



Budget Analysis – Office of the Auditor General

1. INTRODUCTION

The Zambia Institute of Chartered Accountants is a professional membership body whose function among others is to advise government on matters of economic and national development. As requested, the Institute wishes to submit its comments on the 2025 National Budget presented to the Parliament on Friday, 27th September 2024 by the Minister of Finance, *Hon. Dr. Situmbeko Musokotwane, MP*, under the theme ***“Building resilience for inclusive growth and improved livelihoods”***. As directed by the Clerk of the National Assembly, the thrust of our comments is on the allocation to the Auditor General’s Office. What we are presenting are our views on the proposed allocation to the Auditor General’s Office.

1.1 We are privileged to be invited to make oral and written submissions to the Committee on Parastatal Bodies on the allocation to the Auditor General’s Office.

2. MANDATE

To Audit the accounts of State Organs, State Institutions, Provincial Administrations, Local Authorities and Institutions financed from public funds as outlined in Article 250 of the Constitution of Zambia.

3. SUMMARY

The Office of the Auditor General will embark on pursuing the objectives and targets set out in the Eighth National Development Plan (8NDP). The 2025 Budget estimate for The Office of the Auditor General is K252.3 million from the total budget of K217.1 billion. This allocation will go towards the fulfillment of its mandate through the implementation of two Programmes namely; External Audit and Assurance programme and Management and Support Services Programme.

COMMENTS

In 2025, Government proposes to spend K217.1 billion and the budget allocation towards the Office of the Auditor General is K252.2 million representing 0.12% of the proposed expenditure.

Adequate budget allocation is important for the Office to enable it provide effective oversight through comprehensive and timely audits. However, with the inadequate budget allocation, the Office operations are negatively affected.

3.1 Allocation by Economic Classification

No	ECONOMIC CLASSIFICATION	2023 APPROVED BUDGET (K)	2024 APPROVED BUDGET (K)	2025 BUDGET ESTIMATE (K)
21	Personal Emoluments	97,785,554	110,052,464	119,021,195
22	Goods and Services	57,063,841	70,188,910	92,007,671
31	Assets	1,280,000	87,462,695	41,236,009
	Head Total	156,129,395	267,704,069	252,264,875

The budget allocation by economic classification indicates that K119.0 million (47.2 percent) has been allocated to Personal Emoluments whereas K92.0 million (36.5 percent) is allocated towards Goods and Services and K41.2 million (16.3 percent) has been allocated to the acquisition of capital assets. The increase in the allocation for goods and services is provided for the rehabilitation of provincial offices.

3.2 Allocation by Programme

Code	Programme	2023 Approved Budget(K)	2024 Approved Budget(K)	2025 Budget Estimates(K)
3406	External Audit and Assurance	112,395,223	152,317,805	163,584,676
3499	Management and Support Services	43,734,172	115,386,264	88,680,199
	Head Total	156,129,395	267,704,069	252,264,875

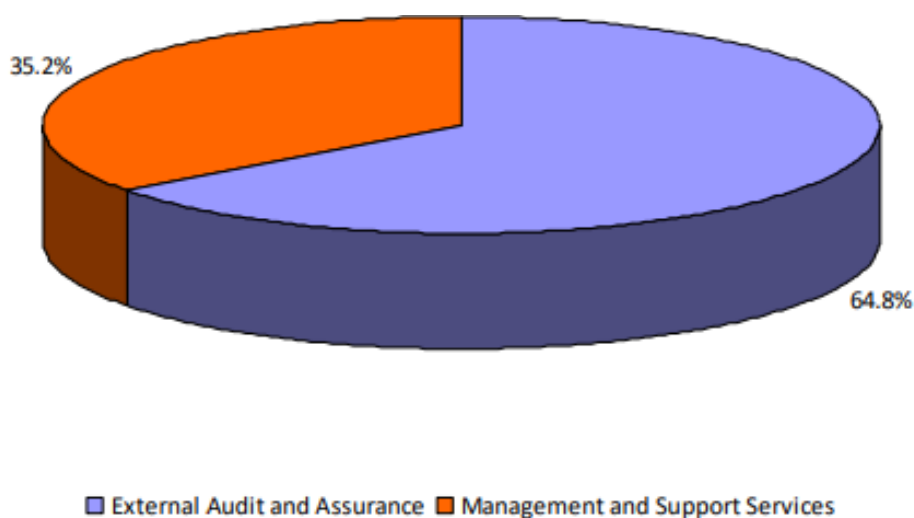


Table 3: Budget Allocation by Programme and Sub-Programme

PROGRAMME/SUB-PROGRAMME	2023 BUDGET	2024 BUDGET	2025 BUDGET
	Approved	Approved	Estimate
3406 External Audit and Assurance	112,395,223	152,317,805	163,584,676
001 Public Debt and Investment Audit	7,884,802	7,985,763	8,716,512
002 Specialised Audit	14,579,908	9,330,940	5,956,026
004 Local Authorities Audit	12,107,259	16,488,357	2,854,304
009 Provincial Appropriation Audit	46,978,283	58,130,714	74,496,348
010 Quality Assurance	11,317,440	11,523,570	9,431,010
011 Restructure for Institutional Development Programme (RIDP) -	-	27,839,205	33,000,000
012 (1) Revenue Audit	6,735,274	6,141,207	6,766,557
013 Ministerial Appropriation Audit	12,792,257	14,878,049	17,322,073
014 Performance and Environmental Audit	-	-	5,041,846
3499 Management and Support Services	43,734,172	115,386,264	88,680,199
002 Human Resource Management and Administration	29,556,196	51,150,135	63,618,763
003 Financial Management - Accounting	3,944,837	28,403,560	6,209,864
004 Financial Management - Internal Audit	1,052,448	516,365	1,007,545
005 Procurement Management	1,041,542	665,017	1,175,016
006 Planning, Policy Coordination and Information Management	8,139,149	34,651,187	16,669,011
Head Total	156,129,395	267,704,069	252,264,875

The allocation by Programme and Sub-programme table shows that K163.5 million (64.8 percent) has been allocated to the External Audit and Assurance Programme and K88.7 million (35.2 percent) has been allocated to the Management and Support Services Programme.

3.3 Management and Support Services

ECONOMIC CLASSIFICATION	2023 BUDGET	2024 BUDGET	2025 BUDGET
	Approved	Approved	Estimates
01 Personal Emoluments	29,377,889	22,925,931	25,946,465
01 Salaries	29,377,889	22,925,931	24,877,244
02 Other Emoluments	-	-	1,069,221
02 Use of Goods and Services	14,356,283	13,528,123	27,063,752
02 General Operations	14,356,283	13,528,123	27,063,752
04 Assets	-	78,932,210	35,669,982
01 Non-Financial Assets (Capital Expenditure)	-	78,932,210	35,669,982
Programme Total	43,734,172	115,386,264	88,680,199

The summary estimates by economic classification shows that K25.9 million of the total Management and Support Services budget is allocated to Personal Emoluments and K27.1 million has been allocated to Use of Goods and Services whereas K35.7 million has been allocated to acquisition of Capital Assets.

COMMENTS

The budget line on capital expenditure has been reduced drastically in the 2025 proposed budget. The budget line affected include the procurement of motor vehicles. From the interactions with the Auditor General's Office, the Office planned to procure motor vehicles in 2025 to ensure increased audit coverage and smooth audit operations.

It is worth noting that the audit operations of the Office are heavily dependent on motor vehicles to enable physical verifications on implementation of national programmes, activities and projects. The audit sites include far flung areas across the country and this requires good-conditioned and adequate motor vehicles.

However, the Office has been grappling with the challenge of inadequate motor vehicles to ensure implementation of timely and comprehensive audit coverage.

4. CONCLUSION

We believe that the Budget is a necessary fiscal tool to create positive contribution to economic growth and poverty eradication.

Finally, we would like to thank the government for listening to the submissions from ZICA on different issues.