OFFICE OF THE AUDITOR GENERAL

Highlights of the Report of the Auditor General on the Audit of Accounts of Local Authorities

Financial Year Ended 31st December 2024

"Promoting transparency and accountability in the management of public resources"

Republic of Zambia | Full report available at www.ago.gov.zm

Report at a Glance

Financial Year Ended 31st December 2024 — 116 Local Authorities

114 OF 116 COUNCILS: UNQUALIFIED OPINION

Financial statements fairly presented in all material respects

2

qualified opinions

What Went Well

- 114 of 116 councils received unqualified opinions, up from 113 in 2023
- Locally generated revenue collection continued despite shortfalls
- Devolution and sector grant funding kept flowing to councils for capital projects

What Needs Attention

- K4.33 Bn in unsettled statutory and staff obligations across 110+ councils
- K534 Mn of billed revenue left uncollected; 19% under-collection against targets
- K731 Mn in sector-grant and devolution funds left unspent despite service gaps

The Bottom Line

- Council accounts are largely fairly presented and reliable
- Revenue collection, HR discipline and fund absorption remain weak links
- Stronger enforcement of existing regulations would unlock funds already available

Vision, Mission and Core Values

Vision

An independent and credible audit institution promoting transparency and accountability in the management of public resources for the well-being of the citizenry.

Mission

To provide timely quality audit services to promote transparency and accountability in the management of public resources.

Core Values

Integrity • Objectivity • Excellence
Teamwork • Confidentiality
Professionalism

Budget, Income and Expenditure

116 Local Authorities — Financial Year Ended 31st December 2024

K5.70 Bn

Budgeted Amount

Grants + locally generated funds

K5.32 Bn

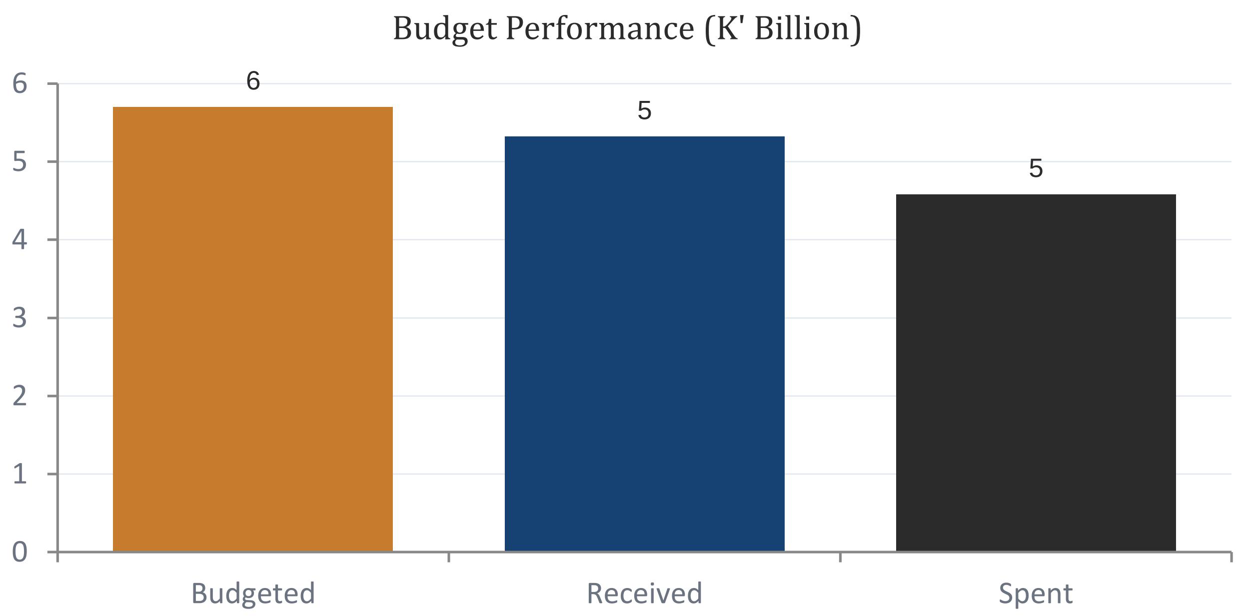
Amount Received

Against K5.70 Bn budgeted

K4.58 Bn

Amount Spent

K1.09 Bn balance unspent



Revenue Shortfall

- Actual receipts of K5.32 Bn fell short of the K5.70 Bn budget by K387 Mn.
- K357 Mn was brought forward from the prior year, bringing total available funds to K5.67 Bn.
- Of the K5.67 Bn available, K4.58 Bn was spent, leaving K1.09 Bn unspent across the 116 councils.

Audit Opinions on Local Authorities' Financial Statements

114 UNQUALIFIED

proposed opinions of the 116 local authorities audited, submitted for tabling and adoption by their respective Councils

Two-Year Trend

2023: 113 unqualified, 3 qualified → 2024: 114 unqualified, 2 qualified

Unqualified opinion

Financial statements are fairly presented and comply with the reporting framework.

Qualified opinion

Some parts of the financial statements do not fully comply with the reporting framework.

Adverse opinion

Financial statements significantly misrepresent the entity's financial position.

Disclaimer

The auditor could not obtain enough evidence to form an opinion.

2 Qualified Councils

arose from uncorrected material errors and misstatements not rectified before finalisation

Crosscutting Audit Themes

Recurring issues identified across most of the 116 local authorities

Revenue Collection

Under-collection of billed revenue and adverse performance against locally generated revenue targets.

Valuation Rolls

Outdated property valuation rolls, some unrevised for over three decades.

Human Resources

Vacant posts, over-employment, unauthorised positions and delayed confirmations.

Asset Management

Dilapidated properties, uninsured vehicles, and assets without title deeds.

Waste & Environment

Non-compliant dumpsites and underused market shelters despite street vending bans.

Fire Safety

Councils without firefighting services, equipment or insured fire officers.

Statutory Arrears

Long-outstanding tax, pension and supplier obligations dating back over two decades.

Unspent Grants

Sector grants and devolution funds left unspent despite pressing service needs.

Cash for Work

Duplicate NRCs, shared phone numbers and age-limit breaches in beneficiary payments.

Findings — Revenue Management

Selected observations on revenue collection and valuation

57 LOCAL AUTHORITIES

Failure to Collect Revenue

K534.5 Mn

Billed K1,191.0 Mn for rates, rentals and land conversion; only K656.5 Mn collected by 30 Sept 2025.

72 LOCAL AUTHORITIES

Adverse Revenue Performance

19%

Planned to generate K1,499.0 Mn locally; only K1,219.0 Mn realised — a K280.0 Mn shortfall.

9 LOCAL AUTHORITIES

Outdated Valuation Rolls

Up to 33 yrs

Property valuation rolls not updated, understating rates owed on both old and new properties.

17 LOCAL AUTHORITIES

Ward Funds Not Remitted

K8.6 Mn

Of K9.8 Mn due (5% of local revenue) for ward infrastructure, only K1.3 Mn was transferred.

Findings — Human Resource Management

Selected observations from the 2024 audit cycle

75 LOCAL AUTHORITIES

Vacant Positions

Of 13,093 approved posts, 4,370 remained vacant — some for up to 10 years — including Director-level roles.

4,370

35 LOCAL AUTHORITIES

Over Employment of Staff

605 officers in excess of the 1,080 approved establishment positions were paid salaries totalling K49.1 Mn.

K49.1 Mn

5 LOCAL AUTHORITIES

Unauthorised Positions

44 unapproved positions were filled and paid salaries totalling K4.2 Mn as at 31 December 2024.

K4.2 Mn

7 LOCAL AUTHORITIES

Casualisation of Workers

104 temporary workers performed permanent-nature work, paid wages totalling K4.3 Mn, contrary to the Employment Code Act.

K4.3 Mn

Findings — Assets, Environment and Public Safety

Selected observations from the 2024 audit cycle

45 LOCAL AUTHORITIES

Non-Maintenance of Properties

Physical inspection found council properties dilapidated and not maintained.

187 Properties

13 LOCAL AUTHORITIES

Uninsured Assets

71 motor vehicles, 10 motorbikes and 24 properties left uninsured against loss or damage.

71 Vehicles

42 LOCAL AUTHORITIES

Poor Waste Management

Dumpsites not designated, fenced or signposted; some waste collection points lacked receptacles.

42 Councils

20 LOCAL AUTHORITIES

No Firefighting Services

No firefighting services established; a further 28 councils' fire stations lacked equipment.

20 Councils

9 LOCAL AUTHORITIES

Street Lights Not Maintained

Failed to install or maintain street lighting in public places, as required by law.

9 Councils

Findings — Liabilities and Unspent Development Funds

Selected observations from the 2024 audit cycle

110 LOCAL AUTHORITIES

Statutory & Other Obligations

K4,333.2 Mn

Tax, pension, insurance and supplier obligations outstanding, some dating back to 2002.

100 LOCAL AUTHORITIES

Staff Obligations Owed

K401.6 Mn

Long service bonus, leave travel and terminal benefits owed, some outstanding since 1998.

116 LOCAL AUTHORITIES

Sector Grants Unspent

K499.4 Mn

Of K1,150.2 Mn received from Line Ministries, only K650.8 Mn was spent by year-end.

93 TOWN COUNCILS

Devolution Funds Unspent

K232.5 Mn

Of K250.6 Mn approved for capital projects, only K18.1 Mn had been spent by year-end.

The Audit, By the Numbers

Financial Year Ended 31st December 2024

116

Local Authorities audited

114 / 2

Unqualified vs qualified opinions

4,370

Vacant approved positions

K4.33 Bn

Statutory & other obligations owed

K731.9 Mn

Sector grant + devolution funds unspent

K534.5 Mn

Billed revenue left uncollected

About This Summary

Simplifying the Auditor General's Report for public understanding

LUBINDA SINYANI

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Economic Policy • Public Sector Remuneration • Governance & Anti-Corruption • Audit Accountability

A Principal Research Officer and Governance Specialist with over 15 years of progressive experience spanning public sector research, economic policy, auditing and anti-corruption strategy — including a decade at the Office of the Auditor General, where he led the simplification of Auditor General reports for public understanding (2016–2025).

- Principal Research Officer, Emoluments Commission
- Board Technical Committee Member, Anti-Corruption Commission of Zambia
- Former Planner (Research & Development) and PR/Protocol Officer, Office of the Auditor General

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This summary was independently prepared to make the Auditor General's findings accessible to the public and was not produced by the Office of the Auditor General itself. Simplified for the Office of the Auditor General © 2026.

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The full Report of the Auditor General is available at

www.ago.gov.zm

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