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No.

REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR-GENERAL

P.O. BOX 50071
RIDGEWAY
LUSAKA, ZAMBIA

5th October, 2023

To: **The News Editor**

PRESS RELEASE

For Immediate Release

PRODUCTION OF THE REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE REPUBLIC FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2022

The Report of the Auditor General on the Accounts of the Republic for the financial year ended 31st December 2022 has been produced in accordance with Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016. On 29th September 2023 the Report was simultaneously submitted to the President of the Republic of Zambia and the National Assembly in line with Article 212 of the Constitution.

The audit scope covered both the revenue and expenditure of Ministries, Provinces and Agencies (MPAs) and other institutions financed from public funds for the financial year ended 31st December 2022. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs).

The Report contains forty (40) paragraphs on audit findings that could not be resolved during the audit process and whose corrective actions were not undertaken as at 29th September 2023. In addition, the Report contains audit recommendations which are aimed at addressing the findings observed during the audit process.

In terms of the trend analysis of financial irregularities (Revenue and Expenditure), there was an overall reduction by K29.7 billion in the financial year 2022 from 2021. In 2022, irregularities totalled K103.5 billion from K133.2 billion in 2021 representing a 22% reduction.

The key highlights of the Report in terms of revenue and expenditure are as follows:

The notable findings under revenue were the failure to collect tax arrears which has increased from K85.7 billion in 2021 to K97.8 billion in 2022, unaccounted for revenue which has increased from K1.4 million in 2021 to K53.7 million in 2022, and loss of revenue which increased from K17.2 million in 2021 to K25.5 million in 2022.

The notable findings under expenditure were; Over Payments of K110 million; Unacquitted for Farming Inputs of K2.2 million; Unacquitted for Funds of K815 thousand; and Irregular Inclusion of Beneficiaries for Farming Inputs of K9.5 million. On a positive note, there was improvement in implementation of procurement procedures and regulations as evidenced in the significant reduction of irregularities relating to procurements such as failure to follow procurement procedures and undelivered goods (materials). It should be noted that procurements usually constitute a huge part of the budget and therefore improvements in this area will help save Government resources.

This report also includes findings on the audit done on the management of Government motor vehicles: The report shows that 1,002 motor vehicles procured by various ministries using their TPINS could not be accounted for as at the time of finalizing the report in September, 2023.

To access the full report, please visit the website at www.ago.gov.zm.

Please also note that the reports on the disbursements and implementation of CDF in all the 156 constitutions and on Public Debts are being prepared and will be issued separately.

For more information, contact the undersigned.



Issued by: Lubinda Sinyani (Mr.)

Acting Head of Public Relations

FOR/AUDITOR GENERAL