OFFICE OF THE AUDITOR GENERAL

Highlights of the Report of the Auditor General on the Accounts of Parastatal Bodies and Other Statutory Institutions

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 — 16 Parastatal Bodies and Statutory Institutions

16 STATE-OWNED ENTERPRISES & STATUTORY BODIES REVIEWED

Spanning energy, transport, pensions, research, education and commercial property

What Went Well

- ZRA met its revenue-optimisation targets across the 2022–2024 strategic period
- Several entities continued major infrastructure and expansion investments
- Draft findings were shared with CEOs and Controlling Officers for verification before finalisation

What Needs Attention

- Poor working capital and recurring losses at several commercial entities
- Millions in uncollected fines, rentals and pension contributions
- Delayed or unstarted capital projects despite funds already committed

The Bottom Line

- Several parastatals remain financially fragile despite continued government support
- Weak contract, revenue and asset management persist across sectors
- Stronger performance monitoring against Board and IDC targets is needed

Vision, Mission & 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

Institutions Covered

16 Parastatal Bodies and Other Statutory Institutions audited in this Report

Energy, Power & Pipelines

- INDENI Energy Company Limited
- Tazama Pipelines Limited
- Rural Electrification Authority

Transport & Infrastructure

- Tanzania Zambia Railway Authority (TAZARA)
- Zambia Railways Limited
- Infratel Corporation Limited

Governance, Revenue & Social Security

- Competition and Consumer Protection Commission
- Zambia Revenue Authority
- Public Service Pension Fund
- Workers' Compensation Fund Control Board

Research, Education & Commercial Property

- National Institute for Scientific and Industrial Research
- University of Zambia
- Kawambwa Tea Industries Limited
- Lusaka South Multi Facility Economic Zone
- Mulungushi International Conference Centre
- Mulungushi Village Complex Limited

Crosscutting Audit Themes

Recurring issues identified across the parastatal sector

Financial Reporting Gaps

Financial statements not prepared or audited on time at some institutions.

Working Capital & Liquidity

Negative working capital and recurring losses weakening commercial entities.

Contract & Procurement

Missed deadlines, unrecovered advances and unenforced liquidated damages.

Revenue & Rental Collection

Uncollected fines, rentals and receivables across multiple institutions.

Asset Management & Insurance

Uninsured buildings, vehicles and equipment left exposed to loss.

Performance Targets

Failure to meet IDC and Board-set KPIs on revenue, returns and efficiency.

Land & Title Deeds

Expired or missing title deeds leaving land holdings legally exposed.

Pensions & Statutory Obligations

Growing pension funding gaps and unremitted statutory contributions.

Governance & Allowances

Payments made outside approved terms and conditions of service.

Findings — Energy, Pipelines and Power

Selected observations from the 2024 audit cycle

INDENI ENERGY COMPANY

Idle Decommissioned Refinery Assets

K147 Mn

Impairment recognised on undisposed refinery assets; K4.8 Mn spent on care and maintenance (2023–2024).

TAZAMA PIPELINES

Pipeline Expansion Not Started

US$450 Mn

Conversion to a 12-inch pipeline remains unstarted, more than two years after the planned commencement.

RURAL ELECTRIFICATION AUTHORITY

Grid Contracts Behind Schedule

K193.2 Mn

Outstanding balance on 72 renewable energy contracts; 23 projects delayed by up to 20 months.

INFRATEL CORPORATION

Tower Sites Below Uptime SLA

K1.08 Mn

21 sites breached the 96% uptime threshold with MTN; K3.6 Mn insurance claim lost over missing CCTV.

Findings — Transport and Rail

Selected observations from TAZARA and Zambia Railways

Entity	Finding	Details	Amount
TAZARA	**No Audited Financial Statements**	No external auditors appointed for FY2021/22 through FY2023/24; no audited accounts produced.	3 Years
TAZARA	**Revenue Lost to Track Accidents**	405 accidents (69% due to defects) closed the mainline for 6,662 hours; US$7.04 Mn maintenance cost.	US$3.3 Mn
TAZARA	**Uncollected Rentals**	Arrears outstanding over 360 days in some cases, including from tenants who had already vacated.	K71.0 Mn
ZAMBIA RAILWAYS	**Recurring Operating Losses**	2024 loss, following K177.8 Mn in 2023; operating expenses reached 128% of revenue.	K137.6 Mn
ZAMBIA RAILWAYS	**Poor Working Capital & Uninsured Fleet**	Negative working capital of K1.17 Bn; rolling stock left uninsured against loss or damage.	K447.5 Mn

Findings — Governance, Pensions and Investment Zones

Selected observations from the 2024 audit cycle

CCPC
Uncollected Fines
14 cases of anti-competitive conduct fined by the Board; none collected as at May 2025.
K32.8 Mn

CCPC
Unpaid Settlement Balance
Of a K10.2 Mn settlement agreed with 3 erring companies, only K0.8 Mn had been paid.
K9.4 Mn

PSPF
Widening Pension Funding Gap
Funding gap in the 2023 actuarial valuation; fund assets cover only 9% of future obligations.
K43.9 Bn

PSPF
Unremitted Government Contributions
December 2024 pension contributions not remitted by Government as at 30 September 2025.
K96.6 Mn

LUSAKA SOUTH MFEZ
Services Undelivered on Paid Plots
176 customers paid development fees for water, sewer and power; none of these services were provided.
K55.9 Mn

Findings — Research, Education and Commercial Property

Selected observations from the 2024 audit cycle

MULUNGUSHI VILLAGE COMPLEX Persistent Negative Working Capital	Current liabilities have exceeded assets for 3 straight years (2022–2024); unauthorised contracts over K22 Mn + US$1.6 Mn.	-K74.4 Mn
NISIR Uninsured Assets & Idle Laboratories	Staff houses, offices and farm buildings left uninsured; head-office laboratories left non-operational.	K33.2 Mn
UNIVERSITY OF ZAMBIA Financial Statements Not Prepared	FY2023 and FY2024 accounts not yet prepared; 4 properties worth K7.69 Mn lack title deeds.	2 Years
KAWAMBWA TEA INDUSTRIES Expired Title Deed	36,655 hectares held under a title that expired in October 1993 and has not been renewed.	31+ Years
ZAMBIA REVENUE AUTHORITY Compliance & Funding Gap	2024 filing compliance fell far short of target; K155.4 Mn Government funding shortfall (2022–2024).	41% vs 80%

The Audit, By the Numbers

Financial Year Ended 31st December 2024

16

Parastatal bodies & statutory institutions

K1.17 Bn

Zambia Railways' negative working capital

K43.9 Bn

PSPF pension funding gap (2023)

K32.8 Mn

CCPC fines still uncollected

K193.2 Mn

REA grid contracts outstanding

US$450 Mn

Tazama pipeline expansion not started

About This Summary

Simplifying the Auditor General's Report for public understanding

LUBINDA SINYANI

Independent Consultant

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

+260 969 535 044 | LSinyani@gmail.com | Lusaka, Zambia

Office of the Auditor General

Report on the Accounts of Parastatal Bodies and Other Statutory Institutions — FY2024

The full Report of the Auditor General is available at

www.ago.gov.zm

P.O. Box 50071, Lusaka, Republic of Zambia