91,554	Dismissal	Bank account for an existing employee had bank details changed to bank account Number xxxx an account belonging to a beneficiary not in Public Service.
317315	22.01.2018	230458			22.01.2018	230458	1	13,183	12,506		Bank account for an existing employee had bank details changed to bank account Number xxxxxx whose owner could not be established.
295026	01.01.2017	258434	01.08.2018	230458	01.03.2018	230458	6	36,386	30,520	Resignation With Notice	Bank account for an employee who resigned had bank details changed to bank account Number xxxxxx. An account belonging to an end user.
333552	01.04.2019	230458			01.04.2019	230458	2	13,166	11,250		Bank account for an employee who resigned had bank details changed to bank account Number xxxxxx. An account belonging to an end user.
207569	22.11.2010		01.03.2019	230458	01.02.2019	230458	1	6,791	5,524	Resignation With Notice	Bank account for an employee who resigned had bank details changed to bank account Number xxxxxx. An account belonging to an end user.
323396	30.06.2018	230458	01.07.2019	230458	01.06.2019	230458	1	6,583	5,573	Death	Bank account for an employee who resigned had bank details changed to bank account Number xxxxxx. An account belonging to an end user.
	<b>Total</b>							<b>238,060</b>	<b>207,796</b>		

**v. Southern Province**

- **Employee Number 241610**

During the period under review, twenty (20) employees under Kazungula District Health Office had their account details irregularly changed by payroll end user employee number 241610 and salaries in amounts totalling K608,397 were diverted into three (3) personal accounts belonging to the end user employee number 241610 and other four (4) accounts belonged to the other individuals. See table 13 below.

**Table 13: Salaries Diverted by Employee No. 241610**

Emp No.	Date created/ Uploaded	Date created/ Uploaded by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark
282137	01.10.2016	241610	25.03.2017	241610	01.12.2016	241610	5 Months	27,736.85	27,540.70	Resignation	Bank account for the existing employee who resigned were changed to bank account Number xxxxxx. The salary was credited to this account for 4 months, between December 2016 and March 2017. An account belonging to an officer who did not exist in the public service.
287384	01.07.2016	241610			01.01.2017	241610	2 Months	22,913.03	22,913.03		Bank account for the existing employee were changed to bank account Number xxxxxx. The salary was credited to this account for month of December 2016 and January 2017. An account belonging to an officer who did not exist in the public service.
299878	01.07.2017	241610			01.07.2017	241610	1 Month	27,736.85	24,656.32		Bank account for the existing employee were changed to bank account Number xxxxxx whose owner could not be established for the month of November 2017.
297056	01.01.2017	24610	01.01.2019	24610	01.09.2017	24610	16 months	67,055.77	63,494.87	Resignation	Bank account for the existing employee were changed to bank account Number xxxxxx belonging to the end user, xxxxxx and account number xxxxxx whose owners could not be established. The salaries diverted for the period May 2017 to December 2018 .
317963	01.01.2018	01.01.2018			01.01.2018		1 Month	36,385.80	31,711.01		Bank account for the existing employee were changed to bank account Number xxxxxx belonging to an end user month of June 2017.
298039	01.01.2017	24610			01.01.2017	24610	1 Month	38,831.59	34,503.85		Bank account for the existing employee were changed to bank account Number xxxxxx belonging to an end user month of July 2017.
287386	01.07.2016	24610			02.12.2016	24610	2 Months	22,913.03	22,913.03		Bank account for the existing employee was changed to bank account Number xxxxxx for the month of January 2017 and later to account number xxxxxx for the month of December 2016 and January 2017 both belonging to individuals who did not exist in the public service.
287388	01.07.2016	24610			02.12.2016	24610	2 Months	22,913.03	22,913.03		Bank account for the existing employee was changed to bank account Number xxxxxx for the month of January 2017 and later to account number xxxxxx for the month of December 2016 and January 2017 both belonging to individuals who did not exist in the public service.
287391	01.07.2016	24610			01.01.2017	24610	2 Months	22,913.03	22,913.03		Bank account for the existing employee were changed to bank account Number xxxxxx belonging to an individual not in public service.

**Table 13a: Salaries Diverted by Employee No. 241610**

Emp No.	Date created/ Uploaded	Date created/ Uploaded by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark
287394	01.07.2016	24610			01.01.2017	24610	2 Months	22,913	22,913		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
287396	01.07.2016	24610			02.12.2016	24610	2 Months	22,913	22,913		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
288278	10.10.2016	24610			10.10.2016	24610	2 Months	20,956	18,601		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
296139	01.01.2017	24610			01.01.2017	24610	2 Months	15,108	14,345		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
296142	01.01.2017	24610			01.01.2017	24610	2 Months	15,108	14,345		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
296143	01.01.2017	24610			01.01.2017	24610	2 Months	15,108	14,345		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
296147	01.01.2017	24610			01.01.2017	24610	2 Months	15,108	14,345		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
287398	01.07.2016	24610			01.07.2016	24610	1 Month	26,233	25,049		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
299867	01.07.2017	24610			01.07.2017	24610	1 Month	27,737	24,656		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
316623	01.01.2018	24610			01.05.2018	24610	1 Month	6,064	5,287		Bank account for the existing employee were changed to bank account Number xxxxx belonging to an individual not in public service.
118659	01.04.2010	24610	01.02.2020	183478	08.10.2015	24610	16	131,752	108,635	Termination of service with reason	Bank account for the existing employee were changed to bank account Number xxxxxx belonging to an end user. The salaries were diverted for the period January 2016 to May 2017 .
	<b>Total</b>							<b>608,397</b>	<b>558,991</b>		

- **Employee No. 247180**

On 17<sup>th</sup> March 2017, employee no. 298609 a General Worker under Ministry of Health, Pemba District of Southern Province was introduced on the payroll by end user Employee No. 247180.

A review of the payroll records revealed that the officer's bank account details were changed by the payroll end user Employee No. 247180 and her salary for the period July 2017 to January 2018 amounting to K29,792 were diverted to bank account No. 5494567100250 held at Zambia National Commercial Bank PLC. The accounts belonged to a beneficiary who did not exist in the in the Public Service.

In addition, salaries for the months of February to May 2018 amounting to K13,381 were paid into a bank account held at Zambia National Commercial Bank PLC, the account belonged to another beneficiary who also did not exist in the Public Service.

In this regard, the salaries in amounts totalling K43,173 paid in the two (2) bank accounts were irregular.

- **Eastern Province – Employee No. 52527**

On 1<sup>st</sup> July 2017, Employee No. 298537, a Medical Laboratory Technologist under Mambwe District Health Office in Eastern Province was introduced on the payroll by end user employee No 250135.

A review of the payroll records revealed that the officer's bank account details were changed by a P MEC Super End-User employee No 52527 and salaries for the month of January 2018 amounting to K5,609 was diverted to a bank account held at Barclays Bank.

The account belonged to an officer employee No 152205 who at the time was a Personnel Cost Planning Officer at PSMD.

**vi. Lusaka Province**

- **Employee No. 299994**

On 13<sup>th</sup> November 2017, Employee No. 299994, a Cleaner, reported for duty at Shikabeta Rural Health Centre in Chongwe District and filled in the arrival advice form (Accounts form No. 81). The bank details indicated on the arrival advice form was for a Zambia National Commercial

Bank PLC account. However, a review of the payroll records revealed that the salaries in amounts totalling K13,441 for the period from November 2017 to January 2018 were diverted into a First National Capital Bank account whose account could not be established.

- **Employee No. 296995**

On 13<sup>th</sup> April 2017, employee No. 296995, a Cleaner, reported for duty at St. Luke's Hospital in Rufunsa District and filled in the arrival advice form (Accounts form No. 81). The bank details indicated on the arrival advice form was a Barclays Bank account.

However, a review of the payroll records revealed that the salaries in amounts totalling K19,360 for the period from May to June 2017 were diverted into a Stanbic Bank Account ranch belonging to an individual not in public service.

#### **h. Irregular Payment of Double Salaries**

##### **i. Southern Province**

- **Employee No. 291554**

On 15<sup>th</sup> January 2017, a Registered Nurse, employee number 290273 was first introduced on the payroll by end user employee No 266684 under Ministry of Health, Western Province. Further, on 1<sup>st</sup> February 2017, the same employee was introduced on the payroll with employee number 291554 under Ministry of Health in Choma by another end user employee No. 170031.

Between January 2017 and December 2018, the Officer drew salaries amounting to K87,009 under Western Province and K114,877 under Southern Province through the same Bank Account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K87,009 paid to the Officer under Western Province was irregular as the officer was drawing a salary under Southern Province where he was serving.

- **Employee No. 210392**

On 18<sup>th</sup> September 2019, a Zambian Enrolled Nurse, employee number 336795 was first introduced on the payroll end user employee No 210392 under Ministry of Health, Southern

Province. Further, on 19<sup>th</sup> September 2019, the same employee was introduced on the payroll with employee number 339047 by the same end user employee No 210392.

During the period from September to December 2019, the Officer drew salaries amounting to K21,381 under Employee No. 336715 and K20,874 under Employee No. 339047 through the same bank account held at Stanbic Bank Zambia Ltd.

In this regard, the salary amounting to K20,874 paid to the officer under employee number 339047 was irregular as the officer was already drawing a salary.

- **Employee No. 344483**

On 20<sup>th</sup> May 2020, a Zambian Registered Nurse, employee No. 344483 was first introduced on the payroll by end user employee No 254669 under Ministry of Health, Southern Province. Further, on 4<sup>th</sup> June 2020, the same employee was introduced on the payroll with employee number 344661 by employee No 198785.

During the period from September to December 2020, the Officer drew salaries amounting to K53,959 under Employee No. 344483 and K91,290 under Employee No. 344661 through the same bank account held at Stanbic Bank Zambia Ltd.

In this regard, the salary amounting to K53,959 paid to the officer under employee number 344483 was irregular as the officer was already drawing a salary.

- **Employee No. 349184**

On 4<sup>th</sup> January 2021, a Zambian Registered Nurse, employee No 349184 was first introduced on the payroll end user employee No. 25246 under Ministry of Health, Southern Province. Further, on 15<sup>th</sup> February 2021, the same employee was introduced on the payroll with employee number 349655 by employee No. 252500.

During the period from February to March 2021, the officer drew salaries amounting to K53,045 under Employee No. 349184 and K10,487 under Employee No. 349655 through the same bank account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K10,487 paid to the officer under employee number 349655 was irregular as the officer was already drawing a salary.

- **Employee No. 293505**

In January 2017, a Zambian Enrolled Nurse, employee No. 293505 was first introduced on the payroll end user employee No 209168 under Ministry of Health, Southern Province. Further, the same employee was introduced on the payroll with employee No. 289191 by the same end user.

During the period from January to March 2017, the officer drew salaries amounting to K17,938 under Employee No. 293505 and K17,152 under Employee No. 289191 through bank account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K17,152 paid to the officer under employee number 289191 was irregular as the officer was already drawing a salary. Further, as at 30<sup>th</sup> June 2022, no action had been taken against the end user.

In addition, it was noted that in April 2017, employee number 289191 was allocated to a Purchasing and Supplies Assistant. However, the allocation was irregular as an employee number is permanently allocated to an individual and not transferable.

- **Employee No. 336549**

On 17<sup>th</sup> September 2019, a Registered Nurse, employee number 336023 was introduced on the payroll by a P MEC superuser Employee No. 210392 under Ministry of Health, Southern Province. Further, on the same date, the employee was introduced on the payroll with another employee No. 336549 by the same end user.

During the period from September 2019 to March 2021, the officer drew salaries amounting to K110,806 under Employee No. 336023 and K91,843 under Employee No. 336549 through bank account No. 5399987100205 held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K110,806 paid to the officer under employee number 336023 was irregular as the officer was already drawing a salary.

- ii. **Eastern Province - Payment of Double Salaries- Employee No. 319059**

On 1<sup>st</sup> January 2018, a Medical Doctor, employee No. 319059 was introduced on the payroll by end user Employee No. 208689 under Ministry of Health, Eastern Province.

Further, on the same date, another payroll end user employee No. 190761 introduced the officer again on the payroll with another employee number 319274.

During the period from January 2018 to June 2018, the officer drew salaries amounting to K134,359 under Employee No. 319059 and K137,046 under Employee No. 319274 through bank account held at Barclays Bank.

In this regard, the salary amounting to K137,046 paid to the officer under employee number 319274 was irregular as the officer was already drawing a salary.

**iii. Copperbelt Province**

- **Employee No. 290280**

On 2<sup>nd</sup> January 2017, a Registered Nurse was first introduced on the payroll under employee No. 290280 by Kalulushi District Health Office end user Employee No. 25243 under Ministry of Health, Copperbelt Province at Kalulushi District Health Office.

On the same day, the Officer was introduced again as employee number 290932 under Mwanzi District Health Office in Western Province by PMEC Super End User Employee No. 56.

During the period from January 2017 to July 2017, the Officer drew salaries amounting to K31,751 under Employee No. 290932 and same amount under employee No. 290932 through bank account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K31,751 paid to the officer under employee No. 290280 was irregular as the officer had already been created on the payroll.

- **Employee No. 298046**

On 11<sup>th</sup> February 2017, a Clinical Officer General, employee No. 294714 was introduced on the payroll by end user Employee No. 210393 under Ministry of Health, Copperbelt Province. Further, on 10<sup>th</sup> July 2017, the same employee was introduced on the payroll with another employee number 298046 by another payroll end user employee No. 200895.

During the period from July to October 2017, the Officer drew salaries amounting to K47,345 under Employee No. 294714 and K21,564 under employee No. 298046 through bank account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K47,345 paid to the officer under employee No. 292714 was irregular as the officer had already been created on the payroll.

- **Employee No. 290354**

On 15<sup>th</sup> January 2017, a Registered Nurse of employee number 290354 was introduced on the payroll by P MEC superuser employee No. 208209 under Ministry of Health, Copperbelt Province. Further, on 30<sup>th</sup> January 2017, the same employee was introduced on the payroll with another employee number 291305 by another end user employee No. 254663.

During the period from April to November 2017, the Officer drew salaries amounting to K50,218 under Employee No. 291305 and K44,379 under employee No. 290354 through bank account No. 5440714100181 held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K50,218 paid to the officer under employee no. 291305 was irregular as the officer had already been created on the payroll.

**iv. Northern Province**

- **Employee No. 337279**

On 18<sup>th</sup> September 2019, a Registered Nurse of employee No. 337279 was introduced on the payroll by P MEC super user employee. No 210392 under Ministry of Health, Northern Province. Further, on the same date, the employee was introduced on the payroll under another employee No. 337190 by the same end user.

In the month of September 2019, the officer drew salaries amounting to K6,846 under Employee No. 337190 and K6,846 under Employee No. 337279 through bank account held at ABSA Bank.

In this regard, the salary amounting to K6,846 paid to the officer under employee number 337190 was irregular as the officer was already drawing a salary.

**v. Luapula Province**

- **Employee No. 317713**

On 15<sup>th</sup> March 2018, an Environmental Health Technician of employee No. 317713 was introduced on the payroll by end user Employee No. 190761 under Ministry of Health,

Luapula Province. Further, on 1<sup>st</sup> May 2018, the employee was introduced on the payroll with another employee number 319779 by end user employee No. 253849.

During the period from June to September 2018, the officer drew salaries amounting to K28,926 under Employee No. 319779 and K26,332 under Employee No. 317713 through bank account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K28,926 paid to the officer under employee number 3199779 was irregular as the officer was already drawing a salary.

- **Employee No. 317107**

On 26<sup>th</sup> February 2018, a Registered Nurse, employee No. 317107 was introduced on the payroll by end user Employee No. 243954 under Ministry of Health, Luapula Province. Further, on the same day, the employee was introduced on the payroll under another employee No. 316714 by the same end user.

During the period from March to September 2018, the officer drew salaries amounting to K43,266 under Employee No. 317107 and K43,699 under Employee No. 316714 through bank account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K43,699 paid to the officer under employee number 316714 was irregular as the officer was already drawing a salary.

- i. **Irregular Payment of Rural Hardship Allowances**

The Terms and Conditions of Service for the Public Service No. 166 provides that an officer serving in an area declared to be a remote area shall be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time.

Further, Public Service Management Circular No. B 2 of 2010 provides that a station which is 20 – 70 km qualify for rural hardship, the prescribed rate for rural hardship is 20% of the basic salary.

However, it was observed that during the period under review, amounts totalling K264,640 were irregularly paid as rural hardship allowance to fifty - five (55) officers who were not eligible in that their duty stations were not designated for payment of such an allowance. See table 14 below.

**Table 14: Rural Hardship Allowance**

No	Province	No. of Officers	Amount K
1	Southern	19	67,232
2	Copperbelt	7	30,641
3	Muchinga	4	53,664
4	Northern	3	2,343
5	Central	3	5,857
6	Eastern	2	4,607
7	Lusaka	2	75,799
8	Luapula	5	10,172
9	North Western	6	10,901
10	Western Province	4	3,425
	<b>Total</b>	<b>55</b>	<b>264,640</b>

**j. Irregular Payment of Remote Hardship Allowance**

The Terms and Conditions of Service for the Public Service No. 166 provides that an officer serving in an area declared to be a remote area shall be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time.

Further, Public Service Management Circular No. B 2 of 2010 requires that a station which is over 70 km qualify for remote hardship for category C, the prescribed rate for remote hardship allowance is 25% of basic salary.

However, it was observed that amounts totalling K53,132 were paid as Remote Hardship allowance to nine (9) officers who were not eligible in that their duty stations were not designated for payment of such an allowance. See table 15 below.

**Table 15: Remote Hardship Allowance**

No.	Province	No. of Officers	Amount K
1	Copperbelt	1	12,448
2	Northern	3	3,160
3	Luapula	3	6,908
4	Lusaka	2	30,617
	<b>Total</b>	<b>9</b>	<b>53,132</b>

**k. Irregular Payment of Housing Allowance**

The Public Service Management Division Circular (PSMD) No. B 24 of 2013 requires that housing allowance should be paid to officers not accommodated by Government in standard/pool houses through the payroll.

Contrary to the Circular, forty (40) officers who were accommodated in institutional houses were irregularly paid housing allowances in amounts totalling K257,985. See table 16 below.

**Table 16: Housing Allowance**

No.	Province	No. of Officers	Amount K
1	Southern	7	39,694
2	Muchinga	17	137,637
3	Northern	16	80,654
	<b>Total</b>	<b>40</b>	<b>257,985</b>

**I. Irregularities in Management of Bounced Salaries**

The Terms and Conditions of Service for the Public Service requires that an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion and resignation. The position for the terminated employee is then made available for re-assignment.

However, a review of the payroll records revealed that salaries in amounts totalling K70,232,240 in respect of 5,342 employees had bounced during the period under review for various reasons which included among others:

- Delays by payroll end users in removing terminated cases
- Delays by payroll end users in removing resignation cases
- Delays by payroll end users in removing officers on unpaid leave
- Lack of clear mechanism on processing of claims after voiding of bank account numbers

Subsequently, the bank accounts in respect of the 5,342 employees whose salaries had bounced were voided by several users. The accounts were voided for periods ranging from one (1) and twenty (20) months.

As at 31<sup>st</sup> July 2022, the funds in the voided accounts had been transferred to the Salaries Account at Zanaco Bank but had not been refunded to the Treasury Single Account at the Bank of Zambia. Further, the positions were not available for subsequent re-assignment.

In particular, the following was observed:

**i. Lusaka Province**

- **Employee No. 118310**

On 4<sup>th</sup> January 2016, Chainama Hills College had recommended for the dismissal of a General Worker (A) employee No. 118310 who absented himself for a period exceeding ten (10) days.

However, the employee was only terminated on payroll in June 2022 after drawing salaries in amounts totalling K209,217 without rendering any service. It was not clear why the employee was not terminated as he was a Classified Daily Employee (CDE) whose termination was within the authority of the Controlling Officer.

- **Employee No. 316550**

On 1<sup>st</sup> February 2018, a Registered Nurse, employee No. 316550 was first introduced on the payroll by end user employee No. 218297 under Ministry of Health, Lusaka Province. Further, on 13<sup>th</sup> February 2018, the same employee was introduced on the payroll with employee No. 318160 by the same end user.

During the period from March to July 2018, the officer drew salaries amounting to K36,386 under Employee No. 316550 and K34,120 under Employee No. 318160 through the same Bank Account held at Zambia National Commercial Bank PLC.

In this regard, the salaries amounting to K34,120 paid to the officer under employee number 318160 were irregular as the officer was already drawing a salary.

- **Employee No.115404**

On 5<sup>th</sup> December 2013, a Zambia Enrolled Nurse, employee No. 115404 was transferred to Ministry of Education – Southern Province as a Planner at the Provincial Office. However, the officer did not report for work at the Provincial Office and neither did she continue rendering service at Ministry of Health. During the period the officer was not rendering any service, she was irregularly paid salaries in amounts totalling K187,078.

**ii. North-Western Province**

• **Employee No. 206724**

Public Service Management Division (PSMD) Circular No. B1 of 2019 (c) requires that deceased employees who are not eligible for posthumous retirement should be deleted from the payroll with effect from the date of their demise.

On the 19<sup>th</sup> February 2019, a Zambia Enrolled Nurse, employee No. 206724 working under Ministry of Health Solwezi district died. Since her demise, the officer's salary of K82,317 had been paid into her bank account before the account was voided in August 2020.

However, during the period from August 2020 to June 2022 when the account was voided, the employee continued being on payroll and third-party obligations for both employer and employee contribution had continued to be settled by the Ministry of Finance.

It was not possible to establish whether the net amounts totalling K129,371 accumulated by the employee during the period the account was voided were paid out.

• **Employee No. 226892**

Terms and Conditions of Service No. 60 (a) and (b) requires that an officer absent from duty without leave for a continuous period of ten (10) or more working days shall be liable for dismissal. Further, the officer shall not be paid a salary for the period he/she is absent from duty without leave.

In October 2020, a Technologist Pharmacy, employee No.226892 at Kalene Mission Hospital in Ikelenge District deserted his station and management voided his salary from November 2020. It was however observed that management only charged the Officer on 3<sup>rd</sup> February 2022, fifteen (15) months after the officer deserted.

The employee continued being on payroll and third-party obligations for both employer and employee contribution had continued to be settled by the Ministry of Finance. In addition, it was observed that during the period from March 2021 to

November 2021 the deserter obtained loans from Bayport Financial Services (E095) and ZANACO (E352) amounting to K162,261 whilst the account was voided.

Further, it was not possible to establish whether the net amounts totalling K80,281 accumulated by the employee during the period the account was voided were paid out.

- **Employee No. 212790**

Terms and Conditions of Service No. 60 (a) and (b) requires that an officer absent from duty without leave for a continuous period of ten (10) or more working days shall be liable for dismissal. Further, the officer shall not be paid a salary for the period he/she is absent from duty without leave.

On 3<sup>rd</sup> February 2020, a Pharmacy Technologist, employee No. 212790 at Mwinilunga District Health Office was charged for absenting himself from work without permission or authority since 2016. From January 2017 to November 2020, the officer was paid salaries in amounts totalling K275,540.

However, during the period from June 2019 to June 2022 when the account was voided, the employee continued being on payroll and third-party obligations for both employer and employee contributions had continued to be settled by the Ministry of Finance.

Further, it was not possible to establish whether the net amounts totalling K207,387 accumulated by the employee during the period the account was voided were paid out.

### iii. **Eastern Province**

- **Employee No. 292118**

On 29<sup>th</sup> May 2017, an Environmental Health Technician, employee No. 292118 resigned from civil service. However, a review of payroll records revealed that after her resignation the officer's salary in amounts totalling K81,650 were still being paid into her bank account before it was voided in June 2018.

However, during the period from June 2018 to July 2019 when the account was voided, the employee continued being on payroll and third-party obligations for both

employer and employee contribution had continued to be settled by the Ministry of Finance.

It was not possible to establish whether the net amounts totalling K80,281 accumulated by the employee during the period the account was voided were paid out.

- **Employee No. 122111**

On 4<sup>th</sup> June 2018, an Administrative Officer, employee No. 122111 based at Lundazi District Health Office passed on. The officer's account was only voided in August 2020, two (2) years after his demise and the officer's salary totalling K260,050 had been paid into his bank account.

In addition, during the period from August 2020, when the account was voided, to June 2022, the deceased employee was maintained on the payroll and third-party obligations for both employer and employee contribution were being settled by the Ministry of Finance.

Further, it was observed that in February 2022, the deceased employee was irregularly moved from MoH Payroll to Separatees Payroll when the officer was contributing to NAPSA. It was not possible to establish whether the net amounts totalling K159,999 accumulated by the employee during the period the account was voided were paid out.

- **Failure to Refund Bounced Salaries - Eastern Province**

According to procedures for paying returned salaries, affected employees are required to inform their Heads of Department in writing who are then required to write to the Director PMEC requesting for the unpaid salaries to be paid.

During the period under review, eighty-six (86) employees had their salaries in amounts totalling K461,039 returned as a result of missing or wrong account numbers.

The affected officers wrote to their Heads of Departments requesting for returned salaries to be paid. However, as at 31<sup>st</sup> July 2022, the returned salaries had not been paid to the officers.

**iv. Payments to Ghost Employees - Luapula Province**

During the period under review, four (4) employees were introduced on the payroll by a PMEC super user (Employee No. 147388) and end user (employee No. 100216) and had their salaries in amounts totalling K1,127,138 processed on the payroll. However, no supporting documentation such as Arrival Advice (Form 81) to support the introduction of the officers were availed for audit. As at 31<sup>st</sup> July 2022, the Ministry had neither accounted for the officers nor was it aware of their whereabouts.

A further scrutiny of the employee bank records on the system revealed that of the four (4) officers, three (3) were introduced on the payroll with voided bank records.

It was therefore questionable how legitimate employees were introduced and maintained on the payroll for periods over four (4) years without receiving any salaries as they had voided bank details. See table 17 below.

**Table 17: Payments to Ghost Workers**

EmpNo	NRC	Position	District	Date Created	Employee No. of End User	Amount K
300639	235037/73/1	Registered Nurse	Nchelenge	01.12.2017	147388	265,075
300804	333804/64/1	Registered Nurse	Mansa	01.12.2017	147388	264,767
300897	267928/83/1	Registered Nurse	Milenge	01.12.2017	147388	263,260
291104	149237/55/1	Registered Nurse	Nchelenge	02.01.2017	100216	334,035
	<b>Total</b>					<b>1,127,138</b>

**v. Irregular Payment of Salaries to Ghost Employees - Western Province**

- **Employee No. 300665**

Section 12(a) of the Terms and Conditions of Service for the Public Service requires that an officer on appointment to the public service should submit to the responsible officer confirmation of date of arrival at duty station. This is done through the completion and submission of Arrival Advice Form 81 after which the officer is introduced on the payroll with effect from the date of arrival.

On 1<sup>st</sup> December 2017, a Registered Nurse, employee No. 300665 was introduced on payroll by PMEC super user employee No. 147388 under Nkeyema District Health

payroll and had salaries in amounts totalling K29,410 processed on Position ID No. 30036523 in Western Province. However, no documentation to support the introduction of the officer were availed for audit. The officer was terminated from the payroll in May 2018 by end user employee No 25243.

A further scrutiny of the employee bank details on the system revealed that the officer was introduced on the payroll with voided bank records. It is questionable how a legitimate employee would be introduced and maintained on the payroll for five (5) months without receiving any salaries as they had voided bank details.

- **Employee No. 300626**

Section 12(a) of the Terms and Conditions of Service for the Public Service requires that an officer on appointment to the public service shall submit to the responsible officer confirmation of date of arrival at duty station. This is done through the completion and submission of Arrival Advice Form 81 after which the officer is introduced on the payroll with effect from the date of arrival.

On 9<sup>th</sup> December 2017, a Registered Nurse, employee No. 300626 was introduced on payroll under Nalolo District by P MEC super user employee No. 147388 and had salaries in amounts totalling K360,128 processed. However, no documents were availed to support the introduction of the officer on the payroll. As at 31<sup>st</sup> July 2022, the Ministry neither accounted for the officer nor was it aware of her whereabouts.

It was further observed that the officer was introduced on the payroll with voided bank records and a scrutiny of the system revealed that on 1<sup>st</sup> May 2022, employee No. 210392, another P MEC super user irregularly performed an action of internal transfer on the officer.

It is questionable how a legitimate employee would be introduced and maintained on the payroll for over four (4) years without receiving any salaries as she had voided bank details.

**vi. Failure to Provide Information on Bounced Salaries**

A review of records during the period under review revealed that there was no supporting documentation relating to 885 employees with bounced salaries in amounts totalling K12,369,956. As at 31<sup>st</sup> July 2022, no records were availed for verification.

**m. Delayed Termination of Officers from Payroll**

Sections 35(f), 36(a), 38(a) and 60(a) of the Terms and Conditions of Service for the Public Service require that a responsible officer can terminate the payment of a salary on account of death, resignation, retirement and absenteeism.

In addition, Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) provides that employees who are separated from employment by way of death, resignation, retirement, dismissal or discharge should be terminated from the payroll with effect from the date of resignation, dismissal or discharge.

During the period under review, one hundred and thirteen (113) officers who had separated from the Ministry through death, resignation, retirement and dismissal from service were retained on payroll for periods ranging from one (1) month to six (6) years had been irregularly paid salaries in amounts totalling K6,286,024. As at 31<sup>st</sup> July 2022, the amount had not been recovered. See table 18 below.

**Table 18: Delayed Termination**

No.	Province	No. of Officers	Duration of Delay (Months)	Amounts K
1	Northern	8	5	710,250
2	North Western	1	12	167,516
3	Southern	3	8 - 28	394,190
4	Eastern	3	11 - 20	154,008
5	Western	6	2 - 3	624,776
6	Copperbelt	70	1 - 54	1,695,101
7	Muchinga	12	1 - 56	576,750
8	Lusaka	14	3-80	1,963,433
	<b>Total</b>	<b>117</b>		<b>6,286,024</b>

**n. Irregular Payment of Salaries – Employee No. 107702**

On 19<sup>th</sup> April 2010, a nurse was introduced on the payroll as Employee No. 107702 under In-Patient, Choma District Hospital in Southern Province after being appointed on contract.

The contract was renewed for a period of three (3) years from 2<sup>nd</sup> September 2014 to 1<sup>st</sup> September 2017 and for another three (3) years from 2<sup>nd</sup> September 2017 to 1<sup>st</sup> September 2020.

However, as at 31<sup>st</sup> July 2022, the officer had not been paid her gratuity and was still maintained on the payroll. Between September 2020 to July 2022, the officer drew salaries in amounts totalling K144,281.

**o. Delay to Conclude Disciplinary Case**

According to the Disciplinary Code and Procedures for Handling Offences in the Public Service, offences are classified in various categories and the charges depend on the nature of the offence. Further, Section 28(a) stipulates that the officer concerned will wherever possible hear the case within seven working days of completion of investigations, unless there are exceptional and valid circumstances that make this not possible.

It was however, observed that there were delays ranging from 44 to 175 days in concluding disciplinary cases. Consequently, the Ministry paid salaries totalling K2,932,374 to eleven (11) officers who were not rendering any service. See table 19 below.

**Table 19: Delayed Disciplinary Cases**

No.	Province	No. of Officers	Duration of Delay (Months)	Amounts K
1	Eastern	1	58	381,963
2	Western	2	57 - 175	637,284
3	Northern	1	50	324,105
4	North Western	2	44 - 53	795,600
5	Lusaka	5	22 - 54	793,421
	<b>Total</b>	<b>11</b>		<b>2,932,374</b>

**p. Salaries Paid to Deserters**

Terms and Conditions of Service for the Public Service No. 60 (a) and (b) provides 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. An officer shall not be paid a salary for the period he or she is absent from duty without leave unless he or she produces satisfactory evidence justifying such absence.

Contrary to the Terms and Conditions of Service, twelve (12) officers who were absent from duty for periods ranging from seventeen (17) months to five (5) years had not been separated from the Service.

As at 31<sup>st</sup> July 2022, the officers had been paid salaries in amounts totalling K3,028,900. See table 20 below.

**Table 20 Salaries Paid to Deserters**

No.	Province	No. of Officers	Duration of Delay (Months)	Amounts K
1	North Western	2	26 - 27	426,444
2	Lusaka	2	17 - 29	484,976
3	Copperbelt	3	31 - 44	744,348
4	Luapula	5	30 - 66	1,373,132
	<b>Total</b>	<b>12</b>		<b>3,028,900</b>

**q. Irregular Payment of Fuel Allowance**

The Cabinet Office Circular No. B13 of 2012 requires that an officer who is entitled to transport allowance shall not be entitled to fuel allowance.

Contrary to the Circular, fourteen (14) officers who were in Salary Scale J and J1 were paid fuel allowance in amounts totalling K158,376.

**r. Irregular Recruitments**

The Terms and Conditions of Service for the Public Service 4(a) provides 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.

However, during the period under review, the Ministry had introduced 104 officers on the payroll who had no appointment letters and arrival advice forms.

As at 31<sup>st</sup> July 2022, the introduction of the officers on the payroll and subsequent payment of salaries in amounts totalling K68,053,019 was irregular. See table 21 below.

**Table 21: Irregular Recruitments**

No.	Province	No. of Officers	Amount K	Remarks
1	Copperbelt	8	4,460,828	No appointment Letters
2	Lusaka	12	7,000,236	No PSMD appointment Letters
3	Southern	3	2,378,599	No appointment Letters
4	Northern	10	5,290,659	No appointment Letters
5	Muchinga	7	3,387,017	No appointment Letters
6	Luapula	64	45,535,680	No appointment Letters
	<b>Total</b>	<b>104</b>	<b>68,053,019</b>	

## 9. Head 80 - Ministry of Education

### 9.1 Mandate

The Mandate of the Ministry of Education 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.

### 9.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, provisions totalling K43,507,560,666 were made to cater for Personal Emoluments under the Ministry against which amounts totalling K46,926,546,284 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2017	7,757,095,258	8,031,826,770
2018	8,125,787,924	9,055,960,856
2019	9,121,178,786	9,455,640,867
2020	9,211,521,872	9,779,285,704
2021	9,291,976,826	10,603,832,086
<b>Total</b>	<b>43,507,560,666</b>	<b>46,926,546,283</b>

**b. Ungazetted Schools with/without Establishment Registers**

As at 31<sup>st</sup> July 2022, the Ministry had 10,570 primary and secondary schools of which 1,945 schools were ungazetted, 2,094 were gazetted without establishment registers, 1,567 had partial establishment registers with treasury authority and 1,291 had establishment registers without Treasury Authority. See table 2 below.

**Table 2: Status of Schools**

No.	Province	Number of Un-gazetted Schools	Gazetted Schools Without Establishment	Schools With Patial Establishment	Schools with Establishment Without Treasury Authority
1	Central	240	683	169	165
2	Eastern	270	182	105	0
3	Northern	199	102	257	100
4	North Western	57	209	57	13
5	Southern	179	207	221	100
6	Western	422	218	523	523
7	Copperbelt	226	140	154	320
8	Lusaka	110	51	32	26
9	Muchinga	96	136		
10	Luapula	146	166	49	44
	<b>Total</b>	<b>1945</b>	<b>2094</b>	<b>1567</b>	<b>1291</b>

**c. Unauthorised Recruitment of Excess Staff**

A comparison of selected positions on the payroll with the 2021 Establishment Register at the Ministry Headquarters and ten (10) provincial offices revealed that three (3) Provinces and the Ministry Headquarters had excess recruitments of 3,267 positions on the payroll without authority. The excess position ranged between seven (7) and 2,051 positions. See the table 3 below.

**Table 3: Excess Recruitment**

No.	Province	Establishment Register	Payroll	Unfilled Positions	Excess Recruitments
1	Central	15,167	13,381	1,786	-
2	Copperbelt	17,236	19,287	-	-2051
3	Eastern	11,754	10,961	793	-
4	Luapula	10,162	8,939	1,223	-
5	Lusaka	10,556	11,726	-	-1170
6	Muchinga	7,125	6,993	132	-7
7	North Western	11,022	8,147	2,875	-
8	Northern	9,365	8,283	1,082	-
9	Southern	14,597	13,673	924	-
10	Western	9,870	8,870	1,000	-
11	Headquarters	424	463	-	-39
	<b>Total</b>	<b>117,278</b>	<b>110,723</b>	<b>9,815</b>	<b>-3,267</b>

Although management in their response indicated that the establishment register had not been updated for five (5) years, no authority for recruitment in excess of the approved

establishment register as well as the updated establishment had been availed for audit as 31<sup>st</sup> July 2022.

**d. Recruitment on Positions not Provided for in the Establishment Register**

Section 21(d) of the Public Finance Management Regulation of 2020 provides that any recurrent expenditure estimates for personal emoluments should be supported by details from the establishment register for posts which shall be considered part of the estimates.

A reconciliation of the payroll against the Establishment Register for the period under review revealed that the Ministry had 531 officers who were paid amounts totalling K37,731,664 on positions that were not on the establishment register. See table 4 below.

**Table 4: Positions not Provided for on the Register**

No.	Province	No. of Positions	No. of Officers	Amount K
1	Headquarters	37	49	3,779,725
2	Lusaka Province	5	6	369,271
3	Copperbelt Province	14	14	524,479
4	Eastern Province	1	1	447,122
5	Muchinga Province	5	5	525,366
6	Northern Province	12	30	2,970,583
7	Western Province	418	426	29,115,119
	<b>Total</b>	<b>492</b>	<b>531</b>	<b>37,731,664</b>

As at 31<sup>st</sup> July 2022, no treasury authority for recruitment on positions not on the establishment register had been availed for audit.

**e. Teachers on the Payroll Without Approval of the Teaching Service Commission**

Terms and Conditions of Service for the Public Service No. 4 (a) provides 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.

Further, the appointment letters are copied to appropriate officers as the case for all appointments in civil service and the appointed officers required to fill in Account Form 81 upon arrival.

A comparison of newly introduced officers on the payroll for the year 2021 to the conveyance record from the Teaching Service Commission revealed that 299 officers were

introduced on the payroll as teachers without authority from the Teaching Service Commission and were paid salaries in amounts totalling K3,056,013.

**f. Delayed Action on Officers with Forged Certificates**

A review of the Minutes for the Ministry of Education Appointments, Promotions and Disciplinary Committee held on 14<sup>th</sup> March 2018 revealed that in 2017, the Teaching Council of Zambia (TCZ) in conjunction with the Examinations Council of Zambia (ECZ), undertook a verification exercise and established that 501 practitioners used fake school certificates to gain employment in the public service.

Contrary to the provisions of the Terms and Conditions of Service No. 54 as read with the Disciplinary Code and Procedures for Handling Offences in the Public Service No. 11 (c) and 21 (a) (v), the Ministry delayed taking action on 243 officers found in possession of fake certificates, resulting in the officers who were not rendering services, being paid salaries amounting to K26,136,077 as at 30<sup>th</sup> September 2021. See table 5 below.

**Table 5 Payments Made to Officers with Forged Certificates**

Year	No of Officers with Forged Results	Gross Salaries Paid K
2021	39	2,094,987
2020	41	2,655,672
2019	34	1,518,612
2018	201	7,205,538
2017	243	12,661,268
<b>Total</b>	<b>558</b>	<b>26,136,077</b>

**g. Unaccounted for Officers**

Public Finance Management Regulation of 2020, part 78 (1) and (3) provides that a public body shall ensure that the payroll is verified and reconciled by responsible office holder from an accounting unit and human resource and administration respectively. A reconciliation under sub regulation (1) shall include a head count of staff each month with regard to the payroll expenditure.

However, a comparison of the payroll and staff returns for the Ministry for the year 2021 revealed that 13,620 officers in 108 districts were on the payroll but not on the staff returns. As at 31<sup>st</sup> December 2021, the officers had been paid salaries in amounts totalling K881,070,149.

Further, a physical test check of 11,530 officers in sixty (60) districts carried out in June 2022 revealed that 1,843 officers who were paid salaries in amounts totalling K115,265,668 were not accounted for in that the Ministry did not know the officers and neither was it aware of the whereabouts of the officers. See table 6 below.

**Table 6: Unaccounted for Officers**

No.	Province	Districts	No. of Employees	Amount K
1	Lusaka Province	Lusaka	35	2,773,052
		Luangwa	18	1,490,323
		Chirundu	4	388,317
		Chongwe	17	1,196,405
		Kafue	13	1,024,396
		Chilanga	20	1,501,853
2	Central Province	Kabwe	223	13,218,847
		Kapiri Mposhi	120	8,115,824
		Chisamaba	52	3,313,298
		Serenje	43	2,839,290
		Chibombo	114	7,648,134
		Mumbwa	159	10,697,240
3	Copperbelt Province	Ndola	20	997,916
		Mpongwe	17	997,250
		Kitwe	4	242,816
		Mufulira	45	3,159,053
		Chingola	64	3,788,400
		Chililabombwe	32	1,924,367
4	North-Western Province	Solwezi	64	4,395,851
		Mwinilunga	1	57,260
		Manyinga	4	227,090
		Kabompo	5	311,435
		Zambezi	1	59,901
5	Southern Province	Choma	88	5,114,026
		Kalomo	19	1,261,844
		Monze	30	1,744,401
		Kazungula	15	860,041
		Mazabuka	6	346,840
		Sinazongwe	16	718,422
6	Northern Province	Kasama	21	1,293,248
		Mungwi	3	203,401
		Mbala	3	226,252
		Luwingu	1	67,633
7	Luapula Province	Mwansabombwe	1	17,925
		Kawambwa	9	498,788
		Chiengi	5	317,032
8	Muchinga Province	Chinsali	59	3,964,639
		Mpika	68	4,597,347
		Shiwang'Andu	36	2,401,019
		Chama	58	3,585,158
		Nakonde	29	1,815,149
9	Eastern Province	Chipata	196	12,965,835
		Nyimba	5	20,273
		Lundazi	24	100,570
		Katete	21	132,158
		Petauke	9	35,682
		Mambwe	8	36,417
10	Western Province	Mongu	25	1,677,691
		Senanga	2	131,782
		Nalolo	4	254,869
		Kalabo	4	307,679
		Limulunga	3	201,232
<b>Total</b>			<b>1843</b>	<b>115,265,668</b>

**h. Misplacement of Payroll Area**

Cabinet Office Circular No.13 of 2019 requires Controlling Officers to ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their duty stations as directed by the Service Commission or the responsible officer and that any employee who shall not be at their duty stations by 30<sup>th</sup> September 2019 would be removed from the payroll.

Contrary to the circular, a reconciliation of the payroll and staff returns for Ministry of Education for 2021 revealed that 94,129 officers in 110 districts drew salaries in amounts totalling K7,071,145,105 from pay-points that were different from their physical stations.

However, a sample head count of 61,056 officers in sixty (60) districts carried out in June 2022 revealed that 1,653 officers who were paid salaries in amounts totalling K93,092,550 were accounted for in the areas they were purported to be misplaced. See table 7 below.

**Table 7: Misplacement of Payroll Area**

No.	Province	Districts	No. of Employees	Amount K
1	Lusaka	Lusaka	35	2,773,052
		Luangwa	18	1,490,323
		Kafue	13	1,024,396
		Chongwe	17	1,196,405
		Chirundu	4	388,317
		Chilanga	20	1,501,853
2	Central	Chibombo	55	4,261,383
		Chisamba	23	1,763,493
		Kabwe	115	8,872,039
		Mumbwa	11	807,592
		Serenje	35	2,594,979
3	Copperbelt	Ndola	464	31,570,896
		Chililabombwe	29	1,893,075
		Chingola	107	6,705,211
		Mpongwe	78	5,746,242
		Mufulira	48	3,414,210
		Mufurila	1	85,385
4	North-Western	Zambezi	4	87,254
5	Southern	Choma	56	3,916,786
		Monze	32	2,144,273
		Kazungula	10	623,207
		Sinazongwe	62	4,723,576
		Mazabuka	6	424,967
		Kalomo	19	1,285,858
6	Luapula	Mansa	87	523,983
7	Muchinga	Chinsali	94	618,058
8		Mpulungu	1	4,481
9	Northern	Mbala	1	4,481
		Kasama	186	1,134,737
10	Eastern	Chipata	8	595,616
		Petauke	1	77,024
11	Western	Limulunga	2	150,655
		Mongu	9	548,025
		Nalolo	2	140,720
	<b>Total</b>		<b>1,653</b>	<b>93,092,550</b>

**i. Irregular Diversion of Salaries**

**i. Eastern Province – Employee No. 147388**

On 1<sup>st</sup> December 2017, a PMEC super user, employee number 147388, introduced 290 teachers on the payroll in Eastern Province and attached seven (7) bank accounts with a minimum of forty one (41) employees sharing one account. The seven (7) bank accounts that were used belonged to seven (7) of the newly introduced teachers.

In December 2017, salaries in amounts totalling K1,409,432 for the 290 newly introduced teachers was paid in the seven (7) banks accounts. A review of the Zambia National Commercial Bank PLC.

salaries account statement revealed that amount totalling K797,227 were reversed leaving a balance of K612,205 unaccounted for. See table 8 below.

**Table 8: Diversion of Salaries**

<b>Employee Number of Account Owner</b>	<b>Bank Key</b>	<b>No. of Officers</b>	<b>Amount K</b>	<b>Reversed K</b>	<b>Balance K</b>
302315	014305	42	203,321	203,321	-
302381	022531	42	207,916	-	207,916
302067	024330	42	203,459	-	203,459
302285	011160	41	199,154	199,154	-
302288	011160	41	199,600	199,600	-
302180	014305	41	195,151	195,151	-
302106	091112	41	200,830	-	200,830
	<b>Total</b>		<b>1,409,432</b>	<b>797,227</b>	<b>612,205</b>

**ii. Employee No. 297750**

On 29<sup>th</sup> September 2019, payroll end user, PMEC User ID 297750 was created on the PMEC System by PMEC super user Employee No. 25232.

During the period under review, forty-eight (48) officers under Chongwe District Education Board Secretary (DEBS), Rufunsa DEBS and Chinsali DEBS had their account details irregularly changed by payroll end user, PMEC User ID 297750 and salaries in amounts totalling K3,566,231 were diverted into thirty-four (34) accounts belonging to other individuals. See table 9 below.

**Table 9: Diversion of Salaries by Employee No. 297750**

Personnel number	Start Date	Changed by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid K	Amount Paid (Net) K	Comment
101469	4/1/2010		1/1/2020	133660	8/1/2010		10	73,984	44,891	Officer's salaries in amounts totalling K44,891 for the period of January 2017 to December 2017 were paid to account xxxxxx whose owner was not established.
101469	4/1/2010				2/1/2019	297750	11	89,204	39,362	Officer's salaries in amounts K39,362 for the period of February 2019 to September 2019 were paid in to Bank Account Numbers: xxxxxxxx belonging to a beneficiary not in Public Service.
322893	9/1/2018	297750			11/1/2018	297750	3	26,206	21,150	Officer's salaries for the period October 2018 to January 2019 amounting to K21,150 were paid in to Bank Account Numbers: xxxxxx which belongs to an officer in Public Service.
322893	9/1/2018	297750			5/1/2019	297750	1	8,735	7,050	Officer's salaries for the month of May 2019 amounting to K7,050 were paid in to Bank Account xxxxx which belongs to a beneficiary not in Public Service.
322893	9/1/2018	297750			6/1/2019	297750	29	284,586	224,560	Officer's salaries for the period October 2018 to December 2021 amounting to K224,560 were paid in to Bank Account Number xxxxxx whose owner could not be established.
323629	10/1/2018	297750			11/1/2018	297750	4	23,938	20,944	Officer's salaries for the period October 2018 to January 2019 amounting to K20,944 were paid in to Bank Account Number xxxxxxx belonging to a beneficiary not in Public Service.
326547	10/1/2018	297750			10/1/2018	297750	4	44,566	35,868	Officer's salaries for the period October 2018 to November 2019 and salary arrears in amounts totalling K35,868 to Bank Account Number xxxxxxx belonging to a beneficiary not in Public Service.
326547	10/1/2018	297750			3/1/2019	297750	8	74,724	65,729	Officer's salaries for the period September and October 2018 amounting K74,724 were paid into account number xxxxxx belonging to an officer in Public Service.
331274	2/1/2019	297750			2/1/2019	297750	2	15,141	12,746	the Officer's salaries for the months of February and March 2019 amounting to xxxxxxx, were paid in to Bank Account xxxxxx whose beneficiary was different from the payroll account owner.
331302	2/1/2019	297750			5/1/2019	297750	1	27,766	27,766	Officer's salaries for the period of May 2019 and salary arrears for the period from January to April 2019 amounting to K27,766.12 into an account number xxxxxx belonging to an officer in Public Service.
332976	3/1/2019	297750			3/1/2019	297750	2	17,471	14,093	Officer's salaries for the months of March and April 2019 amounting to K14,093 into an account number xxxxxx belonging to an officer in Public Service.
333512	2/1/2019	297750			2/1/2019	297750	1	26,206	21,143	affected officer revealed that the salaries in amounts totalling K21,143 for the period January to April 2019 were diverted into account number xxxxxx whose owner could not be established.
334288	4/1/2019	297750			7/1/2019	297750	1	29,088	29,088	Officer's salaries for the month of July 2019 and salary arrears for the months of March 2019 to June 2019 amounting to K29,088 were paid in to Bank Account Number xxxxxx belonging to a beneficiary not in Public Service.

**Table 9a: Diversion of Salaries by Employee No. 297750**

Personnel number	Start Date	Changed by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid K	Amount Paid (Net) K	Comment
334290	4/1/2019	297750			4/1/2019	297750	1	27,090	21,645	Officer's salaries for the month of June 2019 and salary arrears for the months of March 2019 to May 2019 amounting to K21,645 were paid in to Bank Account Number xxxxxx belonging to a beneficiary not in Public Service.
334290	4/1/2019	297750			7/1/2019	297750	1	9,387	7,443	the Officer's salaries for the month of June 2019 and salary arrears for the months of March 2019 to May 2019 amounting to K7,443, were paid in to Bank Account Number xxxxx whose owner could not be established.
334305	5/1/2019	297750			5/1/2019	297750	2	12,368	16,259	The officer's salaries for the period August 2019 to November 2020 amounting to K16,259, were paid in to Bank Account Numbers xxxxx whose beneficiary was different from the payroll account owner.
334308	4/1/2019	297750			4/1/2019	297750	2	24,177	21,101	the Officer's salaries for the months of June and July 2019 and salary arrears for the period March to May 2019 amounting to K21,101.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334308	4/1/2019	297750			4/1/2021	262304	1	9,569	7,418	Officer's salaries for the months of June and July 2019 and salary arrears for the period March to May 2019 amounting to K7,418.28, were paid in to Bank Account Numbers: 5700671100154 whose owner is not known
334309	4/1/2019	297750			4/1/2019	297750	2	55,297	21,101	Officer's salaries for the months of June and July 2019 and salary arrears for the period March to May 2019 amounting to K21,101.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334472	4/1/2019	297750			4/1/2019	297750	1	24,177	21,101	Officer's salaries for the month July 2019 and salary arrears for the period March to June 2019 amounting to K21,101.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334473	4/1/2019	297750			4/1/2019	297750	1	24,983	21,625	Officer's salaries for the months of July 2019 and salary arrears for the period March to June 2019 amounting to K21,625.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334475	3/1/2019	297750			3/1/2019	297750	1	31,167	26,983	Officer's salaries for the months February 2019 to June 2019, amounting to K26,983, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334478	3/1/2019	297750			3/1/2019	297750	1	30,162	26,329	Officer's salaries for the months February 2019 to June 2019, amounting to K26,329 were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334721	4/1/2019	297750			4/1/2019	297750	1	24,983	21,608	Officer's salaries for the period March to June 2019 amounting to K21,606, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334761	3/1/2019	297750			3/1/2019	297750	1	31,167	26,313	Officer's salary for the month of July 2019 and salary arrear for the period February 2019 to June 2019, amounting to K26,313.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
334768	3/1/2019	297750			3/1/2019	297750	1	31,167	26,966	Officer's salaries for the month of July 2019 and salary arrear for the period February 2019 to June 2019, amounting to K26,966.00, were paid in to Bank Account Numbers xxxxx whose beneficiary was different from the payroll account owner.

**Table 9b: Diversion of Salaries by Employee No. 297750**

Personnel number	Start Date	Changed by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid K	Amount Paid (Net) K	Comment
335121	3/1/2019	297750			3/1/2019	297750	4	55,057	49,499	Officer's salaries for the period August 2019 to November 2019 and salary arrears for the period February to July 2019, amounting to K49,499.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335148	3/1/2019	297750			3/1/2019	297750	2	42,610	38,643	the Officer's salaries for the period of April 2019 to November 2019 amounting to K38,643.00, were paid in to Bank Account No. xxxxxx belonging to a beneficiary not in Public Service.
335148	3/1/2019	297750			10/1/2019	297750	24	172,028	135,571	the Officer's salaries for the period of April 2019 to December 2021 amounting to K135,571, were paid in to Bank Account No. xxxxxx belonging to a beneficiary not in Public Service.
335198	3/1/2019	297750			3/1/2019	297750	5	63,324	56,605	Officer's salaries for the period August to December 2019 and salary arrears for the period February to July 2019 amounting to K56,605.00 were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335209	1/1/2019	297750			1/1/2019	297750	2	47,302	44,466	Officer's salaries for the period August 2019 to December 2019 and salary arrears for the period amounting to K44,466, were paid in to Bank Account Numbers xxxxx whose beneficiary was different from the payroll account owner.
335213	3/1/2019	297750			3/1/2019	297750	2	44,030	39,637	Officer's salaries for the months of August and September 2019 and salary arrears for the period February to July 2019 amounting to K39,637.38, were paid in to Bank Account No. xxxxx whose beneficiary was different from the payroll account owner.
335214	3/1/2019	297750			3/1/2019	297750	2	42,610	38,643	Officer's salaries for the months of August and September 2019 and salary arrears for the period February 2019 to July 2019 amounting to K38,643.14, were paid in to Bank Account xxxxx whose beneficiary was different from the payroll account owner.
335286	3/1/2019	297750			3/1/2019	297750	2	36,928	34,666	the Officer's salaries for the months of August 2019 and September 2019 and salary arrear for the period February 2019 to June 2019, amounting to K34,666.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
335573	3/1/2019	297750			3/1/2019	297750	4	92,430	73,239	Officer's salaries for the period September to December 2019 and salary arrears for the February 2019 to August 2019 amounting to K73,329.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335622	3/1/2019	297750			3/1/2019	297750	1	64,268	51,183	the Officer's salaries for the month of September 2019 and salary arrears for period February to August 2019 amounting to K51,183.27, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335672	3/1/2019	297750			3/1/2019	297750	1	62,195	49,991	Officer's salaries for the month of September 2019 and salary arrears for the period February 2019 to August 2019, amounting to K49,991.18, were paid in to Bank Account No. xxxxx whose beneficiary was different from the payroll account owner.
335733	5/1/2019	297750			5/1/2019	297750	3	54,508	45,128	Officer's salaries for the period April 2019 to August 2019 amounting to K45,128.00 were paid in to Bank Account No. xxxxxx belonging to a beneficiary not in Public Service.
335736	4/1/2019	297750			4/1/2019	297750	3	71,629	57,123	Officer's salaries for the period September 2019 to November 2019 and salary areas for the period March 2019 to August 2019 amounting to K57,123.00 were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.

**Table 9c: Diversion of Salaries by Employee No. 297750**

Personnel number	Start Date	Changed by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid K	Amount Paid (Net) K	Comment
335121	3/1/2019	297750			3/1/2019	297750	4	55,057	49,499	Officer's salaries for the period August 2019 to November 2019 and salary arrears for the period February to July 2019, amounting to K49,499.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335148	3/1/2019	297750			3/1/2019	297750	2	42,610	38,643	the Officer's salaries for the period of April 2019 to November 2019 amounting to K38,643.00, were paid in to Bank Account No. xxxxxx belonging to a beneficiary not in Public Service.
335148	3/1/2019	297750			10/1/2019	297750	24	172,028	135,571	the Officer's salaries for the period of April 2019 to December 2021 amounting to K135,571, were paid in to Bank Account No. xxxxxx belonging to a beneficiary not in Public Service.
335198	3/1/2019	297750			3/1/2019	297750	5	63,324	56,605	Officer's salaries for the period August to December 2019 and salary arrears for the period February to July 2019 amounting to K56,605.00 were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335209	1/1/2019	297750			1/1/2019	297750	2	47,302	44,466	Officer's salaries for the period August 2019 to December 2019 and salary arrears for the period amounting to K44,466, were paid in to Bank Account Numbers xxxxx whose beneficiary was different from the payroll account owner.
335213	3/1/2019	297750			3/1/2019	297750	2	44,030	39,637	Officer's salaries for the months of August and September 2019 and salary arrears for the period February to July 2019 amounting to K39,637.38, were paid in to Bank Account No. xxxxx whose beneficiary was different from the payroll account owner.
335214	3/1/2019	297750			3/1/2019	297750	2	42,610	38,643	Officer's salaries for the months of August and September 2019 and salary arrears for the period February 2019 to July 2019 amounting to K38,643.14, were paid in to Bank Account xxxxx whose beneficiary was different from the payroll account owner.
335286	3/1/2019	297750			3/1/2019	297750	2	36,928	34,666	the Officer's salaries for the months of August 2019 and September 2019 and salary arrear for the period February 2019 to June 2019, amounting to K34,666.00, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
335573	3/1/2019	297750			3/1/2019	297750	4	92,430	73,239	Officer's salaries for the period September to December 2019 and salary arrears for the February 2019 to August 2019 amounting to K73,329.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335622	3/1/2019	297750			3/1/2019	297750	1	64,268	51,183	the Officer's salaries for the month of September 2019 and salary arrears for period February to August 2019 amounting to K51,183.27, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335672	3/1/2019	297750			3/1/2019	297750	1	62,195	49,991	Officer's salaries for the month of September 2019 and salary arrears for the period February 2019 to August 2019, amounting to K49,991.18, were paid in to Bank Account No. xxxxx whose beneficiary was different from the payroll account owner.
335733	5/1/2019	297750			5/1/2019	297750	3	54,508	45,128	Officer's salaries for the period April 2019 to August 2019 amounting to K45,128.00 were paid in to Bank Account No. xxxxxx belonging to a beneficiary not in Public Service.
335736	4/1/2019	297750			4/1/2019	297750	3	71,629	57,123	Officer's salaries for the period September 2019 to November 2019 and salary areas for the period March 2019 to August 2019 amounting to K57,123.00 were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.

**Table 9d: Diversion of Salaries by Employee No. 297750**

Personnel number	Start Date	Changed by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid K	Amount Paid (Net) K	Comment
335764	4/1/2019	297750			4/1/2019	297750	3	71,629	57,123	Officer's salaries for the period September to November 2019 and salary arrears amounting to K57,123.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335765	5/1/2019	297750			5/1/2019	297750	1	38,761	32,469	Officer's salaries for the month of September 2019 and salary arrears for the period April 2019 to August 2019, amounting to K32,469.47, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
335808	3/1/2019	297750			3/1/2019	297750	1	53,902	45,223	Officer's salaries for the September 2019 and arrears for the period February 2019 to August 2019, amounting to K45,222.87 were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
339512	5/1/2019	297750			5/1/2019	297750	2	57,142	47,153	Officer's salaries for the period of October and November 2019 amounting to K47,153.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
339574	4/1/2019	297750			4/1/2019	297750	3	80,713	64,572	the Officer's salaries for the period July to September 2019 amounting to K237,980.34, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
339574	4/1/2019	297750			1/1/2020	133660	24	223,845	151,039	Officer's salaries for the period October 2019 to December 2021 amounting to K151,039.11, were paid in to Bank Account number xxxxx whose beneficiary was different from the payroll account owner.
339577	5/1/2019	297750			5/1/2019	297750	5	90,147	71,696	Officer's salaries for the period October 2019 to February 2020 and salary arrears for the period April 2019 to September 2019, amounting to K71,695.64, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
339579	4/1/2019	297750			4/1/2019	297750	3	80,713	64,572	Officer's salaries for the period of October 2019 to December 2019 and salary arrears for the period March to September 2019, amounting to K64,572.00, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
339580	4/1/2019	297750			4/1/2019	297750	2	73,411	58,389	Officer's salaries for the months of October 2019 and November 2019 and salary arrears for the period March 2019 to September 2019 amounting to K58,389.00 were paid in to Bank Account No. xxxxx whose beneficiary was different from the payroll account owner.
339582	5/1/2019	297750			5/1/2019	297750	2	62,894	50,314	the Officer's salaries for the months of October and November 2019 and salary arrears for the period April to August 2019 amounting to K50,314.00, were paid in to Bank Account No. xxxxx whose beneficiary was different from the payroll account owner.

**Table 9e: Diversion of Salaries by Employee No. 297750**

Personnel number	Start Date	Changed by	Termination Date	Terminated By	Date Bank Account was Changed	Changed By	Duration Salary Diverted	Amount Paid K	Amount Paid (Net) K	Comment
339589	5/1/2019	297750			5/1/2019	297750	2	62,894	50,314	Officer's salaries for the months of October and November 2019 and salary arrears for the period April to September 2019, amounting to K50,314, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
339590	6/1/2019	297750			6/1/2019	297750	2	55,964	44,302	Officer's salaries for the months of October and November 2019 and salary arrears for the period May to September 2019 amounting to K44,302, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
339600	4/1/2019	297750	8/1/2021	210392	4/1/2019	297750	21	214,579	142,212	Officer's salaries for the period of October 2019 to May 2021 and salary arrears for the period March 2019 to September 2019 amounting to K142,212, were paid in to Bank Account No xxxxx whose beneficiary was different from the payroll account owner.
288067	10/1/2016	297750	7/1/2021	244998	10/1/2016	297750	3	40,650	34,663	Officer's salaries for the months of January 2017 and February 2017, amounting to K34,663 were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
296385	1/1/2017	297750			1/1/2017	297750	1	8,130	26,680	Officer's salary amounting to K26,680, were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
296385	1/1/2017	297750			5/1/2017	297750	52	382,623	285,080	Officer's salary, amounting to K285,080 were paid in to Bank Account Number xxxxx whose beneficiary was different from the payroll account owner.
288054	01.10.2016	297750			01.10.2016	297750	3	42,005	33,823	Officer's salaries for the months of January 2018 and December 2019, amounting to K42,005 were paid in to Bank Account Number: xxxxx whose owner could not be established.
<b>Total</b>								<b>3,566,231</b>	<b>2,804,299</b>	

Further, in an interview held with a Medical Laboratory Technologist, Employee No. 297750 under the Ministry of Health stationed at Chawama Level 1 Hospital on 9<sup>th</sup> March 2022, it was established that the Officer was not a Human Resource Practitioner and had no knowledge of the transactions which were performed on PMEC in the three (3) DEBS offices where the officer had not been stationed.

It was established that the HR Practitioner who was also an end-user in the three (3) DEBS Offices during this period was Employee No. 251026 with NRC 297750/64/1 the first six (6) digits of end user's NRC were the PMEC user ID for the created PMEC end-user (Employee No. 297750).

A further review of the PMEC System, revealed that the PMEC User ID 297750 was deleted on 22<sup>nd</sup> October 2019, by a PMEC super user Employee No. 25232.

**iii. Employee No. 46641**

During the period under review, eleven (11) employees under Mufumbwe DEBS had their account details irregularly changed by payroll end user Employee No. 46641 and salaries in amounts totalling K567,413 were diverted into nine (9) accounts.

A scrutiny of the account details and confirmation with commercial banks revealed that salaries for five (5) of the eleven (11) employees were diverted into the end user's personal account while salaries for six (6) were diverted into eight (8) accounts (4 belonged to named beneficiaries and ownership for the other 4 could not be established). See table 10 below.

**Table 10: Diversion of Salaries by Employee No. 46641**

Emp No.	Date created/ Uploaded	Created By Emp No	Termination Date	Terminated By	Changed By	Duration Salary Diverted	Date Bank Account was Changed	Date Bank Account was Removed	Period	Amount Paid (Gross) K	Amount Paid (Net) K	Reason for Termination	Remark
153456	01.04.2010		01.11.2014	46641	46641	29.05.2014	5/29/2014	10/31/2014	5	27,825.00	23,397.50	Termination Death	Officers salary was diverted to Account number xxxxxxx which belong to the end user
154875	01.04.2010		01.04.2017	46641	46641	03.06.2016	6/3/2016	2/28/2017	9	32,732.90	18,405.90	Termination End of contract	Officers salary was diverted to Account number xxxxxxx which belong to the end user
243052	15.10.2013	46641	01.06.2015	46641	46641	30.10.2013	10/30/2013	2/28/2015	16	80,252.38	65,705.97	Termination Death	Officers salary was diverted to Account number xxxxxx whose owner could not be established
243052	15.10.2013	46641	01.06.2015	46641	46641	06.03.2015	3/6/2015	12/31/9999		13,020.00	9,043.53	Termination Death	Officers salary was diverted to Account number xxxxxxx which belong to the end user
243072	15.10.2013	46641			46641	30.10.2013	10/30/2013	11/30/2013	1	8,368.50	7,293.70		Officers salary was diverted to Account number xxxxxx whose owner could not be established
243118	15.10.2013	46641			46641	30.10.2013	10/30/2013	11/30/2013	1	8,368.50	7,293.70		Officers salary was diverted to Account number xxxxxx whose owner was different from the payroll account owner
243192	15.10.2013	46641			46641	30.10.2013	10/30/2013	11/30/2013	1	9,068.50	7,689.20		Officers salary was diverted to Account number xxxxxx whose owner was different from the payroll account owner
243194	15.10.2013	46641			46641	30.10.2013	10/30/2013	1/31/2014	3	15,094.80	13,486.14		Officers salary was diverted to Account number xxxxxx whose owner was different from the payroll account owner
243209	15.10.2013	46641			46641	31.10.2013	10/31/2013	11/30/2013	1	8,368.50	7,293.70		Officers salary was diverted to Account number xxxxxxx which belong to the end user
243333	15.10.2013	46641			46641	31.10.2013	10/31/2013	1/31/2014	3	15,094.80	13,654.14		Officers salary was diverted to Account number xxxxxx whose owner could not be established
260478	01.12.2014	46641	11.02.2019	239059	46641	08.12.2014	12/8/2014	2/28/2017	27	303,423.56	188,778.82	Termination Death	Officers salary was diverted to Account number xxxxxx whose owner could not be established
260478	08.12.2014	46641	01.02.2019	239059	46641	08.03.2017	3/8/2017	3/31/2017	1	9,889.83	10,348.02	Termination Death	Officers salary was diverted to Account number xxxxxxx which belong to the end user
79903	01.04.2010		01.06.2014	46641	46641	29.01.2014	1/29/2014	2/28/2014	1	8,976.50	6,520.27	Termination Retirement at mandatory age	Officers salary was diverted to Account number xxxxxx whose owner could not be established
79903	01.04.2010		01.06.2014	46641	46641	06.03.2014	3/6/2014	12/31/9999		26,929.50	19,553.29	Termination Retirement at mandatory age	Officers salary was diverted to Account number xxxxxxx which belong to the end user
	<b>Total</b>									<b>567,413.27</b>	<b>398,463.88</b>		

**iv. Eastern Province - Employee No. 00200717**

On 1st January 2018, a PMEC End User, employee No. 00200717, introduced employee No. 00302098 and employee No. 00302293 as Class Teachers under Songeya Basic School, Vubwi District in Eastern Province on the payroll with the same bank account held at Zambia National Commercial Bank PLC on both employees.

Therefore, salaries for the month of January 2018 for the two (2) officers were paid into the same bank account which according to the Commercial Bank, belonged to employee No. 00302098. In this regard, the salary for employee No. 00302293 amounting to K5,220 irregularly diverted into employee No.00302098 account.

**j. Irregular Payment of Allowances**

**i. Irregular Payment of Housing Allowance**

The Public Service Management Division Circular (PSMD) No. B 24 of 2013 provides that housing allowance should be paid to officers not accommodated by Government in standard/pool houses through the payroll.

Contrary to the Circular, 1,259 officers who were accommodated in institutional houses were irregularly paid housing allowances in amounts totalling K15,325,256. As at 31<sup>st</sup> July 2022, K3,353,284 had been deducted from officers who were wrongly paid the allowance, leaving a balance of K11,971,972 as shown in the table 11 below.

**Table 11: Housing Allowance**

Province	No. of Officers	Amount Paid K	Recovered Amount K	Balance K
Central	53	634,926	421,712	213,214
Muchinga	76	491,613	40,617	450,997
Northern	9	63,947	11,967	51,980
North Western	192	2,138,721	229,227	1,909,493
Lusaka	71	2,227,547	21,283	2,206,264
Southern	59	553,550	-	553,550
Eastern	414	4,774,630	589,470	4,185,159
Western	220	191,837	35,208	156,629
Copperbelt	165	4,248,485	2,003,800	2,244,685
<b>Total</b>	<b>1,259</b>	<b>15,325,256</b>	<b>3,353,284</b>	<b>11,971,972</b>

## ii. Irregular Payment of Rural Hardship Allowances

According to the Terms and Conditions of Service for the Public Service No. 166, an officer serving in an area declared to be a remote area shall be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time. Further, Public Service Management Circular No. B 21 of 2010 provides that a station which is 20 – 70 km from the District Centre qualifies for payment of rural hardship allowance.

During the period under review, the approved rate for rural hardship allowances was prescribed at 20% basic salary.

However, it was observed that amounts totalling K11,347,756 were paid as rural hardship allowance to 1,241 officers who were not eligible to receive the allowance in that their duty stations did not qualify for payment of the allowance. As at 31<sup>st</sup> July 2022, K1,526,365 had been recovered, leaving a balance of K9,821,391. See table 12 below.

**Table 12: Rural Hardship Allowance**

No.	Province	No. of Officers	Amount Paid Out K	Recovered Amount K	Balance K
1	Eastern	13	140,188	-	140,188
2	Central	451	4,489,551	996,839	3,492,712
3	North Western	76	553,463	358,344	195,119
4	Lusaka	52	584,730	1,794	582,936
5	Northern	93	752,264	67,775	684,489
6	Southern	4	20,965	-	20,965
7	Head Office	2	10,715	-	10,715
8	Copperbelt	234	1,917,698	-	1,917,698
9	Western	220	1,918,369	35,209	1,883,160
10	Muchinga	96	959,813	66,404	893,409
	<b>Total</b>	<b>1,241</b>	<b>11,347,756</b>	<b>1,526,365</b>	<b>9,821,391</b>

## iii. Irregular Payment of Remote Hardship Allowance

According to the Terms and Conditions of Service for the Public Service No. 166, an officer serving in an area declared to be a remote area shall be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time.

Further, Public Service Management Circular No. B 21 of 2010 provides that a station which is over 70 km qualify for remote hardship for category C, the prescribed rate for remote hardship allowance is 25% of basic salary.

However, it was observed that amounts totalling K5,716,938 were paid as remote hardship allowance to five hundred and forty-two (542) officers who were not eligible to receive the allowance in that their workstations were not designated for payment of the allowance. As of May 2022, K972,191 had been recovered, leaving K4,972,456. See table 13 below.

**Table 13: Remote Hardship Allowance**

No.	Province	No. of Officers	Queried Amount K	Recovered Amount K	Balance K
1	Central	49	547,443	-	547,443
2	Northern	17	157,335	24,660	132,675
3	North Western	34	316,692	113,854	430,546
4	Lusaka	42	211,213	17,885	193,328
5	Eastern	21	504,074	-	504,074
6	Copperbelt	234	2,279,597	767,354	1,512,243
7	Muchinga	145	1,700,585	48,438	1,652,147
	<b>Total</b>	<b>542</b>	<b>5,716,938</b>	<b>972,191</b>	<b>4,972,456</b>

**iv. Irregular Payment of Double Class**

According to the Terms and Conditions of Service No. 167 (k), a double class allowance shall be paid to teachers who are teaching two (2) or more classes of the same or different grades at lower primary at different time period and shall not be applied to teachers in school management for example head teacher, deputy head teacher and senior teachers.

During the period under review, amounts totalling K8,896,624 were irregularly paid as double class allowance to 1,174 officers who were not eligible. As at 31<sup>st</sup> July 2022, K2,682,100 had been recovered from officers who irregularly received the allowance, leaving a balance of K6,214,524. See table 14 below.

**Table 14: Double Class Allowances**

No.	Province	No. of Officers	Queried Amount K	Recovered Amount K	Balance K
1	Luapula	1	9,417	-	9,417
2	Central	330	2,833,200	-	2,833,200
3	Lusaka	91	907,403	15,046	892,357
4	Northern	6	45,595	-	45,595
5	Muchinga	82	357,255	38,039	319,215
6	Western	40	44,541	-	44,541
7	Copperbelt	624	4,699,213	2,629,015	2,070,198
	<b>Total</b>	<b>1,174</b>	<b>8,896,624</b>	<b>2,682,100</b>	<b>6,214,524</b>

**v. Payment of Responsibility Allowances to Ineligible Officers**

Section 7 of the Public Service Management Division (PSMD) Circular No. B. 31 of 2017 provides that the teachers eligible for payment of responsibility allowances should be:

- 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 allowances in amounts totalling K4,275,090 were irregularly paid to 481 teachers who did not qualify to receive the allowances. As at 31<sup>st</sup> July 2022, K50,224, leaving a balance of K4,224,866. See table 15 below.

**Table 15: Payment of Responsibility Allowance**

No.	Station	No. of Officers	Queried Amount K	Amount Recovered K	Balance K
1	Central	35	152,300	-	152,300
2	Copperbelt	4	408,954	368,806	40,148
3	Eastern	33	334,297	-	334,297
4	Luapula	138	1,232,995	-	1,232,995
5	Lusaka	214	2,164,232	45,344	2,118,888
6	Northern	8	225,055	4,881	220,174
7	Western	49	166,212	-	166,212
	<b>Total</b>	<b>481</b>	<b>4,684,044</b>	<b>419,030</b>	<b>4,265,014</b>

**vi. Over Payment of Fuel Allowance – Northern Province**

According to the Public Service Management Division Circular No. B22 of 2013, officers in salary grades A to K are entitled to transport allowance at the rate of 10% of monthly basic pay while those in salary grades L to N are entitled to fuel allowance at the rate of thirty (30) % of the monthly basic salary.

Further, Cabinet Office, through a minute dated 30<sup>th</sup> December 2015 introduced the payment of fuel allowance to officers in salary scale K at the rate of 24% of their basic pay.

Examination of the payroll revealed that two (2) officers were paid amounts totalling K30,651 as fuel allowance instead of K24,521 thereby resulting in an over payment of K6,130.

**vii. Irregular Payment of Acting Allowance - Muchinga**

The Terms and Conditions of Service for the Public Service No. 26 (b) (i) provides that when an officer is appointed to act in a higher post with a view to awarding him/her substantive promotion, the effective date of such promotion should be the date on which the officer commenced to act on the post. Officers selected for promotion shall normally be appointed by the Service Commission or the responsible officers to act for a period of not less than six (6) months with a view to establishing their suitability for substantive promotion.

Contrary to the Terms and Conditions of Service, amounts totalling K18,538 were paid to an officer as acting allowances without authority from the Teaching Service Commission. As at 31<sup>st</sup> January 2022, the anomaly had not been corrected and the funds had not been recovered.

**k. Irregular Upgrading of Teacher’s Salaries**

According to clause 24(a)(i) of the Terms and Conditions of Service which provides that promotions within the Public Service shall in the case of Division I officers be directed by a Service Commission as and when vacancies occur after taking into account the qualifications, competence, experience, good conduct and good performance of all eligible officers.

Contrary to the Conditions of Service, 539 officers had their salary scales changed to higher positions without authority from the Teaching Service Commission. In

this regard, amounts totalling K2,541,327 were paid as excess payments as a result of the change. See table 16 below

**Table 16: Irregular Changes in Salary Scales**

No.	Province	No. of Officers	Over Payments K
1	Copperbelt	122	366,686
2	Luapula	60	295,171
3	North Western	114	655,189
4	Southern	226	610,806
5	Western	17	613,475
	<b>Total</b>	<b>539</b>	<b>2,541,327</b>

**l. Recruitment of Officers without Vacant Positions**

Section 6 of Chapter II of the Terms and Conditions of Service for the Public Service provides that no appointment, promotion or transfer shall be made to any post in the Public Service unless that post is available and funded.

Contrary to the terms and conditions of service, 1,844 officers were recruited on positions which were not vacant at the time of recruitment.

As at 31<sup>st</sup> July 2022, 1,733 teachers had not been introduced on the payroll while 111 had been introduced on the payroll and paid arrears in amounts totalling K647,183 thereby increasing the wage bill as the positions were not budgeted for. See table 17 below.

**Table 17: Recruitments without Vacant Positions**

No.	Province	No. of Officers Irregularly Recruited	Officers introduced on Payroll	Arrears Paid K	Officers not yet on Payroll
1	Copperbelt	1,163	4	58,211	1,159
2	Southern	184	9	92,463	175
3	Western	213	7	94,784	206
4	Lusaka	118	1	11,452	117
5	North Western	166	90	390,274	76
	<b>Total</b>	<b>1,844</b>	<b>111</b>	<b>647,183</b>	<b>1,733</b>

**m. Irregular Recruitments**

Clause 12 (a) of the Public Service Terms and Conditions of Service requires an officer on appointment to the public service to submit to the responsible officer Arrival Advice Form 81 as confirmation of arrival at duty station. The submitted

forms are then used to introduce that Officer on the payroll with effect from the date of arrival.

However, during the period under review, the Ministry introduced 126 officers on the payroll who had no appointment letters, arrival advice forms and requisite documentation such as police clearance and teaching methodology. As at 31<sup>st</sup> July 2022, the officers had been irregularly paid amounts totalling K2,212,813. See table 18 below.

**Table 18: Irregular Recruitments**

No.	Province	No. of Officers	Amount K
1	Lusaka	6	622,067
2	Eastern	117	1,572,530
3	Southern	3	18,216
	<b>Total</b>	<b>126</b>	<b>2,212,813</b>

**n. Employed Teachers Not on Payroll**

Section 12 (a) of the Public Service Terms and Conditions of service requires an officer on appointment to the public service to submit to the responsible officer Arrival Advice Form 81 as confirmation of arrival at duty station. The submitted forms are then used to introduce that Officer on the payroll with effect from the date of arrival.

During the period under review the Ministry had 397 teachers employed with appointment letters from Ministry of General Education between July 2020 and February 2021 have not been introduced on the payroll as at 31<sup>st</sup> July 2022. See table 19 below.

**Table 19: Teachers not Payroll**

No.	Province	No. of Officers
1	Copperbelt	354
2	Northern	43
	<b>Total</b>	<b>397</b>

**o. Delayed Termination of Officers on Payroll**

Section 35(f), 36(a), 38(a) and 60(a) of the Terms and Conditions of Service provide that a responsible officer can terminate the payment of a salary on account of death, resignation, retirement and absenteeism.

In addition, Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) provides 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.

During the period under review, 111 officers who had separated from the ministry through death, resignation, retirement and dismissal from service were retained on payroll for period ranging between one (1) month and four and half years had been irregularly paid salaries in amounts totalling K3,451,765. As at 31<sup>st</sup> July 2022, the amount had not been recovered. See table 20 below.

**Table 20: Delayed Termination**

No.	Province	No. of Officers	Duration of Delay (Months)	Amounts Paid K
1	Central	3	48	144,961
2	Copperbelt	10	36 to 54	739,935
3	Eastern	3	12 to 48	1,220,120
4	Lusaka	7	15 to 40	699,600
5	Southern	6	1 to 25	450,918
6	Muchinga	9	1 to 16	149,811
7	North Western	73	6 to 40	46,421
	<b>Total</b>	<b>111</b>		<b>3,451,766</b>

**p. Delay to Conclude Disciplinary Case**

According to the Disciplinary Code and Procedures for Handling Offences in the Public Service, offences are classified in various categories and the charges depend on the nature of the offense. Further, section 28(a) provides that the officer concerned will wherever possible hear the case within seven working days of completion of investigations, unless there are exceptional and valid circumstances that make this not possible.

It was however, observed that there were delays of period ranging from six (6) months to nine (9) years in concluding disciplinary cases. Consequently, the Ministry was paying officers who were not rendering a service. The officers were paid salaries in amounts totalling K989,094. See table 21 below.

**Table 21: Delayed Disciplinary Cases**

Province	No. of Officers	Duration of Delay (Months)	Amounts Paid K
North Western	2	6 to 40	228,540
Western	6	10 to 109	760,554
<b>Total</b>	<b>8</b>		<b>989,094</b>

**q. Salaries Paid to Deserters**

Terms and Conditions of Service for the Public Service No. 60 (a) and (b) states, “an officer who is absent from duty without leave for a continuous period of ten (10) or more working days shall be liable to dismissal. An officer shall not be paid a salary for the period he or she is absent from duty without leave unless he or she produces satisfactory evidence justifying such absence”.

Contrary to the Terms and Conditions, fifty-seven (57) officers who were absent from duty for periods ranging from one (1) month to seven (7) years had not been separated from service. As at 31<sup>st</sup> July 2022, the officers had been irregularly paid salaries in amounts totalling K5,251,535. See table 22 below.

**Table 22: Salaries Paid to Deserters**

No.	Province	No. of Officers	Duration of Delay (Months)	Amounts Paid K
1	North Western	6	1 to 51	532,568
2	Eastern	11	24 to 48	2,923,835
3	Copperbelt	39	1 to 48	1,142,353
4	Western	1	84	652,779
	<b>Total</b>	<b>57</b>		<b>5,251,535</b>

**r. Irregular Payment of Salaries to Seconded Officers**

Terms and Conditions of Service for the Public Service No. 34 (d) provides that a seconded officer shall not receive a salary from the Public Service during the period of secondment as payment of his or her salary shall be the responsibility of the organisation he or she is seconded to.

However, it was observed that twelve (12) officers who went on secondment were paid salaries in amounts totalling K891,081 for a period of twelve (12) months after proceeding on secondment. As at 31<sup>st</sup> July 2022, K4,500 had been recovered, leaving a balance of K886,581. See table 23 below.

**Table 23: Salaries Paid to Seconded Officers**

No.	Province	No. of Officers	Querie Amount K	Recovery K	Balance K
1	Northern	6	111,734	-	111,734
2	Central	2	215,882	-	215,882
3	Lusaka	3	535,985	-	535,985
4	Luapula	1	27,480	4,500	22,980
<b>Total</b>		<b>12</b>	<b>891,081</b>	<b>4,500</b>	<b>886,581</b>

**s. Irregular Payment of Salaries to Member of Parliament**

Cabinet Office Circular No. 12 of 2020 prohibited the participation in politics by public officers in future elections and particularly, urging those intending to do so to indicate in writing and state their informed decision to resign from public office not later than 30<sup>th</sup> November 2020.

During the period under review, it was observed that an officer who was elected as a Member of Parliament in the August 2021 General Election remained on the Government payroll until January 2022, when he was removed. The officer was paid salaries amounting to K135,677. However, as at 31<sup>st</sup> July 2022, there was no evidence that the salaries paid to the officer had been recovered.

**t. Irregularities in Management of Bounced Salaries**

The Terms and Conditions of Service provide that an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion or resignation. The position for the terminated employee is then made available for re-assignment.

A review of the payroll records revealed that salaries in amounts totalling K7,736,947 in respect of 909 employees had bounced during the period under review for various reasons which include:

- Delays by payroll end users in removing terminated cases,
- Delays by payroll end users in removing resignation cases,
- Delays by payroll end users in removing officers on unpaid leave, and
- Lack of clear mechanism on processing of claims after voiding of bank account numbers

As at 31<sup>st</sup> July 2022, the accounts had been voided for periods ranging from 1 to 20 months.

In particular, the following was observed:

**i. Western Province - Irregular Payment of Salaries to Ghost Employees**

- A review of the DDACC file and payroll records revealed that Employee No. 326545 a class teacher at Omelo Basic School in Kaoma District and later moved to Kapembe Middle Basic School in Nakonde had her salary for the period March 2019 returned.

A review of the officer's personal file and enquires with both Kaoma and Nakonde District Education Offices revealed that the officer was not known even though salaries in amounts totalling K182,637 were paid as at September 2021.

- A review of the DDACC file and payroll records revealed that a class teacher at Namushakende Basic School in Kaoma District with Employee No. 326995 had her salary for the period November 2018 to July 2021 returned.

A review of the officer's personal file and enquires with Kaoma District Education Office and the School revealed that the officer was not known even though she was on the school's payroll and had been paid amounts totalling K179,331 as at 30<sup>th</sup> September 2021.

- A review of the DDACC file and payroll records revealed that a subject teacher of employee number 202244 had her salaries for the period May 2013 to June 2022 returned.

A request to review the officer's personal file proved futile as the Ministry did not have the officer's file.

Enquires with management revealed that the officer was not known though she remained on the payroll and third-party obligations for both employer and employee continued to be settled by the Ministry of Finance. In addition, during the period from November 2013 to September 2014 the unknown employee obtained a loan from Banc ABC (E451) whilst the account was voided.

Further, it was not possible to establish whether the net amounts totalling K556,448 accumulated by the employee during the period the officer's account was voided were paid out.

**ii. Failure to Provide Information on Returned Salaries**

An examination of payroll and personal files for Provincial Education Office -Northern Province for the period 2017 to 2021 revealed that there were twenty-two (22) unknown officers whose salaries totalling K549,685 were returned without indicating the cause of rejection.

**u. Irregular Payment of Double Salaries**

**i. Payment of Double Salaries – Employee No. 316494**

On 1<sup>st</sup> March 2018, a subject teacher of employee number 316494 was first introduced on the payroll by a PMEC super user employee No 210392 under Ministry of Education Isoka District Muchinga Province. Further, on the same day, the same employee was introduced on the payroll with employee number 316367, under the same Ministry in Mpika District Muchinga Province by the same end user.

During the period from March 2018 to May 2019, the officer drew salaries amounting to K83,783 under employee number 316367 and amounts totalling K86,576 under employee number 316494 through the same Bank Account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K83,783 paid to the officer under employee number 316367 was irregular.

**ii. Payment of Double Salaries –Employee Number 264968**

On 1<sup>st</sup> November 2015, a driver was first introduced on the payroll by end user employee No. 244998 under Provincial Education Office in Central Province. Further, on 1<sup>st</sup> January 2021, the same employee was introduced on the payroll as a senior teacher with employee number 352065, under Kabwe District Education in Central Province by end user employee No. 151031.

In June 2021, the officer drew salaries amounting to K4,098 under employee number 264968 and K5,726 under employee number 352065 through the same Bank Account held at Zambia National Commercial Bank PLC.

In this regard, the salary amounting to K4,098 paid to the officer under employee number 264968, was irregular as the officer was drawing a salary. It was also not clear how the officer was upgraded to senior teacher on first entry.

**v. Unauthorised Salary Inputs – Ministry of Education**

All MPAs on P MEC had authorised end-users who were supposed to carryout payroll inputs for the MPA. The end-users were appointed from either the Department of Human Resource or Finance that is one officer from Finance and the other from Human Resources.

End-users from one MPA are not required to input transactions for another MPA. In the case of super users, they are authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) provides that Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

During the period under review, 8,904 input transactions were performed on the Ministry of Education payroll by sixty-three (63) P MEC end-users who were in different payroll sub-areas (Ministries) or Jurisdictions.

Further, no supporting documentation to authorise the end-users to capture inputs outside their payroll areas or jurisdiction were availed for audit. See table 24 below.

**Table 24: Unauthorised Salary Inputs**

<b>Period</b>	<b>No. of End-Users</b>	<b>No. of Transactions</b>
2017	31	4,936
2018	63	3,968
		<b>8,904</b>

**w. Introduction and Termination of Employees without Authority**

Terms and Conditions of Service for the Public Service No. 4 (a) provides 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. Further, Section 12 (a) requires an appointed officer to fill Account Form 81 upon arrival and submit it to the Responsible Officer

During the period under review, nine (9) officers were introduced on the payroll by six (6) end-users for periods ranging from two (2) month to eight (8) months who were paid salaries in amounts totalling K353,610 before being terminated. Further, no supporting documents for the actions relating to the introduction and termination were availed for audit scrutiny. See table 25 below.

**Table 25: Officers Introduced without Authority**

No.	Province	No. of Officers Introduced	No. of end users Involved	Amount Paid K
1	Southern	2	2	223,813
2	Central	7	4	129,797
	<b>Total</b>			<b>353,610</b>

**x. Irregular Payment of Salaries to a Retired Employee – Employee Number 220408**

On 1<sup>st</sup> December 2011, employee No. 220408 was migrated onto the PMEC payroll as a class teacher under Ibenga Girls High School, Luanshya District on the Copperbelt Province.

A review of a letter obtained from the Ministry of Education dated 23<sup>rd</sup> October 2013 revealed that the officer retired and her last day of duty was 31<sup>st</sup> December 2013.

However, a review of payroll and DDACC records revealed that the employee remained on the payroll from 1<sup>st</sup> January 2014 to 31<sup>st</sup> March 2022 and salaries in amounts totalling K579,144 had been paid through a commercial bank account belonging to the Franciscan Sisters.

In this regard, the salaries paid to the retired officer were irregular. As at 31<sup>st</sup> July 2022, the amounts irregularly paid to the retired officer had not been recovered.

**y. Irregular Transfer of Teachers to Mongu Trades Secondary School**

The Terms and Conditions of Service Chapter II No. 33 (a) requires that, an officer may, with the approval of a Service Commission, be seconded for service to a non-public service organisation or Statutory Board. The receiving organisation shall be responsible for payment of his or her salary and other conditions of service, except for regional organisations with which the Government of Zambia has signed specific protocols defining the mode of compensation for such seconded officers.

Contrary to the Terms and Conditions of Service, a review of the payroll and inquiries made revealed that twenty-nine (29) teachers from various schools were seconded to Mongu Trades Secondary School which is run by a Board without approval and authority of the Teaching Service Commission or Public Service Management Division (PSMD).

Further, discussions with management revealed that the teachers were and are still drawing salaries from their previous pay points, and that user fees collected by the school are controlled by the Board. Further, the officers irregularly drew salaries in amounts totalling K7,608,483 for the period under review. See table 26 below.

**Table 26: Teachers Transferred to Mongu Trades Secondary School**

Year	Details	No. of Officers	Amount Paid K
2018	Salaries	29	2,402,104
2019		29	2,527,005
2020		29	2,679,375
<b>Total</b>			<b>7,608,484</b>

**z. Employees Introduced by Questionable End-Users**

A Head Cook and an Assistant Library Officer who were not associated with Human Resource or Finance and were thus not illegible to be end users introduced fifty-four (54) employees on the payroll who were paid salaries in amounts totalling K11,046,212.

**aa. Irregular Regrading and Transfer of Officers to Mongu Catholic College of Education**

The Terms and Conditions of Service Chapter II Section 6 read together with Section 24 (a) (i) provides among others, that regrading and transferring of staff should only be done upon approval of a Service Commission as and when vacancies occur.

However, a review of documentation revealed that on 28<sup>th</sup> December 2017 the Provincial Education Office regraded and transferred eleven (11) teachers from various primary and secondary schools who were paid salaries amounting to K3,864,787 without authority from the Teaching Service Commission. See table 27 below.

**Table 27: Regraded and Transferred Officers**

Year	Details	No. of Officers	Amount K
2018		11	1,288,262
2019	Salaries	11	1,288,262
2018		11	1,288,262
<b>Total</b>			<b>3,864,787</b>

**bb. Failure to Constitute a Medical Board**

Terms and Conditions of Service for the Public Service No. 151, provides among others an officer may be absent from duty due to ill-health or injury, provided that the absence is covered by a medical certificate from a registered medical or dental practitioner for a period of not more than ninety (90) days on full pay with an additional period of ninety (90) days on half pay in any period of two years ending on the one hundred and eightieth (180<sup>th</sup>) day of such sickness or injury. The period may, on recommendation of a Medical Board appointed by the Permanent Secretary, Ministry of Health be extended to a maximum of 180 days on half pay”.

Contrary to the Terms and Conditions of Service, the Ministry did not constitute a Medical Board for three (3) Officers who failed to report for duty due to ill health for a period of one year were retained on the payroll. Consequently, the officers were paid salaries in amounts totalling K165,635 for the period they were absent from duty. As at 31<sup>st</sup> July 2022, the Medical Boards had still not been constituted and the officers remained on the payroll. See table 28 below.

**Table 28: Payment to Officers with Prolonged illnesses**

No.	Province	Station	No. of Officers	Amount K
1	North Western	Zambezi	2	165,634.58
		Solwezi	1	70,887.36
<b>Total</b>			<b>3</b>	<b>165,634.58</b>

## 10. Head 37 - Ministry of Finance

### 10.1 Mandate

The Ministry of Finance and National Planning has the mandate to perform several statutory functions that include preparation of the National Budget, National Planning, Economic Management, Resource Mobilisation, Debt Management and Public Finance Management.

### 10.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K16,273,683,524 was made to cater for Personal Emoluments under the Ministry of Finance against which amounts totalling K14,167,656,680 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	5,714,307,217	5,714,307,193
2020	5,812,446,284	4,095,212,748
2019	2,379,711,952	1,723,829,073
2018	1,762,614,944	1,769,001,539
2017	604,603,127	865,306,127
<b>Total</b>	<b>16,273,683,524</b>	<b>14,167,656,680</b>

#### b. Employees Terminated and Reintroduced on the Payroll

The Terms and Conditions of Service for the Public Service Section 4(a) provides 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.

However, a review of the PMEC System revealed that 45,839 employees were terminated, and 299,006 employees were introduced on the payroll. A scrutiny of the terminations and introductions revealed that 1,137 employees were terminated and reintroduced on the payroll more than once. However, no evidence of authority for the reintroductions was availed for verification.

**c. Undelimited Salary Structures for Defence Forces and Local Governments**

According to payroll procedures, approved basic pays are created, maintained, and attached to specified salary scales and periods.

A review of the PMEC system revealed that 255 salary scales defined under the Defence Forces and Local Government structures were still active on the system without being delimited (stopped).

Management attributed the failure to delimit the structures to lack of policy guidance from Government.

As at 31<sup>st</sup> July 2022, the salary structures had not been delimited thus exposing the salary scales to abuse.

**d. Weaknesses in the Configuration of the Establishment Register on PMEC**

The configuration of human capital on the payroll starts with the creation of Organizational Structures on the system which is object driven. The creation of Organizational structures on the system is supported by Treasury Authority (TA), an instrument issued by the Ministry of Finance to support Budgeting and Funding for the created Organizational Structures. Further, in SAP, allowances are defined by the configuration of Object Type “C” which enables the link between the Job Code such as Police and Prisons (POLP), Doctor (DOCT), Public Service (PSC) and Position type. The Job Code defines the type of allowances that can be paid for a specific job.

However, the following were observed:

- i. A review of the payroll configuration of organisation structures on the Job Type C revealed that the link between position type and Job Codes which locks the position to a particular ministry (payroll sub area) was disabled.  
  
Consequently, 493 Nursing positions which could have been assigned the (NURS) nursing Jobs code were assigned with (POLP) Police and Prisons Service Job Code which has different conditions of service.
- ii. The establishment register is the key control in the management of the Public Service Payroll. The control is enforced through the configuration of organization structures on the Payroll Management and Establishment Control (PMEC) System in the Organisation Management Module (OM).

The organizational structures are defined in a hierarchical organogram with all the sub structures (Object Type O) linked to the Master Cost Centre (Object Type K).

It was however, observed that fourteen (14) Government institutions were not linked to the master organisation structure. As a result, this could lead institutions having duplicate organisational structures on the payroll.

**e. Lack of Workflow Configuration**

SAP Business workflow was the central tool for controlling processes for Human Capital Management (HCM) processes and forms. It was used to specify which process steps should be followed in HR processes such as an employee's hiring, leaving, or organizational reassignment. In addition, it defines which users were to execute each process step, which forms they could edit in the individual steps, and which interface functions they could execute in the corresponding application. During the period under review, the PMEC system had no workflow configured for all modules resulting in lack of segregation of duties.

**f. Lack of Internal Service Level Agreements**

COBIT APO09.03 on Define and Prepare Service Agreements requires an organization to define and prepare service agreements based on the options in the service catalogues including internal operational agreements. During the period under review, the Ministry of Finance had no internal Service Level Agreements (SLAs) in place with Smart Zambia Institute (SZI) for the servers and other networking equipment for the core systems such as PMEC in terms of environmental conditions and security of the equipment.

As at 31<sup>th</sup> July 2022, there was no Service Level Agreement between MOF/SZI and INFRATEL which hosts the main servers for PMEC as the contract between the parties had expired on 30<sup>th</sup> December 2020. Consequently, the service provider would not be accountable in the event of any major incidents such as system outage and crash.

**g. Use of Unlicensed Database**

ISO/IEC A12.6.1 on Management of Technical Vulnerabilities, requires an organization to obtain timely information about technical vulnerabilities of

information systems being used. The exposure of such vulnerabilities should be evaluated and appropriate measures taken to address the associated risk.

During the period under review, the Payroll system was running on Oracle Database which had reached its end of extended life support. As such, the database was exposed to known vulnerabilities.

#### **h. Unutilised e-Payslip Configured Solution**

On 26<sup>th</sup> October 2017, the Government through the Ministry of Finance engaged a joint venture of NOVABASE Business Solutions, Smart Networks and Seidor (Joint Venture) to, among others, deliver an automated e-Payslip service on the PMEC system.

As at 31<sup>st</sup> December 2021, the e-payslip was configured but not in use. It was also observed that, instead of using the automated e-payslip solution, PMEC extracted data from the system and manually sent to a third-party solution from which the e-payslips were processed. This exposed data to errors and manipulation.

#### **i. Management of Leaders' Payroll**

##### **i. Payment of Loans to Leader with Less than Six Months of Service**

On 19<sup>th</sup> January 2015, the Secretary to the Treasury issued guidelines on payment of loans to leaders which was effective from 1<sup>st</sup> February 2015.

- i. According to the guidelines, a leader shall be an Office Holder of a Statutory or Constitutional Position.
- ii. The following positions would thus constitute eligible beneficiaries:
  - All Statutory or Constitutional Positions,
  - Secretary to the Cabinet,
  - Secretary to the Treasury,
  - Chief Justice,
  - Deputy Chief Justice,
  - Supreme Court Judges,
  - High Court Judges,

- Chairperson Industrial Relations Court,
- Deputy Chairperson Industrial Relations Court, and
- Permanent Secretaries.

In addition, among other requirements, the guidelines provide that newly appointed leaders should be eligible to apply for a loan after serving for a period of at least six (6) months.

Contrary to the guidelines, a review of loans issued to leaders in 2021 revealed that loans amounting to K4,850,000 were issued to thirteen (13) leaders within two (2) to four (4) months of their appointments.

**ii. Non-Recovery of Leaders' Loans**

According to procedures for administering Leaders' Loans, the recovery period for leaders on contract such as Permanent Secretaries and Cabinet Ministers, is thirty-six (36) months while for leaders engaged on permanent and pensionable basis is 120 months for car loans and 240 months for household loans, as shown in the table 2 below.

**Table 2: Recovery Periods for Different Loan Types Payable to Leaders**

No.	Loan Type	Recovery Period in months			Interest Rate (%)
		Ministers	Judges	Permanent Secretaries	
1	Household	36	120	36	10
2	Motor Vehicle	36	240	36	15
3	Salary Advance	6	6	6	0

Contrary to the guidelines, recoveries in respect of loans in amounts totalling K5,163,643 disbursed to twenty-seven (27) leaders during the period from January 2019 to October 2021 had not been effected as at 31<sup>st</sup> July 2022.

**j. Failure to Pay Back Salaries Paid After Dissolution of Parliament**

On 8<sup>th</sup> August 2016, the Constitutional Court of the Republic of Zambia ruled that the sixty-three (63) former Ministers who continued to stay in office after the dissolution of Parliament in 2016, pay back to the State within thirty (30) days from the date of judgement emoluments in amounts totalling K3,700,000 which they were paid for the period they irregularly stayed in office.

Contrary to the Court ruling, as at 31<sup>st</sup> July 2022, four (4) ex-Ministers had not paid back amounts totalling K230,064.

**k. Management of Separatees Payroll**

Article No. 189 (1) of the Constitution of Zambia (Amendment) Act No. 2 of 2016, a pension benefit shall be paid promptly and regularly. (2) Where a pension benefit is not paid on a person's last working day, that person shall stop work, but the person's name shall be retained on the payroll, until payment of the pension benefit based on the last salary received by that person while on the payroll.

Following the enactment of the Constitution, the Government through the Public Service Management Division (PSMD), issued Circular No. B10 of 2016 in which it guided that with effect from 5<sup>th</sup> January 2016, all retired employees should be retained on the payroll until pension benefits are paid. In addition, on 22<sup>nd</sup> November 2018, PSMD issued Circular No. B21 which provided among other things that any amounts that were paid as in form of any allowance other than basic salary from the time government implemented the retention of retirees on the payroll should be recovered and that conveyance for retirement for employees contributing to NAPSA should be submitted to NAPSA at least three months prior to the Officer's date of retirement.

Further, on 6<sup>th</sup> May 2022 PSMD issued Circular No. B26 which provided that retired employees that served on permanent and pensionable terms of appointment that are retained on the payroll pending payment of pension benefits should be entitled to receive the last Basic Salary and Housing Allowance to those unaccommodated. The Circular also provided that retired employees that were yet to be paid their pension benefits but had been paid the repatriation allowance should be entitled to receive the basic salary only.

A review of separatees payroll revealed the following:

**i. Irregular Payment of Allowances to Retirees**

Contrary to Circular Nos. B21 of 2018 and B26 of 2022, the Government irregularly paid allowances in form of Commuted Night Duty, Transport, Housing, Fuel, Motor Vehicle, Responsibility, Utility, Combat and Cell phone Allowances to 1,422 retirees, amounting to K12,861,615. See table 3 below.

**Table 3: Allowances Paid to Retirees**

<b>Year</b>	<b>No. of Employees</b>	<b>Amount K</b>
2021	193	66,464
2020	48	337,098
2019	87	369,826
2018	1422	11,230,561
2017	54	857,666
	<b>Total</b>	<b>12,861,615</b>

**ii. Irregular Inclusion of Officers on the Separatees Payroll**

On 1<sup>st</sup> September 2018 and 1<sup>st</sup> February 2019, four (4) payroll superusers based at P MEC moved twenty-five (25) officers from Ministry of Education and Ministry of Health payroll to Separatees Payroll and were paid salaries in amounts totalling K146,449.

A review of the P MEC System revealed that the officers were on Separatees Payroll for only a month and later terminated. It was further observed that of the twenty-five (25) officers that were terminated from the separatees payroll, nine (9) were transferred back to the main payroll. While the remaining sixteen (16) were terminated with the reason of death.

However, as at 31<sup>st</sup> July 2022, no documentation such as death certificates and transfer letters among others were availed to support the termination of the sixteen (16) officers that were permanently removed from the separatees payroll. See table 4 below.

**Table 4: Officers on Separatees Payroll**

Emp No.	Position and Location	Date Moved to Separatees	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Reason for Termination
153621	Class Teacher at the Ministry of Education Lufwanyama District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	4,389	Moved to separatees payroll for the month of February 2019
144704	Subject Teacher at the Ministry of Finance Chililabombwe District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separatees payroll for the month of February 2019
133989	Watchman at the Ministry of Finance Ndola District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	2,719	Moved to separatees payroll for the month of February 2019
117396	Assistant Director Research and Information Provincial Administration Luapula Province	01.02.2019	210392	Help Desk Officer at PSMD	9,824	Moved to separatees payroll for the month of February 2019
93975	Subject Teacher at the Ministry of Finance Lufwanyama District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separatees payroll for the month of February 2019
91913	Deputy Head Teacher at the Ministry of Finance Kalulushi District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	7,570	Moved to separatees payroll for the month of February 2019
77393	Class Teacher at the Ministry of Finance Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separatees payroll for the month of February 2019
67777	Typist at the Ministry of Education Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	4,325	Moved to separatees payroll for the month of February 2019
67680	Class Teacher at the Ministry of Education Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separatees payroll for the month of February 2019

**Table 4a: Officers on Separates Payroll**

Emp No.	Position and Location	Date Moved to Separates	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Reason for Termination
67632	Subject Teacher at the Ministry of Education Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separates payroll for the month of February 2019
67599	Subject Teacher at the Ministry of Education Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separates payroll for the month of February 2019
67093	a Subject Teacher at the Ministry of Education Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separates payroll for the month of February 2019
59920	a Subject Teacher at the Ministry of Education Chililabombwe District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	7,936	Moved to separates payroll for the month of February 2019
55163	Office Orderly at the Ministry of Education Chingola District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	3,555	Moved to separates payroll for the month of February 2019
54800	Class Teacher at the Ministry of Education Chingola District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,186	Moved to separates payroll for the month of February 2019
35131	a Class Teacher at the Ministry of Education Ndola District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	3,989	Moved to separates payroll for the month of February 2019
34763	Subject Teacher at the Ministry of Education Ndola District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	4,116	Moved to separates payroll for the month of February 2019
17552	Rifle Man under the Zambia Police Service Public Order and Maintenance, Kitwe District of the Copperbelt Province	01.02.2019	17552	Rifelman Zambia Police	8,072	Moved to separates payroll for the month of February 2019
10458	Class Teacher at the Ministry of Education, Luanshya District of the Copperbelt Province	01.02.2019	210392	Help Desk Officer at PSMD	5,350	Moved to separates payroll for the month of February 2019
22296	Class Teacher at the Ministry of Education, Mufulira District of the Copperbelt Province	01.02.2019	25243	Personnel Cost Manager-PSMD	4,116	Moved to separates payroll for the month of January 2019

**Table 4b: Officers on Seperatees Payroll**

Emp No.	Position and Location	Date Moved to Seperatees	Changed By	Duration Salary Diverted	Amount Paid (Gross) K	Reason for Termination
229029	Senior Teacher at the Ministry of Education, Kabwe District of the Central Province	01.09.2018	152205	Personnel Cost Manager-PSMD	4,939	Moved to seperatees payroll for the month of September 2018
137779	Office Orderly at the Ministry of Health, Mufulira District of the Copperbelt Province	01.09.2018	152205	Personnel Cost Manager-PSMD	3,535	Moved to seperatees payroll for the month of September 2018
123993	Registry Clerk at the Ministry of Health, Mufulira District of the Copperbelt Province	01.09.2018	152205	Personnel Cost Manager-PSMD	4,104	Moved to seperatees payroll for the month of September 2018
123910	Zambia Enrolled Nurse at the Ministry of Health, Mufulira District of the Copperbelt Province	01.09.2018	152205	Personnel Cost Manager-PSMD	6,064	Moved to seperatees payroll for the month of September 2018
34822	Assistant Director at the Ministry of Health,	01.09.2018	152205	Personnel Cost Manager-PSMD	19,230	Moved to seperatees payroll for the month of September 2018
					<u><b>146,449</b></u>	

**iii. Irregular Retention of Officers Contributing to National Pensions Scheme Authority on Separatees Payroll**

According to the National Pension Scheme Authority Service Charter, pension benefits are payable within twenty-one (21) working days from submission of claim.

However, a review of the payroll revealed that 5,884 officers whose pension subscriptions were with NAPSA, were admitted to the Separatees payroll and paid salaries in amounts totalling K237,154,151 between 2017 and 2021. See table 5 below.

**Table 5: NAPSA Members on Separatees Payroll**

<b>Year</b>	<b>No of Officers</b>	<b>Amount K</b>
2017	17	264,400
2018	559	36,231,917
2019	69	1,552,353
2020	13	4,940,717
2021	5884	194,164,763
<b>Total</b>		<b>237,154,151</b>

**iv. Paid National Pensions Scheme Authority Retirees Still on Government Payroll**

A comparison of employees on Government Payroll to the payment records of beneficiaries from National Pensions Scheme Authority (NAPSA) revealed that 410 retirees who were paid their benefits or had graduated to NAPSA payroll were not removed from the Government payroll. As at 31<sup>st</sup> December 2021, the officers had been paid salaries in amounts totalling K140,462,602 for periods ranging from one (1) month to forty-eight (48) months. See table 6 below.

**Table 6: Officers paid Benefits and Retained on Payroll**

<b>No.</b>	<b>No. of Officers</b>	<b>Amount K</b>
1	148	84,644,234
2	262	55,818,367
<b>Total</b>	<b>410</b>	<b>140,462,602</b>

As at 31<sup>st</sup> July 2022, the matter had not been resolved.

**v. Paid Public Service Pension Fund Retirees Still on Government Payroll**

A review of the Government payroll revealed that there were delays of periods ranging from one (1) to forty-eight (48) months in removing from the payroll 717 retirees who had been paid their benefits by the Public Service Pension Fund.

As at 31<sup>st</sup> December 2021, the retirees had been paid salaries in amounts totalling K96,524,845.

As at 31<sup>st</sup> July 2022, the Government had not implemented mechanisms to ensure that retirees who have been paid pension benefits, are promptly removed from the payroll.

**i. Failure to Reconcile the Salaries Account**

Public Finance Management General Regulations of 2020 Part 8(f) provides that the Head of an Accounting Unit should undertake a reconciliation of accounts held under that Accounting Officer's charge at least once in a month and Section 74(c) requires that the Secretary to the Treasury should oversee the analysis and reconciliation of payroll costs and production of various personal emoluments' financial reports.

During the period under review, the Government had processed net salaries in amounts totalling K95,421,558,342 through the salaries account held at Zanaco Bank. However, there was no evidence that the Ministry of Finance had performed any reconciliation on the account.

Further, the Government had processed net salaries in amounts totalling K95,421,558,342 through the salaries account held at Zanaco Bank. However, there was no evidence that the Ministry of Finance had performed any reconciliation on the account. Further, it was observed that the unutilised funds in the salaries account had grown by 79% from K42,468,545 in June 2021 to K75,944,374 as at 30<sup>th</sup> June 2022. This was attributed mainly to salaries which were not paid to employees due to various reasons such as disciplinary action. As at 31<sup>st</sup> July 2022, the accumulated balance in the Salaries Account had not been returned to the Consolidated Fund.

**m. Irregular Payment of Salaries to Employees with Voided Bank Account Numbers**

To withhold an employee's salary, MPAs block the employee's bank account number on the PMEC System. Blocking is done by inputting invalid account numbers with figures such as 00000 or 9999, thereby voiding the employees bank account. Voiding has the effect of causing an employee's salary to be returned when it is being processed in the salaries payment account.

A review of the Salaries Bank file prepared by the Ministry of Finance revealed that 603 employees with voided account numbers (i.e., 00000 or 9999999) had salaries in amounts totalling K7,651,350 processed.

However, a scrutiny of the Zanaco settlement file and the Zanaco bank statement revealed that the payments of the salaries totalling K7,651,350 in respect of accounts that were voided were settled without rejection.

It was not clear how employees with voided account numbers on Salaries Bank file had their salaries paid. See table 7 below.

**Table 7: Questionable Payment of Salaries**

<b>Year</b>	<b>No of Employees</b>	<b>Amounts K</b>
2017	40	349,777
2018	359	6,367,263
2019	82	324,402
2020	42	192,463
2021	104	417,445
<b>Total</b>		<b>7,651,350</b>

**n. Irregular Payment of Claims on the Salaries Bank Statement**

During the period under review, the Ministry of Finance processed salaries for civil servants through the Salaries Account that was managed by Zanaco Limited.

Salaries that were not paid to officers for various reasons remained in the salaries account until they were claimed and salary claims were processed directly on the account by PMEC upon presentation of evidence that the officers were not paid.

A review of the salaries bank statements revealed that 1,616 officers were paid salaries in amounts totalling K9,618,473 for periods ranging from one (1) to seventy-two (72) months relating to preceding years.

However, the payments of the claims were irregular in that the officers were paid in the months they were claiming. See table 8 below.

**Table 8: Payment of Salary Claims**

<b>Year</b>	<b>No of Employees</b>	<b>Amounts K</b>
2021	283	2,071,224
2020	775	4,134,198
2019	4	86,348
2018	554	3,326,702
<b>Total</b>	<b>1616</b>	<b>9,618,473</b>

**o. Irregular Net Pays**

Net pay is the difference between the gross payment and the total deductions on an officer's pay. A comparison of the net pay on the payslip to the actual amount paid on the bank statement revealed that 246 officers were paid amounts totalling K2,704,438 instead of K1,151,127 which the officers were entitled resulting in an overpayment of K1,553,311. See table 9 below.

**Table 9: Net Pay of Salaries**

<b>Year</b>	<b>No of Employees</b>	<b>Amount Due K</b>	<b>Amount Paid K</b>	<b>Overpayment K</b>
2017	104	594,599	1,136,886	542,287
2018	65	202,838	847,965	645,128
2020	30	195,290	360,148	164,859
2021	46	158,400	359,438	201,038
<b>Total</b>	<b>245</b>	<b>1,151,127</b>	<b>2,704,438</b>	<b>1,553,311</b>

In response management indicated that the overpayment was related to the months in which the officers were not paid.

However, there was no evidence provided to support the claim by management that the officers were not paid in previous months.

As at 31<sup>st</sup> July 2022, the funds had not been recovered from the officers.

**p. Overpayment of Salaries**

Direct Debit and Credit Clearing (DDACC) is a payment system that settles funds directly to the recipient's account. The details of each of the individual payments in the DDACC account should be equal to the amount settled on the individual bank account.

During the period under review, 56,995 employees were paid their monthly salaries more than once for the same pay month. Consequently, the employees who should have been paid amounts totalling K237,079,070 were instead paid amounts totalling K475,241,478 resulting in an overpayment of K238,162,409 which had not been recovered as at 31<sup>st</sup> July 2022. See table 10 below.

**Table 10: Overpayment of Salaries**

Year	No. of Employees	Amount Due K	Amounts Paid K	Overpayment K
2017	3,090	10,578,692	20,970,964	10,392,272
2018	612	7,775,640	16,797,029	9,021,389
2019	56,995	210,201,677	420,403,353	210,201,677
2020	40	313,974	502,090	188,116
2021	1,169	8,209,088	16,568,042	8,358,954
<b>Total</b>		<b>237,079,070</b>	<b>475,241,478</b>	<b>238,162,409</b>

## **11. Head 11 - Zambia Police Service**

### **11.1 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.

### **11.2 Governance**

The Service is headed by the Inspector General of Police who commands, superintends, directs and controls the functions of the Zambia Police Service and is appointed by the President.

### **11.3 Management**

The Inspector General is assisted by two (2) Deputy Inspector Generals who are responsible for Administration and Special Support activities respectively.

### **11.4 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll processing and processes at the Zambia Police Service for the period January 2017 to December 2021 revealed the following:

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K5,988,132,734 was made to cater for Personal Emoluments under the Zambia Police Service against which amounts totalling K5,669,276,877 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	1,389,292,530	1,389,292,471
2020	1,275,642,712	1,182,592,423
2019	1,257,290,570	1,031,177,572
2018	1,125,410,619	1,125,411,004
2017	940,496,303	940,803,407
<b>Total</b>	<b>5,988,132,734</b>	<b>5,669,276,877</b>

**b. Failure to Prepare Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the staff establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Zambia Police did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor recruitments or additions on the payroll.

**c. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for other MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

However, during the period under review, 5,097 input transactions were performed on the payroll by nineteen (19) PMEC super-users who were in different payroll sub-areas (Ministries) or jurisdictions without supporting documentation to authorise the capture of inputs.

**d. Irregular Re-Introduction of Employees**

According to Terms and Conditions of Service 12 (a), an officer on appointment to the Public Service shall submit to the responsible officer confirmation of date of arrival at duty station. This is done through the completion and submission of Arrival Advice Form 81.

In addition, Clause 10 of the Terms and Conditions of Service provides that on appointment to the Public Service, an applicant shall be issued with an appropriate letter of appointment.

It was however, observed that two (2) officers who were previously employed by the Public Service were re-introduced on the payroll and paid salaries in amounts totalling K85,414 without supporting documentation such as authority from the Police Service Commission and arrival advice.

In particular, the following was observed:

**i. Employee No. 7770**

On 13<sup>th</sup> November 2018, a Constable, Employee No. 7770 of Simon Mwansa Kapwepwe, Lusaka Division was reported to have deserted his duty station. Subsequently, the Officer was charged for the offence of being absent from duty without leave for the period 27<sup>th</sup> December 2016 to December 2019, contrary to Cap 107 of the Laws of Zambia and Terms and Conditions of Service for the Public Service.

After failed efforts to locate the Officer, the Officer's salary was locked in January 2019. However, following Tribunal hearings in respect of the Officer, which found him guilty and recommended for severe reprimand.

On 15<sup>th</sup> April 2021, the Zambia Police Service through Command, instructed the PMEC to unlock salaries for Chola Mwila, an Officer who was reported to have deserted his duty station in January 2019 on the premise that he had since resumed duties.

It was not clear how this officer was re-introduced on the payroll as Section No. 60 (a) and (b) of the Terms and Conditions of Service for the Public Service states 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”.

In this regard, salaries paid to the Officer between January 2017 to December 2018, while away without leave in amounts totalling K76,435 were irregular.

**ii. Employee No. 255783**

On 7<sup>th</sup> November 2019, an Officer, Employee No. 255783, under Lusaka Urban was charged with the case of absenteeism without leave for the period from 5<sup>th</sup> September 2019 to 6<sup>th</sup> November 2019.

On 11<sup>th</sup> May 2021, the Zambia Police Service through Command, instructed the PMEC to unlock the Officer’s salaries.

It was not clear how this officer was re-introduced on the payroll as Section No. 60 (a) and (b) of the Terms and Conditions of Service for the Public Service requires 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.

In this regard salaries amounting to K8,979 paid to the Officer while absent without leave in September and October 2019, were irregular.

**e. Irregular Introduction of Classified Employees on Police Officer Position IDs**

Clause 6 of the Terms and Conditions of Service, requires that no appointment, promotion, or transfer should be made to any post in the Public Service unless that post is approved, funded and is vacant.

A review of the payroll for the Zambia Police Service revealed that ten (10) classified employees were appointed on Police officer position IDs on the payroll during the period under review. No authority for recruitment of classified employees on Police officer position was availed for audit.

**f. Unaccounted for Officers**

A comparison of the payroll and staff returns for the Zambia Police Service revealed that 447 officers were on the payroll but not on the staff returns and they drew salaries in amounts totalling K2,982,311.

As at 31<sup>st</sup> July 2022, Zambia Police had not accounted for the officers. See table 2 below.

**Table 2: Officers on Payroll not on Return**

No.	Sub Area	No. of Employees	Amount K
1	Lilayi Training School	20	94,831
2	Paramilitary Lilayi	23	173,778
3	Police	325	2,362,482
4	Police HQ	46	205,837
5	Protective Unit	8	33,625
6	Public Order Maintenance	6	22,567
7	State House	17	81,190
8	Tazara Police	2	8,001
	<b>Total</b>	<b>447</b>	<b>2,982,311</b>

**g. Irregular Payment of Combat Allowance**

Combat allowance is paid to officers in Combatant Divisions. However, combat allowance in amounts totalling K447,138 was irregularly paid to 201 officers who were ineligible as they were not in combatant divisions. See table 3 below.

**Table 3: Irregular Payment of Combat Allowance**

No.	Division	No. of Transactions	No. of Employees	Amount K
1	Central	309	27	56,856
2	Western	103	9	18,952
3	Muchinga	85	10	15,640
4	Lusaka	883	81	162,472
5	Lilayi	390	37	71,760
6	Copperbelt	661	37	121,458
	<b>Total</b>	<b>2431</b>	<b>201</b>	<b>447,138</b>

**h. Irregular Payment of Housing Allowance to Officers in Institutional Houses**

The Public Service Management Division Circular (PSMD) No. B 24 of 2013 stipulates that housing allowance should be paid to officers not accommodated by Government in standard/pool houses through the payroll.

Contrary to the Circular, 596 officers accommodated in institutional houses were paid housing allowance in amounts totalling K8,104,954. As at 31<sup>st</sup> July 2022, the allowances had not been recovered.

**i. Employees Sharing National Registration Card Numbers**

A review of the DACC file revealed that six (6) officers shared four (4) National Registration Card (NRC) Numbers and were paid salaries in amounts totalling K284,509.

However, it was not possible to confirm the identity and existence of the officers sharing NRCs. Further, two (2) of the officers were not appearing on the staff returns.

**j. Employees with Questionable National Registration Numbers**

According to the Department of National Registration, an individual NRC constitutes a district code and country code which are means by which the Department identifies the place and type of issuance of the NRC.

However, a review of the payroll revealed that five (5) officers had NRCs with district codes that had not been issued by the Department of National Registration. The officers drew salaries in amounts totalling K68,924 during the period from January 2017 to August 2021.

## 12. Head 89 - Ministry of Agriculture

### 12.1 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.

### 12.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, provisions totalling K1,928,149,660 were made to cater for Personal Emoluments under the Ministry against which amounts totalling K1,524,844,402 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Total Authorised Provision K	Amount Released K
2017	424,696,878	420,709,785
2018	134,077,016	94,995,489
2019	459,198,440	295,293,212
2020	455,102,061	321,285,326
2021	455,075,265	392,560,590
<b>Total</b>	<b>1,928,149,660</b>	<b>1,524,844,402</b>

#### b. Unaccounted for Officers

Public Finance Management Regulation of 2020, No. 78 (1) and (3) requires that a public body should ensure that the payroll is verified and reconciled by responsible office holder from an accounting unit and human resource and administration respectively. A reconciliation under sub regulation (1) should include a head count of staff each month with regard to the payroll expenditure.

Contrary to the regulations, the Ministry had not reconciled and verified its payroll and as a result, salaries in amounts totalling K851,709 were paid to nineteen (19) individuals who were not on the Ministry's staff returns as at 31<sup>st</sup> July 2022. See table 2 below.

**Table 2: Unaccounted for Officers**

No.	Province	No. of Officers	Amount K
1	Lusaka	8	299,807
2	Muchinga	3	229,861
3	North Western	6	233,343
4	Southern	2	88,698
	<b>Grand Total</b>	<b>19</b>	<b>851,709</b>

**c. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, during the period under review, 211 officers who were not stationed at the Ministry were paid salaries in amounts totalling K4,698,031. See table 3 below.

**Table 3: Misplacement of Payroll Area**

No.	Province	No of Officers	Amount K
1	Luapula	3	654,905
2	Lusaka	41	1,814,645
3	Northern	88	538,563
4	Southern	59	1,227,565
5	Western	20	462,352
	<b>Total</b>	<b>211</b>	<b>4,698,031</b>

As at 31<sup>st</sup> July 2022, the pay-points and the physical location of the officers had not been normalised.

**d. Unauthorised Excess Staff on Payroll**

Ministries, Provinces and Agencies conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A comparison of the selected positions on the payroll with the 2021 Establishment Registers at the Ministry Headquarters and ten (10) provincial offices revealed that

four (4) provinces had had recruited 2,321 officers against the authorised positions of 1,411 resulting in recruitment of 910 excess staff. See table 4 below.

**Table 4: Unauthorised Excess Staff on Payroll**

No.	Province	Establishment	Payroll	Variance
1	Central	384	527	143
2	Luapula	348	405	57
3	Lusaka	387	939	552
4	Southern	292	450	158
	<b>Total</b>	<b>1,411</b>	<b>2,321</b>	<b>910</b>

As at 31<sup>st</sup> July 2022, no treasury authority for recruitment in excess of the approved establishment register was availed for audit.

**e. Recruitment on Positions not provided for in the Establishment Register**

Section 21(d) of the Public Finance Management Regulation of 2020 provides that any recurrent expenditure estimates for personal emoluments should be supported by details from the establishment register for posts which shall be considered part of the estimates.

During the period under review, the Ministry recruited 104 officers who were paid salaries amounting to K11,088,805 against thirteen (13) authorised positions contained in the Establishment Register. See table 5 below.

**Table 5: Positions on Payroll Not on Establishment Register**

No.	Province	No of Positions	No of Officers	Amount Paid K
1	Northern	4	9	1,019,907
2	North Western	3	89	8,100,357
3	Southern	2	2	453,133
4	Muchinga	4	4	1,515,409
	<b>Total</b>	<b>13</b>	<b>104</b>	<b>11,088,805</b>

As at 31<sup>st</sup> July 2022, no treasury authority for the recruitment was availed for audit.

**f. Failure to Perform Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling Officer should ensure that a reconciliation between the staff establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor unapproved recruitments or additions to the payroll.

**g. Unauthorised Salary Inputs**

Each MPA on PMEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The PMEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) provides that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, 3,992 input transactions were performed on the Ministry of Agriculture payroll by ten (10) PMEC end-users who were not part of the Ministry.

Further, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction were availed for audit.

**h. Positions with Wrong Salary Grades**

During the period under review, thirty-two (32) positions were placed in salary grades that did not conform to the approved establishment register.

In this regard, seven (7) employees were overpaid salaries in amounts totalling K21,305 while twenty-five (25) officers were under paid salaries in amounts totalling K174,982. See tables 6 and 7 below.

**Table 6: Positions with Wrong Salary Grades**

No.	Province	No of Officers	Amount Paid K	Correct Amount K	Over Payment K
1	Copperbelt	5	185,702	164,660	21,042
2	Western	2	4,543.42	4,280.67	262.75
	<b>Total</b>	<b>7</b>	<b>190,245</b>	<b>168,941</b>	<b>21,305</b>

**Table 7: Underpaid Officers**

No.	Province	No of Officers	Amount Paid K	Correct Amount K	Amount K
1	Copperbelt	23	1,234,802	1,388,958	- 154,155
2	Western	2	61,243	82,069.32	- 20,826
	<b>Total</b>	<b>25</b>			<b>- 174,982</b>

**i. Irregular Payment of 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 K1,438,337 were paid as housing allowances to 141 officers who were accommodated in Government institutional houses. See table 8 below.

**Table 8: Irregular Payment of Housing Allowance**

No.	Province	No. of Officers	Amount K
1	Copperbelt	47	392,250
2	Eastern	16	451,828
3	Lusaka	13	108,157
4	Muchinga	2	4,547
5	Northern	22	185,123
6	Southern	5	37,338
7	Western	36	259,094
	<b>Total</b>	<b>141</b>	<b>1,438,337</b>

**j. Rural Hardship Allowance**

Terms and Conditions of Service for the Public Service No. 166 and the Public Service Management Division Circular No. B6 of 2010 provide that an officer serving in an area declared to be a remote area shall be entitled to receive hardship allowance at the rate as may be determined by Government from time to time.

Contrary to the Terms and Conditions of Service and the Circular, rural hardship allowances in amounts totalling K78,830 were paid to ten (10) officers who were not entitled as the designated duty stations did not qualify for the allowance. See table 9 below.

**Table 9: Rural Hardship Allowances**

No.	Province	No of Officers	Amount K
2	Lusaka	8	57,976.00
3	Northern	1	9,950.55
4	Southern	1	10,904.00
	<b>Total</b>	<b>10</b>	<b>78,830.55</b>

**k. Delayed Removal of Separated Officers from the Payroll**

Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) requires 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.

Contrary to the Circular, twenty-eight (28) officers who were separated from the Service through resignation and dismissal were retained on the payroll for periods ranging from six (6) to fifteen (15) months.

In this regard, the officers were irregularly paid salaries totalling K1,109,738. See table 10 below.

**Table 10: Delayed Removal of Separated Officers from the Payroll**

No.	Province	No of Officers	Amount K
1	Central	1	10,788
2	Copperbelt	9	224,042
3	Eastern	3	137,316
4	Lusaka	9	498,261
5	North Western	6	239,330
	<b>Total</b>	<b>28</b>	<b>1,109,738</b>

**l. Non-Deduction of Statutory Contribution (Pension) from Eligible Officers**

Section 15 (1) of the National Pension Scheme Act No. 40 of 1996 as amended by the National Pension Scheme Act of 2000 provides that the contributing employer shall pay contributions to the Authority at the end of each month and such employer shall submit all prescribed particulars.

Contrary to the Act, the Ministry did not deduct NAPSA contributions in amounts totalling K68,363 in respect of thirty-seven (37) eligible employees for periods ranging from one (1) to twelve (12) months.

**m. Delayed and Irregular Payment of Allowances to Retired Officers – Central Province**

Contrary to Public Service Management Division Circulars No B10 of 2016, B21 of 2018 and B26 of 2022, which give guidance on payment of basic salaries and allowances to retired, deceased and resigned officers, five (5) Officers who retired between 1<sup>st</sup> January 2020 and 31<sup>st</sup> January 2021 continued receiving transport allowances, through the payroll in amounts totalling K91,117 for the period they were on retirement.

**n. Irregular Payment of Salaries into another Officer’s Bank Account - Copperbelt Province**

During the period under review, it was observed that an officer by the name of Dickson Matabele with National Registration Card Number 141514/48/1, employee number 00347852 was recruited as Technical Research Assistant at Zambia Agriculture Research Institute (ZARI).

A review of the Arrival Advice Form (Accounts Form 81) disclosed that the officer had submitted a NATSAVE Bank Account to be used for payment of his monthly salary. However, it was not clear as to why the officer’s salaries in amounts totalling K16,998 for four (4) months from October 2020 to 31<sup>st</sup> January 2021 were paid into a Zanaco Account belonging to a Research Assistant based in Choma under Ministry of Agriculture.

**o. Delayed Termination on Payroll**

An employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion and resignation.

On 27<sup>th</sup> of April 2017, the District Marketing Officer working under Gwembe District Agriculture Office resigned from the civil service. However, a review of records revealed that the officer was maintained on the payroll up to 31<sup>st</sup> August 2017, four (4) months after resignation and was paid amounts totalling K32,520.

### 13. Head 86 - Ministry of Fisheries and Livestock

#### 13.1 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.

#### 13.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Fisheries and Livestock (MFL) for the period from January 2017 to December 2021 revealed the following:

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K620,015,613 was made to cater for Personal Emoluments under the Ministry of Livestock and Fisheries against which amounts totalling K449,395,057 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	194,946,029	165,312,723
2020	192,320,173	127,786,192
2019	194,764,230	115,873,265
2018	29,223,397	29,227,069
2017	8,761,784	11,195,808
<b>Total</b>	<b>620,015,613</b>	<b>449,395,057</b>

##### b. Failure to Provide Information

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.

During the period under review, amounts totalling K449,395,057 were spent as salaries of employees under the Ministry.

Contrary to the Act, as at 31<sup>st</sup> July 2022, the Ministry had not provided the staff returns for the period 2017 to 2021.

**c. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, during the period under review, forty-four (44) officers who were not stationed at the Ministry were paid salaries in amounts totalling K586,665 from the Ministry payroll. See table 2 below.

**Table 2: Misplacement of Payroll Area**

No.	Province	No of Officers	Amount K
1	Luapula	4	339,239
2	Northern	37	226,520
3	Western	3	20,906
	<b>Total</b>	<b>44</b>	<b>586,665</b>

**d. Unauthorised Salary Inputs**

Each MPA on PMEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The PMEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) provides that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, twenty-two (22) input transactions were performed on the Ministry of Fisheries and Livestock payroll by twelve (12) PMEC end-users who were not part of the Ministry.

Further, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction were availed for audit.

**e. Irregular Payment of Rural Hardship Allowances**

Terms and Conditions of Service for the Public Service No. 166 and the Public Service Management Division Circular No. B6 of 2010 requires that an officer serving in an area declared to be a remote area should be entitled to receive 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 K2,198,187 were paid as rural hardship allowance to ninety-two (92) officers who were working at stations that did not qualify for the allowances out of which K14,152 was recovered leaving a balance of K2,184,035. See table 3 below.

**Table 3: Irregular Payment of Rural Hardship Allowances**

No.	Province	No of Officers	Queried Amount K	Amount Recovered K	Outstanding Balance K
1	Copperbelt	3	16,472	-	16,472
2	Muchinga	12	219,161	14,152	205,009
3	Western	77	1,962,554		1,962,554
	<b>Total</b>	<b>92</b>	<b>2,198,187</b>	<b>14,152</b>	<b>2,184,035</b>

**f. Irregular Payment of Housing Allowance**

Cabinet Office Circular No. B2 of 2010 (2) (b) requires that housing allowance should only be paid to employees who are not accommodated by Government and that employees accommodated in a standard house should not qualify for the payment of housing allowance.

Contrary to the Circular, amounts totalling K485,200 were paid as housing allowances to thirty one (31) officers who were accommodated in institutional houses out of which K181,452 was recovered leaving a balance of K303,748 as at 31<sup>st</sup> July 2022. See table 4 below.

**Table 4: Irregular Payment of Housing Allowances**

No.	Province	No of Officers	Queried Amount K	Amount Recovered K	Outstanding Balance K
1	Luapula	1	6,820	405	6,415
2	Lusaka	4	47,582	10,063	37,519
3	Muchinga	10	165,068	50,404	114,664
4	Western	16	265,730	120,580	145,150
	<b>Total</b>	<b>31</b>	<b>485,200</b>	<b>181,452</b>	<b>303,748</b>

**g. Failure to Remove Separated Officers on the Payroll**

Section 12(a) of the Terms and Conditions of Service requires that an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion and resignation. The position for the terminated employee is then made available for re-assignment.

Contrary to the Circular, three (3) officers who had resigned, seconded or retired were retained on payroll and had been paid amounts totalling K188,566 as 31<sup>st</sup> December 2021. See table 5 below.

**Table 5: Separated Officers on the Payroll**

No.	Province	No. of Officers	Amount K
1	Lusaka	2	161,226
2	Southern	1	27,340
	<b>Total</b>	<b>3</b>	<b>188,566</b>

**h. Other Financial Irregularities**

**i. Irregular Payment of Salaries to Unknown Officers - Eastern Province**

A reconciliation of the consolidated staff returns for the province against the payroll for the period from January 2018 to December 2021 revealed that an employee who was on the payroll and was paid salaries in amounts totalling K140,566 was not appearing on the consolidated staff returns.

As at 31<sup>st</sup> July 2022, the Ministry had not accounted for the Officer.

**ii. Lusaka Province**

**• Failure to Remove Transferred Employees to their New Pay Offices**

The Public Financial Regulations of 2020 No. 89 requires that when an employee is transferred and the transfer involves a change of pay office, the employee's salary record shall be updated and transferred to the employee's new pay office.

Contrary to the above regulation, one (1) officer from Ministry of Fisheries and Livestock-Headquarters who was transferred to another institution remained on the payroll for the Ministry and was paid salaries in amounts totalling K269,875 as at 31<sup>st</sup> July 2022.

- **Irregular Introductions on Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service which stipulates that on appointment to the Civil Service an officer shall submit to the responsible officer, the following:

- i. A Criminal Investigation Department clearance report,
- ii. Arrival advice - Accounts Form 81 (Confirmation of date of arrival at duty station),
- iii. Personal information, a declaration of secrecy,
- iv. Acknowledgement of liability in respect of personal effects,
- v. Certified proof of qualifications,
- vi. A medical certificate, and
- vii. A certified copy of the National Registration Card.

Contrary to the Terms and Conditions of Service, four (4) officers were introduced on the payroll in September 2021 without approved arrival advice (Accounts form 81), Criminal Investigation Department clearance report (police report) and medical certificate copy. In this regard, salaries amounting to K11,201 paid to the officers for period ranging from September 2021 to December 2021 were irregular.

- iii. **Introductions to Payroll on Unauthorised Positions - Muchinga Province**

The Establishment Control stipulates that all posts on the payroll incurring remuneration should appear on the Establishment Register and that MPAs should obtain Treasury Authority from Ministry of Finance for all recruitments on positions not on the Establishment Register.

However, during the period under review, the Ministry of Fisheries and Livestock, Muchinga Province introduced a total of thirty-five (35) officers on eighteen (18) positions that were not on the Establishment Register and for which Treasury Authority had not been obtained. In this regard, the officers were irregularly paid salaries in amounts totalling K5,664,463. See table 6 below.

**Table 6: Positions on Payroll Without Authority**

No	Position	No. of Officers	Period	Amount K
1	Fisheries Assistant	4	2018 - 2021	524,658
2	Technologist - Aquaculture	1	2018 - 2021	301,805
3	Senior Veterinary Technician	1	2018 - 2021	335,793
4	Office Orderly	2	2018	84,843
5	Watchman	2	2018	84,843
6	Executive Officer	1	2018	57,908
7	Aquacultural Assistant	2	2018 - 2021	238,027
8	Purchasing and Supplies Assistant	1	2018	71,814
9	Veterinary Assistant	12	2018 - 2021	1,229,304
10	Assistant Accountant	1	2018 - 2021	308,700
11	Senior Fisheries Officer	1	2018 - 2020	399,417
12	Principal Fisheries Officer	1	2018 - 2021	743,298
13	Provincial Veterinary Officer	1	2018	284,611
14	Cleaner	1	2019 - 2021	123,396
15	Prov Fish and Livestock Manage	1	2019 - 2021	498,770
16	Aquaculture Technician	1	2020 - 2021	140,704
17	Aquacultural Officer	1	2020 - 2021	220,883
18	Tsetse Control Assistant	1	2021	15,688
<b>Total</b>		<b>35</b>		<b>5,664,463</b>

As at 31<sup>st</sup> July 2022, the anomaly had not been corrected.

**iv. Irregular Promotions-Change in Salary Scales - Southern Province**

According to the Terms and Conditions of Service for the Public Service 24 (a) (i) and (ii) provides that promotions within the public service shall be directed by a service commission for Division I officers and by the responsible officer for Division II and Division III officers.

It was however observed that two (2) officers had their salary scales changed to higher positions without authority. In this regard, the officers were overpaid amounts totalling K48,514 as a result of the irregular changes. As at 31<sup>st</sup> July 2022, the overpayments had not been recovered.

**v. Positions with Wrong Salary Grades - Western Province**

During the period under review, one (1) position was placed in a salary grade that did not conform to the approved establishment register.

In this regard, salaries in amounts totalling K31,469 for the period from July 2018 to 31<sup>st</sup> December 2021, were paid to the Officer above the Officer's entitlement.

## 14. Head 30 - Zambia Correctional Service

### 14.1 Mandate

The Zambia Correctional Service is mandated to manage, regulate and ensure the security of Prisons and Correctional Facilities and inmates.

### 14.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll at the Zambia Correctional Service for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2020 to 2021, a total provision of K598,698,131 was made to cater for Personal Emoluments under Zambia Correctional Service against which amounts totalling K583,812,813 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	330,078,512	330,078,495
2020	268,619,619	253,734,318
<b>Total</b>	<b>598,698,131</b>	<b>583,812,813</b>

#### b. Failure to Prepare and Perform Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, Zambia Correctional Service (ZCS) had not prepared monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor recruitments or additions on the payroll.

#### c. Excess Recruitment of Officers Without Authority

According to Clause 6 of the Terms and Conditions of Service no appointment, promotion or transfer should be made to any post in the Public Service unless that post is approved, funded and is vacant.

In 2021, ZCS introduced 822 officers on the payroll. However, supporting documentation such as treasury authority was availed for only 448 officers leaving a balance of 374 officers whose recruitment was not supported.

**d. Fraudulent Payment of Salaries**

During the period from February 2010 to September 2021, three (3) officers were introduced on the payroll with employee numbers 352672, 160166 and 329089. The same officers were re-introduced on the payroll with a different set of employee numbers 358819, 340417 and 344908.

A review of the payroll and bank records files revealed that the three (3) named officers had drawn salaries in amounts totalling K293,975 under the first set of employee numbers and K175,849 under the second set of employee numbers. In this regard, salaries in amounts totalling K175,849 were irregularly paid to the employees in that they were already getting a salary.

As at 31<sup>st</sup> July 2022, ZCS had stopped the irregular salaries and recoveries were effected. However, the matter had not been reported to the Police.

## 15. Head 17 - Ministry of Foreign Affairs

### 15.1 Mandate

The Ministry of Foreign Affairs is mandated to formulate and administer Zambia's Foreign Policy.

### 15.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K5,040,124,827 was made to cater for Personal Emoluments under the Ministry of Foreign Affairs against which amounts totalling K4,665,938,779 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	1,523,727,120	1,448,832,463
2020	1,262,764,927	1,158,759,631
2019	1,017,393,223	733,597,015
2018	636,608,829	646,607,858
2017	599,630,728	678,141,812
<b>Total</b>	<b>5,040,124,827</b>	<b>4,665,938,779</b>

#### b. Unauthorised Salary Inputs

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for other MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

However, during the period under review, fifty-nine (58) input transactions were performed on the payroll by ten (10) PMEC super-users who were in different payroll sub-areas (Ministries) or jurisdictions without supporting documentation to authorise the capture of inputs.

**c. Failure to Prepare Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 requires that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, there were no reconciliation reports between the staff assignment and staff establishment, and monthly staff assignments and monthly staff returns for the period under review.

**d. Irregular Payment of Housing Allowance**

According to Sections 50 and 51 of the Foreign Service Regulations and Conditions of Service of 2007, Diplomats should be provided with Government and or rented accommodation.

Contrary to the Regulations and Conditions of Service, fifty-four (54) diplomats serving at thirty-two (32) missions were irregularly paid housing allowances amounting to K577,467 in 2021 despite being accommodated by the Government.

In response dated 3<sup>rd</sup> June 2022, the Controlling Officer submitted that the officers cited were recalled and had returned to Zambia from Foreign Service during the period under review or were at the time eligible while waiting to travel to take up appointment in Foreign Service.

However, no documents to support management's submission was availed as at 31<sup>st</sup> July 2022.

**e. Diplomats with Expired Contracts**

Section 52 (7) (d) of the Employment Code Act No. 3 of 2019 provides that a contract of employment expires in any other manner in which a contract of employment lawfully expires or is deemed to expire.

A review of personnel and other documents revealed that 132 diplomats serving at thirty eight (38) missions had expired contracts of employment and were paid amounts totalling K50,692,813.

**f. Unaccounted for Diplomats**

A comparison of the payroll and staff returns for the Ministry for the period under review revealed that thirty-four (34) diplomatic staff in nine (9) missions and four (4) non diplomatic staff who had drawn salaries amounting to K4,659,177 were on the Ministry's payroll but not on the staff returns. As at 31<sup>st</sup> July 2022, the officers had not been accounted for.

**g. Officers on Payroll not Rendering Service**

A scrutiny of the of the payroll and staff returns for the Ministry for the year 2021 revealed that seven (7) officers who were awaiting redeployment for the period ranging from three (3) to twenty-four (24) months had drawn salaries amounting to K3,656,796 without rendering any service. See table 2 below.

**Table 2: Officers not Rendering Service on Payroll**

EMP NO	POSITION	ORGANISATION UNIT	SALARY SCALE	PHYSICAL STATION	AMOUNT PAID K
21129	Consul-General	Lubumbashi	L	Awaiting Redeployment	784,125
25017	Counsellor - Economic	Addis Ababa	L	Awaiting Redeployment	563,329
25510	Minister Counsellor	New York	L	Awaiting Redeployment	607,795
43210	First Secretary - Economic	Brussels	J	Awaiting Redeployment	382,979
43426	First Secretary - Tourism	Paris	J	Awaiting Redeployment	369,017
143146	Second Secretary - Personal Sec	London	I	Awaiting Redeployment	298,183
242677	Counsellor	Luanda	L	Awaiting Redeployment	651,367
<b>Total</b>					<b>3,656,796</b>

#### **h. Misplaced Officers**

A scrutiny of the payroll, staff returns and other records for the Ministry for the period under review, revealed that nine (9) officers drew salaries amounting to K4,532,097 from seven (7) diplomatic missions where they were not physically stationed.

As 31<sup>st</sup> July 2022, the anomaly had not been corrected. See table 3 below.

**Table 3: Misplaced Officers**

<b>EMP NO</b>	<b>POSITION</b>	<b>ORGANISATION UNIT</b>	<b>PHYSICAL STATION</b>	<b>COMMENTS</b>	<b>AMOUNT K</b>
22857	First Secretary (Administration)	New Dehli	MINISTRY OF HEALTH- UTH	Attachment	382,505
97726	Counsellor	Tel Aviv	MINERAL AND MINES	Attachment	675,854
104815	Second Secretary - Protocol	Brussels	GENERAL EDUCATION	Attachment	334,276
241854	First Secretary (Political)	Gaberone	YOUTH AND CHILD DEVELOPMENT	Attachment	261,448
262071	Consul-General	Luena	HOME AFFAIRS	Attachment	812,603
122319	Counsellor - Health	Geneva	HEALTH	Attachment	1,269,838
157260	National Cordinator	Great Lakes	TOURISM	Attachment	672,101
226120	Principal Economist	Development Coperation	CABINET	Transfer	123,472
928	Assistant Accountant	Ministry of Foreign Affairs	Ministry of Home Affiars	Transfer	127,174
<b>Total</b>					<b>4,659,271</b>

## 16. Head 18 – The Judiciary

### 16.1 Mandate

The Judiciary is the arm of Government that is responsible for interpreting the laws made by the legislature. It has the power to adjudicate over legal matters and decide on legal disputes through courts. The Judiciary is created by the Constitution and is headed by the Chief Justice.

### 16.2 Governance

According to Section 3(1) of the Judicature Administration Act Chapter 24 of the Laws of Zambia, The President, on recommendation of the Judicial Service Commission, appoints a Chief Administrator who is responsible for the day to day running of the Judicature and the implementation of resolutions of the Judicial Service Commission.

### 16.3 Management

The Chief Administrator of the Judiciary is the Chief Executive Officer of the Judiciary and is responsible to the Chief Justice for the day-to-day administration of the Judiciary and for the implementation of resolutions of the Judicial Service Commission.

### 16.4 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Judiciary for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K1,788,139,529 was made to cater for Personal Emoluments under Judiciary against which amounts totalling K1,684,316,003 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	443,200,606	401,325,715
2020	375,951,374	340,980,983
2019	368,145,550	314,073,931
2018	328,777,431	329,502,650
2017	272,064,631	298,432,724
<b>Total</b>	<b>1,788,139,592</b>	<b>1,684,316,003</b>

**b. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, in 2021, ninety-nine (99) officers had drawn salaries in amounts totalling K598,228 from pay points which were different from their physical stations. See table 2 below.

**Table 2: Misplacement of Payroll Area**

No.	Province	No. of Employees	Amount K
1	Central	4	25,129
2	Copperbelt	41	247,924
3	Lusaka	1	4,340
4	North Western	38	202,827
5	Southern	11	69,342
6	Muchinga	4	48,666
	<b>Total</b>	<b>99</b>	<b>598,228</b>

As at 31<sup>st</sup> July 2022, the situation had not been normalised.

**c. Irregular Payment of Housing Allowance**

The Public Service Management Division Circular (PSMD) No. B 24 of 2013 requires that housing allowance should be paid to officers not accommodated by Government in standard/pool houses through the payroll.

Contrary to the circular, seven (7) officers who were accommodated in institutional houses were irregularly paid housing allowances in amounts totalling K51,744. See table 3 below.

**Table 3: Housing Allowance**

No.	Province	No. of Officers	Amount K
1	Southern	4	30,443
2	Copperbelt	2	7,463
3	Central	1	13,838
	<b>Total</b>	<b>7</b>	<b>51,744</b>

**d. Officers Introduced to the Payroll on Wrong Positions**

Section 21(d) of the Public Finance Management Regulation of 2020 states that any recurrent expenditure estimates for personal emoluments should be supported by

details from the establishment register for posts which shall be considered part of the estimates.

During the period under review, eight (8) officers were introduced on the payroll on positions lower than the positions that were indicated on the appointment letters were paid salaries in amounts totalling K1,104,841.

Consequently, the introduction of officers on the payroll on positions that were not available was therefore irregular.

## **17. Head 29 - Ministry of Local Government**

### **17.1 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.

### **17.2 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Local Government for the period from January 2017 to December 2021 revealed the following:

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K235,447,072 was made to cater for Personal Emoluments under Ministry of Local Government against which amounts totalling K232,248,462 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	18,917,748	18,917,738
2020	18,806,812	17,349,165
2019	18,279,610	15,159,318
2018	14,820,812	14,856,491
2017	164,622,090	165,965,750
<b>Total</b>	<b>235,447,072</b>	<b>232,248,462</b>

**b. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, forty-two (42) input transactions were performed on Ministry of Local Government payroll by ten (10) P MEC end-users who were in different payroll sub-area (ministries) or jurisdiction.

Further, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction were availed for audit.

**c. Failure to Perform Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This exposed the Ministry to over recruitment and failure to monitor recruitments or additions to the payroll.

**d. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their duty stations as directed by the Service Commission or the responsible officer and that any employee who shall not be at their duty station by 30<sup>th</sup> September 2019 should be removed from the payroll.

Contrary to the Circular, during the period under review, four (4) officers who were not physically stationed at the Ministry drew salaries in amounts totalling K404,779 on the Ministry's payroll.

**e. Delay to Conclude Disciplinary Case**

According to the Disciplinary Code and Procedures for Handling Offences in the Public Service, offences are classified in various categories and the charges depend on the nature of the offense. Further, Section 28(a) states that the officer concerned will wherever possible hear the case within seven working days of completion of investigations, unless there are exceptional and valid circumstances that make this not possible.

Between 16<sup>th</sup> January 2014 and 4<sup>th</sup> February 2014, six (6) officers processed payments of funds in amounts totalling K1,300,000 at Rufunsa Council which were not paid to the intended recipients and subsequently on 6<sup>th</sup> May 2014, the officers were suspended from their positions to pave way for investigations.

On 4<sup>th</sup> November 2014, Anti-Corruption Commission concluded their investigations, and the officers were arrested for the offence of theft by public servant and money laundering.

As at 31<sup>st</sup> July 2022, the case had not been concluded and officers continued getting paid salaries in amounts totalling K7,152,152 without providing any service. See table 2 below.

**Table 2: Suspended Officers**

No.	Emp No	AE No	NRC No	Position	Salary Paid K
1	39055	121002	313729/52/1	Director-LGA	2,129,904
2	82477	123302	401392/52/1	Assistant Accountant-LGF	1,813,464
3	96485	96352	382702/11/1	Assiatant Director HRA	1,640,676
4	42178	109277	275408/61/1	Senior Accountant	578,424
5	119630	162061	219928/64/1	Acting Accountant	527,292
6	24555	113454	229541/66/1	Accounts Assiatnt	462,392
	<b>Total</b>				<b>7,152,152</b>

## 18. Head 68 - Ministry of Tourism and Arts

### 18.1 Mandate

The mandate of the Ministry is to provide for sustainable development of the tourism industry through effective tourism planning, control and management promotion and coordination.

### 18.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K718,088,328 was made to cater for Personal Emoluments under the Ministry of Tourism and Arts against which amounts totalling K683,340,958 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	161,331,467	161,331,461
2020	159,229,625	143,625,297
2019	169,584,776	138,660,206
2018	127,586,418	127,626,832
2017	100,356,042	112,097,162
<b>Total</b>	<b>718,088,328</b>	<b>683,340,958</b>

#### b. Failure to Prepare Monthly Staff Reconciliation

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling officer should ensure that a reconciliation between the Staff Establishment and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review.

#### c. Delayed Transfer of Officers to Separatees Payroll

Treasury and Financial Management Circular No. 9 of 2020 Section 2 (g) provides additional roles of the Director Human Resource in line ministries or Head of

Human Resource, at Provincial or District level to ensure that retirees are timely moved from the main payroll to separatee's payroll.

Contrary to the Circular, fifteen (15) officers who were separated from the Ministry due to death, dismissal and retirement were retained on the payroll for periods ranging from six (6) months to twelve (12) months and had received salaries in amounts totalling K1,835,926 as at 31<sup>st</sup> December 2021.

**d. Failure to Deduct and Remit NAPSA Contributions**

The National Pensions Scheme Authority Act of 1996 requires that employers deduct and remit pension contributions in respect of their employees.

Contrary to the Act, five (5) officers were paid salaries in amounts totalling K1,280,522 without deducting NAPSA contributions totalling K64,026.

**e. Irregular Introductions on Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service provides that on appointment to the Civil Service an officer shall submit to the responsible officer, the following:

- i. A Criminal Investigation Department clearance report,
- ii. Arrival advice - Accounts Form 81 (Confirmation of date of arrival at duty station),
- iii. Personal information, a declaration of secrecy
- iv. Acknowledgement of liability in respect of personal effects,
- v. Certified proof of qualifications,
- vi. A medical certificate, and
- vii. A certified copy of the National Registration Card.

Contrary to the Terms and Conditions of Service, 181 officers were introduced on the payroll and were paid salaries in amounts totalling K2,291,157. However, there was no documentation to support the introductions on the payroll. See table 2 below.

**Table 1: Questionable Introductions**

No	Year	No. of Officers	Amount K
3	2017	29	394,326
4	2018	109	1,008,029
5	2019	7	86,366
6	2020	36	794,957
7	2021	1	7,480
8	<b>Total</b>	<b>182</b>	<b>2,291,157</b>

**f. Irregular Payment of Double Salaries**

An analysis of payroll records revealed that seven (7) employees were created with two (2) Employee Numbers on appointment and were irregularly paid double salaries in amounts totalling K57,660, for one month. See table 3 below.

**Table 3: Double Salaries Paid to Officers**

No.	Employee No.	Salary K	Over Payment K	Date
1	273477	5,826	5,826	2/28/2016
2	274543	2,623		2/28/2016
3	275137	6,482	6,482	3/31/2016
4	273289	2,796		3/31/2016
5	274545	5,826	5,826	2/28/2016
6	273359	2,766		2/28/2016
7	276497	10,955	10,955	4/30/2016
8	273727	3,102		4/30/2016
9	275202	8,468	8,468	3/31/2016
10	274745	2,004		3/31/2016
11	275926	9,935	9,935	3/31/2016
12	273527	2,398		3/31/2016
13	276698	10,168	10,168	4/30/2016
14	273311	2,749		4/30/2016
	<b>Total</b>	<b>76,099</b>	<b>57,660</b>	

## 19. Head 04 - Ministry of Gender

### 19.1 Mandate

The Ministry of Gender is mandated to protect and promote women's rights, curbing gender-based violence and reducing gender inequality.

### 19.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Gender for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K 41,890,997 was made to cater for Personal Emoluments under the Ministry of Gender against which amounts totalling K39,917,182 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	9,157,374	9,157,366
2020	8,905,080	7,899,669
2019	8,685,938	7,063,905
2018	7,926,452	7,928,554
2017	7,216,153	7,867,688
<b>Total</b>	<b>41,890,997</b>	<b>39,917,182</b>

#### b. Failure to Prepare Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the staff establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, Ministry of Gender did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor recruitments or addition on the payroll by the Ministry.

**c. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for other MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

However, during the period under review, twenty-five (25) input transactions were performed on the payroll by eight (8) P MEC super-users without supporting documentation to authorise the capture of inputs.

**d. Unaccounted for Officers**

Public Finance Management Regulation No. 78 (1) and (3) of 2020 requires that a public body should ensure that the payroll is verified and reconciled by responsible office holder from an accounting unit and human resource and administration respectively. A reconciliation under sub regulation (1) should include a head count of staff each month with regard to the payroll expenditure.

A comparison of the payroll and staff returns for the Ministry of Gender revealed that twenty -seven (27) officers were on the payroll but not on the staff returns and they drew salaries in amounts totalling K2,428,395 during the period under review.

Although in the response dated 30<sup>th</sup> June 2022, the Controlling Officer stated that all the twenty-seven (27) officers were included on the staff returns, as at 31<sup>st</sup> July 2022, no documentary evidence had been availed for verification.

**e. Irregular Payment of Arrears**

During the period under review, thirteen (13) officers were paid arrears in amounts totalling K67,560. However, there was no documentation such as approval by the Controlling Officer to support the payments. See table 2 below.

**Table 2: Payment of Arrears**

No.	Details	No of Officers	Amount K
1	Basic Pay Arrears	4	16,641
2	Fuel Allowance Arrears	3	46,173
3	Transport Arrears	5	3,988
4	Housing Allowance Arrears	1	758
	<b>Total</b>	<b>13</b>	<b>67,560</b>

In response, the Controlling Officer submitted that the officers were entitled to the allowances following their appointments. However, no supporting documentation was provided for audit verification.

## **20. Head 06 - Civil Service Commission**

### **20.1 Mandate**

The Civil Service Commission is mandated to execute its functions under the Service Commissions Act No. 10 of 2016 of the Laws of Zambia.

### **20.2 Governance**

The Civil Service Commission consists of the following full-time members appointed by the President:

- i.** the Chairperson,
- ii.** the Vice-Chairperson, and
- iii.** five (5) other members.

The Commission is headed by a chairperson who is assisted by a Vice-Chairperson.

### **20.3 Management**

The organisational structure of the Commission consists of three (3) sections namely Human Resources and Administration, Appointments and Separations, and Appeals and Discipline. The operations of the Commission is the responsibility of the Civil Service Commission Secretary.

## 20.4 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Civil Service Commission for the period from January 2017 to December 2021 revealed the following:

### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K30,498,480 was made to cater for Personal Emoluments under the Civil Service Commission against which amounts totalling K29,368,176 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	6,957,882	6,906,605
2020	6,923,198	6,372,873
2019	6,732,922	5,689,359
2018	4,909,621	4,909,659
2017	4,974,857	5,489,680
<b>Total</b>	<b>30,498,480</b>	<b>29,368,176</b>

### b. Failure to Prepare Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer shall ensure that a reconciliation between the staff establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Commission had not prepared any reconciliation between the staff assignment and staff establishment, and also between payroll and monthly staff returns. This resulted in over recruitment and failure to monitor recruitments or additions on the payroll.

### c. Unauthorised Salary Inputs

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for other MPAs such as departmental transfers upon

approved written requests for transactions which end-users in a particular institution had challenges.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

However, during the period under review, twenty-four (24) input transactions were performed on the payroll by five (5) PMEC super-users without supporting documentation to authorise the capture of inputs.

**d. Officers on Payroll but not on Staff Returns**

Establishment Control involves managing and monitoring the organisational structures in the public service in order to ensure adherence to the approved structure and staff establishment registers. The staff establishment registers define the posts in an institution and the reporting lines.

All posts on the payroll incurring remuneration are required to appear on the Establishment Register and all positions not appearing are considered unauthorised posts. Ministries Provinces and Agencies (MPAs) are required to obtain Treasury Authority from Ministry of Finance for all recruitments on positions not on the establishment register.

A comparison of the payroll and staff returns for the Civil Service Commission revealed that four (4) officers were on the payroll but not on the staff returns and they drew salaries in amounts totalling K92,045.

It was therefore not possible to establish whether the employees existed and rendered service to the Commission.

## 21. Head 08 - Cabinet Office

### 21.1 Mandate

The mandate of Cabinet Office is derived from Article 176 (1) of the Constitution of Zambia (Amendment) Act No. 2 of 2016, Cap 1 of the Laws of Zambia.

### 21.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Cabinet Office for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K166,191,602 was made to cater for Personal Emoluments under Cabinet Office against which amounts totalling K167,315,033 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	36,909,637	36,909,622
2020	39,461,061	34,732,044
2019	34,036,070	31,935,604
2018	29,142,694	29,142,798
2017	26,642,140	34,594,965
<b>Total</b>	<b>166,191,602</b>	<b>167,315,033</b>

#### b. Irregular Introduction of an Officer on Cabinet Office Payroll

The Terms and Conditions of Service for the Public Service No. 6 requires that no appointment, promotion or transfer shall be made to any post unless that post is approved, funded and is vacant.

Further the PMEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for other MPAs such as departmental transfers upon approved written requests.

On 14<sup>th</sup> July 2020, the Deputy Permanent Secretary at North-Western Provincial Administration Office was transferred to Ministry of General Education and regraded as Director. However, a review of the payroll system revealed that on the

same day a PMEC end user (employee No. 185390) introduced the officer as Director PSD on the Cabinet Office payroll without approval from Cabinet Office.

As at 31<sup>st</sup> July 2022 the officer drew salaries in amounts totalling K582,125.

In this regard, the introduction of the officer on Cabinet Office payroll without their consent was irregular.

## **22. Head 15 - Ministry of Home Affairs**

### **22.1 Establishment**

The Ministry of Home Affairs is charged with the responsibility of providing and maintaining internal security in order to promote sustainable social-economic development for the people of Zambia. The mandate of the Ministry is discharged through various Departments and Specialized Agencies.

### **22.2 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll at Ministry for the period January 2017 to December 2021 revealed the following:

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K985,281,826 was made to cater for Personal Emoluments under the Ministry of Home Affairs against which amounts totalling K954,162,522 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	108,528,095	108,528,087
2020	104,588,828	97,250,473
2019	313,247,867	266,995,824
2018	253,757,879	253,766,522
2017	205,159,157	227,621,616
<b>Total</b>	<b>985,281,826</b>	<b>954,162,522</b>

#### **b. Failure to Prepare Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the staff

establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor recruitments or additions on the payroll.

**c. Recruitment in Excess of Authorised Positions on Establishment Register**

According to Clause 6 of the Terms and Conditions of Service, no appointment, promotion or transfer should be made to any post in the Public Service unless that post is approved, funded and is vacant.

A comparison of the Payroll and the Establishment Register revealed that the Ministry had recruited 722 excess staff and introduced them on the payroll without treasury authority. See table 2 below.

**Table 2: Excess Staff**

Year	No. of Employees on Payroll	No. of Posts on Establishment Register	Excess Staff
2021	62	46	16
2020	302	115	187
2019	277	106	171
2018	247	74	173
2017	279	104	175
<b>Total</b>	<b>1167</b>	<b>445</b>	<b>722</b>

As at 31<sup>st</sup> July 2022, no authority for recruitment in excess of the approved establishment register was availed for audit.

**d. Positions on Payroll but not on Establishment Register**

Establishment Control involves managing and monitoring the organizational structures in the Public Service in order to ensure adherence to the approved structure and staff establishment registers. The staff establishment registers define the posts in an institution and the reporting lines.

During the period under review, the Ministry had positions ranging from twelve (12) to thirty seven (37) which included among others Legal Counsel, Engineer, Conservator, Senior Technologist, Chairperson which were not on the establishment register. See table 3 below.

**Table 3: Positions not on Establishment**

<b>Period</b>	<b>No. of Positions on Payroll</b>
2021	36
2020	31
2019	31
2018	37
2017	12
<b>Total</b>	<b>147</b>

As at 31<sup>st</sup> July 2022, no authority for recruitment on positions not on the approved establishment register was availed for audit.

**e. Payroll Introductions without Authority**

During the period under review, the Ministry had introduced 174 new officers on its payroll who had joined through transfers from other ministries or first appointment and were paid salaries in amounts totalling K897,508.

However, no documentation in relation to appointment letters and arrival advice were availed to support the introductions.

Further, as at 31<sup>st</sup> May 2022, the Ministry had not availed the treasury authority to support recruitments during the period under review.

**f. Failure to Effect Terminations on Payroll**

Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) requires 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.

A test check of terminations during the period under review revealed that the Ministry had received authority to terminate ten (10) officers from payroll for various reasons which included dismissals, expiry of contracts and resignations.

However, a review of the payroll revealed that the terminations were not done timely in that it took eight (8) months to remove the officers resulting in payment of amounts totalling K1,295,767.

## **23. Head 19 - Disaster Management and Mitigation Unit**

### **23.1 Mandate**

The Disaster Management and Mitigation Unit (DMMU) under the Vice President's office draws its powers from the Disaster Management Act No. 13 of 2010 and is mandated to oversee the overall implementation and coordination of all disaster management activities and programmes in the country.

### **23.2 Governance**

The Unit is headed by a National Coordinator who is appointed by President and is responsible for policy decisions.

### **23.3 Management**

The National Coordinator is assisted by ten (10) Regional Coordinators and two (2) Directors in of charge of Operations and Disaster Risk Management.

### **23.4 Audit Findings**

An examination of accounting and other records maintained at the Disaster Management and Mitigation Unit for the financial years ended 31<sup>st</sup> December 2017 to 2021 revealed the following:

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K27,508,179 was made to cater for Personal Emoluments under Disaster Management and Mitigation Unit against which amounts totalling K28,276,881 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	6,979,035	6,979,035
2020	6,257,612	6,257,612
2019	4,873,938	4,873,938
2018	5,014,077	5,014,082
2017	4,383,517	5,152,214
<b>Total</b>	<b>27,508,179</b>	<b>28,276,881</b>

#### **b. Unauthorised Salary Inputs**

Each MPA on PMEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The PMEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for other MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

However, during the period under review, fifty-three (53) input transactions were performed on the payroll by six (6) PMEC super-users who were in different payroll sub-areas (Ministries) or jurisdictions without supporting documentation to authorise the capture of inputs.

**c. Irregular Introduction of Officers on the Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service stipulates that on appointment to the Civil Service an officer shall submit to the responsible officer, Arrival Advice (Accounts form 81), and appointment letter among others.

It was however observed that four (4) officers were introduced on the payroll during the period under review without approved arrival advice (Accounts form 81).

In this regard, the introduction and subsequent payments of salaries amounting to K1,466,951 paid to the officers were irregular.

## **24. Head 25 - Local Government Service Commission**

### **24.1 Mandate**

The Local Government Service Commission is mandated to constitute offices in the Local Government Service and ensure efficient and effective functioning of local authorities.

### **24.2 Management**

The day-to-day operations of the Commission is the responsibility of the Commission Secretary who is assisted by three (3) Deputy Commission Secretaries.

### **24.3 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Local Government Service Commission for the period from January 2017 to December 2021 revealed the following:

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K31,967,658 was made to cater for Personal Emoluments under Local Government Service Commission against which amounts totalling K30,072,042 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	7,186,102	7,186,100
2020	6,863,360	6,506,697
2019	7,005,850	5,451,235
2018	5,846,087	5,861,749
2017	5,066,259	5,066,261
<b>Total</b>	<b>31,967,658</b>	<b>30,072,042</b>

#### **b. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, six (6) input transactions were performed on the payroll by five (5) PMEC end-users who were in different payroll sub-area (ministries) or jurisdiction.

Further, as at 31<sup>st</sup> May 2022, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction during the period under review were availed for audit.

**c. Failure to Perform Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the staff establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Commission had not prepared any reconciliation between the staff assignment and staff establishment, and between payroll and the monthly staff returns. This resulted in over recruitment and failure to monitor recruitments or additions on the payroll.

**d. Irregular Introduction of Officers on the Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service stipulates that on appointment to the Civil Service an officer should submit to the responsible officer among others, arrival advice (Accounts Form 81).

Contrary to the Terms and Conditions of Service, three (3) officers were introduced on the payroll through transfers between 2018 and 2020 by PMEC super users without approval from the Local Government Service Commission. In this regard, the introduction and subsequent payment of salaries amounting to K506,578 paid to the officers was irregular.

In his response dated 20<sup>th</sup> June 2020, the Controlling Officer indicated that the officers had never reported at the Commission.

**e. Delayed Removal from Payroll**

Circular No. B1 of 2019 requires 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.

Contrary to the Circular, the Commission maintained an officer on its payroll from 29<sup>th</sup> July 2016 when the officer's contract was terminated to 1<sup>st</sup> May 2022 when the officer was removed from the payroll. In this regard, the officer was irregularly paid salaries in amounts totalling K313,866.

**25. Head 26 - Ministry of Information and Media**

**25.1 Mandate**

The Ministry of Information and Media is responsible for formulation and administration of the guidelines, regulations and laws relating to broadcasting and television services, cinematography policy, information services, media and theatre policies.

**25.2 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll at the Ministry for the period January 2017 to December 2021 revealed the following:

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K104,426,310 was made to cater for Personal Emoluments under the Ministry of Information and Media against which amounts totalling K93,165,513 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	20,551,493	20,551,488
2020	20,722,664	18,877,298
2019	30,086,086	17,677,174
2018	18,591,862	18,591,880
2017	14,474,205	17,467,673
<b>Total</b>	<b>104,426,310</b>	<b>93,165,513</b>

**b. Failure to Perform Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer shall ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry had not prepared any reconciliation between the staff assignment and staff establishment, and also between payroll and the monthly staff returns. This exposed the Ministry to over recruitment and failure to monitor unapproved recruitments or addition on the payroll.

**c. Unauthorised Salary Inputs**

All MPAs on PMEC had authorised end-users who were supposed to carryout payroll inputs for the MPA. The end-users were appointed from either Department of Human Resource or Finance that is one officer from Finance and the other from Human Resources. End users from one MPA are not required to input transaction for another MPA. In the case of super users, they are authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) provides that Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

During the period under review, sixty-two (62) input transactions were performed on the payroll by eight (8) PMEC end-users who were in different payroll sub-areas (ministries) or jurisdiction.

Further, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction were availed for audit.

**d. Unaccounted for Officers**

A comparison of the payroll and staff returns for the Ministry for the period under review revealed that ninety-five (95) officers who drew salaries in amounts totalling K13,294,445 were on the payroll but not on the staff returns. As at 31<sup>st</sup> July 2022, the Ministry had not accounted for the officers. See table 2 below.

**Table 2: Unaccounted for Officers**

<b>Year</b>	<b>No of Officers</b>	<b>Amount Paid K</b>
2018	19	2,226,443
2019	22	2,848,684
2020	36	3,943,264
2021	38	4,276,054
<b>Total</b>		<b>13,294,445</b>

**e. Positions on Payroll but not on Establishment Register**

Section 21(d) of the Public Finance Management Regulation of 2020 states that any recurrent expenditure estimates for personal emoluments should be supported by details from the establishment register for posts which shall be considered part of the estimates.

During the period under review, the Ministry had five (5) positions which were not supported by the Establishment Registers or treasury authority and salaries totalling K461,331 were paid.

**f. Salaries Paid to Deceased Officers**

Section 35 (f) of the Terms and Conditions of Service for the Public Service provides that a responsible officer shall terminate payment of salary upon death of an officer.

Contrary to Terms and Conditions of Service, two (2) deceased officers were not removed from the payroll for periods ranging from two (2) to six (6) months after their demise. In this regard, the deceased officers were irregularly paid salaries in amounts totalling K42,478.

**g. Irregular payment of Salary to Officers on Unpaid Leave**

Section 12(a) of the Terms and Conditions of Service requires that an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion and resignation. The position for the terminated employee is then made available for re-assignment.

It was however observed that during the period under review, two (2) officers who had gone on unpaid leave were maintained on the payroll for periods ranging from one (1) to three (3) months and drew salaries in amounts totalling K24,450.

## **26. Head 27 - Public Service Management Division**

### **26.1 Mandate**

Public Service Management Division (PSMD) is an institution of Government that falls under the Office of the President. The Division is charged with the overall responsibility of Human Resource Management in the Public Service.

### **26.2 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Public Service Management Division for the period January 2017 to December 2021 revealed the following:

#### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K130,098,294 was made to cater for Personal Emoluments under Public Service Management Division against which amounts totalling K121,311,200 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	23,578,770	23,578,761
2020	29,822,587	26,535,594
2019	28,820,362	23,794,615
2018	26,200,823	25,690,457
2017	21,675,752	21,711,773
<b>Total</b>	<b>130,098,294</b>	<b>121,311,200</b>

#### **b. Wasteful Expenditure - Payment of Salaries to Officers on Holding Positions**

A holding position as defined within Public Service Management Division Establishment Register is one which is meant to accommodate officers who are in transit from one institution to another whilst waiting to be redeployed.

During the period under review, PSMD had placed six (6) officers on holding positions for periods ranging from five (5) to thirty (30) months and were paid salaries in amounts totalling K2,774,100. The expenditure was wasteful as the officers did not render any service. See table 2 below.

**Table 2: Payment of Salaries to Officers on Holding Positions**

No.	Position while on Holding	Date Moved to Holding Position	Date moved to Active Position	Duration of Idle Time	Remark	Query	Queried Amount K
1	Assistant Director-Hold under PSMD	27.08.2018	28.02.2020	18 Months	In 2009, the officer was arrested by Anti-Corruption Commission in connection with The People Vs Henry Kapoko and ten (10) Others case and he was put on half pay until November 2017. On 1 <sup>st</sup> November 2017, the officer was moved to a Holding Position at PSMD and on 1 <sup>st</sup> June 2022 the officer was transferred to Ministry of Technology and Science.	Salaries paid to an officer for a period of 55 months while on Holding Position without providing service was irregular.	352,303
2	Assistant Director-Hold under PSMD	1.09.2015	28.02.2018	30 Months	On 15 <sup>th</sup> June 2015 the officer was transferred from Ministry of Transport, Works, Supply and Communication from position of Personal Assistant to Assistant Direct Holding at PSMD reason being the Ministry had no vacant position for the officer.	During the period of holding, there was no evidence on the personal file to confirm that the officer was providing service therefore the salaries paid to the officer were irregular.	478,381
3	Assistant Director-Hold under PSMD	29.01.2018	29.07.2019	14 Months	An officer was moved from Teaching Service Commission to the PSMD to Director Holding pending redeployment and on 29 <sup>th</sup> July 2019 the officer was moved to Ministry of General Education and was attached to School Feeding Programme.	During the period from 29 <sup>th</sup> January 2018 to 29 <sup>th</sup> July 2019 there was no evidence on the personal file to confirm that the officer was providing service therefore the salaries paid to the officer were irregular.	349,995

4	Assistant Director-Hold under PSMD	15.06.2020	08.09.2021	15 Months	<p>On 15<sup>th</sup> June 2020, the officer was transferred from District Commissioner Chilanga to Ministry of works and Supply Lusaka with immediate effect and on 8<sup>th</sup> September 2021 Ministry of works and Supply wrote to PSMD indicating that the Ministry had challenges to place the officer to a position commensurate with her qualification hence requested for the officer to be redirected.</p>	<p>On 1st July 2021 the officer was placed on Holding Position under PSMD up to July 2022 and there was no evidence on the file to confirm the service the officer was providing resulting to questionable payment of salaries.</p>	827,910
5	Director-Hold under PSMD	30.09.2016	15.02.2019	28 Months	<p>On 18<sup>th</sup> August 2016, a Director at Ministry of Commerce Trade and Industry was transferred to the ministry to Home Affairs as director research, planning and information. On 30<sup>th</sup> September 2016 the officer was redeployed to the public service management division with immediate effect. On 15<sup>th</sup> February 2019, the Officer was redeployed to the School of National Government - National Institute of Public Administration (NIPA).</p>	<p>On 18<sup>th</sup> August 2016 the officer was placed on Holding Position under PSMD up to February 2022 and there was no evidence on the file to confirm the service the officer was providing resulting to questionable payment of salaries.</p>	669,358
6	Assistant Director-Hold under PSMD	14.09.2017	22.01.2018	5 Months	<p>On 14<sup>th</sup> September 2017, a Principal Economist at the Ministry of Finance was promoted to the Position of Assistant Director Holding and transferred to public service management division while awaiting redeployment.</p> <p>On 28<sup>th</sup> January 2018, the officer was attached to Remuneration Division at Cabinet Office.</p>	<p>On 14<sup>th</sup> September 2017 the officer moved to PSMD on Holding on 28th January 2018, the officer was attached to Remuneration Division at Cabinet Office, only four months letter.</p>	96,153
<b>Total</b>							<b>2,774,100</b>

**c. Delayed Termination of Officer on Payroll**

Section 35(f), 36(a), 38(a) and 60(a) of the Terms and Conditions of Service stipulates that a responsible officer can terminate the payment of a salary on account of death, resignation, retirement and absenteeism.

In addition, Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) states 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, during the period under review, a Director under Special Duties who had been separated from PSMD through retirement was retained on payroll for a period of four (4) months and had been irregularly paid salaries in amounts totalling K26,000. As at 31<sup>st</sup> July 2022, the amount had not been recovered.

**d. Weakness in Management of Deduction Codes**

Deduction codes are a unique identifier which are issued to identify third party institutions upon approval from the responsible officer at Public Service Management Division (PSMD). The codes are used to identify third party payments on the system.

The following was observed:

**i. Failure to Withdraw Deduction Codes from Overcharging Micro Finance Institutions**

PSMD Circular No. B3 of 2012 Sections (b) and (c) requires that all micro-finance institutions seeking deduction codes should with effect from 1<sup>st</sup> July 2012 charge interest to their clients that will not exceed the average market interest rate of the top five (5) lending banks in Zambia as advised by the Bank of Zambia. Further, Government will withdraw codes for institutions failing to comply.

It was however, observed that deduction codes were not withdrawn for twelve (12) institutions which were charging above the average market rates. See tables 3 and 4 below.

**Table 3: Bank Interest Rates Charged June 2021**

No.	Bank	Annual Interest Charged
1	Zambia National Commercial Bank	26.10%
2	Standard Chartered Bank	28.41%
3	ABSA Bank Zambia	27.50%
4	Stanbic Bank Zambia	27.75%
5	First National Bank Zambia Ltd	30.50%

**Table 4: Microfinance Interest Rates June 2021**

No.	Microfinance	Annual Interest Charged
1	Dsight Finance Ltd	153.00%
2	Pulse Financial Services	71.60%
3	Fair Choice	73.40%
4	FMC Finance(Z) Ltd	111.00%
5	IZWE Loans (Zambia) Ltd	55.51%
6	Madison Finance	64.12%
7	Meanwood Finance	88.00%
8	Microloan Foundation	110.00%
9	Moneta Finance Ltd	98.40%
10	Good fellow microfinance	98.50%
11	Nchanga Financial Services	114.00%
12	Xtenda Finance Ltd	68.50%

**ii. Failure to Publish Quarterly Basis Pricing Structures**

PSMD Circular No. B3 of 2012, Section (e) requires that the Public Service Management Division should publish to Civil Servants on a quarterly basis pricing structures, including interest rates for all Microfinance and Hire Purchase institutions.

It was however observed that the Public Service Management Division was not publishing pricing structures to Civil Servants. As a result, civil servants could not make informed decisions on loans to be obtained from Microfinance and Hire Purchase institutions.

**iii. Irregular Award of Deduction Codes**

PSMD Circular No. B3 of 2012, Section (a)(ii) requires that Microfinance Institutions that wish to apply for deduction codes on the Government payroll should provide a Certificate of Registration with the Bank of Zambia.

However, a review of payroll records revealed that eighty-eight (88) deduction codes were allocated to eighty eight (88) institutions which were not registered with the Bank of Zambia.

Further, it was observed that a deduction code E767 awarded to one of the institutions had been irregularly used to effect deductions in amounts totalling K316,638 from seventy two (72) officers who had not collected any loan or salary advance from the company.

**e. Delay to Conclude Disciplinary Case**

The Disciplinary Code and Procedures for Handling Offences in the Public Service provides that offences are classified in various categorised and the charges depend on the nature of the offence. Further, Section 28(a) requires that the officer concerned will wherever possible hear the case within seven (7) working days of completion of investigations, unless there are exceptional and valid circumstances that make this not possible.

However, an examination of payroll records revealed that 418 officers who had committed offences in various MPAs were paid salaries in amounts totalling K15,507,117 without rendering any service for periods ranging from three (3) months to five (5) years. As at 31<sup>st</sup> July 2022, the cases had not been disposed. See table 5 below.

**Table 5: Questionable Payment of Salaries to Officers on Suspension**

<b>Year</b>	<b>No of Officers</b>	<b>Amount K</b>
2017	84	2,842,792
2018	15	646,122
2019	100	3,738,872
2020	76	2,994,055
2021	159	5,285,275
<b>Total</b>		<b>15,507,117</b>

## 27. Head 32 - Ministry of National Guidance and Religious Affairs

### 27.1 Mandate

The Ministry is mandated to promote national values and actualise the declaration of Zambia as a Christian nation for social transformation and sustainable development.

### 27.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K37,633,177 was made to cater for Personal Emoluments under the Ministry of Religious Affairs against which amounts totalling K40,996,662 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	11,133,889	11,133,878
2020	10,303,885	9,775,867
2019	9,208,727	9,202,343
2018	6,986,676	6,986,682
2017	-	3,897,892
<b>Total</b>	<b>37,633,177</b>	<b>40,996,662</b>

#### b. Unauthorised Salary Inputs

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, one hundred and three (103) input transactions were performed on the Ministry's payroll by ten (10) PMEC end-users who were in different payroll sub-areas (ministries) or jurisdiction.

Further, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction were availed for audit as at 31<sup>st</sup> July 2022.

**c. Failure to Perform Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry had not prepared any reconciliation between the staff assignment and staff establishment, and between payroll and the monthly staff returns. This resulted in over recruit and failure to monitor recruitments or additions on the payroll.

**d. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their duty stations as directed by the Service Commission or the responsible officer and that any employee who shall not be at their duty station by 30<sup>th</sup> September 2019 should be removed from the payroll.

Contrary to the Circular, during the period under review, nine (9) officers who were not physically stationed at the Ministry were paid salaries in amounts totalling K85,465 from the Ministry's payroll.

As at 31<sup>st</sup> July 2022, the anomalies had not been corrected.

**e. Introductions and Termination of Employees without Authority**

Section 12 (a) of the Public Service Terms and Conditions of service requires an officer on appointment to the public service to submit to the responsible officer Arrival Advice Form 81 as confirmation of arrival at duty station. The submitted forms are then used to introduce that Officer on the payroll with effect from the date of arrival.

Sixty-seven (67) employees were introduced on payroll through transfers from other ministries or first appointment and twenty-seven (27) employees were terminated through transfers or resignation from the payroll for various reasons.

However, there were no documentations such appointment letters, arrival advice forms or transfer letters to support the introductions and terminations from the payroll were availed for verification.

**28. Head 33 - Ministry of Commerce, Trade and Industry**

**28.1 Mandate**

The Ministry is responsible for formulating and administering policies as well as regulating activities in the trade and industrial sectors in order to enhance the sector's contribution to sustainable social economic growth and development for the benefit of the people of Zambia.

**28.2 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period January 2017 to December 2021 revealed the following:

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K142,204,918 was made to cater for Personal Emoluments under the Ministry of Commerce, Trade and Industry against which amounts totalling K139,078,691 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	32,028,316	32,028,307
2020	31,020,028	29,386,380
2019	29,957,849	25,406,289
2018	26,764,828	26,764,851
2017	22,433,897	25,492,864
<b>Total</b>	<b>142,204,918</b>	<b>139,078,691</b>

**b. Failure to Perform Monthly Reconciliations**

Treasury and Financial Management Circular No. 9 of 2020 states that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor recruitments or additions to the payroll.

**c. Excess Recruitment of Staff on Approved Positions on the Payroll**

Ministries, Provinces and Agencies conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A comparison of the staff establishment register and the payroll for the Ministry for the period 2017 to 2021 revealed that the Ministry had 157 authorised positions for salary scales A, B, D, G and L on the establishment register against 182 position on the payroll resulting in excess recruitment of twenty five (25) officers who were on the payroll without treasury authority.

As at 31<sup>st</sup> July 2022, amounts totalling K260,560 were paid to the twenty five (25) excess employees for the period under review.

**d. Irregular Payment of 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 employees

accommodated in a standard house shall not qualify for the payment of housing allowance.

Contrary to the Circular, amounts totalling K59,727 were irregularly paid as housing allowances to five (5) officers during the period from January 2020 to December 2021 who were accommodated in Government institutional houses.

**e. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their duty stations as directed by the Service Commission or the responsible officer and that any employee who shall not be at their duty station by 30<sup>th</sup> September 2019 should be removed from the payroll.

Contrary to the Circular, during the period under review, two (2) officers who were not physically stationed at the Ministry were paid salaries in amounts totalling K81,400 from Ministry's payroll.

Similarly, there were forty-five (45) officers who had drawn salaries in amounts totalling K1,100,269 on the Ministry's payroll but providing services from other ministries. As at 31<sup>st</sup> July 2022, the anomalies had not been corrected.

**f. Irregular Introduction of Officers on the Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service stipulates that on appointment to the Civil Service an officer shall submit to the responsible officer, Arrival Advice (Accounts form 81), and appointment letter among others.

It was however observed that three (3) officers were introduced on the payroll during the period under review without appointment letters and approved arrival advice (Accounts form 81).

In this regard, the introduction and subsequent payments of salaries amounting to K295,487 paid to the officers were irregular.

## 29. Head 37- Ministry of Finance (Dissolved Ministries)

### 29.1 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the dissolved Ministries of Gender, Works and Supply, Chiefs and Traditional Affairs for the year ended 31<sup>st</sup> December 2021 revealed the following:

#### a. Funding

During the financial year ended 31<sup>st</sup> December 2021, amounts totalling K116,632,030 were released by the treasury to cater for personal emoluments under the dissolved ministries as at 31<sup>st</sup> December 2021. See table 1 below.

**Table 1: Personal Emoluments**

No.	Ministry	No. of Officers	Personal Emoluments K
1	Gender	85	11,333,795
2	Works and Supply	910	60,727,320
3	Chiefs and Traditional Affairs	564	44,570,915
	<b>Total</b>	<b>1559</b>	<b>116,632,030</b>

#### b. Non – Provision of the Redeployment Records for Dissolved Ministries

Treasury and Financial Management Circular No. 12 of 2021 provides that the responsible Officer of the dissolved ministries should ensure that priority is made to settle arrears for employees who are to be redeployed from the Ministries and should be paid by 31<sup>st</sup> December 2021. Any unsettled amounts should be reconciled and reported to the Treasury and paid by the said date.

During the financial year ended 31<sup>st</sup> December 2021, the Ministries of Gender, Works and Supply, Chiefs and Traditional Affairs were dissolved.

Contrary to the Circular, as at 31<sup>st</sup> July 2022, no redeployment records as well as unsettled payments involving 1,559 staff had been availed for verification.

### 30. Head 51 - Ministry of Transport and Communications

#### 30.1 Mandate

The Ministry is mandated to formulate and administer policies in the transport, communications and meteorological sectors in order to enhance their contribution to sustained socio-economic development for the people of Zambia.

#### 30.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K119,793,661 was made to cater for Personal Emoluments under the Ministry of Transport and Communication against which amounts totalling K112,359,354 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	25,316,445	25,316,431
2020	25,571,196	22,158,978
2019	27,151,629	20,561,390
2018	23,775,359	24,155,396
2017	17,979,032	20,167,159
<b>Total</b>	<b>119,793,661</b>	<b>112,359,354</b>

##### b. Failure to Prepare Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in misplacement of payroll area and unauthorised salary inputs.

**c. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, during the period under review, nineteen (19) officers who were not stationed at the Ministry were paid salaries in amounts totalling K131,653 from the Ministry payroll.

**d. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, six (6) input transactions were performed on Ministry of Transport and Communication by four (4) P MEC end-users who were in different payroll sub-areas (ministries) or jurisdiction.

Further, no supporting documentation to authorise the end users to capture inputs outside their payroll areas or jurisdiction were availed for audit.

## 31. Head 52 - Ministry of Water Development and Sanitation

### 31.1 Mandate

The Ministry of Water Development and Sanitation is responsible for the development and management of water resources, provision of clean water supply and adequate sanitation for all. Water is a finite resource like any other natural resource but critical for sustainable development of the country. The mandate of the Ministry is to provide policy guidance in the water sector.

### 31.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K69,871,503 was made to cater for Personal Emoluments under the Ministry of Water Development, Sanitation and Environmental Protection against which amounts totalling K64,335,284 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	17,915,019	17,914,543
2020	22,513,665	18,078,324
2019	15,127,969	13,959,193
2018	12,493,115	11,556,133
2017	1,821,735	2,827,091
<b>Total</b>	<b>69,871,503</b>	<b>64,335,284</b>

#### b. Failure to Prepare Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor unapproved recruitments or additions to the payroll.

**c. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution had challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) provides that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, nine (9) P MEC super-users performed 178 input transactions on the Ministry of Water Development and Sanitation payroll without supporting documentation.

**d. Officers on Payroll but not on Staff Returns**

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. Section No. 3.5 (i) and (ii) provides that controlling officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

During the period under review, the Ministry paid salaries in amounts totalling K5,698,788 to sixty (60) officers who were not on their staff returns.

As at 31<sup>st</sup> July 2022, the Ministry had failed to account for the employees.

**e. Irregular Payment of Arrears**

A review of the payroll revealed that seventeen (17) officers were irregularly paid amounts totalling K55,884 as basic pay arrears (K38,963), housing allowance arrears (K13,720) and fuel allowance (K3,201).

However, there was no approval from the Controlling Officer to support the payments.

**f. Excess of Payroll Positions over Positions on the Establishment**

MPAs conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A reconciliation of filled-up positions against the establishment register for the year 2021 revealed that the Ministry of Water Development and Sanitation had ninety one (91) officers in various positions on the payroll against the authorised positions of fifty four (54) in the establishment register resulting in thirty seven (37) excess positions.

## 32. Head 62 - Ministry of Energy

### 32.1 Mandate

The Ministry of Energy is mandated to develop and manage the energy sector in relation to renewable energy sources, electricity, energy policy, nuclear energy policy, oil pipeline and refineries, petroleum and petroleum storage and pricing.

### 32.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K74,068,496 was made to cater for Personal Emoluments under the Ministry of Energy against which amounts totalling K68,094,564 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	15,007,451	15,007,445
2020	15,563,050	13,652,770
2019	17,200,596	13,119,657
2018	15,120,443	15,124,382
2017	11,176,956	11,190,310
<b>Total</b>	<b>74,068,496</b>	<b>68,094,564</b>

#### b. Failure to Prepare Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in over recruitment and failure to monitor unapproved recruitments or additions to the payroll.

**c. Unauthorised Salary Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, four (4) P MEC super-users performed 140 input transactions on the Ministry of Energy payroll without supporting documentation.

**d. Officers on Payroll but not on Staff Returns**

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. In particular, Section No. 3.5 (i) and (ii) provides that controlling officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

During the period under review, the Ministry paid salaries in amounts totalling K1,210,736 to six (6) officers who were not on their staff returns.

As at 31<sup>st</sup> July 2022, the Ministry had failed to account for the employees.

### 33. Head 65 - Ministry of Higher Education

#### 33.1 Mandate

The Ministry was mandated to formulate policy and regulate university education and vocational education and training. The Ministry was also mandated with the promotion and application of science, technology and innovation for socio-economic development.

#### 33.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K718,088,328 was made to cater for Personal Emoluments under the Ministry of Higher Education against which amounts totalling K683,340,958 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	161,331,467	161,331,461
2020	159,229,625	143,625,297
2019	169,584,776	138,660,206
2018	127,586,418	127,626,832
2017	100,356,042	112,097,162
<b>Total</b>	<b>718,088,328</b>	<b>683,340,958</b>

##### b. Unauthorised Salary Inputs

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, seven (7) P MEC super-users performed 161 input transactions on the Ministry of Higher Education (Dissolved) payroll without supporting documentation.

**c. Irregular Introduction of Officers on the Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service which stipulates that on appointment to the Civil Service an officer shall submit to the responsible officer among other documentation, Arrival Advice (Form 81).

However, a review of the payroll revealed that four (4) Officers were introduced on the payroll by two (2) super-users without authority during the years 2018, 2019 and 2020. The officers were irregularly paid salaries amounting to K69,285 and were neither known nor did they render any service to the Ministry.

**d. Weaknesses in the Management of Establishment Register**

The staff establishment registers define the posts in an institution and the reporting lines. All posts on the payroll incurring remuneration are required to appear on the establishment register and all positions not appearing under the Establishment Register are considered unauthorised posts. MPAs are required to obtain Treasury Authority from Ministry of Finance for all recruitments on positions not on the establishment register.

A review of the payroll against the staff establishment registers revealed the following:

**i. Recruitment in Excess of Authorised Positions**

During the period under review, a comparison of the payroll filled-up positions against the Establishment Register revealed that the Ministry had excess recruitment of thirty-one (31) positions which were not supported by treasury authority. See table 2 below.

**Table 2: Excess Positions on Payroll**

<b>Period</b>	<b>Excess Positions on Payroll</b>
2017	1
2018	14
2019	6
2020	6
2021	4

**ii. Positions on Payroll but not on Establishment Register**

Establishment Control involves managing and monitoring the organisational structures in the public service in order to ensure adherence to the approved structure and staff establishment registers. The staff establishment registers define the posts in an institution and the reporting lines.

All posts on the payroll are required to appear on the Establishment Register and all positions not appearing under the establishment register, are considered unauthorized posts. MPAs are required to obtain Treasury Authority from the Ministry of Finance for all recruitments on positions not on the establishment register.

During the period(s) under review, the payroll for Ministry of Higher Education (Dissolved) had 110 positions on payroll which were not supported by the Establishment Registers or treasury authority.

### 34. Head 76 - Ministry of Youth, Sports and Child Development

#### 34.1 Mandate

The Ministry aims to effectively contribute to national development by promoting the implementation, coordination and monitoring of youth, sport and child development programmes.

#### 34.2 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Ministry for the period from January 2017 to December 2021 revealed the following:

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31st December 2017 to 2021, a total provision of K74,908,891 was made to cater for Personal Emoluments under the Ministry of Youth, Sports and Child Development against which amounts totalling K73,191,124 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	16,696,672	16,696,668
2020	16,641,414	15,434,546
2019	16,537,315	13,723,401
2018	14,860,047	14,860,051
2017	10,173,443	12,476,458
<b>Total</b>	<b>74,908,891</b>	<b>73,191,124</b>

##### b. Failure to Prepare and Perform Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling officer should ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Ministry did not prepare monthly reconciliations for the period under review. This resulted in unauthorised payroll inputs and failure to monitor unapproved recruitments or additions to the payroll.

**c. Unauthorised Payroll Inputs**

Each MPA on P MEC had two (2) authorised end-users who were carrying out payroll inputs. One (1) end-user was appointed from the Department of Human Resource whilst the other was from Finance.

The P MEC system was configured in such a way that end users from one MPA could not input transactions for another MPA. In the case of Super users, they were authorised to perform inputs for MPAs such as departmental transfers upon approved written requests for transactions which end-users in a particular institution have challenges on.

Further, Treasury and Financial Management Circular No. 6 of 2019 Section 3.5 (v) states that the Controlling Officers are responsible for appointment of payroll end-users in their respective institutions.

Contrary to the Circular, nine (9) P MEC super-users performed seventeen (17) input transactions on the Ministry of Youth and Sports payroll without supporting documentation.

**d. Officers on Payroll but not on Staff Returns**

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. Section No. 3.5 (i) and (ii) provides that controlling officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

Contrary to the Circular, the Ministry paid salaries in amounts totalling K173,993 to eleven (11) officers who were not on their staff returns.

As at 31<sup>st</sup> July 2022, the Ministry had failed to account for the employees.

**e. Officers with Bounced Salaries**

According to the Terms and Conditions of Service an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion and resignation. The position for the terminated employee is then made available for re-assignment.

A review of the DDACC file revealed that salaries for two (2) officers in amounts totalling to K13,889 had bounced during the period under review for various reasons as the accounts were zeroed.

Although the controlling officer in his response indicated that the bounced salaries were due to officers providing wrong bank details, no supporting documentation such as officer's complaint letter, resubmission records for bank details and arrival advice were availed for audit.

**f. Irregular Introduction of Officers on the Payroll**

Section 12 of the Terms and Conditions of Service for the Public Service provides that on appointment to the Civil Service an officer shall submit to the responsible officer, the following:

- i. A Criminal Investigation Department clearance report,
- ii. Arrival advice - Accounts Form 81 (Confirmation of date of arrival at duty station),
- iii. Personal information, a declaration of secrecy
- iv. Acknowledgement of liability in respect of personal effects,
- v. Certified proof of qualifications,
- vi. A medical certificate, and
- vii. A certified copy of the National Registration Card.

Contrary to the Terms and Conditions of Service, fourteen (14) officers were introduced on the payroll during the period under review without approved arrival advice (Accounts form 81), Criminal Investigation Department clearance report (police

report) and medical certificate copy. In this regard, salaries amounting to K385,859 paid to the officers were irregular.

### **35. Head 85 - Ministry of Lands and Natural Resources**

#### **35.1 Mandate**

The Ministry is mandated to administer land and manage natural resources by promoting sustainable land use and climate resilient low emission systems.

#### **35.2 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at the Ministry of Lands and Natural Resources for the period from January 2017 to December 2021 revealed the following:

##### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K208,188,762 was made to cater for Personal Emoluments under the Ministry of Lands and Natural Resources against which amounts totalling K196,440,349 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	47,022,244	47,022,235
2020	47,248,271	44,013,385
2019	50,866,423	39,552,060
2018	35,023,150	35,023,224
2017	28,028,674	30,829,445
<b>Total</b>	<b>208,188,762</b>	<b>196,440,349</b>

##### **b. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, during the period under review, seventeen (17) officers who were not stationed at the Ministry were paid salaries in amounts totalling K76,493 from the Ministry’s payroll.

As at 31<sup>st</sup> July 2022, the anomalies had not been corrected.

**c. Recruitment in Excess of Authorised Position**

Ministries Provinces and Agencies conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A comparison of the filled-up positions on the payroll with the Establishment Registers during the period under review, revealed that the Ministry had recruited 502 officers against the authorised positions of 384 resulting in the recruitment of 118 excess staff without treasury authority. See table 2 below.

**Table 2: Excess Recruitment of Officers**

<b>Position</b>	<b>Establishment Register</b>	<b>Recruited Excess Staff</b>	<b>Variance</b>
Field Survey Officer	8	14	6
Forest Ranger Guard	72	91	19
General Workers	174	213	39
Land Surveyors	6	17	11
Office Orderly	105	134	29
Technologist	19	33	14
<b>Total</b>	<b>384</b>	<b>502</b>	<b>118</b>

## 36. Head 88 - Office of President - Muchinga Province

### 36.1 Audit Findings

An examination of financial and other records relating to the Payroll Management maintained at the Provincial Administration, Muchinga Province for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K221,327,648 was made to cater for Personal Emoluments under the Provincial Administration, Muchinga Province against which amounts totalling K188,952,257 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2017	34,526,973	30,187,221
2018	67,712,160	42,726,867
2019	41,080,661	39,710,554
2020	38,215,527	36,535,314
2021	39,792,327	39,792,301
<b>Total</b>	<b>221,327,648</b>	<b>188,952,257</b>

#### b. Misplacement of Payroll Area

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, during the period under review, five (5) officers who were not stationed in Muchinga Province were paid salaries in amounts totalling K568,217 on the Muchinga Provincial Administration payroll.

#### c. Delay in Removing Separated Officers from Payroll

Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) provides 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.

Contrary to the Circular, three (3) officers who were separated from the Service were not removed from the payroll for periods ranging from five (5) to twelve (12) months and were subsequently paid salaries in amounts totalling K254,824 during the period from January 2020 to December 2021.

## 37. Head 90 - Office of the President – Lusaka Province

### 37.1 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K291,529,710 was made to cater for Personal Emoluments under Lusaka Provincial Administration Office against which amounts totalling K326,639,669 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	66,823,667	66,823,667
2020	53,773,984	54,511,763
2019	64,159,288	66,084,074
2018	59,162,416	88,433,808
2017	47,610,355	50,786,357
<b>Total</b>	<b>291,529,710</b>	<b>326,639,669</b>

#### b. Payment of Salaries to Unknown Employees

During the period under review, the Provincial Administration, Lusaka paid salaries in amounts totalling K436,014 to two (2) employees who were not on their staff returns.

As at 31<sup>st</sup> July 2022, the Provincial Administration had failed to account for the two (2) unknown employees.

#### c. Misplacement of Payroll Area

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, a comparison of staff returns and payroll revealed that sixty-three (63) officers were paid salaries amounting to K13,384,283 from pay points which

were different from their physical stations. As at 31<sup>st</sup> July 2022, the matter had not been corrected. See table 2 below.

**Table 2: Misplacement of Payroll Area**

No.	District	No. of Officers Misplaced
1	Chilanga DC	5
2	Kafue DC	18
3	Chirundu DC	4
4	Chongwe DC	36
<b>Total</b>		<b>63</b>

**d. Failure to Deduct NAPSA Contributions**

During the period under review, amounts totalling K845,361 were paid to sixty-one (61) officers as basic salaries. However, an examination of the payroll records revealed that statutory contributions in amounts totalling K55,749 in respect of National Pensions Scheme Authority (NAPSA) were not deducted contrary to the National Pension Scheme Act No. 40 of 1996. See table 3 below.

**Table 3: NAPSA Contributions not Deducted**

Period	No. of Employees	Basic Pay K	Amount K
2017	5	96,185	6,252
2018	50	502,397	32,926
2018	6	246,780	16,571
<b>Total</b>	<b>61</b>	<b>845,361</b>	<b>55,749</b>

**e. Irregular Payment of Housing Allowances**

The Public Service Management Division Circular No. B 24 of 2013 provides that housing allowances shall be paid to officers not accommodated by Government in standard/pool houses through the payroll.

Contrary to the Circular, nine (9) officers working under Lusaka Provincial Administration Office who were occupying Government houses were irregularly paid housing allowances in amounts totalling K127,852 during the period under review.

As at 31<sup>st</sup> July 2022, recoveries for nine (9) officers were effected.

## 38. Head 91 - Office of the President – Copperbelt Province

### 38.1 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at the Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K319,574,776 was made to cater for Personal Emoluments under Copperbelt Provincial Administration Office against which amounts totalling K320,247,893 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	66,830,355	66,830,855
2020	61,936,409	66,318,028
2019	65,218,054	68,545,262
2018	71,196,653	70,553,740
2017	54,392,776	48,000,008
<b>Total</b>	<b>319,574,247</b>	<b>320,247,893</b>

#### b. Failure to Prepare and Perform Monthly Reconciliations

Treasury and Financial Management Circular No. 9 of 2020 provides that the Controlling Officer should ensure that a reconciliation between the staff establishment register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Provincial Administration had not carried the required reconciliations. This exposed the Provincial Administration to over recruitment and failure to monitor unapproved recruitments or addition on the payroll.

#### c. Officers Occupying Positions not on the Establishment

Establishment Control requires that all posts on the payroll incurring remuneration are should appear on the establishment register and all positions not appearing in the Establishment Register, are considered unauthorised posts. Ministries, Provinces and

Agencies are required to obtain treasury authority from Ministry of Finance and National Planning for all recruitments on positions not on the establishment register.

During the period under review, 298 officers were appointed to positions that did not exist on the establishment registers and no treasury authority were availed for audit. paid salaries in amounts totalling K112,334,580. See table 2 below.

**Table 2: Positions on Payroll Not on Establishment Register**

Year	No of Officers	No. of Unapproved Positions	Amount K
2017	19	8	889,289
2018	480	67	25,840,326
2019	438	61	24,185,379
2020	487	74	27,269,324
2021	547	88	34,150,262
<b>Total</b>	<b>1971</b>	<b>298</b>	<b>112,334,580</b>

**d. Positions with Wrong Salary Grades**

During the period under review, it was observed that some positions were placed in salary grades that did not conform to the approved establishment register.

In this regard, eighty-four (84) officers were paid salaries in amounts totalling K4,113,467 instead of K5,227,606 resulting in under payments totalling K1,114,139 while ninety-seven (97) officers were paid salaries in amounts totalling K5,557,217 instead of K4,375,380 resulting in over payments totalling K1,181,837. See table 3 below.

**Table 3: Positions with Wrong Salary Grades**

Year	UNDERPAYMENT				OVERPAYMENT			
	No of Officers	Amount Paid K	Correct Amount K	Under Payment K	No of Officers	Amount Paid K	Correct Amount K	Over Payment K
2017	14	625,388	777,445	152,057	19	1,177,306	849,676	327,631
2018	23	1,064,915	1,326,962	262,047	21	1,074,069	873,143	200,926
2019	14	681,853	858,707	176,854	20	1,151,303	912,677	238,626
2020	18	897,661	1,157,660	259,999	20	1,080,404	875,537	204,867
2021	15	843,650	1,106,832	263,182	17	1,074,135	864,347	209,788
<b>Total</b>	<b>84</b>	<b>4,113,467</b>	<b>5,227,606</b>	<b>1,114,139</b>	<b>97</b>	<b>5,557,217</b>	<b>4,375,380</b>	<b>1,181,837</b>

**e. Officers on Payroll Not on Staff Returns**

Public Finance Management Regulation of 2020, part 78 (1) and (3) provides that a public body shall ensure that the payroll is verified and reconciled by responsible office holder from an accounting unit and human resource and administration respectively. A reconciliation under sub regulation (1) shall include a head count of staff each month with regard to the payroll expenditure.

However, a comparison of the payroll and staff returns for the Ministry for the year 2021 revealed that 506 officers were on the payroll but not on the staff returns. As at 31<sup>st</sup> December 2021, the officers had been paid salaries in amounts totalling K25,094,039. See table 4 below.

**Table 4: Officers Not on Staff Returns**

<b>Year</b>	<b>No of Officers</b>	<b>Amount K</b>
2017	48	1,984,471
2018	140	7,047,921
2019	197	9,580,071
2020	112	5,874,608
2021	9	606,968
<b>Total</b>	<b>506</b>	<b>25,094,039</b>

As at 31<sup>st</sup> May 2022, Provincial Administration had failed for account for the officers.

**f. Misplacement of Officers on the Payroll**

Cabinet Office Circular No. 13 of 2019 requires that Controlling Officers should ensure that all employees under their respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, there were 129 officers who drew salaries in amounts totalling K8,434,003 from paypoints that were different from their physical stations. As at 31<sup>st</sup> July 2022, the anomalies had not been corrected.

**g. Failure to Account for Officers - Bounced Salaries**

During the period under review salaries in amounts totalling K1,318,500 meant for 305 officers had bounced. A further scrutiny of the Staff Returns against the bounced

salaries revealed that the 305 officers were not on the Provincial Administration Staff Returns.

In his response to the interim management letter dated 30<sup>th</sup> March 2022, the Controlling Officer indicated that the salaries for the 305 officers were locked because the officers were not physically present and were unknown.

As at 31<sup>st</sup> July 2022, Provincial Administration had still not accounted for the officers and neither had they provided any explanation nor supporting documentation.

**h. Irregular Payment of Rural Hardship Allowance**

Terms and Conditions of Service for the Public Service No. 166 and Public Service Management Division Circular No. B6 of 2010 provide that an officer serving in an area declared to be remote shall be entitled to receive a hardship allowance at the rate as may be determined by Government from time to time.

During the period under review, four (4) officers were irregularly paid rural hardship allowance amounting to K28,271 as they were working at stations which did not qualify for the allowance.

### 39. Head 92 - Office of the President – Central Province

#### 39.1 Audit Findings

An examination of financial and other records relating to the payroll processing and a review of the payroll management at the Office of the President - Central Province for the period January 2017 to December 2021 revealed the following:

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K319,082,698 was made to cater for Personal Emoluments under the Central Province against which amounts totalling K322,854,442 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	65,426,297	65,426,292
2020	66,279,769	66,165,022
2019	67,156,668	64,949,258
2018	72,945,467	73,208,876
2017	47,274,497	53,104,994
<b>Total</b>	<b>319,082,698</b>	<b>322,854,442</b>

##### b. Recruitment in Excess of Authorised Position

MPAs conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A scrutiny of the filled-up positions against the Establishment Register for the period under review revealed that the Provincial Administration had recruited 2,998 officers against the authorised positions of 1,926 resulting in an excess recruitment of 1,072 positions which were not supported by treasury authority. See table 2 below.

**Table2: Recruitment in Excess of Authorised Position**

<b>Year</b>	<b>Establishment</b>	<b>Payroll</b>	<b>Variance</b>
2017	320	385	65
2018	443	765	322
2019	379	623	244
2020	313	472	159
2021	471	753	282
<b>Total</b>	<b>1,926</b>	<b>2,998</b>	<b>1,072</b>

**c. Employees with Questionable National Registration Numbers**

A National Registration Card (NRC) is supposed to constitute a district code and country code which the Department of National Registration uses to identify the place and type of issuance of the NRC.

However, a review of the payroll revealed that an officer who was paid salaries in amounts totalling K38,329 had an NRC which had district codes which were unknown to the Department of National Registration.

**d. Failure to Remove Non-Provincial Administration Employees from Payroll**

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. In particular, Section No. 3.5 (i) and (ii) states that controlling officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

An examination of the staff returns and payroll for the period under review revealed that twenty-one (21) officers were on the Provincial Administration payroll but not on the Staff Returns.

Inquiries made with management revealed that, the officers were stationed under the Department of Rural Roads Unit and transferred to Zambia National Service (ZNS) between August 2015 and June 2016. However, there was no documentary evidence availed by management regarding the officer's movement.

Consequently, during the period under review, officers drew salaries in amounts totalling K2,461,151 under the Provincial Administration instead of ZNS where they

provided a service. As at 31<sup>st</sup> July 2022, management had not moved their pay points to ZNS contrary to Treasury and Financial Management Circular No. 6 of 2019.

**e. Failure to Remove Deceased Officers from the Payroll**

Section 35(f), 36(a), 38(a) and 60(a) of the Terms and Conditions of Service provides that a responsible officer can terminate the payment of a salary on account of death, resignation, retirement and absenteeism.

In addition, Public Service Management Division (PSMD) Circular No. B1 of 2019 (d) provides 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.

Contrary to the Circular, two (2) officers who were separated from the service through death during the period under review, had not been removed from the payroll and had been paid salaries and allowances in amounts totalling K107,174 as at 31<sup>st</sup> July 2022.

**f. Irregular Payment of Allowances to Retired Officers**

Public Service Management Division Circulars No. B10 of 2016 and B21 of 2018 provides guidance on payment of basic salaries and allowances to retired, deceased and resigned officers.

Contrary to the Circular, five (5) officers who retired during the period from 31<sup>st</sup> December 2019 to 20<sup>th</sup> May 2021 continued receiving housing and transport allowances through the payroll. As at 31<sup>st</sup> July 2022 the officers had been paid allowances totalling K13,012 for the period December 2019 to September 2021.

**g. Questionable Introduction to Payroll without Authority**

Section 12 of the Terms and Conditions of Service for the Public Service which stipulates that on appointment to the Civil Service an officer shall submit to the responsible officer, the following:

- i. A criminal investigation department clearance report,
- ii. Arrival advice (Accounts form 81(Confirmation of date of arrival at duty station),
- iii. Personal information, a declaration of secrecy,

- iv. Acknowledgement of liability in respect of personal effects,
- v. Certified proof of qualifications,
- vi. A medical certificate, and
- vii. A certified copy of the National Registration Card.

Contrary to the Terms and Conditions of Service, an officer was introduced on the payroll without approved arrival advice (Accounts form 81), criminal investigation department clearance report (police report) and medical certificate copy. In this regard, salaries amounting to K23,416 paid to the officer were irregular.

**h. Irregular Payment of Housing Allowance**

Cabinet Office Circular No. B2 of 2010 (2) (b) provides that housing allowance shall 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 Cabinet Office Circular, two (2) officers who were accommodated in Government houses received housing allowance in amounts totalling K62,399 during the period under review.

**i. Officers Sitting on Wrong Positions on Payroll**

A review of personal files and the payroll revealed that four (4) employees who were paid salaries in amounts totalling K186,620 during the period under review were sitting on wrong positions on the payroll different from the positions stated on their appointment letters and arrival advise form (Account form 81).

This resulted in two (2) officers being overpaid salaries in amount totalling K26,010 which had not been recovered as at 31<sup>st</sup> July 2022.

**j. Delayed Introduction on Payroll**

A review of personal files and payroll revealed that there was delay in the introduction of three (3) employees on the payroll with the period of delay ranging from one (1) to three (3) months after reporting for duty and consequently, accumulated arrears in amounts totalling K54,050.

#### **40. Head 93 - Office of the President – Northern Province**

##### **40.1 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

##### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K263,723,099 was made to cater for Personal Emoluments under Northern Provincial Administration Office against which amounts totalling K271,302,694 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	58,603,170	58,603,191
2020	52,721,218	53,696,694
2019	45,326,556	58,227,127
2018	58,312,481	57,474,003
2017	48,759,674	43,301,679
<b>Total</b>	<b>263,723,099</b>	<b>271,302,694</b>

##### **b. Recruitments on Positions Not on Establishment Register**

Section 21(d) of the Public Finance Management Regulation of 2020 provides that any recurrent expenditure estimates for personal emoluments should be supported by details from the establishment register for posts which shall be considered part of the estimates.

However, as at 31<sup>st</sup> December 2021, the payroll for Provincial Administration had 102 officers who were recruited on positions not contained on the establishment register without Treasury Authority.

##### **c. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019, provides 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.

However, a review of the Provincial Administration payroll and staff returns revealed that 220 officers who were not serving at the Provincial Administration had drawn salaries in amounts totalling K1,002,691 during the period under review. As at 31<sup>st</sup> July 2022, the situation had not been normalised.

**d. Over Employment**

According to the authorised Establishment Registers for the period under review 1,160 officers were expected to draw salaries amounting to K20,145,189. However, an examination of payroll records as at 31<sup>st</sup> December 2021 revealed that Provincial Administration had recruited 1,319 officers who had drawn salaries in amounts totalling K22,070,771 resulting in an over employment of 159 officers costing K187,743. See table 2 below.

**Table 2: Over Employment**

Year	Actual Payroll Cost K	Expected Cost K	Over Expenditure K
2017	8,340,875	7,526,076	814,800
2018	807,398	670,930	136,468
2019	12,074,910	10,456,130	1,618,780
2020	986,901	832,208	154,693
2021	847,588	659,845	-187,743
	<b>23,057,673</b>	<b>20,145,189</b>	<b>2,536,998</b>

**e. Failure to Account for an Officer - Bounced Salaries**

During the period from 2018 to 2021, salaries in amounts totalling K33,999 meant for one officer had bounced. A further scrutiny of the staff returns against the bounced salaries revealed that the officer was not on the Provincial Administration staff returns.

As at 31<sup>st</sup> May 2022, Provincial Administration had still not accounted for the officer and neither had they provided any explanation nor supporting documentation.

**f. Payment of Salaries to a Ghost Employee on Unauthorised Position**

A scrutiny of the payroll for the Provincial Administration revealed that amounts totalling K294,670 were paid to a ghost employee for the period from November 2020 to 31<sup>st</sup> December 2021 on a position of Assistant Director Department of Water Resources, a position which was not on the authorised Establishment.

As at 31<sup>st</sup> July 2022, Provincial Administration had failed to locate the officer and the anomaly had not been rectified.

#### **41. Head 94 - Office of the President – Western Province**

##### **41.1 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

##### **a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K322,383,618 was made to cater for Personal Emoluments under Western Provincial Administration Office against which amounts totalling K352,260,420 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>	<b>Under/Over funding K</b>
2021	75,240,074	75,240,097	(23)
2020	68,159,011	68,159,017	(6)
2019	55,592,176	78,093,602	(22,501,426)
2018	73,214,766	72,796,893	417,873
2017	50,177,591	57,970,811	(7,793,220)
<b>Total</b>	<b>322,383,618</b>	<b>352,260,420</b>	<b>(29,876,802)</b>

##### **b. Recruitment of Staff on Positions not on the Establishment**

Establishment control involves managing and monitoring the organisational structures in the Public Service in order to ensure adherence to the approved structure and staff establishment registers. The staff establishment register defines the posts in an institution and the reporting lines.

All posts on the payroll incurring remuneration are required to appear on the establishment register and all positions not appearing under the establishment register, are considered unauthorised posts. Ministries Provinces and Agencies are required to

obtain treasury authority from the Ministry of Finance and National Planning for all recruitments on positions not on the establishment register.

During the period under review, several officers drew salaries in amounts totalling K49,834,657 on positions which did not exist on the Establishment Registers and no treasury authority was availed to support the positions. The excess positions ranged between 64 to 364 positions. See table 2 below.

**Table 2: Officers on Payroll but not on Establishment**

Year	Unapproved	Amount K
2017	64	3,961,055
2018	100	5,174,819
2019	66	4,551,751
2020	126	7,826,310
2021	364	#####
<b>Total</b>	<b>720</b>	#####

**c. Recruitment of Excess Staff on Approved Positions on the Payroll**

A comparison of the Staff Establishment Register and the Payroll for the Provincial Administration for the period 2017 to 2021 revealed that Provincial Administration had recruited more than what was authorised on the establishment register. The excess position ranged between 51 and 122 positions. See the table 3 below.

**Table 3: Excess Recruitment**

Year	Approved No. of Positions on Establishment	Positions on the Payroll	Variance
2017	148	200	52
2018	232	298	66
2019	219	274	55
2020	237	359	122
2021	149	200	51

As at 31<sup>st</sup> July 2022, no authority for recruitment in excess of the approved establishment register was availed for audit.

**d. Over payment of Salaries to Officers**

During the period under review, 162 officers who were entitled to receive salaries in amounts totalling K9,412,047 were instead paid K12,138,079 due to being placed on wrong salary scales resulting in overpayments totalling K2,726,032. See table 4 below.

**Table 4: Overpayment of Salaries**

Period	Number of Positions	Entitled Amount K	Amount Paid K	Overpayment K
2017	27	1,618,538.08	2,180,534.11	561,996.03
2018	54	2,733,938.66	3,481,943.00	748,004.34
2019	41	2,627,643.64	3,356,142.17	728,498.53
2020	28	1,726,963.51	2,260,650.11	533,686.60
2021	12	704,963.28	858,809.40	153,846.12
<b>Total</b>	<b>162</b>	<b>9,412,047.17</b>	<b>12,138,078.79</b>	<b>2,726,031.62</b>

As at 31<sup>st</sup> July 2022, the anomaly had not been addressed.

**e. Underpayment of Salaries to Officers**

During the period under review one hundred and six (106) officers who were entitled to receive salaries in amounts totalling K5,500,595 were instead paid K4,688,626 due to being placed on wrong salary scales resulting in underpayments totalling K811,969. See table 5 below.

**Table 5: Underpayment of Salaries**

Period	Number of Positions	Entitled Amount K	Amount Paid K	Underpayment K
2017	24	1,415,383.53	1,091,625.77	323,757.76
2018	36	1,420,432.50	1,254,884.13	165,548.37
2019	18	1,245,326.24	1,101,474.22	143,852.02
2020	19	1,032,878.52	884,260.03	148,618.49
2021	9	386,573.74	356,381.48	30,192.26
<b>Total</b>	<b>106</b>	<b>5,500,594.53</b>	<b>4,688,625.63</b>	<b>811,968.90</b>

As at 31<sup>st</sup> July 2022, the anomaly had not been addressed.

**f. Payment of Salaries to Unknown Employees**

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. In particular, Section No. 3.5 (i) and (ii) provides that Controlling Officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

During the period under review, Provincial Administration paid salaries in amounts totalling K67,448, 054 to several employees who were not on their staff returns.

As at 31<sup>st</sup> July 2022, the Provincial Administration had failed to account for the employees ranging from 152 in 2019 to 364 in 2021. See table 6 below.

**Table 6: Officers Not on Staff Returns**

<b>Year</b>	<b>No of Officers</b>	<b>Amount Paid K</b>
2018	210	12,459,828
2019	152	10,284,205
2020	274	16,383,300
2021	364	28,320,722
<b>Total</b>		<b>67,448,054</b>

**g. Irregular Payment of 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, during the period under review amounts totalling K68,203 were paid as rural and remote hardship allowances to twelve (12) officers who were not eligible in that their duty stations were not designated for payment of the allowances. See table 7 below.

**Table 7: Irregular Payment of Rural and Remote Hardship allowance**

No	Details	Year	District	No. of Officers	Amount K
1	Rural Hardship	2017	Mongu	2	2,955
3	Rural Hardship	2018	Mongu	2	21,962
5	Rural Hardship	2019	Mongu	2	10,669
7	Rural Hardship	2020	Mongu	4	17,013
9	Rural Hardship	2021	Mongu	2	15,604
	<b>Total</b>			<b>12</b>	<b>68,203</b>

**h. Irregular Payment of 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 K79,382 were paid as housing allowances during the period under review to nine (9) officers who were accommodated in Government institutional houses. See table 8 below.

**Table 8: Housing Allowance to Accommodate Officers**

Year	No. of Officers	Amount K
2018	5	44,459
2019	4	34,923
<b>Total</b>	<b>9</b>	<b>79,382</b>

**i. Payment of Salaries to an Officer Absent from Duty without Leave.**

Terms and Conditions of Service for the Public Service No. 60 (a), (b) and (c) 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 for 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 and that the Supervising Officer, shall report all cases of absence without leave to their Responsible Officer for appropriate action. Failure on the part of a Supervising Officer to report any case of absence from duty without leave shall constitute misconduct.

Contrary to the Terms and Conditions of Service, an officer was absent from duty for a period of fifteen (15) months without permission, from 30<sup>th</sup> December 2019 was only terminated from the payroll in March 2021. The officer had been irregularly paid salaries totalling K253,756 for the period he was absent from work. As at 31<sup>st</sup> July 2022 the salaries paid to the had not been recovered.

**j. Failure to Account for an Officer - Bounced Salaries**

A review of the DDACC file and payroll records revealed that an officer holding the position of Tsetse Control and Ecology Officer under Mongu District had her salary of K7,010 for the month of September 2020 returned.

A request to review the officer's personal file proved futile as the Provincial Administration Office did not have the officer's file and enquires with management revealed that the officer was unknown. In this regard, salaries in amounts totalling K72,192 which were paid as at 31<sup>st</sup> July 2022 were irregular.

## 42. Head 95 - Office of the President – Eastern Province

### 42.1 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

#### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K281,902,612 was made to cater for Personal Emoluments under the Eastern Province against which amounts totalling K269,675,614 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	60,043,491	60,043,466
2020	60,635,036	55,281,076
2019	58,615,733	46,911,093
2018	60,787,616	60,841,161
2017	41,820,736	46,598,818
<b>Total</b>	<b>281,902,612</b>	<b>269,675,614</b>

#### b. Unaccounted for Officers

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. Section No. 3.5 (i) and (ii) provides that controlling officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

During the period under review, the Provincial Administration – Eastern Province paid salaries in amounts totalling K8,645,797 to several employees who were not on the staff returns.

As at 31<sup>st</sup> July 2022, the Provincial Administration had failed to account for the employees ranging from 43 to 108. See table 2 below.

**Table 2: Officers Not on Staff Returns**

<b>Year</b>	<b>Employee on Payroll but not on Staff Return</b>	<b>Amount Paid K</b>
2019	45	1,636,771
2020	43	1,981,993
2021	108	5,027,033
	<b>Total</b>	<b>8,645,797</b>

**c. Irregular Payment of Rural and Remote Hardship Allowances**

Terms and Conditions of Service for the Public Service No. 166 provides that an officer serving in an area declared to be a rural or remote area shall be entitled to receive a hardship allowance at a rate prescribed by the government from time to time.

Contrary to the Terms and Conditions of Service and the Circular, during the period under review amounts totalling K510,847 were irregularly paid as rural and remote hardship allowances to fifty-six (56) officers who were serving in urban areas. See table 3 below.

**Table 3: Rural and Remote Hardship Allowances**

<b>Year</b>	<b>No. of Officers</b>	<b>Amount Paid K</b>
2019	24	240,565
2020	26	215,656
2021	6	54,625
	<b>Total</b>	<b>510,847</b>

**d. Irregular Payment of Housing Allowances to Officers in Institutional Houses**

Public Service Management Division Circular (PSMD) No. B 24 of 2013 provides that housing allowance should be paid through the payroll to officers not accommodated by Government in standard/pool houses.

Contrary to the Circular, eleven (11) officers who were accommodated in institutional houses were irregularly paid housing allowances in amounts totalling K210,735. See table 4 below.

**Table 4: Officers Irregularly Paid Housing Allowances**

Year	No. of Officers	Amount Paid K
2020	12	126,173
2021	12	84,562
	<b>Total</b>	<b>210,735</b>

**e. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019, provides 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 Civil Service Commission or a responsible officer by 30<sup>th</sup> September 2019.

However, a review of the Provincial Administration payroll and staff returns revealed that sixty (60) officers who were not serving at the Provincial Administration were paid salaries on the Provincial Administration payroll. As at 31<sup>st</sup> July 2022, the situation had not been normalised. See table 5 below.

**Table 5: Misplacement of Staff**

No.	District Name	No. of Officers
1	Mambwe	27
2	Katete	9
3	Chadiza	24
	<b>Total</b>	<b>60</b>

**f. Failure to Remove Separated Officers from Payroll**

Section 12(a) of the Terms and Conditions of Service provides that an officer on appointment to the public service shall submit to the responsible officer confirmation of date of arrival at duty station. This is done through the completion and submission of Arrival Advice Form 81 after which the officer is introduced on the payroll with effect from the date of arrival.

In addition, an employee should be terminated from the payroll on account of death, retirement, secondment, unpaid leave, desertion, and resignation. The position for the terminated employee is then made available for re-assignment.

A review of the payroll record and physical verification of the staffing in selected districts revealed that three (3) officers who had either been transferred or retired had not been removed from the payroll. As a result, the officers who were not rendering services were paid salaries in amounts totalling K376,377. See table 6 below.

**Table 6: Officers not Rendering Services on Payroll**

No.	Position	Remarks	Physical Station	Amount K
1	Assistant Registration Officer	Transferred	Lufwanyama	277,385
2	District Information Officer	Transferred	Kabwe	54,856
3	District Administrative Officer	Retired	Retired	44,136
	<b>Total</b>			<b>376,377</b>

### 43. Head 96 - Office of the President – Luapula Province

#### 43.1 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K272,053,282 was made to cater for Personal Emoluments under the Luapula Province against which amounts totalling K262,114,263 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	58,817,801	58,817,778
2020	56,107,430	53,389,658
2019	58,679,246	45,385,258
2018	55,748,239	58,624,923
2017	42,700,566	45,896,646
<b>Total</b>	<b>272,053,282</b>	<b>262,114,263</b>

**b. Positions on Payroll Not on Establishment Register**

Section 21(d) of the Public Finance Management regulation of 2020 provides that any recurrent expenditure estimates for personal emoluments should be supported by details from the establishment register for posts which shall be considered part of the estimates.

During the period(s) under review, the payroll for Provincial Administration had twenty-five (25) positions on payroll which were not supported by the Establishment Registers or treasury authority.

**c. Misplacement of Payroll Area**

Cabinet Office Circular No.13 of 2019 provides that Controlling Officers should ensure that all employees under respective Ministries, Provinces and Agencies are placed in their designated duty stations.

Contrary to the Circular, ten (10) officers drew salaries in amounts totalling K1,131,338 from paypoints that were different from their stations. See table 2 below.

**Table 2: Misplacement of Payroll Area**

<b>Year</b>	<b>No. of Officers</b>	<b>Amount K</b>
2018	1	104,823
2019	3	293,282
2020	3	374,964
2021	3	358,269
<b>Total</b>	<b>10</b>	<b>1,131,338</b>

It was further observed that six (6) officers stationed at Mansa and Chipili had their pay points outside Luapula Province. As at 31<sup>st</sup>July 2022, the anomalies had not been corrected

**d. Irregular Payment of Housing Allowance**

The Public Service Management Division Circular (PSMD) No. B 24 of 2013 requires that housing allowance should be paid to officers not accommodated by Government in standard/pool houses through the payroll.

It was however, observed that during the period under review, amounts totalling K8,299 were paid as housing allowance to an officer who was accommodated in an institutional house.

**e. Irregular Payment of Salaries to Deserters**

Sections (a) and (b) of Part 60 of Chapter 4 of the Terms and Conditions of Service for the Public Service provides that an officer who is absent from duty without leave to do so for a continuous period of ten (10) days or more working days, shall be liable for dismissal and shall not be paid a salary for the period he or she was absent from duty.

Contrary to the Terms and Conditions of Service, three (3) officers who were absent from duty for periods ranging from 4 months to 15 months were not dismissed and irregularly paid salaries in amounts totalling K214,897. See table 3 below.

**Table 3: Officers not Removed from Payroll**

No.	Position	Last Reported	Date Terminated	Period of Delay (Months)
1	Engineering Assistant	12/31/2017	4/30/2019	15
2	Driver	8/31/2021	12/31/2021	4
3	Engineer - Water Resource	5/31/2021	12/31/2021	7

Although, as at 31<sup>st</sup> December 2021, the three (3) officers had been terminated from payroll, no recoveries had been made as at 31<sup>st</sup> July 2022.

#### 44. Head 97 - Office of the President – North-Western Province

##### 44.1 Audit Findings

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration for the period January 2017 to December 2021 revealed the

##### a. Budget and Funding

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K267,710,376 was made to cater for Personal Emoluments under the North Western Province against which amounts totalling K251,311,109 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

Year	Budget K	Funding K
2021	56,103,623	56,103,623
2020	53,423,331	50,798,856
2019	61,078,539	44,544,484
2018	57,836,353	57,647,298
2017	39,268,530	42,216,848
<b>Total</b>	<b>267,710,376</b>	<b>251,311,109</b>

##### b. Failure to Prepare and Perform Monthly Reconciliations

Treasury and Financial Management Circular No 9 of 2020 states that the Controlling officer shall ensure that a reconciliation between the Staff Establishment Register and staff assignment and reconciliation of staff assignment to staff return are done monthly.

Contrary to the Circular, the Provincial Administration had not prepared any reconciliation between the staff assignment and staff establishment, and between payroll and the monthly staff returns. This exposed the Provincial Administration to over recruitment and failure to monitor unapproved recruitments or addition on the payroll.

##### c. Unknown Individuals Drawing Salaries

Treasury and Financial Management Circular No. 6 of 2019, streamlines the roles and responsibilities in the management of the Government Payroll. In particular, Section

No. 3.5 (i) and (ii) provides that Controlling Officers are in charge of managing the payroll under their respective Heads of Expenditure and ensuring that all employees under their charge are on the payroll stations they are working from.

During the period under review, Provincial Administration paid salaries in amounts totalling K1,813,960 to thirty-eight (38) individuals who were not on the staff returns and were unknown.

**d. Misplacement of Payroll Area.**

Cabinet Office Circular No. 13 of 2019, requires 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 30th September 2019.

Contrary to the Circular, forty-nine (49) officers drew salaries amounting to K2,719,752 from pay points that were different from their physical stations. As at 31<sup>st</sup> July 2022, the anomalies had not been corrected.

**e. Delayed Migration of Separated Officers to Separatees Payroll**

Public Service Management Division (PSMD) Circular No. B1 of 2019 (c) 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 while Clause (d) provides 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.

Contrary to the Circular, two (2) officers who were separated from the Service due to death salaries in Service in May and September 2021 had remained for periods ranging from five (5) to eleven (11) months and in this regard were irregularly paid salaries totalling K80,782.

**f. Failure to Remove Deserters from Payroll**

Terms and Conditions of Service for the Public Service No. 60 (a) and (b) provides that an officer who is absent from duty without leave for a continuous period of ten (10) or more working days shall be liable to dismissal. An officer shall not be paid a salary for the period he or she is absent from duty without leave unless he or she produces satisfactory evidence justifying such absence.

Contrary to the Terms and Conditions of Service, three (3) officers who were absent from duty for periods ranging from six (6) to nine (9) months and were terminated from the payroll on 31<sup>st</sup> October 2021 were irregularly paid salaries in amounts totalling K201,176 for the period they were absent.

**45. Head 98 - Office of the President – Southern Province**

**45.1 Audit Findings**

A review of the payroll system, financial and other records relating to the payroll management at Provincial Administration Office for the period January 2017 to December 2021 revealed the following:

**a. Budget and Funding**

In the Estimates of Revenue and Expenditure for the financial years ended 31<sup>st</sup> December 2017 to 2021, a total provision of K336,332,189 was made to cater for Personal Emoluments under the Southern Province against which amounts totalling K321,545,277 were released and spent. See table 1 below.

**Table 1: Budget and Funding**

<b>Year</b>	<b>Budget K</b>	<b>Funding K</b>
2021	70,120,399	70,120,377
2020	70,560,691	63,279,577
2019	69,021,936	56,505,171
2018	75,283,332	75,310,734
2017	51,345,831	56,329,418
<b>Total</b>	<b>336,332,189</b>	<b>321,545,277</b>

**b. Recruitment in Excess of Authorised Position**

Ministries, Provinces and Agencies conduct recruitment through the Public Service Management Division. The recruitment is done according to the authorised establishment. No recruitment of officers should be done outside the authorised establishment unless there is treasury authority to do so.

A comparison of the filled-up positions on the payroll against the Establishment Registers during the period under review, revealed that Provincial Administration - Southern Province had recruited 2,651 officers against the authorised positions of 2,129 resulting recruitment of 522 excess staff.

Although the Controlling Officer in his submission indicated that the excess position was supported by Treasury Authority (Establishment) No. 25 of 2018 reference No. MFB/101/20/28 dated 4<sup>th</sup> June 2018, no treasury authority to support the excess recruitment was availed for audit as at 31<sup>st</sup> July 2022.

**c. Recruitment on Positions not provided for in the Establishment Register**

Public Finance Management Regulation of 2020 No. 21(d) provides that any recurrent expenditure estimates for personal emoluments should be supported by details from the establishment register for posts which shall be considered part of the estimates.

During the period under review, the payroll for Provincial Administration had thirty-five (35) positions which were not supported by either the establishment registers or treasury authority.

**d. Misplacement of Payroll Area**

Cabinet Office Circular No. 13 of 2019 provides that Controlling Officers should ensure that all employees under respective Ministries, Provinces and Agencies are placed in their designated duty stations.

However, a review of the Provincial Administration payroll and staff returns revealed that a total of sixty (60) officers drew salaries in amounts totalling K305,536 from 31<sup>st</sup> January to 31<sup>st</sup> December 2021 from pay points which were different from their physical stations. As at 31<sup>st</sup> July 2022, the anomaly had not been corrected.

**e. Irregular Payment of Housing Allowance**

Cabinet Office Circular No. B2 of 2010 (2) (b) provides that housing allowance shall 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, seven (7) officers who were accommodated in Government institutional houses were irregularly paid housing allowance in amounts totalling K265,232 for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2021.

As at 31<sup>st</sup> July 2022, recoveries had not been affected

**f. 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 provides that 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 K10,931 were irregularly paid to two (2) officers during the period from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021 who were not eligible in that their workstations were not designated for payment of such allowances.

**g. Delayed Removal of Deceased Officers from Payroll**

Public Service Management Division Circular No. B1 of 2019 provides that deceased employees who are not eligible for posthumous retirement to be terminated from the payroll with effect from the date of their demise.

Contrary to the Circular, three (3) deceased officers drew salaries in amounts totalling K169,358 for the period ranging from six (6) to nine (9) months.

Although Management had removed the deceased officers from the payroll in May 2022, the irregularly paid salaries had not been recovered as at 31<sup>st</sup> July 2022.

#### **46. Recommendations**

In order to improve Payroll Management and Establishment Control 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, respective Appropriations Acts, any other laws and regulations pertaining to payroll administration, the following recommendations (see table 1 below) need urgent attention by respective institutions and responsible officers:

**Table 1: Recommendations and Control Weaknesses**

No.	Control Weakness Identified	Risks Identified and Associated with Control Processes	Recommendations	Responsible Institution / Officer
1.	<p>Non-compliance with laws, regulations, Terms and Conditions of Service for the Public Service and Circulars.</p>	<p>Irregular Expenditure</p>	<p>Promote adherence through</p> <ul style="list-style-type: none"> <li>• Sensitisation of employees,</li> <li>• Easy access by staff to circulars, regulations and laws,</li> <li>• Enhance supervision, and</li> <li>• Implement sanctions as prescribed.</li> </ul>	<p>Secretary to the Cabinet, Secretary to the Treasury, Payroll Management and Establishment Control, Controlling Officers, Ministries, Provinces, and Agencies (MPAs).</p>
2.	<p>Failure to update the Establishment Register</p>	<p>Failure to manage payroll budget. Recruitment in Excess of Authorised Positions.</p>	<ul style="list-style-type: none"> <li>• The establishment register must be updated in a timely basis,</li> <li>• Human Resource Planning, and</li> <li>• All recruitments must be supported by Treasury Authority.</li> </ul>	<p>Secretary to the Cabinet, Secretary to the Treasury, Payroll Management and Establishment Control, Controlling Officers, Ministries, Provinces, and Agencies (MPAs).</p>

3.	Segregation of Duties on input and processing of payroll transactions	<ul style="list-style-type: none"> <li>• Ghost employees,</li> <li>• Irregular Introductions and terminations on payroll,</li> <li>• Irregular introduction of allowances, and</li> <li>• Overpayments.</li> </ul>	Segregation of duties in the PMEC System (Introduction of Workflow within SAP). Unaccounted for individuals (ghost workers) must be investigated and removed from the payroll.	Secretary to the Cabinet, Secretary to the Treasury, Payroll Management and Establishment Control, Controlling Officers, Ministries, Provinces, and Agencies (MPAs)
4.	Lack of review of activities performed by the super users.	Unauthorised alteration, modification and deletion to payroll records.	Stronger oversight over activities performed by super-users. Capacity building and staff training in the employees providing oversight on the payroll. (Internal Audit).	Public Service Management Division, Payroll Management and Establishment Control, Smart Zambia Institute, Controlling Officers, Ministries, Provinces, and Agencies (MPAs)
5.	Employees with voided accounts for extended periods of time.	Payroll Positions which are held by employees with voided accounts. Third party payments still processed after the accounts are voided.	Timely processing of disciplinary cases. Locking of payroll accounts as opposed to voiding.	Public Service Management Division, Payroll Management and Establishment Control, Controlling Officers, Ministries, Provinces, and Agencies (MPAs)

6.	<p>Failure to perform Monthly Payroll Reconciliations.</p>	<p>Ghost employees. Excess Staff Expenditure. Incomplete establishment register.</p>	<p>Payroll reconciliation. Monthly Staff Head Count.</p>	<p>Secretary to the Cabinet, Secretary to the Treasury, Payroll Management and Establishment Control, Controlling Officers.</p>
7	<p>Poor implementation budgetary controls systems configuration on the PMEC system.</p>	<p>Excess payroll expenditure.</p>	<p>Systems enhancement on configurations of personnel costings and planning (PCP), (a budgetary and personnel costings module on the PMEC). Technical training and capacity building of PMEC supper users as well as staff providing oversight to the system such (Internal and External Auditors).</p>	<p>Secretary to the Cabinet, Secretary to the Treasury, Payroll Management and Establishment Control, Controlling Officers and PSMD, Controlling Officers, Ministries, Provinces, and Agencies (MPAs).</p>

#### **47. Conclusion**

This report has evidently shown that there are serious weaknesses in controls in the management of Government payroll which has resulted in loss of public funds. There will therefore need to review and reinforce the internal controls.

#### **48. Acknowledgements**

I wish to thank all my staff for their hard work in ensuring that this report is produce. 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.

**Office of the Auditor General,  
Head Office, Stand No. 7951  
Haile Selassie Avenue - Long Acres  
PO Box 50071, Lusaka  
+260 211 252611, +260 211 255760  
Email: [auditorg@ago.gov.zm](mailto:auditorg@ago.gov.zm)**

Shorthorn Printers  
Email: [shorthornprinters@hotmail.com](mailto:shorthornprinters@hotmail.com)