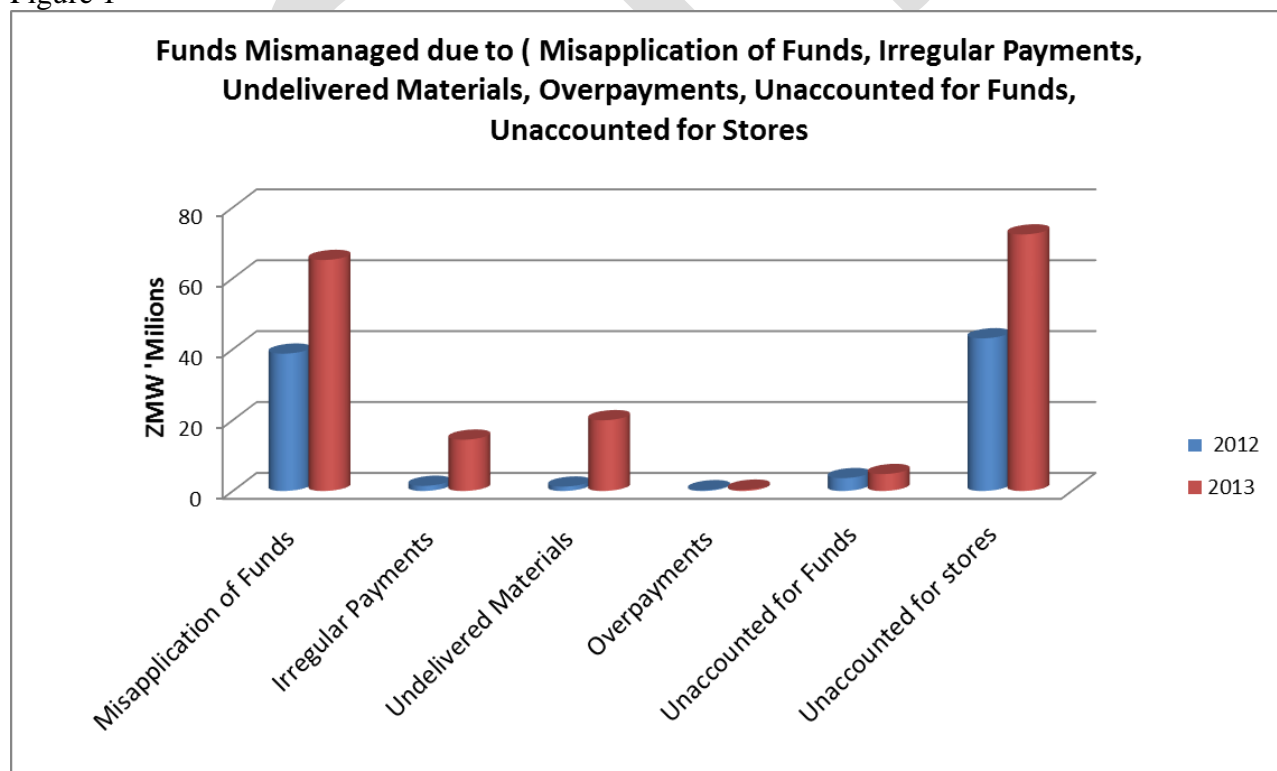


What could mismanaged resources do for Zambia: A reflection on the Auditor General's Report the financial year 2013?

In 2013, The Auditor General undertook 143 audits against the several Ministries, Provinces, and Spending Agencies (MPSAs) in our government. This is commendable as it shows an increase in the number of audits from 138 in 2012 to 143 in 2013. However, it is disheartening to observe that resource wastage continues in our public service. It is indeed unfortunate that in a nation where poverty is rife resources are squandered.

The Auditor General's Report (AGR) observes that there is an increase in misapplication of funds, irregular payments, and undelivered materials, overpayments, unaccounted for funds and unaccounted for stores (see figure 1). Total funds mismanaged as a result of above mentioned issues amount to **K177, 084,735**. In 2012, it was **K88,303,735** that was mismanaged as a result of misapplication of funds, irregular payments, and undelivered materials, overpayments, unaccounted for funds and unaccounted for stores. There seems to be a reduction in terms of funds lost due to Unaccounted for Revenue, Wasteful expenditure in the 2013 report as compared to the 2012 report. Nevertheless, it is depressing to notice that every year the AGR report continue to record huge sums lost due to poor management of public funds.

Figure 1



It is indeed sad that such colossal amounts of funds are wasted in a country where many people especially in rural areas are extremely vulnerable and live in abject poverty. The K177, 084,735 mismanaged if invested in the Social Cash Transfer (SCT) scheme can benefit 210,815 “*extremely*” vulnerable people in rural areas who would be accessing K70 every month for 1 year.

The table below shows what K177, 084,735 (K177million) can do

Amount	What can K177million do?
Social Cash Transfer	<ul style="list-style-type: none"> • Pay K70 every month to 210, 815 extremely vulnerable under the Social Cash Transfer for 12 months
Public Universities	<ul style="list-style-type: none"> • Pay K70, 508 (i.e. K17 627/year for 4 years) tuition fees for 2,511 students studying for an undergraduate Arts based degree • Pay K108, 870 (i.e. 21, 774/year for 5 years) tuition fees for 1, 626 students studying for an undergraduate Science based degree
Funding items on the 2015 Budget	<ul style="list-style-type: none"> • Pay for K123.7 million allocated to Empowerment funds • Pay for K29.26 million allocated to the constitution making process • Pay for K70.71 million allocated to Rural Electrification Fund
Referendum on the National Constitution	<ul style="list-style-type: none"> • Pay for 50% of the referendum cost which is estimated at a minimum of US\$50 million (approx. K350 million) based on general election administrative costs

In general, the Report is rather gloomy and bleak in respect of the utility of public resources pointing to prevalence of resource disutility in the public service. There are many questions than answers regarding the operation of the public service. In this era with the Integrated Financial Management System (IFMIS), it is questionable how cases of overpayments and irregular payments can be on the increase. The overall and aggregate notion in the 2013 Auditor General Report is that we have an inefficient and ineffective public service system that spends more resources than the services and goods it delivers.

In conclusion, JCTR's Position on the 2013 Auditor General's Report is one of concern that when there is abuse of public resources the majority poor suffers the more on a general scale. To a large extent majority of the people in Zambia rely on public services and goods. Often, abuse of public resources leads to accessing low standard public goods and services which effectively affect the poor negatively and further deteriorates their already worse-off situation.

As the JCTR, we appeal for the strengthening of parliamentary powers to enforce necessary disciplinary actions upon receipt of recommendations on the Auditor General's Report such as deducting pay from those found wanting, dismissal, prosecution etc. This would see that our collective common good as the Zambian national state is not eroded. We suggest that a plan of action be formulated to deal with the 2013 Audit issues which should include recovery of resources and appropriate deterrence measures.

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Press Statement on The Auditor General's Report on The Accounts of The Republic For The Financial Year Ended 31st December, 2013

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