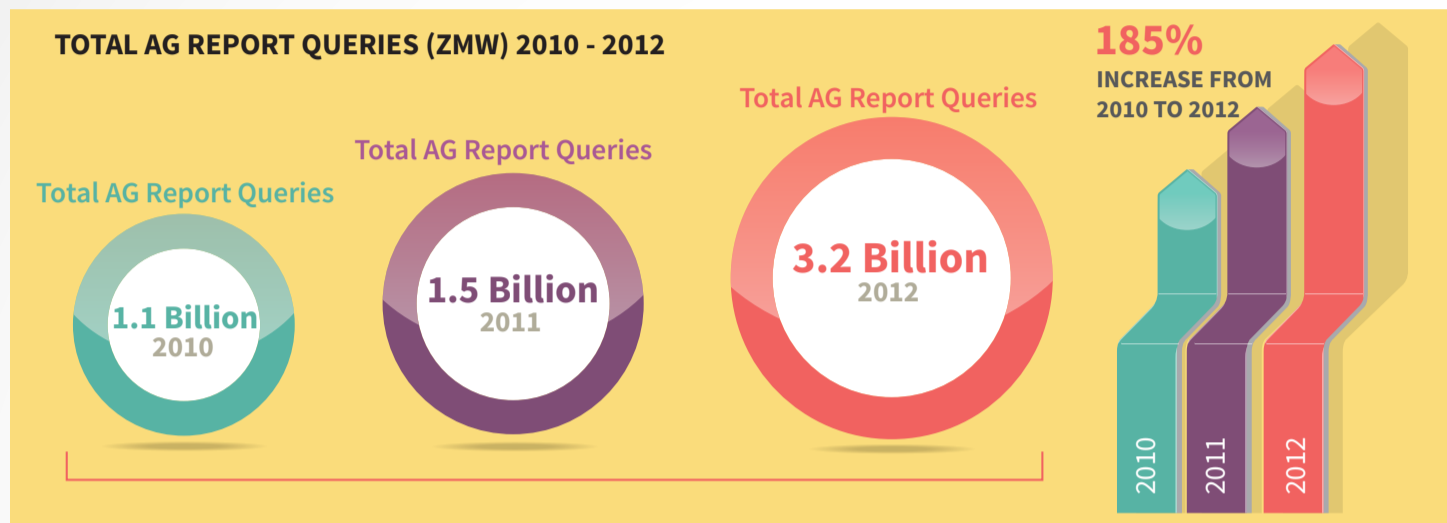


PMRC AUDITOR GENERAL SERIES

Enabling Effective Management of Public Resources

Accountability of public expenditure continues to be a significant concern in Zambia. The Office of the Auditor General undertakes annual audits of public expenditure, and queries outlined in the Auditor General Report are debated and examined by the Public Accounts Committee, in attempts to manage resources.

However, analysis of the Auditor General Reports (2010-2012) reveals a continued increase in abuse of public expenditure amounts, from ZMW 1,139,995,385 in 2010 to ZMW 3,250,366,626 in 2012. This is an increase of 185%.



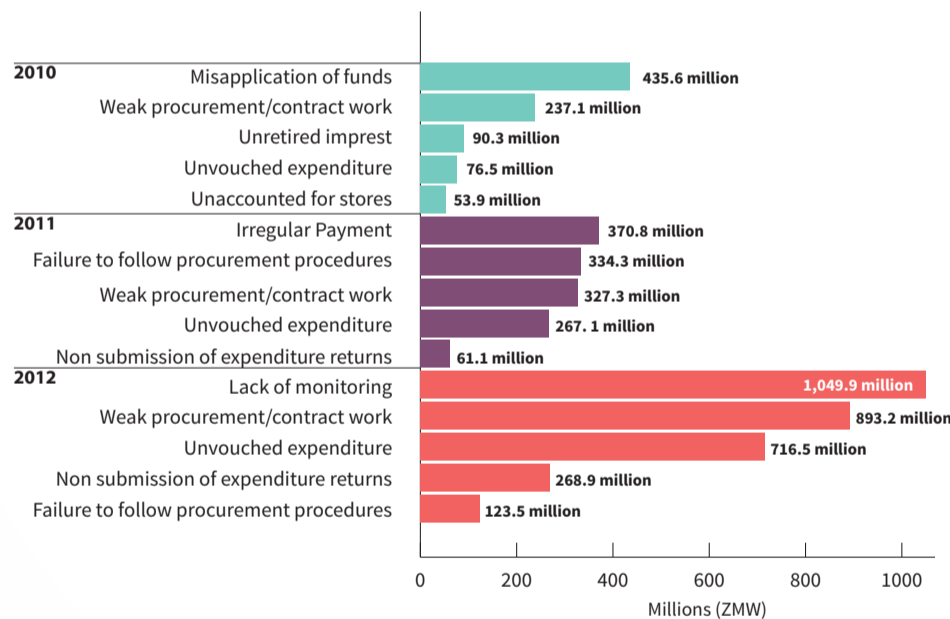
Source: Adapted by Policy Monitoring and Research Centre (PMRC), 2014 from Auditor General's Report 2010-2012

Issues of unvouched expenditure, which potentially conceal expenditure wrongdoings, and weak procurement or contract work, indicating below target quality, resource use and implementation time of infrastructure or development projects, were in the top five categories in 2010, 2011 and 2012.

In addition, certain ministries have continued to rank amongst the top ten in terms of query amounts:

- Ministry of Agriculture and Cooperatives
- Ministry of Education
- Ministry of Local Government and Housing
- Ministry of Health
- Ministry of Transport, Works, Supply and Communication.

TOP 5 QUERY CATEGORIES BY AMOUNT (ZMW) 2010 - 2012



Source: Adapted by Policy Monitoring and Research Centre (PMRC), 2014 from Auditor General's Report 2010-2012

Despite the increasing query amounts, insufficient action is being taken to address the misuse of public resources. Implementation of sanctions and actions to resolve audit queries is weak, resulting in continued violations. Additionally public awareness is limited due to the complex nature of audit reports, lack of access to information, knowledge of the audit process and intended use of public funds.



This document and trademark(s) contained herein are protected by the laws of The Republic of Zambia. This electronic representation of PMRC intellectual property is provided for non-commercial use only. Unauthorized posting of PMRC electronic documents to a non-PMRC website is prohibited. PMRC electronic documents are protected under copyright law. Permission is required from PMRC to reproduce, or reuse in another form, any of our research documents for commercial use. For information on reprint and linking permissions, please see PMRC Permissions (www.pmrzambia.org/copyright). The PMRC is a nonprofit institution that helps improve policy and decision-making through research and analysis. PMRC's publications do not necessarily reflect the opinions of its research clients and sponsors.

©2014 Prepared by PMRC Monitoring and Evaluation Division
info@pmrzambia.net | www.pmrzambia.org

HOW WILL IMPROVED AUDITING OF PUBLIC EXPENDITURE IMPACT ZAMBIA?

- Increase accountability and transparency in the use of public resources
- Maximise the value of the Auditor General Office and Public Accounts Committee
- Ensure appropriate penalties are implemented for misuse of resources
- Reduce fraud and corruption
- Contribute to poverty reduction
- Contribute to national development as public resources are used more effectively and efficiently

PMRC RECOMMENDATIONS

- 1** **Improve the content and presentation** of the Auditor General Report, address resource and skills gaps in the AG Office and PAC, and increase public availability and awareness of audit information.
- 2** **Improve linkages between and awareness of external and internal auditors**, and review appointment methods, movement, and training procedures of Permanent Secretaries.
- 3** **Identify mechanisms to monitor the implementation of recommendations** stipulated by PAC and revise legislation for public expenditure to increase penalties for violations.