

**THE ROLE OF PUBLIC OFFICERS IN SOLVING PROBLEMS
EMANATING FROM THE AUDITOR GENERAL'S REPORT**

**PRESENTATION TO THE INTEGRITY
COMMITTEE TRAINING WORKSHOP**

**POLICY MONITORING AND RESEARCH CENTRE
WEDNESDAY 7TH JUNE 2017
SIAVONGA**



OPENING REMARKS

■ About PMRC

- Unlocking Zambia's Potential
- To support Government machinery in recommending policy and procedures to ensure effective delivery of a national agenda.

■ Anti Corruption Commission mandate through:



1 Investigations and prosecutions of suspected offenders

- Targeted approach to the Ministries with the most significant financial losses, prioritisation



2 Establish corruption prevention mechanisms

- Process by type of violation against The Financial Regulations Act (unvouchered expenditures, failure to follow procurement procedures, misapplication of funds etc...)

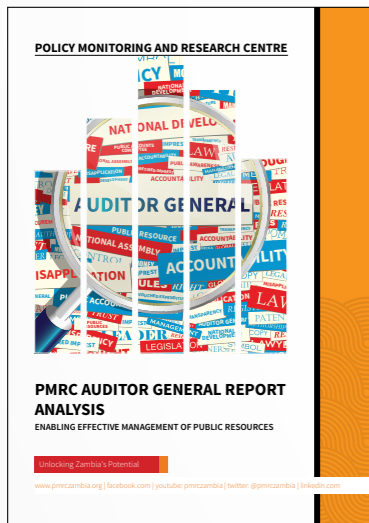


3 Mobilise support and enlighten the citizenry of Zambia through community education programs

- Targets + Process = Communicate progress and successes.

INTRODUCTION

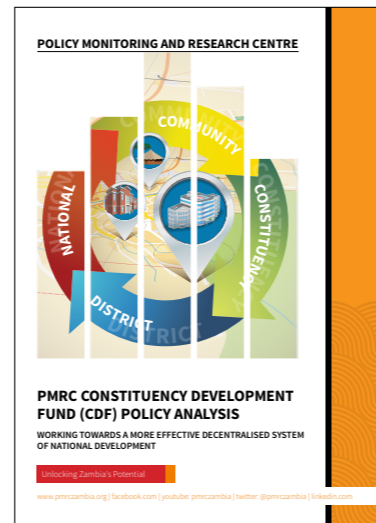
- Overview of PMRC's research on the Auditor General Report:



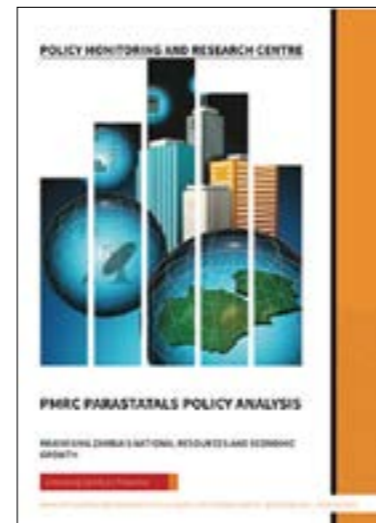
Auditor General Report Analysis



In-Depth Ministerial Analysis Briefing Document



Constituency Development Fund Policy Analysis



Parastatals Policy Analysis

- Why did PMRC undertake this research



- How was data collection and analysis approached?



- Outline of the presentation

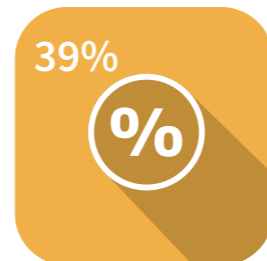
All publications available online: www.pmrczambia.com

OVERVIEW OF AUDITOR GENERAL REPORT 2014 - 2015

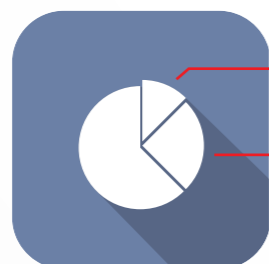
1



2



3



Unvouched Expenditure

Irregular Payments

AUDIT QUERY AMOUNTS

- Total amount of money under query each year in the Auditor General Report

PERCENTAGE OF AVAILABLE FUNDS UNDER QUERY

- The amount of money under query compared to the budget released plus any previous years funds carried over

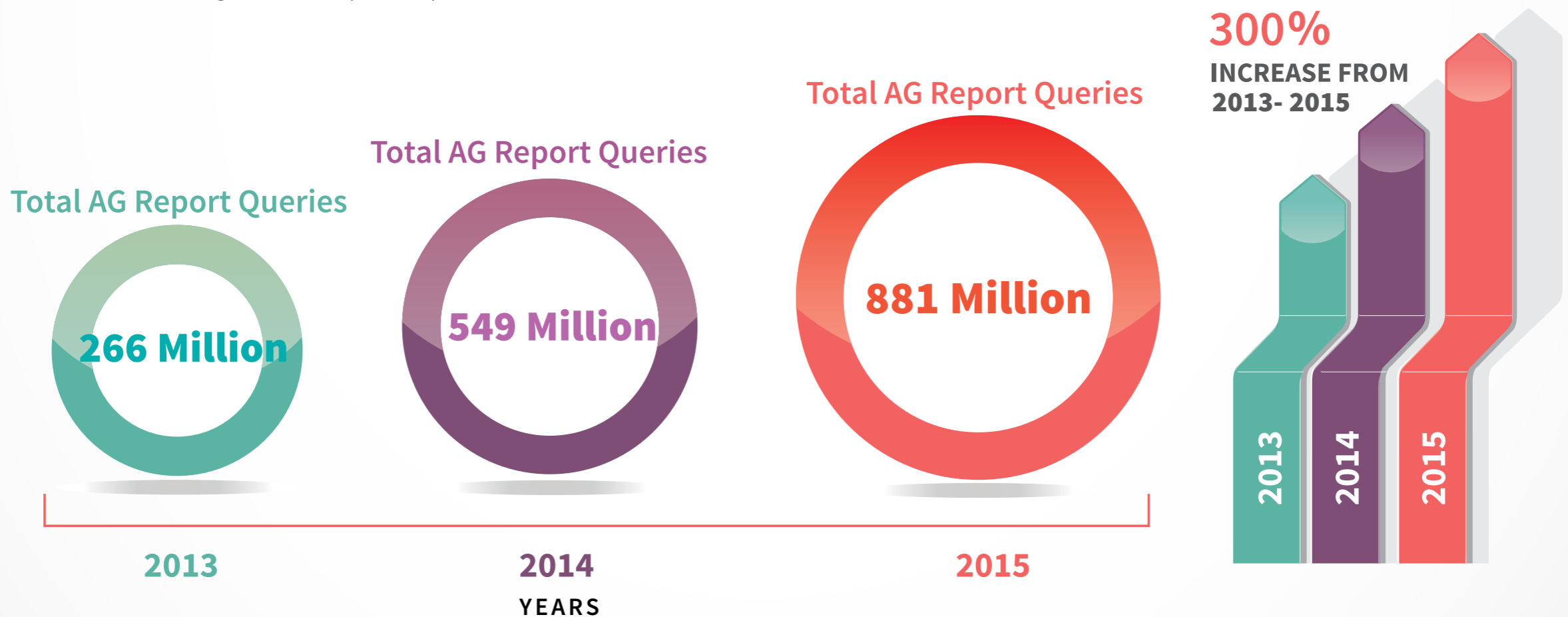
QUERIES ACCORDING TO CATEGORY

- Different types of queries such as failure to follow certain processes or regulations, using funds for the wrong purpose or failing to account for certain amounts
- Allows identification of root cause and ability to address this



OVERVIEW OF AUDITOR GENERAL REPORT 2013 - 2015

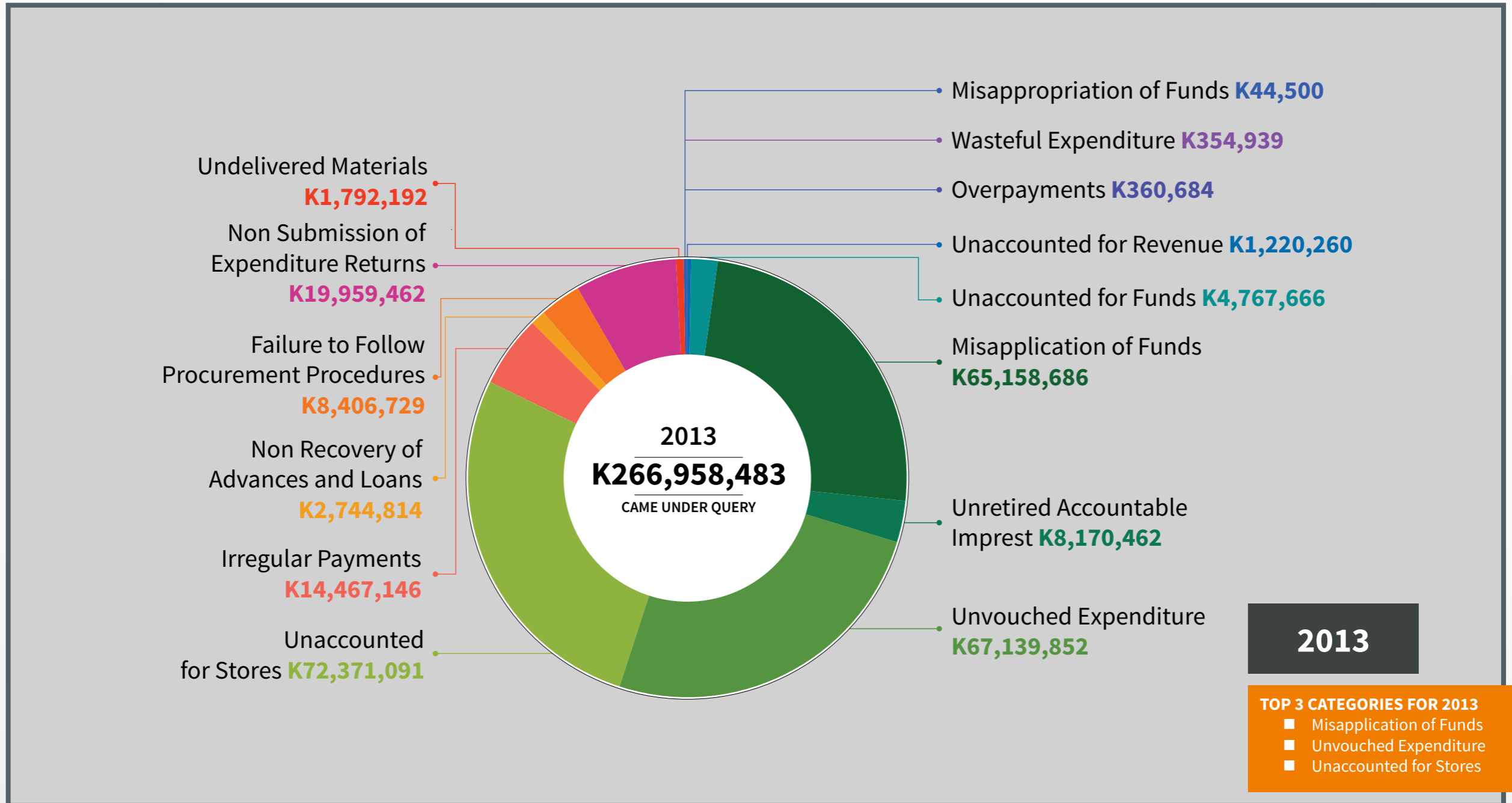
TOTAL AG REPORT QUERIES (ZMW) 2013 - 2015



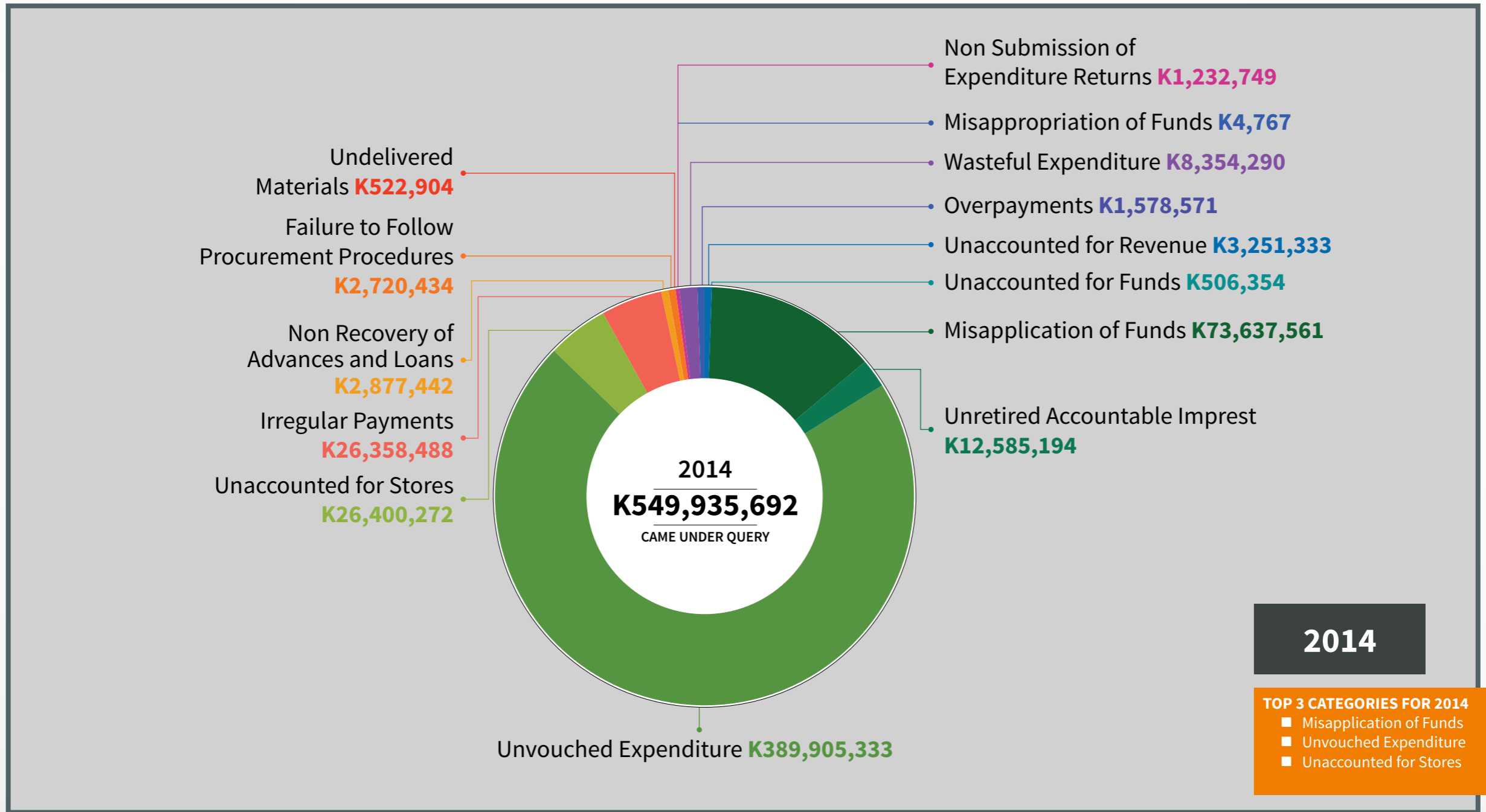
Source: Adapted by Policy Monitoring and Research Centre (PMRC), 2017



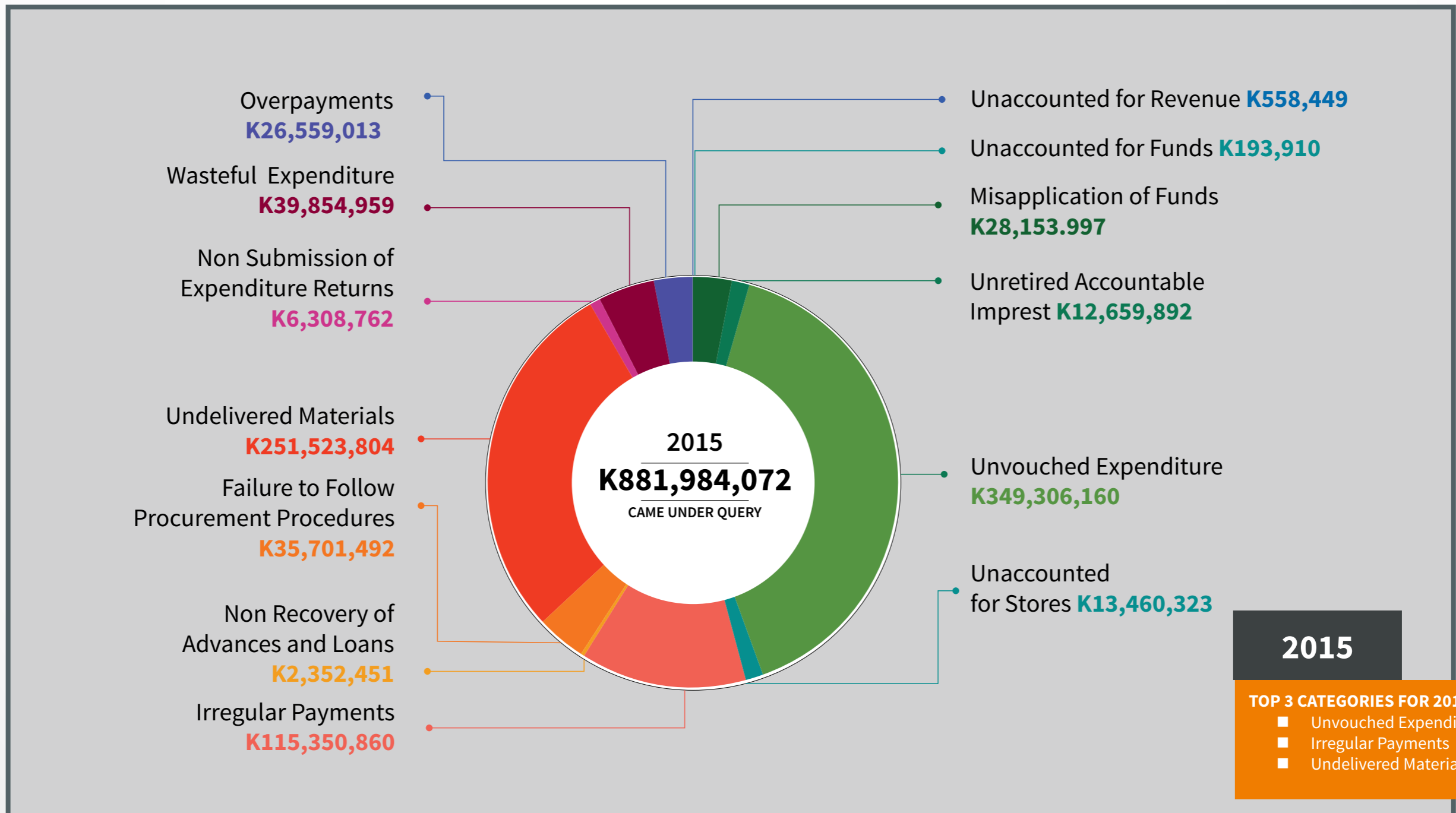
OVERVIEW OF AUDITOR GENERAL REPORT 2013

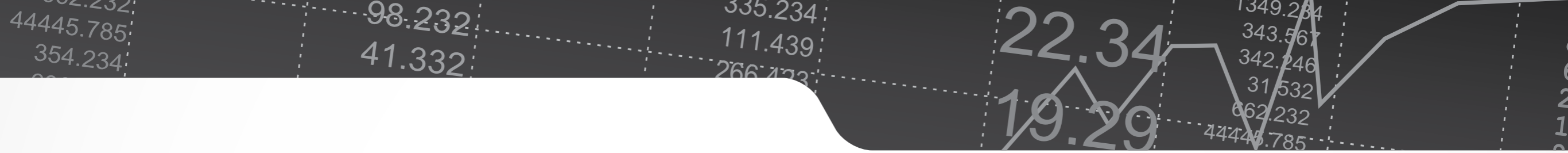


OVERVIEW OF AUDITOR GENERAL REPORT 2014



OVERVIEW OF AUDITOR GENERAL REPORT 2015





TOP THREE QUERIES FOR 2015

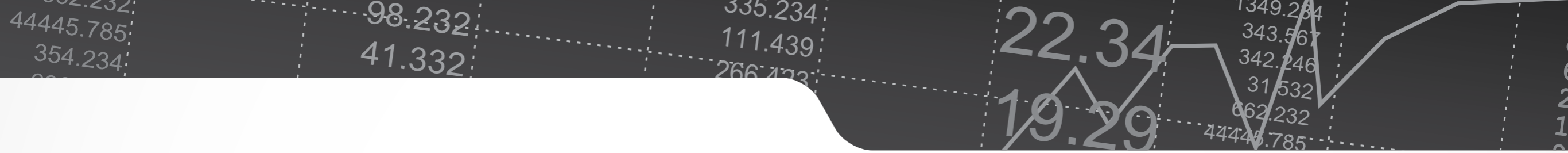
UNVOUCHED EXPENDITURE

Unvouched expenditure: remained almost the same between 2014 and 2015 standing at 389,905,333 and 349,306,160 respectively. The query accounted for **39.6% of the total 881million** under query.



K349,306,160M

IS 39.6% OF 881 MILLION



TOP THREE QUERIES FOR 2015

IRREGULAR PAYMENTS



Irregular payments: the 2015 report reveals that K115,350,860 came under query which is the highest in the last three years as compared to 2014 and 2013 which were at K26,358,488 and K14,467,146 respectively. Irregular payments accounted for **13% of the K881million.**

K115,350,860M ▲

IS 13% OF 881 MILLION

RURAL AND REMOTE HARDSHIP ALLOWANCE

K8,319,244M

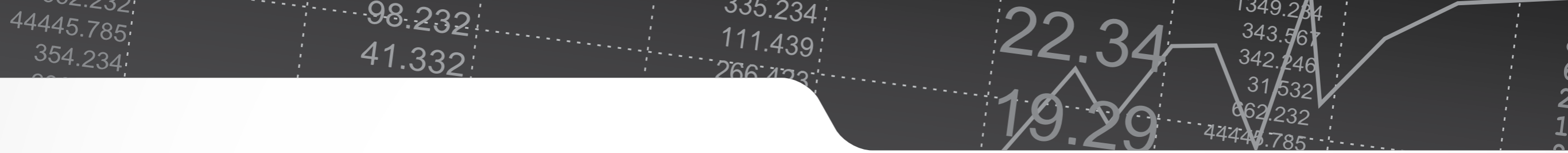
WAS PAID OUT TO 1,185 OFFICES THAT DID NOT QUALIFY

HOUSING ALLOWANCE

K8,902,784M

WAS PAID OUT TO 2,352 OFFICERS WHO ACCOMMODATED IN GOVERNMENT QUARTERS

NOTABLY, The report reveals that The Ministry of General Education paid out rural and remote hardship allowances amounting to K8.319,244 to 1185 offices who were working in stations that did not qualify for the allowances and K8,902,784 housing allowance was paid to 2352 officers who were accommodated in Government Quarters.



TOP THREE QUERIES FOR 2015

UNDELIVERED MATERIALS

Undelivered materials: this query presented an escalated increase compared to the other years under review. It was recorded to have been the highest increase from K522,904 in 2014 to K251,523,804 in 2015. Undelivered materials amount to **28.5% of the K881million.**

NOTABLY, The Zambia Police Service had query issues of undelivered material, the service paid an amount of K299,000 to Veticas solutions limited for supply of one Explosive tracer particulate and vapour in 2012, by the time of the Audit the Item had not been Delivered. In the second query in December 2015, the service paid Pansa Diesel Services K265,000 for supply and delivery of one advanced Digital Diesel Test Bench. By August during the Audit the Goods had not yet been delivered.



K251,523,804M ▲
IS 28.5% OF 881 MILLION

EXPLOSIVE TRACER

K299,000

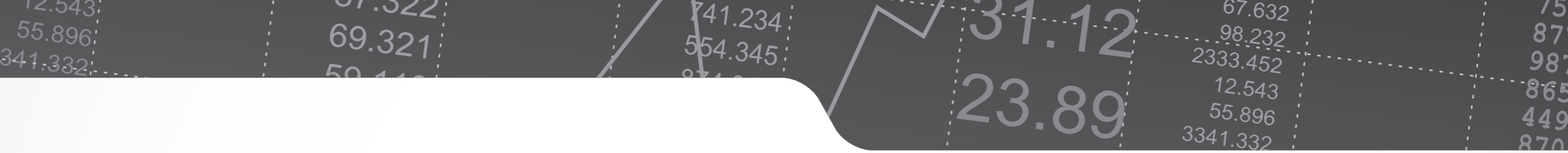
WAS PAID FOR SUPPLY AND DELIVERY

DIGITAL DIESEL TEST BENCH

K265,000

WAS PAID FOR SUPPLY AND DELIVERY





PMRC RECOMMENDATIONS

POLICY MONITORING AND RESEARCH CENTRE



PMRC urges for consistency in Permanent Secretary positions



PMRC highlights needs for improved funding, resources and skills at Auditor General Office



PMRC recommends improving linkages between internal and external auditing processes



PMRC proposes revision of Auditor General Report presentation



PMRC encourages greater public access to and awareness of Auditor General Report



PMRC argues for new mechanisms to implement Public Accounts Committee recommendations



PMRC advocates for strengthening of guidelines, legislation and internal controls



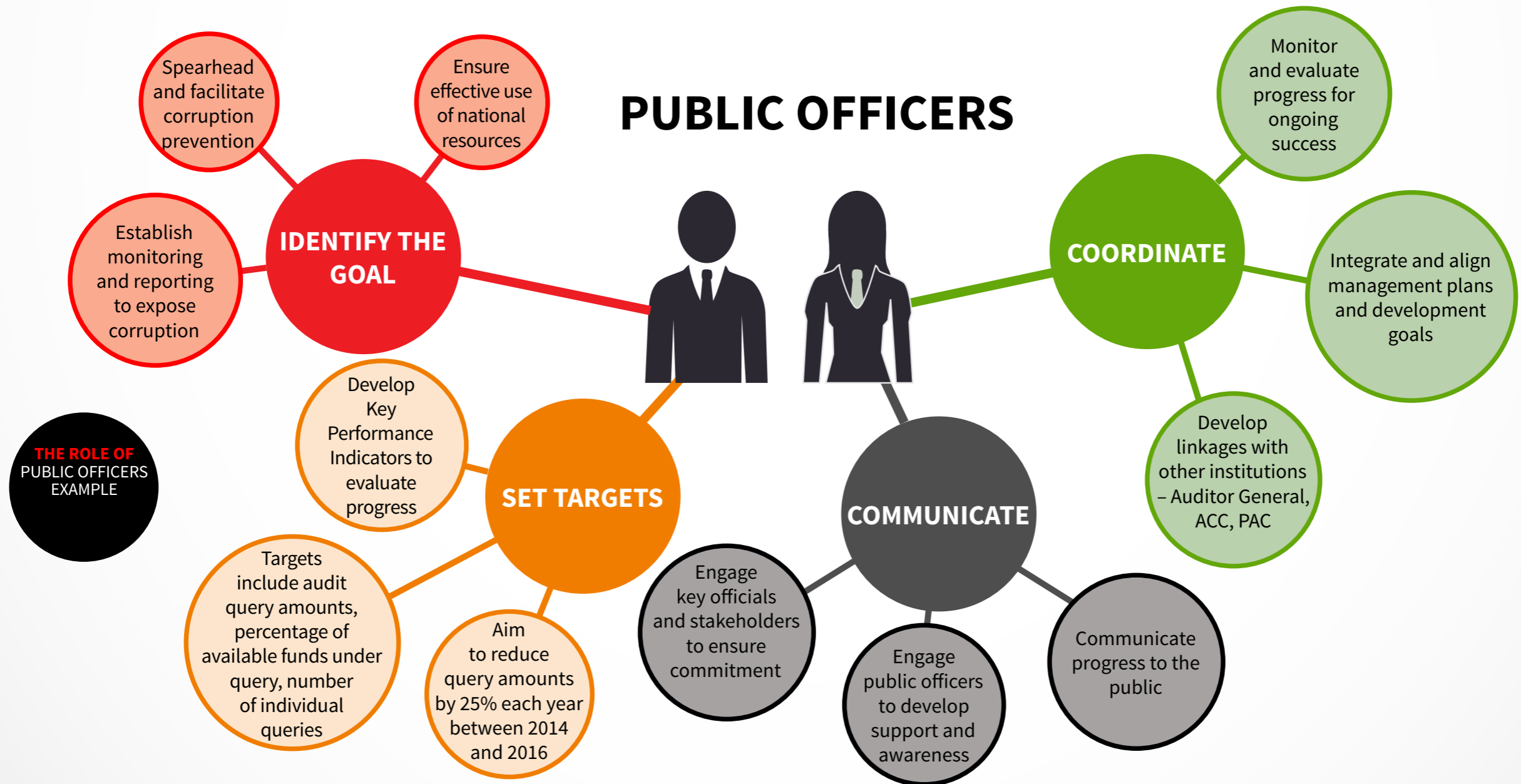
PMRC RECOMMENDATIONS AND YOU

POLICY MONITORING AND RESEARCH CENTRE

	GOAL		IMPACT TO PUBLIC OFFICERS
1	Consistency and accountability of Permanent Secretaries	➔	Enhanced transparency, control and financial management
2	Increased resources and skills at Auditor General Officer	➔	Greater availability of audit information and assessment of violations upon which to act
3	Strengthened internal audits and support for external auditors	➔	More timely and detailed institution-level audits and information upon which to act
4	Clear, detailed and comprehensive external audit information	➔	Better understanding of audit queries providing tools to tackle corruption: knowledge of specific query amounts, categories and trends per institution
5	Greater implementation of PAC recommendations	➔	Effective deterrent in place to deter violations and corruption
6	Improved public access to information and awareness	➔	Increased public accountability and support in tackling corruption
7	Strengthened legislation and guidelines	➔	Better support to control financial affairs and provide effective controls, procedures and penalties

THE ROLE OF PUBLIC OFFICERS

PUBLIC OFFICERS



FUTURE MANAGEMENT

KEY PERFORMANCE INDICATORS

WHAT ARE KPIS?

Performance measurement to evaluate progress or success of an activity



Goal = Zero Audit Queries by 2016



Targets identified for each Ministry based on Auditor General Report 2012



Aim to reduce query amounts by 25% each year between 2013 and 2015

MINISTRY OF EDUCATION, SCIENCE, VOCATIONAL TRAINING AND EARLY EDUCATION

Example:

YEAR	Allocated Budget (in AG Report)	Budget Released (plus budget carried over from previous year)	Percentage of Budget Released	Audit Query Amount	Percentage of Available Funds Under Query	No. of Individual Queries
2012	5,352,686,354	4,894,393,895	91.44%	556,206,909	11.36%	40
2013	6.69 billion	6.26 billion	93.58%	417,155,182	8.52%	30
2014	8.36 billion	8 billion	95.72%	278,103,455	5.68%	20
2015	10.04 billion	9.82 billion	97.86%	139,051,727	2.84%	10
2016	13.06 billion	13.06 billion	100%	0	0%	0

PMRC PROJECTIONS

CONCLUSION



- Goal of PMRC to **make audit information meaningful** for key institutions and **promote transparency and accountability** in the use of public resources
- Significant progress and initiatives already underway in **improving financial management and control**
- Need for increased focus and implementation of **Integrity Committees** armed with information and resources to prevent corruption
- Need for **coordination, integration and communication** between key actors such as the Auditor General Office, Accountant General, Public Accounts Committee, Anti-Corruption Commission
- Focus on **future management, aligning of roles and responsibilities, and development of goals and targets achieve**
- Contribute to **sustainable national development and poverty reduction** through ensuring public resources are used effectively and efficiently

END...

THANK YOU

Unlocking Zambia's Potential

Response to this presentation can be sent to:

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