

AUDITOR GENERAL REPORT 2014 INFOGRAPHIC

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The Infographic provides a summary of the audit findings for the financial year ending 2014.

INTRODUCTION

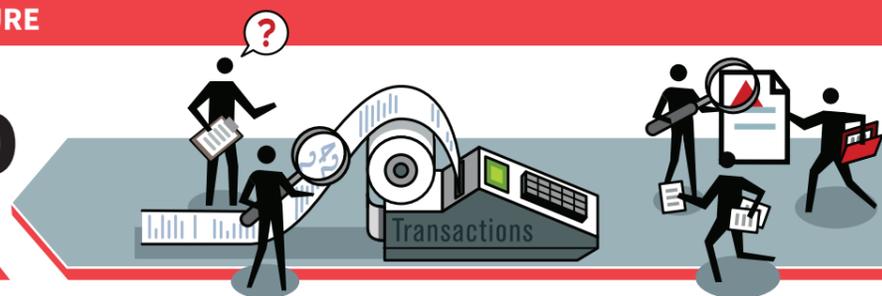
The 2014 Auditor Generals Report reveals that an amount totalling to K549 million came under query in the 2014 financial year. The most significant of these queries is the Unvouched Expenditure, which accounts for 70% of the K549 million.

Unvouched Expenditure occurs when payment vouchers are not availed for audit because they are either missing or inadequately supported. Unvouched expenditure appears in the last three audit years among the top three audit queries.

This points to a recurring challenge that needs to be addressed through the review of controls and procedures within public institutions to enhance accountability and monitoring so as to reduce unnecessary financial losses.

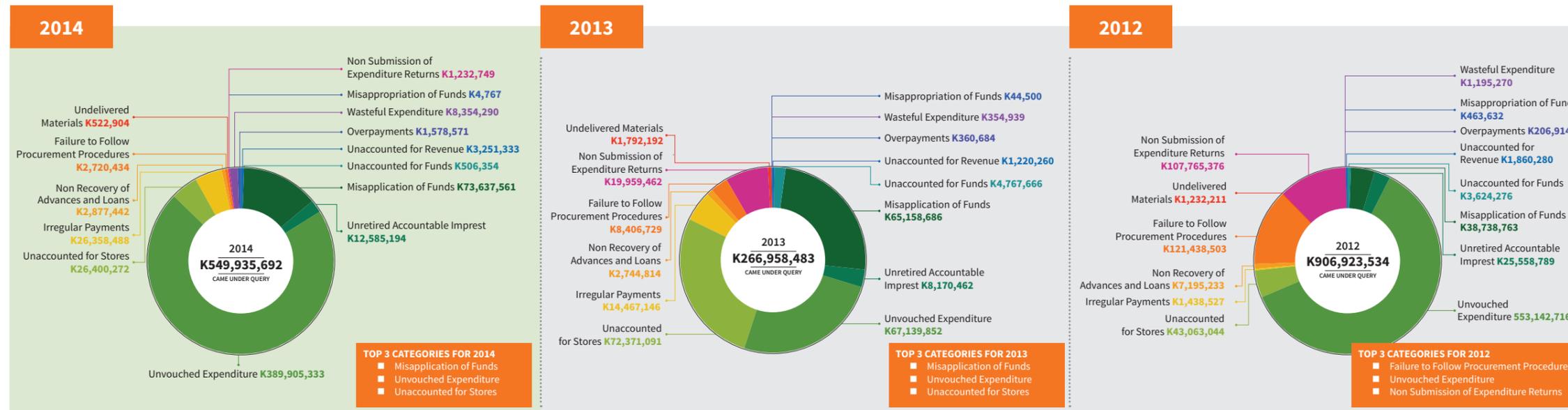
UNVOUCHED EXPENDITURE

70%
OF K549 MILLION



DEFINITIONS OF CATEGORIES USED IN AUDITOR GENERAL REPORT ANALYSIS

CATEGORY	DEFINITION
<i>Failure to follow procurement procedures</i>	Non-compliance with the ZPPA Act and Procurements Guidelines in the purchase of goods and supplies. This includes the lack of correct tender process and not obtaining competitive quotes
<i>Irregular payment</i>	Payments made outside the normal practice or acceptable regulations or norms, this includes payments or allowances inappropriately distributed, or above allocated amounts
<i>Misapplication of funds</i>	Use of funds budgeted for a programme on an unrelated programme without authority from the Secretary to the Treasury
<i>Misappropriation of funds</i>	Use of public funds for personal purposes or crediting public funds to a private bank account
<i>Non recovery of loans and advances</i>	Failure to effect recovery of loans or advances
<i>Non submission of expenditure returns</i>	No details provided on expenditure, funds disbursed for a particular project or item but no further information provided
<i>Overpayment</i>	Payments made above the normal price charged
<i>Unaccounted for funds</i>	Failure to properly account for funds, missing from an account, no explanation of where funds have been spent or why withdrawn
<i>Unaccounted for revenue</i>	Revenue not banked, not properly transferred or accounted for
<i>Unaccounted for stores</i>	Lack of receipt and disposal details for goods procured. Includes both fuel and stores
<i>Unretired imprest</i>	Failure to retire funds or monies issued out to facilitate payments of a minor nature when the officer is travelling on duty or to facilitate the purchase of goods and services whose value cannot be ascertained
<i>Unvouched expenditure</i>	Payment vouchers not availed for audit because they are either missing or inadequately supported. This includes the lack of payment voucher, lack of signed payment voucher, no receipts backing up payment voucher, no other supporting documents for an expenditure
<i>Wasteful expenditure</i>	Expenditure incurred when there is no benefit derived



Source: Auditor General Report 2014

PMRC RECOMMENDATIONS

- PMRC reiterates its call for the review of internal controls and procedures to complement on-going financial management systems such as IFMIS that enhance financial management, reporting and monitoring to reduce unnecessary financial losses.
- Furthermore, PMRC recommends that further support be provided to the Auditor General's office to improve available capacity, skills and resources to improve auditing and audit coverage for public institutions.
- Finally, PMRC urges Government to revise legislation on the management of public funds. These revisions need to ensure that those who commit offences are held accountable and appropriate disciplinary action is enforced.