OAG ZIMBABWE
Office of the Auditor - General

# REPORT OF THE AUDITOR-GENERAL

# FOR THE FINANCIAL YEAR ENDED

# DECEMBER 31, 2024

# ON

# APPROPRIATION ACCOUNTS, FINANCE AND REVENUE STATEMENTS AND FUND ACCOUNTS

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**Presented to Parliament of Zimbabwe: 2025**

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Office of the Auditor-General of Zimbabwe
Burroughs House
48. George Silundika Avenue
Cnr. S. V. Muzenda Street,
Harare, Zimbabwe

The Hon. Professor. M. Ncube
Minister of Finance, Economic Development and Investment Promotion
Mgandane Dlodlo Building
Samora Machel Avenue
Harare

Dear Sir,

I hereby submit my Report on the audit of Appropriation Accounts, Finance and Revenue Statements and Fund Accounts of Zimbabwe in terms of Section 309(2) of the Constitution of Zimbabwe as read together with Section 10(1) of the Audit Office Act [*Chapter 22:18*].

Yours faithfully,

**R. KUJINGA,**
**ACTING AUDITOR-GENERAL**.

HARARE

June 24, 2025.

OAG ZIMBABWE
Office of the Auditor-General

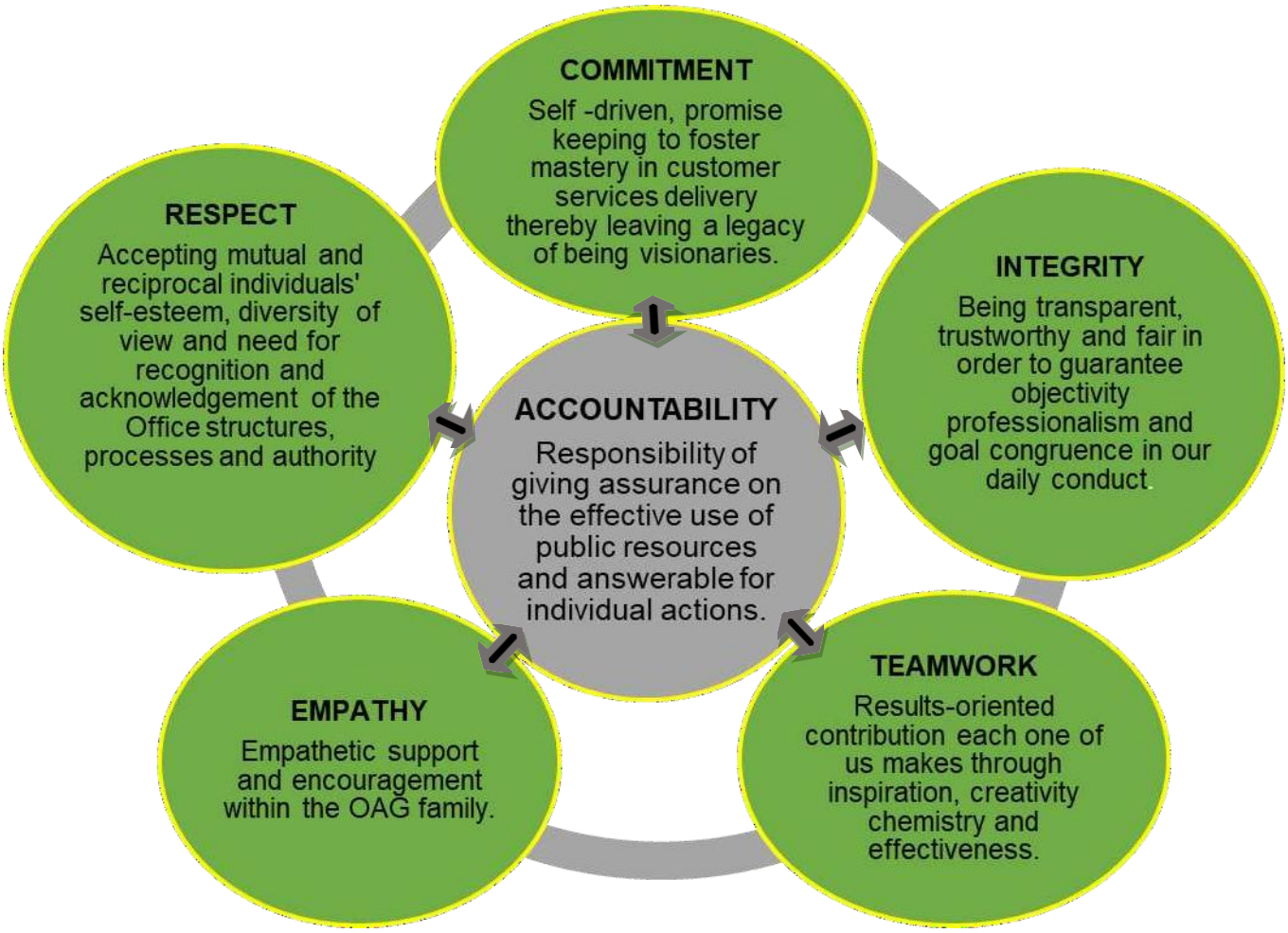
## OAG VISION

To be the Centre of Excellence in the provision of Auditing Services.

## OAG MISSION

To examine, audit and report to Parliament on the management of public resources of Zimbabwe through committed and motivated staff with the aim of improving accountability and good corporate governance.

## OAG VALUES



## LIST OF ACRONYMS

| | |
|---|---|
| A-G | Attorney-General |
| CBZ | Commercial Bank of Zimbabwe |
| CMED | Central Mechanical Equipment Department |
| DRP | Disaster Recovery Plan |
| ERP | Enterprise Resource Planning |
| FI | Financial Accounting |
| GAAP | Generally Accepted Accounting Practice |
| GAL | Government Analyst Laboratory |
| GR/IR | Goods Receipt/ Invoice Receipt |
| GRN | Goods Received Notes |
| ICT | Information and Communication Technology |
| IPSAS | International Public Sector Accounting Standards |
| IS | Information Security |
| IT | Information Technology |
| JSC | Judicial Service Commission |
| MDA | Ministries, Departments and Agencies |
| MM | Materials Management |
| MoFEDIP | Ministry of Finance, Economic, Development and Investment Promotion |
| MICTPCS | Ministry of Information Communication Technology, Postal and Courier Services |
| NPA | National Prosecuting Authority |
| PFMS | Public Financial Management System |
| PMD | Provincial Medical Director |
| PMG | Paymaster-General's Account |
| PPDPA | Public Procurement and Disposal of Public Assets Act |
| PSC | Public Service Commission |
| RBZ | Reserve Bank of Zimbabwe |
| SAP | System Application Product |
| SD | Sales and Distribution |
| SSB | Salary Service Bureau |
| SSF | School Services Fund |
| SUB-PMG | Sub-Paymaster General's Account |
| UNICEF | United Nations International Children's Emergency Fund |
| UR | Unallocated Reserve Transfers |

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## PREAMBLE

## 1. SUBMISSION OF ANNUAL REPORT

In terms of Section 309 (2) of the Constitution of Zimbabwe Amendment (No. 20) Act 2013 and Section 10 of the Audit Office Act [*Chapter 22:18*], I am required, after examining the public accounts of Zimbabwe submitted to me in terms of Section 35 (6) and (7) of the Public Finance Management Act [*Chapter 22:19*] and signing a certificate recording the results of such examination, to prepare and submit to the Minister of Finance, Economic Development, and Investment Promotion not later than June 30 of each year, a report of my examination and audit of the public accounts of Zimbabwe.

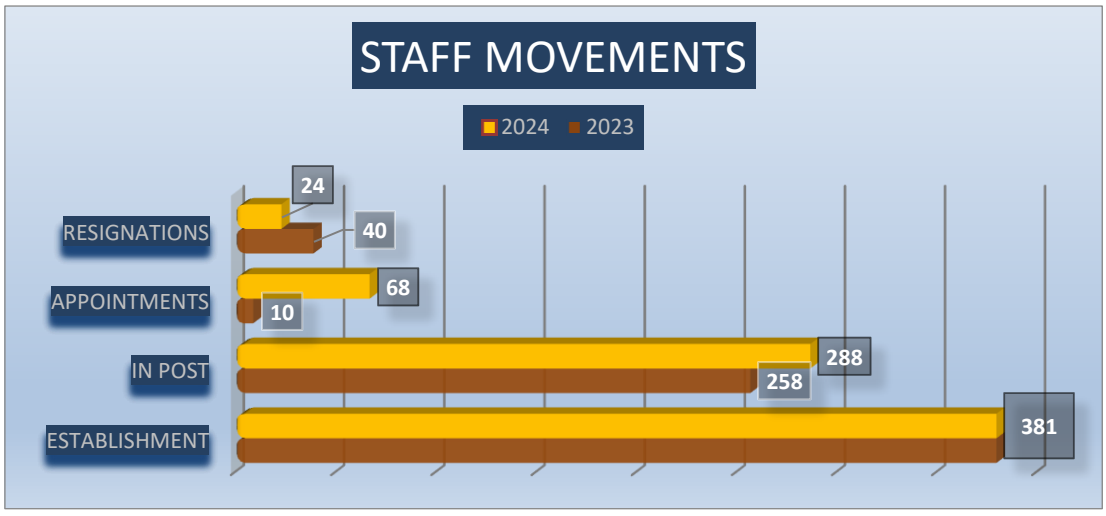
## 2. MANDATE OF THE AUDITOR-GENERAL

My duties as set out in the Constitution of Zimbabwe Amendment (No. 20) Act 2013 and amplified in the Audit Office Act [*Chapter 22:18*] are: -

- to audit the accounts, financial systems and financial management of all departments, institutions and agencies of government, all provincial and metropolitan councils and all local authorities;
- at the request of Government, to carry out special audits of the accounts of any statutory body or government–controlled entity;
- to satisfy myself that the receipt and disbursement of public moneys has been made in accordance with proper authority and has been correctly accounted for and that all reasonable precautions have been taken to safeguard State property; and
- to carry out Value for Money audits, which entail the examination into the economy, efficiency and effectiveness with which those entrusted with financial and material resources have utilized them in carrying out their mandates.

## 3. STAFF LEVELS, MOVEMENTS, TRAINING AND DEVELOPMENT

Despite efforts to fill vacant posts in 2024, resignations continued during the year. My office lost qualified and experienced staff due to uncompetitive conditions of service. The graph below shows the staff establishment as at December 31, 2024 and movements during 2024 compared with 2023.



Staff training and development has remained as one of the key objectives of my Office. This was made possible with the assistance of the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) to which Zimbabwe is a member, Swedish National Audit Office (SNAO) for technical support and other Development Partners, study visits to other Supreme Audit Institutions (SAIs), Professional Accountants Bodies and other stakeholders. A number of training programmes, technical updates and Continuous Professional Developments (CPDs) were attended by my staff in order to keep them up to date with the developments taking place in the auditing profession. Audit guidance materials were developed and updated during the year in order to enhance the quality of audits.

## 4. BASIS OF PREPARATION OF PUBLIC ACCOUNTS

Management of public funds is governed primarily by the Constitution of Zimbabwe and the Public Finance Management Act [*Chapter 22:19*]. Central Government uses cash accounting basis for Appropriation Accounts and accruals accounting for Fund Accounts.

## 5. TRANSITIONAL ARRANGEMENTS - MIGRATION TO IPSAS FINANCIAL REPORTING FRAMEWORK

The Government has adopted the accrual based International Public Sector Accounting Standards (IPSAS) as its reporting framework for Central Government which should be fully implemented by January 2025 according to the implementation road map. According to Treasury Circular number 4 of 2022, the MDAs were to migrate to the IPSAS financial reporting framework with effect from January 1, 2024 and produce annual IPSAS transitional financial statements for the year ended December 31, 2024 for review by April 30, 2025. My office is currently reviewing the transitional financial statements.

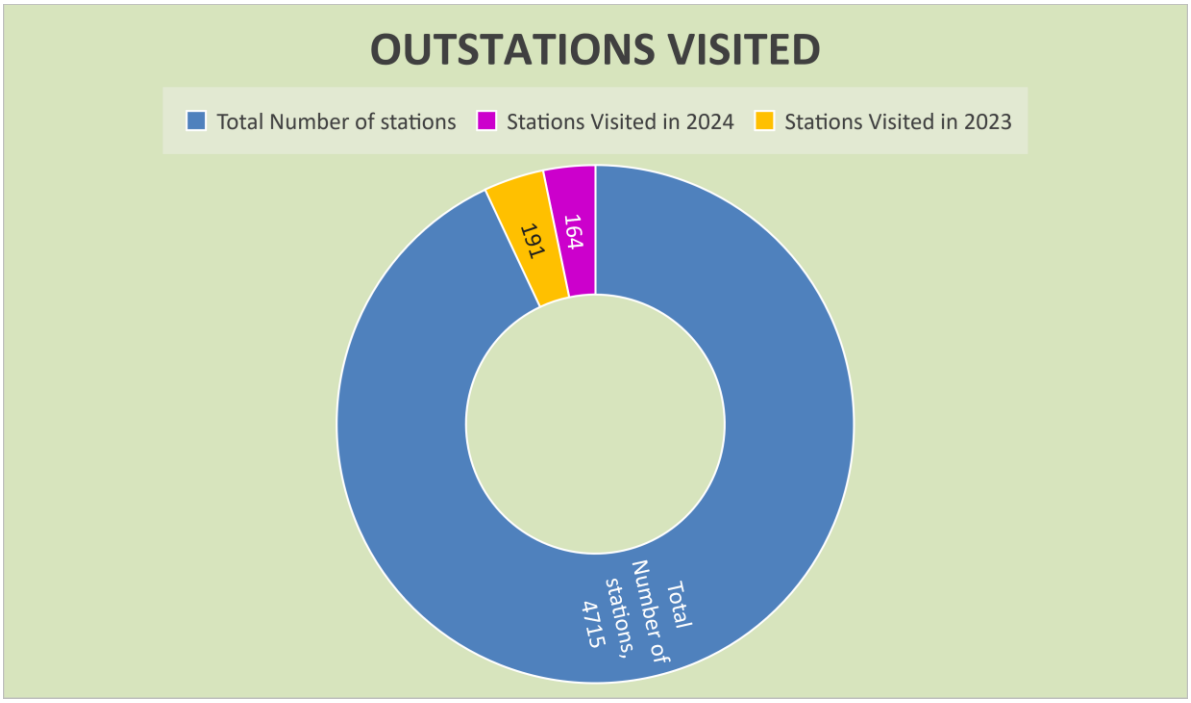
## 6. AUDIT APPROACH

I conducted my statutory audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and the International Standards on Auditing (ISAs). These Standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. My audit approach was designed to enable me to express an opinion on the financial statements.

All aspects of the entities' activities and procedures may not have been examined. I consider maintenance of adequate internal controls to be the responsibility of management. My work cannot therefore, be expected to identify all weaknesses in the systems and procedures, which a special investigation directed at those areas might reveal. As to the possibility of fraud, I plan my audits to have a reasonable expectation of its disclosure if the potential effects of the fraud would be material in the financial statements. However, there are many kinds of fraudulent activities, particularly those involving defalcation, forgery, collusion and management override of controls, which would be unreasonable to expect the normal audit to uncover.

I carried out audits at 39 Head Offices of Ministries and Commissions. I also visited outstations of some of the Ministries and government departments that are decentralized. Results of the audit of Provincial and District stations are included in my findings in this report.

In 2024, the total number of stations were 4 715 and I visited 169 Provincial and District offices as compared to 196 visited in 2023. Financial constraints adversely affected the number of stations visited. Resources permitting, in 2025, I would like to increase audit visits to outstations, given that, a lot of functions have been decentralised. Refer to the pie chart below and **Annexure A** for details.




## 7. CERTIFICATION OF PUBLIC ACCOUNTS

I certify that I have examined the Appropriation Accounts, Finance and Revenue Statements, other supporting returns and Fund Accounts of Zimbabwe in accordance with the Constitution of Zimbabwe Amendment (No 20) Act 2013, the Audit Office Act [*Chapter 22:18*] and the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

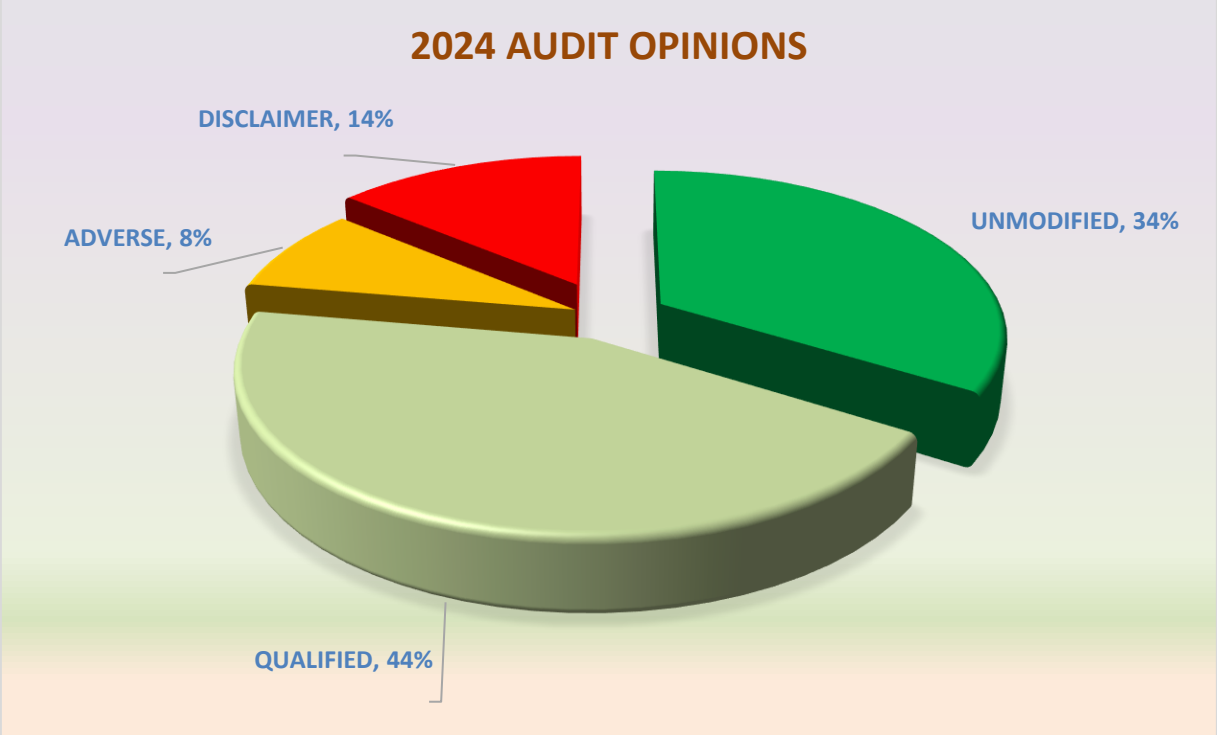
### AUDIT OPINION

I conducted my statutory audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). The principal objective of my audit procedures is to enable me to express an opinion on the truth and fairness of the financial statements submitted by Ministries, Commissions and Funds. An audit opinion is based on the concept of reasonable assurance. It is not a guarantee that the financial statements are free of misstatements. Where I have issued an unmodified / clean, qualified and adverse opinion, I believe that the audit evidence I have obtained is sufficient and appropriate to provide the basis for my opinion of the respective financial statements. Where an entity received a disclaimer of opinion its merely because I was unable to obtain sufficient and appropriate audit evidence to express an opinion.

A total of 131 (80:2023) financial statements are included in this report. The audit opinions on the financial statements are shown on the table and pie chart below:

**Summary of Audit Opinions**

| Opinion Issued | Number of Financial Statements | Percentage % |
|---|---|---|
| Unmodified/ Clean | 45 | 34% |
| Qualified | 57 | 44% |
| Adverse | 11 | 8% |
| Disclaimer | 18 | 14% |
| Total | **131** | **100%** |




**Types of Opinions**

**Clean/Unmodified**- The financial statements contain no material misstatements.

**Qualified**- The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.

**Adverse**- The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.

**Disclaimer-** The auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis of an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements.

**Annexure B** shows details of the opinions issued. The financial statements are to be consolidated into one report by the Accountant-General in terms of Section 35 (12) of the Public Finance Management Act [*Chapter 22:19*].

Ministries and Commissions are required to submit their financial statements by January 31, and supporting statements by February 28 of each year. However, some of the financial statements were not submitted for audit on time, hence they are not included in my report. At the time of concluding this report in June 2025, audits of other twenty-three (23) financial statements were in progress, audits of thirty-one (31) financial statements had not commenced due to manpower shortage and late submission of financial statements, while thirty-eight (38) financial statements had not been submitted for audit. Two (2) financial statements were withdrawn at signing stage.

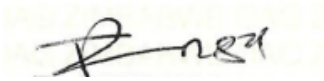
I also carried and concluded five (5) Value for Money Audits and the reports are tabled separately.

In addition, my Office audited 10 financial statements of Donor Funded Projects that are implemented under some MDAs whose findings are not in this report.

**ACKNOWLEDGEMENTS**

I wish to acknowledge efforts rendered by all the Accounting Officers, Chief Executive Officers, Receivers of Revenue, Development partners, Printflow (Pvt) Ltd and other stakeholders that made it possible for me to submit my Report.

Finally, I extend my sincere appreciation to the Audit Office Board for their support, management and staff for their continued commitment and dedication to duty.



HARARE
June 24, 2025

R. KUJINGA,
ACTING AUDITOR-GENERAL

# EXECUTIVE SUMMARY

This report outlines results of my audit of financial statements which comprise Appropriation Accounts, Finance and Revenue Statements, Statements of Comprehensive Income and Statements of Financial Position and Statements of Cash Flows. A combined financial and compliance audit was conducted with the aim of improving public sector transparency, accountability, compliance with regulations, good corporate governance and service delivery.

I also audited the Public Financial Management System (PFMS) which is an Enterprise Resource Planning platform used by Ministries and Commissions for processing of financial transactions. I reviewed the controls of the Information Technology system to gain assurance about their adequacy and effectiveness.

The financial audit seeks to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I also considered compliance with legislative provisions which directly and materially affect the financial statements and whether the provisions in the applicable laws, rules, regulations and instructions issued by a competent authority were complied with.

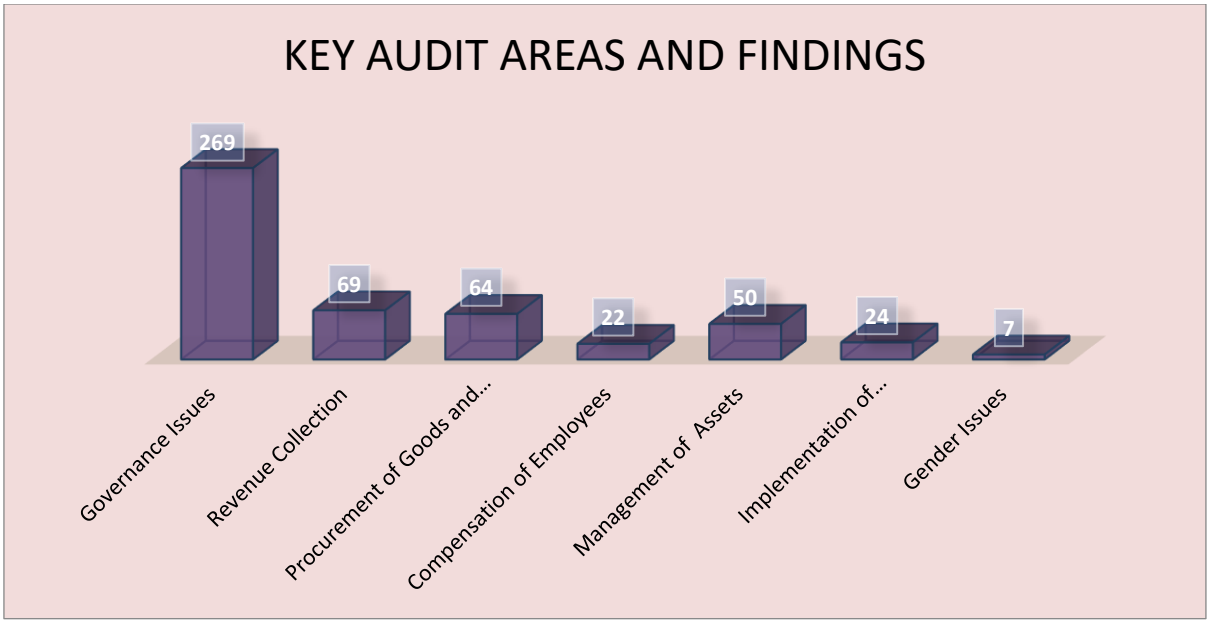
My report highlights, the key audit findings, risks and recommendations. These findings were communicated to and discussed with management and those charged with governance. The findings were classified under the following headings: governance issues, revenue collection and debt recovery, compensation of employees, procurement of goods and services, management of assets.

My audit also included an evaluation of the budget utilisation and funding received by the various MDAs to assess extent to which mandates were fulfilled.

I evaluated the actions taken and determined the extent to which prior year audit findings had been addressed. Those charged with governance in the various institutions are urged to pay attention to matters raised herein, so as to improve public sector transparency, accountability, good corporate governance and service delivery. It is expected that the impact of addressing my findings will have a positive effect on the lives of the citizens.

I appreciate efforts made by Government in the form of statutory/structural reforms, which included development and implementation of National Development Strategy (NDS) 1 towards the attainment of Vision 2030, the requirements by the Office of the President and Cabinet for senior management to sign performance contracts. In addition, the signing of integrity pledges and the establishment of integrity committees will go a long way in improving accountability and promoting sound corporate governance.

**Below is a graphical overview of the key audit areas covered:**




## 1. Conversion of Financial Transactions from ZWL to ZWG

The Government of Zimbabwe changed currency from ZWL to Zimbabwe Gold (ZWG) effective April 6, 2024. The reporting currency for the 2024 financial statements was the ZWG. Ministries, Departments and Agencies (MDAs) were supposed to produce financial statements for the whole financial year in one currency (ZWG). This meant translating the ZWL transactions to ZWG. To achieve this, Treasury provided guidance to MDAs on how the ZWL financial transactions were to be translated. However, the circular was not uniformly applied by MDAs. Nearly all MDAs withdrew and resubmitted financial statements during audit, some withdrew and resubmitted more than four (4) times. **Refer to Annexure C for details.**

## 2. Budget Utilisation and Budgetary Control

The initial 2024 Voted funds as per the Appropriation (2024) Act, 2023 for the thirty-two (32) Appropriation Accounts included in this report was ZWG41 122 109 960. Unallocated Reserve Transfers amounting to ZWG14 547 940 934 were subsequently made to almost all MDAs. An analysis of the Appropriation Accounts indicated that some MDAs that received additional budget allocations had not exhausted their original budgets signaling ineffective management of budget. Total expenditure for mentioned votes amounted to ZW43 874 983 672 leaving a net underspending of ZWG11 794 703 221.

In addition, the budget allocation for Constitutional and Statutory Appropriations was ZWG11 187 409 335 with additional budget allocation of ZWG4 763 839 455. Total expenditure amounted to ZWG11 113 702 575 resulting in an underspending of ZWG1 282 810 505.

The 32 MDAs were given a total budget of ZWG55 669 686 893 and utilized ZWG43 878 983 672,

which is 79% of the allocated budget. Most MDAs struggled to fully fulfil their objectives due to insufficient funding. The underutilization of the budget largely stemmed from inadequate cash support by Treasury. This had negative impact on the attainment of some programme goals and the quality-of-service delivery by the Ministries and Commissions. Refer to **Annexure D** for details.

Total approved budget for unallocated reserves was ZWG9 522 754 659. However, disbursements made to 32 MDAs amounted to ZWG14 547 940 934, resulting in in unauthorized excess of ZWG5 025 186 275 (52%). This issue was also raised in my 2023 audit report.

## 3. Accounting System

There was a down time of the Public Financial Management Systems (PFMS) during the country changeover of currency from ZWL$ to Zimbabwe Gold (ZWG) for almost five (5) months (April to August 2024). During that time most MDAs operated outside the PFMS. The financial information that would have been processed outside the system was not uploaded onto the system in some cases. Such information would misstate expenditure figures.

## 4. Open Items

Review of the Public Financial Management System indicated that most MDAs had open items. Open items or uncleared entries disrupt budgetary control as they represent unconfirmed or unresolved expenditures. This would make it difficult to track actual expenditure against allocated funds. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of financial information. Most MDAs had challenges in clearing such transactions and were seeking Treasury assistance in clearing the open items.

There is need for Ministry of Finance to relook into the issue of releasing budget without the necessary cash resource as MDAs spend a lot of time and financial resources going through procurement processes and some receiving goods that would not be funded. This would require reversing all the unfunded transactions at the end of the year.

## 5. Direct Payments

Direct payments amounting to US$1 986 391 797 were made to service providers on behalf of the MDAs by Treasury during the 2024 financial year. However, MDAs accounted for US$1 388 673 713, leaving a balance of US$597 718 082 as at June 18, 2025. In some instances, the payments were not uploaded onto the PFMS. MDAs expenditure was understated by the direct payments. Refer to **Annexure E**.

## 6 Payment Arrears

Thirty -nine (39) Ministries, Departments and Agencies had arrear payments amounting to ZWG14 742 728 388, US$61 046 894, ZAR733 058 and €214 709. Some of these amounts have been outstanding since 2021. These arrear payments have been on the increase. The accumulation of arrears if left unattended, erodes the budget of the subsequent year and negatively impacts on Government service delivery and reputation. There is need to prioritise funding of MDAs to avoid accumulation of arrears. Refer to **Annexure F.**

## 7 Fuel Management

Cases of loss of fuel were on the increase. These were attributed to control weaknesses in fuel management ranging from non-maintenance of fuel registers, inconsistent fuel recordings, non-performance of fuel reconciliations, absence of segregation of duties and weak supervisory checks. In this report, seven (7) MDAs had issues on fuel management. Measures around fuel management should be enhanced.

## 8. Sub-Paymaster General's Account Reconciliations (Government Paying Accounts)

Differences were noted on expenditure reported between the Sub-Paymaster General's Accounts of certain MDAs and their corresponding Appropriation Accounts. These differences had not been resolved by June 5, 2025. MDAs are encouraged to reconcile the Sub-PMG's Account with the Appropriation Account, as this would improve the accuracy of the financial information.

## 9 Undelivered Motor Vehicles and Other Assets

Non-delivery of procured goods is still a cause for concern in Government. Some MDAs had undelivered goods dating back to 2021. I noted that contract monitoring was not effectively done as provisions of the contract on non-performance by the supplier were not invoked.

A total of forty (40) vehicles, seventeen (17) fire trucks, eighty-three (83) desktops, seventy-five (75) laptops and various office furniture paid for between 2021 and 2024 had not been delivered as at May 30, 2025. There is risk of excessive contract price variations if payments and deliveries are not made within the agreed contract period. Service delivery was also compromised as the assets are tools of trade required for the well-functioning of MDAs. Refer to **Annexure G**

## 10 Management of Assets and Government Properties

The issue of maintenance of Assets registers remains a challenge in Ministries and their respective Fund Accounts. In some instances, Assets registers were not in place, had incorrect quantities recorded, did not have serial numbers, date of purchase and location to facilitate identification of the assets. Ministries are urged to maintain and update Assets registers to guard against loss of state property and ensure smooth transition to IPSAS financial reporting framework.

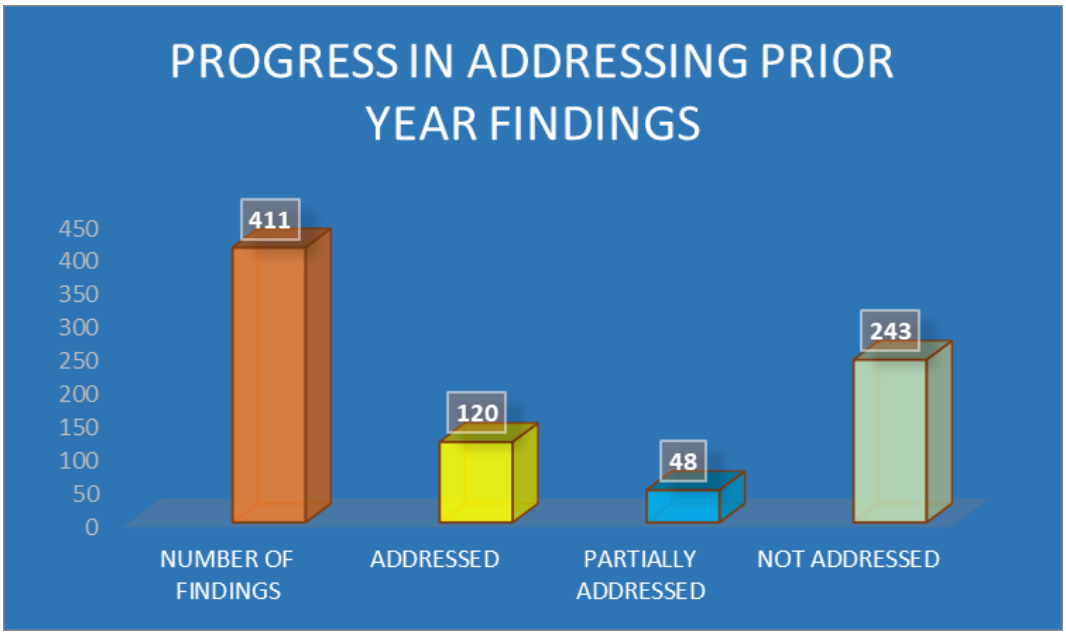
## 12 Revenue Collection and Debt Recovery

Revenue collection remained low in 2024. The outstanding revenue from seven (7) ministries amounted to ZWG20 221 636 and US$14 560 697. Adequate steps and strategies were not being taken to collect outstanding revenue and recover outstanding debts. MDAs should continuously engage debtors for the recovery of outstanding revenue. Government should also monitor and disclose investments made in various companies and any dividends paid should be deposited in the Sub-Exchequer Account.

## 13 Progress in Addressing Prior Year Audit Findings

I would like to acknowledge the Ministries which have taken steps to address my findings. Out of the 411 audit findings raised during the 2023 financial year, 120 (29%) were addressed, 48 (12%) were partially addressed and 243 (59%) were yet to be addressed.

The progress made is graphically shown below:




### Conclusion

This report enables Parliament and those charged with public sector governance to discharge their oversight responsibilities in addressing audit findings. Therefore, the report helps in building public trust in government institutions, resulting in contributing to a stable economic environment and the achievement of national development goals.

The issues I have raised above, if not addressed, service delivery and efforts made to enhance transparency and accountability through various instruments may be compromised. Concerted efforts from those charged with governance is required to put in place measures to address reported weaknesses in order to enhance transparency, accountability, good corporate governance and service delivery.

# APPROPRIATION ACCOUNTS,

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# AND

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## VOTE 1. - OFFICE OF THE PRESIDENT AND CABINET

## APPROPRIATION ACCOUNT 2024

## Mandate

The Office of the President and Cabinet is the lead Office of the State that is charged with the responsibility of coordinating, supervising and guiding the formulation, implementation, monitoring and evaluation of Government policies, programmes and projects for economic growth, sustainable development and better livelihoods of the people.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWG | Unallocated Reserve Transfers/Warrants<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Underspending<br>ZWG |
|---|---|---|---|---|
| 3 240 743 129 | 2 383 432 268 | 5 624 175 397 | 4 802 492 548 | 821 682 849 |
| **Constitutional and Statutory Appropriation** | | | | |
| 2 866 279 | - | 2 866 279 | 2 703 039 | 163 240 |

I have audited the financial statements of the Office of the President and Cabinet for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Office of the President and Cabinet as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit.

## 1. GOVERNANCE ISSUE

### 1.1 Budget Utilisation

#### Finding

An analysis of the Office's total budget, budget releases, and funding provided by the Treasury revealed that out of the total budget of ZWG5 624 175 397, operations and capital expenditure was funded ZWG4 576 834 617 representing 81%, while compensation of employees was funded to the tune of ZWG225 657 931 representing 4% giving a budget utilisation of 85%. The budget under utilisation was mainly due to non-release of funding by Treasury as a result of liquidity challenges.

As at December 31, 2024, the Office had arrear payments due to various suppliers and service providers totaling ZWG1 060 747 601, with some invoices dating back to November 2023. The arrear payments have an effect on the subsequent year's budget.

#### Risk/Implication

Inadequate funding compromised the Office's ability to deliver on its mandate effectively.

**Recommendation**

The Office should continually lobby Treasury to provide funding for its operations.

**Management Response**

**The Office did not fully utilise its budget for the year due to inadequate cash support enforced by Treasury, as the scarce revenue could not sustain expenditure requirements. Frantic efforts have been made to Treasury to support our pay runs but this did not materialise due to other competing demands within Treasury.**

## 1.2 Open Items

**Finding**

The Office's Sub PMG Cashbook had Open Items with a value of ZWG2 947 018 266 that had not been cleared or adjusted. The open items comprised of other expenses that were paid directly on behalf of the Office. This amount was included as expenditure in the Office's Appropriation Account and awaits Treasury to clear the amounts. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements.

**Risk/Implication**

Ineffective budgetary control may arise due to the open items.

**Recommendation**

Treasury should be engaged well in time before the submission of financial statements for audit.

**Management Response**

**The Open Items are a result of expenses that were incurred using foreign currency transferred into the Office's Nostro Accounts. The Open Items are still outstanding as Treasury has not introduced the Transfers in the Office's Sub PMG Cashbook due to ZWG cash support challenges. However, the OPC Appropriation Account, all expenses incurred were captured in the PFMS system and accounted for appropriately.**

## 1.3 Risk Management and Assessment

**Finding**

The Office did not have a documented and approved risk management policy and no formal risk assessments were done to cover key processes in the year under review. This was in contravention of Section 162(1) of the Public Finance Management (Treasury Instructions), 2019. A risk assessment enables the identification and mitigation of possible risks in the operations and financial activities of the Office.

**Risk/Implication**

Failure to carry out formal risk assessments may expose the Office to numerous risks which could negatively impact performance.

**Recommendation**

The Office should come up with a risk management policy and also perform risk assessments on an annual basis to safeguard Government funds and assets.

**Management Response**

**The observation has been noted. The Risk Management Policy is currently under consideration and will be availed to auditors once approved.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Office made progress in addressing the audit findings raised in my previous audit report. All three (3) findings raised, were addressed as indicated below:

### 3.1 Maintenance of Fuel Register

The finding was addressed as the registers were now being maintained and updated at the Manicaland Provincial Office.

### 3.2 Maintenance of Provincial Master Asset Register

The finding was resolved as the Master Asset Register now include the nine (9) vehicles that had not been recorded.

### 3.3 Treasury Order

The finding was addressed as the Treasury Order against the officer was raised by Treasury and the value of the damaged vehicle is now included in the Losses and Damages of State Property return.

## VOTE 1. - OFFICE OF THE PRESIDENT AND CABINET

## APPROPRIATION ACCOUNT 2023

## Mandate

The Office of the President and Cabinet is the lead Office of the State that is charged with the responsibility of coordinating, supervising and guiding the formulation, implementation, monitoring and evaluation of Government policies, programmes and projects for economic growth, sustainable development and better livelihoods of the people.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWL$ | Unallocated Reserve Transfer<br><br>ZWL$ | Total Budget<br><br>ZWL$ | Expenditure<br><br>ZWL$ | Net Underspending<br><br>ZWL$ |
|---|---|---|---|---|
| 161 735 813 000 | 1 778 959 940 809 | 1 940 695 753 809 | 1 659 828 148 961 | 280 867 604 847 |
| **Constitutional and Statutory Appropriation** | | | | |
| 69 219 000 | 536 804 000 | 606 023 000 | 605 945 052 | 77 948 |

I have audited the financial statements of the Office of the President and Cabinet for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Office of the President and Cabinet as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit.

## 1. GOVERNANCE ISSUES

### 1.1 Maintenance of Fuel Register

#### Finding

At the Bulawayo Provincial Office, there was no evidence to show that fuel registers were being checked on a regular basis and that monthly reconciliations on issuance of fuel were carried out. As a result, the registration numbers of the vehicles drawing fuel were not captured in the register. Section 104 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all Ministries, Departments and Agencies to keep a record of fuel coupons received and issues in sequential order and that the register should indicate the vehicle registration number.

#### Risk/ Implication

Fuel could be misappropriated.

#### Recommendations

Management should ensure that regular reconciliations of fuel issued and registers are carried out. In addition, the registration numbers of the motor vehicles drawing fuel should be captured

in the register.

**Management Response**

**The audit observation and recommendations have been noted. The fuel register has been updated and is now being maintained in line with the regulations. All transactions of fuel received, issued and balances are now disclosed in the fuel register. The fuel register is now ready for inspection by auditors.**

**The station had one (1) Administration Officer who undertook all the tasks from receiving, issuing and recording coupons. The officer resigned and the Deputy Director of Administration is now responsible. There is an urgent need to fill in the two (2) vacant posts of Administration officers as the duties are being temporarily executed by Accountants.**

## 2. MANAGEMENT OF ASSETS

### 2.1 Maintenance of Provincial Master Asset Register

**Finding**

Manicaland Provincial Office did not include nine (9) motor vehicles in the asset register that was submitted to Head Office for the year ended December 31, 2023. Section 100 (1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to ensure that all public assets under their control are recorded promptly and accurately in the appropriate manual registers. Therefore, the completeness of the asset register and certificate submitted for audit could not be validated.

**Risk/ Implication**

Reliability of the asset certificate may be compromised.

**Recommendation**

The Provincial office should submit an updated and complete register to support the asset certificate and to ensure accountability of all the assets.

**Management Response**

**The observation is noted. The Office will ensure that a complete asset register which includes all motor vehicles is resubmitted to Head Office.**

### 2.2 Treasury Order

**Finding**

Manicaland Provincial Office convened a board of inquiry on October 31, 2023 to look into the case of an officer who was involved in a road traffic accident. The Board concluded that the responsible officer was guilty and she was to meet 30% of the costs of repair of US$18 875. There was no evidence availed to confirm that a Treasury order of US$5 692 was raised to recover the costs of repair from the officer. Section 51 (1) of Public Finance Management (Treasury Instructions), 2019 requires the Accounting Officer to bring to the notice of the Treasury, any deficiencies or irregularities.

**Risk/Implication**

Financial prejudice to the State may result as the Treasury Order might become irrecoverable due to delayed recovery.

**Recommendation**

Management should raise a Treasury order in compliance with regulations.

**Management Response**

**The Office received an invoice of US$18 975 from CMED towards the repair of the vehicle. The driver was supposed to pay 30% of the cost of repair, which is equivalent to US$5 692. The Office later came up with a figure of US$2 846 basing on PSC Circular No.3 of 2022 that has a ceiling of 15% on accidents involving condition of service or personal issue vehicles. A minute was dispatched to the Ministry of Finance, Economic Development and Investment Promotion for Treasury concurrence.**

**Evaluation of Management Response**

*The Management response is noted. At the time of concluding this report May 21, 2025, the response from Treasury had not been availed for audit.*

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Office made progress in addressing the audit findings raised in my previous audit report. The two (2) findings raised, were addressed as indicated below:

### 3.1 Expenditure Control and Reporting

The Office has now created Provincial Offices as Cost Centres in the PFMS. As a result, expenditure is now being incurred in the system.

### 3.2 Disbursements of Funds for Operations

The Office has now created Provincial Offices as Cost Centres to cater for disbursements of funds for operations.

## STATE ENTERPRISE RESTRUCTURING AGENCY 2023

### Objective of the Agency

The Agency was established to lead and manage the privatization programme, with a broadened mandate of commercialization and restructuring of public enterprises.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 477 756 910 |
| Expenditure | 1 213 009 416 |
| **Surplus** | **264 747 494** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 17 126 216 | - |
| Current | 304 323 358 | 20 655 303 |
| Accumulated Fund | - | 300 794 271 |
| **Total** | **321 449 574** | **321 449 574** |

I have audited the financial statements of the State Enterprise Restructuring Agency for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, financial statements present fairly, in all material respects, the financial position of the State Enterprise Restructuring Agency as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below is an issue noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Risk Assessment

#### Finding

The Agency did not carry out risk assessments to cover key processes during the year under review. Section 162(1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to carry out a risk assessment of operations on an annual basis and take deliberate steps to mitigate the risks identified.

#### Risk/Implication

The Agency may be exposed to numerous risks which could negatively impact on its performance.

**Recommendation**

The Agency should comply with regulations in order to safeguard Government resources.

**Management Response**

**The Agency uses its internal control systems to ensure that risk is managed to acceptable levels. In line with the recommendation, risk assessments will be carried out and documented on an annual basis.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDING

The Fund made progress in addressing the audit finding that was raised in my previous audit report. The finding was addressed as shown below.

### 2.1 Supporting Documents

The supporting documents for expenditure amounting to ZWL$10 157 018 were availed for audit.

## VOTE 2.- PARLIAMENT OF ZIMBABWE

## APPROPRIATION ACCOUNT 2024

### Mandate

The Parliament of Zimbabwe has a constitutional mandate to enact laws for peace, order and good governance in Zimbabwe. It is also responsible for executive oversight as well as having a representative role for the electorate.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfers/Warrant ZWG | Total Budget ZWG | Expenditure ZWG | Net Underspending ZWG |
|---|---|---|---|---|
| 1 051 682 692 | 423 068 790 | 1 474 751 482 | 873 234 006 | 601 517 476 |
| **Constitutional and Statutory Appropriation** | | | | |
| 1 374 742 | 612 220 | 1 986 962 | 1 667 617 | 319 345 |

I have audited the financial statements for the Parliament of Zimbabwe for the year ended December 31, 2024, and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the matters discussed in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the state of affairs of Parliament of Zimbabwe as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*], and other statutory Instruments.

### Basis for Qualified Opinion

### (i) Sub-Paymaster General Account

### Finding

The Public Financial Management System (PFMS) report for the period April 05 to December 31, 2024 had a total expenditure figure of ZWG774 100 472 whilst the Sub-Paymaster General's Account (PMG) for the same period had a total expenditure of ZWG526 747 348 resulting in a variance of ZWG247 353 124 that was not reconciled. Furthermore, an incorrect rate of 2498.7242 was used to translate Sub-PMG reconciliations for the period January 1 to April 4, 2024 resulting in incorrect figures being reported.

### Risk/ Implication

The expenditure reported in the Appropriation Account could be misstated.

### Recommendation

Management should investigate and reconcile the expenditure to ensure the correct amount is disclosed in the Appropriation Account and in the Sub-PMG reconciliation.

**Management Response**

**The reconciliation of the Paymaster General Account has been presented.**

**Evaluation of Management Response**

*The reconciliation of the Sub-Paymaster General Account presented by management pertains to the period January 1, 2024 to April 4, 2024 instead of April 5, 2024 to December 31, 2024.*

**(ii) Open Items**

**Finding**

As observed in my previous audit, the PFMS cash book had uncleared open items amounting to ZWG30 012 817 for the 2024 financial year, despite the call by Treasury for the government entities to clear all open items. Due to the presence of open items, the accuracy of the total expenditure disclosed in the Appropriation Account could not be validated.

**Risks/Implications**

The expenditure reported in the Appropriation Account could be misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared before preparation of annual returns and financial statements to ensure completeness and alignment.

**Management Response**

**During the period of the audit, there were transactions related to direct payments made on behalf of the Parliament of Zimbabwe by Treasury. The budget for Parliament of Zimbabwe to record these transactions within the Public Financial Management System had not been provided. Consequently, the matching process to eliminate the open items could not be performed. Treasury has now provided the required budget, allowing the process to be finalised.**

**Evaluation of Management Response**

*Despite management having received the required budget from Treasury to complete the due process, as of June 6, 2025, the cashbook still had open items appearing in the system amounting to ZWG 208 087 328.*

Below are other issues noted during the audit;

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Finding**

The total budget allocation for the Parliament of Zimbabwe was ZWG1 474 751 482 while funding provided amounted to ZWG813 297 019 resulting in a budget utilisation of 55% of the

voted funds. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programmes of the Parliament of Zimbabwe. As a result, there were arrear payments of ZWG211 920 773 that could not be settled.

**Risks/Implications**

Management could not achieve its planned activities due to lack of budget support.

The Parliament of Zimbabwe could be sued by creditors for non-payment of debts.

**Recommendation**

Management should continue lobbying for more funding from Treasury for the achievement of its plan and clearance of debts.

**Management Response**

**Management did not respond.**

## 1.2 Fuel Management

**Findings**

An examination of the monthly fuel allocation schedule availed for audit revealed that levels from Executive assistants to Speaker of Parliament were getting allocations from 460 litres to 1440 litres of fuel respectively. The fuel allocation was 32% above the authorised quantity.

Treasury concurrence or resolution from the Committee of Standing Rules and Orders (CSRO) for the differential allocation of fuel to management and staff over and above the authorised limit was not availed.

**Risk/Implication**

Unauthorised fuel may be allocated to management and staff.

**Recommendation**

Management should avail for audit the Treasury concurrence or the CSRO resolution for the increase in fuel allocation.

**Management Response**

**The Constitution of Zimbabwe, particularly Section 117 gives the CSRO the mandate to set terms for the staff of Parliament. In that regard clearance for additional allocation to cater for the increased mileage to the new Parliament building was approved by the CSRO.**

**Evaluation of Management Response**

*Management did not provide the documentary evidence of the CSRO approval.*

## 1.3 Statement of Payment Arrears

### Finding

The Parliament of Zimbabwe had payment arrears amounting to ZWG211 920 773 with some dating back to 2022. In addition, management did not maintain ledgers for creditors during the year under review. I could not verify the accuracy of the balance of ZWG211 920 773 appearing on the Statement of payment arrears return submitted for audit. Section 35 (6) (a) of the Public Finance Management Act [*Chapter 22:19*], requires every accounting officer of a Ministry to keep or cause to be kept proper records of account.

### Risks/ Implications

The Parliament of Zimbabwe may be sued or penalized for late payments.

The Statement of Payment Arrears could be misstated.

### Recommendations

Management should continue to engage Treasury for clearance of payment arrears.

The POZ should maintain creditors ledgers to enhance accountability.

### Management Response

**The ledgers for the outstanding creditors could not be recorded within the Public Financial Management System (PFMS) due to, both, the budget control for processing transactions and the requirement to reverse any transactions initially recorded in the PFMS not paid to the creditors. The Institution opted to record such expenditure on an Excel Spreadsheet.**

## VOTE 2.- PARLIAMENT OF ZIMBABWE

## APPROPRIATION ACCOUNT 2023

### Mandate

The Parliament of Zimbabwe has a constitutional mandate to enact laws for peace, order and good governance in Zimbabwe. It is also responsible for executive oversight as well as having a representative role for the electorate.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWL$ | Unallocated Reserves/ Warrant<br><br>ZWL$ | Total Budget<br><br>ZWL$ | Expenditure<br><br>ZWL$ | Net Underspending<br><br>ZWL$ |
|---|---|---|---|---|
| 49 320 193 000 | 72 509 344 976 | 121 829 537 976 | 115 605 905 586 | 6 223 632 390 |
| **Constitutional and Statutory Appropriation** | | | | |
| 49 802 000 | 286 634 000 | 336 436 000 | 336 435 934 | 66 |

I have audited the financial statements of the Parliament of Zimbabwe for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of Parliament of Zimbabwe as at December 31, 2023 in accordance with Public Finance Management Act [*Chapter 22:19*] and other Statutory Instruments.

### Basis for Qualified Opinion

### (i) Sub-Paymaster General's Account

### Finding

The Public Financial Management System (PFMS) report had total expenditure of ZWL$115 942 341 560 whilst the Sub-Paymaster General's (PMG) Account had total expenditure of ZWL$96 068 220 166 resulting in a variance of ZWL$19 874 121 394. The Statement of Reconciliations between the Consolidated Revenue Fund and the Sub Paymaster General Account transactions indicated a total of ZWL$119 048 940 962 as the expenditure to be classified under Appropriation, Constitutional and Statutory Funds for Parliament. I therefore, could not confirm with accuracy the actual expenditure for Parliament.

### Risk/Implication

The expenditure reported in the Appropriation Account could be misstated.

### Recommendation

Management should investigate and reconcile the expenditure amounts to ensure the correct amount is disclosed in the Appropriation Account and in the Sub-PMG reconciliation.

**Management Response**

**The variance of ZWL$19 874 121 394 has been partly reconciled leaving a balance of ZWL$11 312 725 218 which is being investigated. The table below refers:**

| Description | Amount ZWL$ | Variance ZWL$ |
|---|---|---|
| Variance | | 19 874 121 394 |
| Nostro Salaries | 6 523 332 913 | |
| 2022 Executive Bonus | 884 542 310 | |
| CDF | 1 153 520 952 | |
| | | (8 561 396 175) |
| **Balance** | | **ZWL$11 312 725 218** |

**(ii) Open Items**

**Finding**

On May 14, 2024, the PFMS cash book had open items amounting to ZWL$45 960 415 733 for the 2023 financial year, despite the call by Treasury for the government entities to reverse all open items. Due to open items, the accuracy of the total expenditure disclosed in the Appropriation Account could not be validated.

**Risk/Implication**

The expenditure reported in the Appropriation Account could be misstated.

**Recommendation**

Management should reverse all open items in the PFMS.

**Management Response**

**Batch processing is currently underway. However, the process does not change the expenditure recorded in the General Ledger.**

**Evaluation of Management Response**

*Management response is noted. However, open items in the cashbook may overstate the consumed budget on the Funds Management Report.*

**(iii) Classification of Expenditure**

**Finding**

Fuel for condition of service vehicles with a total cost of ZWL$1 881 299 073 was recorded and disclosed under operations instead of compensation of employees as salaries and wages in kind. This resulted in understatement of compensation of employees and overstatement of fuel costs for operations. Section 54 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all expenditure to be classified under the appropriate sub-heads and items as directed by Treasury. There was no evidence that the work of the accountants was reviewed and supervised by seniors.

**Risk/Implication**

Compensation of employees and fuel costs may be misstated.

**Recommendation**

Management should reclassify fuel costs for salaries and wages in kind.

**Management Response**

**The observation is noted. The recommendation will be implemented for the 2024 financial year.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Acquisition of Financial Assets - Loans

**Finding**

Audit noted that concessional loans with a total amount of ZWL$2 023 118 448 were issued during the year under review. However, there was no evidence that the loans were repaid. Documentary reviews of loan agreement forms revealed that the loan repayment period and instalments sections were left blank. As a result, I could not ascertain the duration and repayment amounts of the loans.

**Risks/Implications**

There may be loss of revenue to the Government if loan tenure and repayment schedules are not specified.

Follow up for repayments of loans may be difficult.

**Recommendation**

Repayment amounts and periods should be agreed upon by both the benefactor and the beneficiary to ensure that debts are repaid timely.

**Management Response**

**The Accounting Officer sought guidance from Treasury on the best way forward given the fact that no recoveries were made for similar loans for the past Parliaments.**

**Evaluation of Management Response**

*The resolution between Parliament and Treasury on the matter was not availed for audit.*

## 2. MANAGEMENT OF ASSETS

### 2.1 Motor Vehicles

**Findings**

Three (3) Toyota Hilux GD6 4X4 double cab vehicles procured by Parliament for US$193 443 in March 2023 had not been delivered at the time of conclusion of my audit in May 2024.

In addition, a sixty (60) seater bus and two thirty (30) seater buses procured on March 22, 2022 for ZWL$71 195 687 had also not been delivered at the time of audit conclusion in May 2024. There was no evidence of timely follow ups with suppliers by relevant officials.

**Risk/Implication**

Service delivery may be compromised.

**Recommendation**

Management should follow up with suppliers to ensure timeous delivery of the procured vehicles.

**Management Response**

**Communication was done with the supplier concerning the delivery of the three (3) vehicles.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

Parliament of Zimbabwe made progress in addressing audit findings raised in my previous audit report. Out of the six (6) findings, three (3) were addressed and three (3) were not addressed as indicated below:

### 3.1 Sub-Paymaster General

The finding on unreconciled balances was not addressed and has been raised on Paragraph (i).

### 3.2 Unallocated Reserve Transfers

The finding on unreconciled Unallocated Reserves was not addressed.

### 3.3 Submission of Revenue Statements, Supporting Statements, and Returns

The finding was addressed. The returns were submitted for audit.

### 3.4 Procurement Procedures

The finding on sourcing of three (3) quotations was addressed.

### 3.5 Non-Delivery of Procured Motor Vehicles

The finding was not addressed. The single 60-seater bus and two 30-seater buses procured from CMED in 2022 were not delivered. The finding was raised on Paragraph 2.1.

### 3.6 Variance on Expenditure Figures for Motor Vehicles

The issue of the expenditure variance on motor vehicles was addressed.

## CONSTITUENCY DEVELOPMENT FUND 2022

### Mandate

The objective of the Fund is to allocate moneys equitably to constituencies for purposes of Constituency development and poverty eradication.

## 1. GOVERNANCE ISSUES

### 1.1 Submission of Financial Statements

#### Finding

For the second year running, Parliament of Zimbabwe did not submit financial statements for the Constituency Development Fund (CDF) for audit. A reconciliation, which showed the disbursements of funds from Treasury to Parliament and from Parliament to Constituencies, was submitted for audit. The actual income and expenditure of the Fund was not disclosed. Section 14 of the Fund's Constitution requires an Income and Expenditure Statement and Balance Sheet to be prepared.

#### Risk/Implication

Incomplete insight into the performance and operations of the Fund in the absence of financial statements.

#### Recommendation

The Management Committee should ensure that financial statements are prepared for the Fund.

#### Management Response

**The Income and Expenditure Account has now been provided. No balance sheet was provided because Parliament does not have ownership of the respective assets, the same as the Constituencies. The projects which are completed by the CDF Committees are handed over to the respective beneficiaries like schools, City Councils and Clinics. The assets henceforth belong to the recipients /beneficiaries and they account for them accordingly.**

#### Evaluation of Management Response

*Management response is noted, however, the Income and Expenditure Account submitted did not disclose actual expenditure for the Fund but disbursements made to constituencies.*

### 1.2 Expenditure Reconciliations

#### Findings

The CDF bank statement had a total disbursement of ZWL$2 548 831 459 while the reconciliation statement had a total of ZWL$2 655 789 612, resulting in a variance of ZWL$106 958 153. I could not confirm the accuracy of the disbursements made to Constituencies in 2022. Management cited lack of manpower as the reason for failure to perform reconciliations.

The reconciliation statement submitted by Parliament was not accurately prepared and contained inconsistencies such as rejections totalling ZWL$104 877 915 from the Bank which were not shown on the reconciliation statement. Furthermore, due to the lack of proper reconciliation processes attributed to manpower constraints, the audit could not verify the accuracy of disbursements made to constituencies in 2022. The amounts reported in the reconciliation were also transferred to the income and expenditure account, compromising the reliability of financial reporting.

**Risk/Implication**

The actual disbursements made by the Fund may be misstated in the absence of reconciliations.

**Recommendation**

Management should prepare an accurate bank reconciliation statement to address the variances.

**Management Response**

**An amended reconciliation statement has been provided after consideration of rejections.**

**Evaluation of Management Response**

*The reconciliation statement provided did not address the variances between the disbursements reported in the reconciliation statement and the CDF bank statement.*

## 2. PROCUREMENT OF GOODS AND SERVICES

### 2.1 Supporting Documents

**Findings**

Audit noted that Chitungwiza South Constituency processed payments amounting to ZWL$19 780 000 which were not supported by invoices contrary to Section 59 (3) of the Public Finance Management (Treasury Instructions), 2019. Management indicated lack of training of CDF Committees in Constituencies as the reason for failure to follow Accounting Officer's Instructions and the operating procedures of the Fund.

Furthermore, a review of the Chitungwiza Constituency's bank statement for 2021 revealed that a total of ZWL$345 000 was transferred to the Member of Parliament's personal bank account from the Constituency bank account. Of this amount, expenditure incurred amounting to ZWL$285 000 was not adequately supported. This was contrary to Section 13 (10) of the Accounting Officers Instructions which states that no payment shall be made to any supplier or service provider unless the payment is supported by invoices, delivery notes and goods receipt notes.

In addition, disbursements amounting to ZWL$2 494 291 369 were made to constituencies which had not acquitted prior year expenditure. Section 3(3)(2) of the Accounting Officer's Instructions requires the Management Committee to suspend disbursements if a constituency fails to account for resources disbursed to it. Failure to follow Accounting Officer's Instructions and the operating procedures of the Fund was due to lack of training of CDF Committees in Constituencies.

**Risks/Implications**

Expenditure figures may be misstated if they are not adequately supported.

Flouting of procurement procedures may occur in the absence of adequate training of relevant officials.

**Recommendations**

Expenses incurred by Constituencies should be adequately supported.

CDF Committees in constituencies should be trained on the Accounting Officer's Instructions and the operating procedures of the Fund.

**Management Response**

**The observation is noted. In the future, all acquittals will be remitted to the Director Internal Audit to check for adequacy and completeness of records before funds are disbursed.**

## 3. IMPLEMENTATION OF PROGRAMMES

### 3.1 Monitoring and Evaluation of CDF Projects

**Finding**

For the second year in succession, there was no evidence that the Management Committee received quarterly reports from Constituency Development Fund Committees. This was in contravention of Section 6 (d) of the Constitution of the Fund. There was also no evidence of follow-ups by the Management Committee to ensure that CDF Committees submitted quarterly reports.

**Risk/Implication**

There may be delays in the completion of projects and any deviations from approved projects may not be detected and rectified timely.

**Recommendation**

The Management Committee should follow-up with the Constituency Development Committees to submit quarterly reports in compliance with the Constitution of the Fund.

**Management Response**

**The observation is noted. Some projects are once-off projects that do not require quarterly updates like drilling boreholes and purchasing school furniture. But for construction projects like clinics and classroom blocks, management has requested the CDF committees to reduce the number of projects being done with a view to making sure that they are done to completion. Going forward, for projects that will not be completed, management shall be requesting project status reports and do away with the quarterly reports.**

## 4. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

Parliament of Zimbabwe did not make much progress in addressing audit findings raised in my previous audit report. Out of ten (10) findings only one (1) finding was addressed as indicated below:

### 4.1 Submission of Financial Statements and Reports

The finding on submission of financial statements was not addressed as indicated on paragraph 1.1.

### 4.2 Reconciliations

The issue on reconciliations was not addressed as indicated on paragraph 1.2.

### 4.3 Training of CDF Committee Members

The finding was addressed, training of CDF Committee members in Provinces was conducted as evidenced by training registers.

### 4.4 Procurement Procedures

The issue on procurement procedures was not addressed as indicated in paragraph 2.1.

### 4.5 Supporting Documents

The finding on supporting documents was not addressed as indicated in paragraph 2.1.

### 4.6 Fund Utilisation and Projects

The issue was not addressed as there were no controls in place to ensure that approvals were sought prior to project changes.

### 4.7 Borehole and Footbridge Construction Projects

No due diligence was done before drilling of the borehole. The matter remained unaddressed.

### 4.8 Variation of Projects

There were no controls in place to ensure that approvals were sought prior to project variations.

### 4.9 Project Implementation in Pumula and Mutare Constituency

The finding on the project implementation was not addressed as the developmental projects were not undertaken.

### 4.10 Monitoring and Evaluation of CDF Projects

The finding on monitoring and evaluation of CDF Projects was not addressed as indicated in paragraph 3.1.

## VOTE 3.- PUBLIC SERVICE, LABOUR AND SOCIAL WELFARE

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Public Service, Labour and Social Welfare is to promote quality public service delivery, efficient labour administration and provide sustainable social protection services for socio-economic transformation.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 3 562 263 370 | 5 587 000 | 3 567 850 370 | 589 479 087 | 2 978 371 283 |
| **Constitutional and Statutory Appropriation** | | | | |
| 300 481 | _ | 300 481 | 1 422 857 | (1 122 376) |

I have audited the financial statements of the Ministry of Public Service, Labour and Social Welfare for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Public Service, Labour and Social Welfare as at December 31, 2024 in accordance with the Public Finance Management Act *[Chapter 22:19]*, and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Sub-Paymaster General Account**

### Finding

The Sub-Paymaster General's (Sub-PMG) Account reconciliation statement disclosed total payments of ZWG478 395 222 which were processed through the Sub-PMG bank account while the total expenditure reported in the Appropriation Account was ZWG589 479 087. There was a variance of ZWG111 083 865 between the two figures. Therefore, I could not place reliance on the Appropriation Account submitted for audit as completeness, accuracy and occurrence of the total expenditure could not be validated.

### Risks/Implications

Unreconciled variances result in misstatements of the financial statements.

The reliability of amounts disclosed in financial statements could be compromised.

**Recommendation**

Management should reconcile the two figures.

**Management Response**

**The variance is noted. This variance is a result of employment costs that are paid to employees at the Ministry which are not paid through SSB and these include student allowances and salaries in kind.**

**However, a write up has been made to the paymaster SSB for 2024 monthly salary schedules to facilitate reconciliations. This exercise should be completed within a week upon the schedules being furnished.**

**(ii) Rentals**

**Findings**

The Ministry failed to keep records of individuals utilizing accommodation at its institutions. Rent cards, rent logs, or occupation forms for the homes being occupied were not maintained for all the occupants, making it impossible to determine the total revenue collected and the outstanding rental revenue.

In addition, the Ministry projected to receive rentals of ZWG20 668 200 from houses at the 15 institutions which offer staff accommodation. The estimates were made based on the market value of the houses but due to low salaries, collections were pegged at 5% of the members' salaries. As a result, ZWG6 569 was received from the expected collections resulting in a shortfall of ZWG20 661 631. This amount was disclosed in the Outstanding Revenue Return for the year under review. It was not evident on what basis the Ministry intended to collect the amount considering that the estimates had been revised to suit the 5% of employees' salaries authorised by the Accounting Officer.

**Risks/ Implications**

Rental payments may not be fully collected, and the Ministry may underperform in recovering outstanding revenue.

The outstanding revenue return could be misstated thereby misleading users of the financial statements.

**Recommendations**

The Ministry should keep current rent cards and rent logs to ensure that all revenue owed to the Ministry is collected fully, and that outstanding rentals are monitored and pursued.

The outstanding revenue return should be prepared based on realistic estimates.

**Management Response**

**It is acknowledged that the Ministry did not maintain adequate documents for people using institutional accommodation. At the time of changeover of currency, an exercise had been put on the work plan to visit all institutions, but unfortunately this could not take off due to lack of budgetary support. As a result, people using institutional accommodation ended up not paying rentals due to loss of value of the ZWL against the ZWG. An exercise is now underway to visit all stations and update the rent registers.**

### (iii) Open items

#### Finding

The PFMS cashbook had open items as at April 28, 2025 amounting to ZWG$101 572 230 for the financial year 2024, despite the call by Treasury for government entities to clear all open items. Due to the presence of open items, the accuracy of the expenditure disclosed in the Appropriation Account could not be validated.

#### Risk/Implication

The expenditure reported in the Appropriation Account may be misstated.

#### Recommendation

Management should clear open items in the PFMS.

#### Management Response

**The variance is noted, currently the figure has dropped to ZWG88 613 793. For this variance to be cleared, it requires Treasury to post the equivalent budgetary support into the Ministry's General Ledger to complete the double entry. As such, a write up has been made to Treasury on the matter.**

### (iv) Unsupported Expenditure

#### Finding

The Ministry incurred expenditure amounting to ZWG4 494 233 which was not supported. Payments were made on the strength of purchase orders, contrary to provisions of Section 59 (5) of the Public Finance Management (Treasury Instructions), 2019 which states that payment vouchers containing sufficient information should be prepared to enable the expenditure to be verified. As a result, I could not validate the nature of the expenditure incurred and whether it had been properly classified and accounted for in the financial statements.

#### Risk/Implication

Funds may be misappropriated if payments are processed without relevant source documents.

#### Recommendation

The Ministry should ensure that all payment vouchers are properly prepared, duly authorised and sufficiently supported to facilitate the validation of transactions and ensure proper accountability for public funds.

#### Management Response

**Management did not respond.**

Below are other issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilization

**Finding**

The total budget allocation for the Ministry was ZWG3 567 850 370 while funding provided amounted to ZWG506 515 936 resulting in a budget utilisation of 14 % of the voted funds. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programmes of the Ministry of Public Service, Labour and Social Welfare. As a result, the Ministry had payment arrears of ZWG117 938 608 and US$12 005 410 that could not be settled.

**Risks/Implications**

Planned activities could not be achieved due to lack of budget support.

The Ministry could be sued by creditors for non-payment of debts.

**Recommendation**

Management should continue lobbying for more funding from Treasury for the achievement of its plan and clearance of debts.

**Management Response**

**Management did not respond.**

### 1.2 Disaster Recovery Plan

**Finding**

The Ministry continued to operate without a Disaster Recovery Plan (DRP) despite the same issue having been raised in my previous report. The plan enables the Ministry to continue offering critical services in the event of disruption and to survive a disastrous interruption of services.

**Risk/Implication**

Data and assets may be lost in the event of a disaster.

**Recommendation**

The Ministry should come up with a Disaster Recovery Plan to enable continuity of services in the event of a disaster.

**Management Response**

**Management did not respond.**

### 1.3 Advances from Funds

**Finding**

As observed during my previous audit, the Ministry continued to borrow funds from Sustainable Livelihoods Fund without Treasury concurrence. Amounts totalling ZWG$ 681 971 were borrowed and these funds had not been reimbursed to the Fund at the time of my audit, on May 31, 2025. This was contrary to Section 116 (9) of the Public Finance Management (Treasury Instruction), 2019 which requires Ministries to seek Treasury authority when they intend to borrow funds from statutory Funds.

**Risk/Implication**

The Fund may fail to meet objectives if resources are diverted to augment other activities which are not in line with its mandate.

**Recommendation**

The Ministry should cease the practice of borrowing from the Fund as this deprives it from fulfilling the mandate.

**Management Response**

**Management did not respond.**

### 1.4 Non-Submission of Returns

**Finding**

The Ministry did not submit the Statement of Development Partner Funded Projects, as required by Section 115 of the Public Finance Management (Treasury Instructions), 2019 and Treasury Circular 1 of 2025, which provides for the documentation of donations.

**Risk/ Implication**

Failure to submit returns may compromise the accountability of the Ministry as the public financial resources may not be fully disclosed.

**Recommendation**

The Ministry should submit all the returns to enhance accountability, management and reliability of the financial information produced.

**Management Response**

**Management did not respond.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Non-Disclosure of Bank Account

**Finding**

The Ministry did not disclose the existence of a Nostro Sub-Exchequer Account on the receipts and disbursements return despite the fact that the account was in use during the year 2024.

The account received various deposits during the year and the Ministry did not report them. As a result, I could not ascertain the completeness of revenue received. This was contrary to Treasury circular number 1 of 2025 which requires all receivers of revenue to produce a statement showing all receipts and disbursements for the year 2024 and how they have been reconciled to the Exchequer Account.

**Risk/Implication**

Revenue disclosed may be understated.

**Recommendations**

The Ministry should disclose all bank accounts as per the Treasury circular. The Ministry should also ensure that all deposits received in this bank account are receipted and accounted for and that reconciliations to the Main Exchequer are done.

**Management Response**

**Management did not respond.**

## 3 MANAGEMENT AND IMPLEMENTATION OF PROGRAMMES

### 3.1 Basic Education Assistance Module - BEAM

**Finding**

BEAM and Harmonised Cash transfer programmes operated outside the Public Financial Management System (PFMS) during the year under review. The payments were processed using the Microsoft excel spread sheet which did not have adequate security controls for processing payments and recording transactions. Total payments amounting to ZWG44 711 018 and ZWG10 000 000 were processed for BEAM and Harmonised Social Cash Transfer respectively. This was contrary to section 13 (2) of the Public Finance Management (Treasury Instructions), 2019 which requires the Government Ministries to use SAP unless authorised by Treasury to run independent systems. The Ministry did not have Treasury authority to use an alternative system.

**Risks/Implications**

Using excel sheets may result in data loss as there is no back up.

Data integrity may also be compromised.

**Recommendation**

Management should ensure that transactions for the programs are done on the recommended and approved Accounting Software Packages to ensure data integrity.

**Management Response**

**Management did not respond.**

### 3.2 Harmonized Social Cash Transfer (HSCT)

**Finding**

The Harmonised Social Cash Transfer (HSCT) programme disbursed ZWL$376 229 for domestic allowances related to project management training and asset disposal trips in 2024, which did not fall within the HSCT's mandate of assisting vulnerable individuals. This was not in line with the Social Welfare Assistance Act [*Chapter 17:06*], which governs the provision of social welfare support to individuals in need and their dependents, along with related matters.

**Risk/Implication**

If resources are allocated to expenses that do not align with the programme's objectives, the Ministry may not fulfil its mandate.

**Recommendation**

Management should ensure that allocated funds are utilized for expenses that are in line with the programme's objectives so that the Ministry can effectively achieve its mandate.

**Management Response**

**Management did not respond.**

## 4 USE OF GOODS AND SERVICES

### 4.1 Outstanding Domestic Travel Allowances

**Finding**

The Ministry had, as at the time of audit on 14 March 2025 outstanding travelling and subsistence domestic advances amounting to $552 461 relating to 2024. Section 65 (15) of the Public Finance Management (Treasury Instructions), 2019 requires advances to be acquitted within thirty (30) working days of the completion of travel by submission of a travelling and subsistence claim voucher.

**Risk/Implication**

The Ministry may fail to recover outstanding travel and subsistence allowances. The outstanding balances may lose value due to lapse of time.

**Recommendation**

The Ministry should institute recovery measures in line with Treasury Instructions to ensure that outstanding allowances are fully recovered.

**Management Response**

**Management did not respond.**

## 5. MANAGEMENT OF ASSETS

### 5.1 Register

**Findings**

The Ministry did not maintain an up-to-date Master asset register and a departmental asset register, as a result 74 motor vehicles acquired in 2024 were not recorded in the master asset register as at April 14, 2025. This was contrary to the requirements of section 100 (1) of the Public Finance Management (Treasury Instructions), 2019 which requires Accounting Officers to promptly and accurately record all assets in the Assets register.

**Risk/Implication**

Assets may not be properly accounted for if they are not recorded in the Master Asset Registers

**Recommendations**

The Ministry should ensure that all assets are properly accounted for by recording them in the Master Asset Register and departmental asset registers. Physical counts should be carried out and compared with records to ensure completeness.

**Management Response**

**The 74 motor vehicles were purchased in October 2024 and delivery was done in batches. The delivery was completed in 2025. The motor vehicles were recorded in the motor vehicle register. However, they have now been recorded in the Master Asset Register. The register is available for auditing.**

### 5.2 Donations

**Finding**

The Ministry received a donation of a solarized borehole amounting to US$2 000 from Action for Hunger and blankets worth US$8 610. There was no evidence that the Ministry sought Treasury authority for accepting gifts and donations as required by Section 112 (4) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Donated funds may not be properly accounted for.

**Recommendation**

The Ministry should seek Treasury authority before donations can be accepted.

**Management Response**

**The request for authority to receive donations was written, follow up with Ministry of Finance and Economic Development is being pursued.**

### 5.3 Board of Inquiry for Motor Vehicles

**Finding**

The Ministry did not conduct Boards of Inquiry (BOI) for five vehicles that were involved in accidents in 2024. Section 103(15) of the Public Finance Management (Treasury Instruction), 2019 states that a convening order for holding the BOI should be issued within 14 working days.

**Risk/Implication**

Delays in conducting boards of inquiry will result in those responsible not being held to account.

**Recommendation**

The Ministry should ensure that boards of inquiry are held for all the vehicles that were involved in accidents to facilitate holding those responsible to account.

**Management Response**

**The Boards of Inquiry have been held and some have been completed while others are pending.**

## 6. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing audit findings raised in my previous audit report. Out of twelve (12) findings, seven (7) were addressed while five (5) were not addressed as below:

### 6.1 Appropriation Account and Sub-Paymaster General's Account

The Ministry has submitted a reconciliation of the amount.

### 6.2 Compensation of Employees

The Ministry submitted a reconciliation of the amount**.**

### 6.3 Disaster Recovery Plan

The Ministry is still to come up with a Disaster Recovery Plan and the issue has been raised on paragraph 1.1.

### 6.4 Advances from Programmes

The audit recommendation has not been implemented as the Ministry continued borrowing funds from Sustainable Livelihoods and the issue has been raised on paragraph 1.3.

### 6.5 Payment in Arrears

The audit recommendation has not been implemented as the Ministry did not provide a return in the current audit.

### 6.6 Non-Submission of Returns

The audit finding was not addressed; two (2) audit returns for the current year were also not

submitted as raised on paragraph 1.4.

### 6.7 Audit Committee

The Ministry now has a fully constituted audit committee.

### 6.8 Revenue Received-Rentals

The audit finding was addressed as a reconciliation has been provided to audit.

### 6.9 Basic Education Assistance Module - BEAM

The audit finding has not been addressed; the issue has been raised on paragraph 3.1.

### 6.10 Implementation and Monitoring Gender Activities

The audit finding was addressed as payments were made to the various Health Institutions who offer the services.

### 6.11 Health Assistance Programme

The audit finding was addressed as payments were made to the various Health Institutions who offer the services.

### 6.12 Pauper Burial

The audit finding was addressed.

## CASH TRANSFER SCHEME FOR URBAN VULNERABLE PERSONS FUND 2023

### Objective of the Fund

The purpose of the fund is the provision of social safety nets to urban vulnerable persons through cash transfers.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| Item | Amount ZWL$ |
|---|---|
| Income | - |
| Expenditure | 236 837 |
| **Deficit** | **(236 837)** |

### Statement of Financial Position

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Accumulated Fund | - | 821 047 |
| Non- Current Assets | 934 625 | - |
| Current | - | 113 578 |
| **Total** | **934 625** | **934 625** |

I have audited the financial statements of the Cash Transfer Scheme for Urban Vulnerable Persons Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Cash Transfer Scheme for Urban Vulnerable Persons Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Property, Plant and Equipment

### Findings

An examination of the asset register revealed that the Fund had assets in the form of laptops valued at ZWL$682 820. However, the financial statements for the year ended December 31, 2023, indicated that these assets were not depreciated. The Fund did not have a policy on depreciation. Consequently, I could not determine the extent of adjustments necessary.

Furthermore, included in the total assets value of ZWL$934 625 were cell phones and hard drives valued at ZWL$251 805 which should have been expensed.

### Risk/Implication

The financial statements may be inaccurate.

### Recommendation

Management should establish a comprehensive policy for accounting for these assets.

**Management Response**

**It is acknowledged that the Fund has four (4) laptops and ten (10) hard drives which had been classified as assets in the books of accounts. Presently the Ministry does not have a depreciation policy as it is awaiting the operationalisation of the draft manual.**

**The mobile phones and hard drives are not assets and should have been expensed on the date of purchase.**

Below are other issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Management of Laptops

**Findings**

Two (2) laptops, HP 450 serial numbers 5CD02348NP and 5CD0493GZX were stolen during the year under review. At the time of the audit in October 2024, no board of inquiry had been conducted. Section 109 (3) of the Public Finance Management Treasury Instructions, 2019 requires the Accounting Officer to initiate an inquiry into any reported deficiency, damage, or destruction.

The Fund distributed four (4) computers, four (4) Samsung tablets, and ten (10) hard drives to its officers. However, there was no definitive policy outlining how these assets should be accounted for. It remained unclear whether the officers were to keep the computers, tablets, and hard drives, or if they were still considered the property of the Fund since the items were still recorded in the Fund's accounts. I was unable to determine the terms under which these devices were issued to the officers and the system used for tracking the assets.

**Risk/Implication**

The Ministry faces potential loss should employees terminate their contracts without a board of inquiry being conducted.

It would be difficult to properly account for the assets in the absence of a guiding policy.

**Recommendations**

Management should ensure that a board inquiry for the stolen laptops is conducted in order to come up with the appropriate recommendations.

Management should come up with a clear policy to account for the assets.

**Management Response**

**The observation is noted. Indeed two (2) laptops were stolen and a board of inquiry is yet to be convened.**

**Presently the Ministry does not have a policy on how to account for the assets as it is waiting for the operationalisation of the draft manual.**

## 1.2 Constitution of the Fund

### Finding

The Fund has been operating without an approved Constitution, contrary to the provisions of Section 18 (2) of the Public Finance Management Act [*Chapter 22:19*] which requires a Statutory Fund to draw up a constitution to guide and regulate its affairs.

### Risk/Implication

The absence of an approved constitution, may result in the Fund operating outside the legal framework governing its operations.

### Recommendation

Management should continue to engage Treasury for the approval of the Constitution so as to legitimise the existence of the Fund.

### Management Response

**It is acknowledged that the Fund operated with a draft Constitution for the 3rd year and the Ministry is pushing for its approval by the Ministry of Finance, Economic Development and Investment Promotion.**

## 1.3 Accounting Officers Manual

### Finding

The Fund operated without an approved Accounting Officer's manual. Section 28 (7) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to issue detailed written instructions governing the conduct of financial business and the control of all public moneys and the property for which they are responsible.

### Risks/Implications

Staff members might have insufficient direction regarding the management and operation of the Fund.

This could lead to discrepancies in the processing of financial transactions.

### Recommendation

Management should ensure that an approved accounting officer's manual is in place.

### Management Response

**The Ministry's accounting officer's instructions was in draft form and is being reviewed. This draft shall be sent for approval once it has been adopted by management.**

**It is envisaged that an approved draft will be in place before the end of the third quarter of 2025.**

## CHILD WELFARE FUND 2023

### Objective of the Fund

The Fund was established for the development and promotion of the welfare and protection of children and young persons.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **ZWL$** |
|---|---|
| Income | 1 410 910 712 |
| Expenditure | 1 659 975 900 |
| **Deficit** | **(249 065 188)** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Deficit | -- | (39 499 799) |
| Current | 5 087 607 | 44 587 406 |
| **Total** | **5 087 607** | **5 087 607** |

I have audited the financial statements of Child Welfare Fund which comprise the statement of financial position as at December 31, 2023, and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Advances to Parent Ministry

### Finding

Advances to the Appropriation Account amounting to ZWL$3 544 915 which were reported in my previous report remained outstanding at the time of my audit on September 30, 2024. Section 116 (9) of the Public Financial Management (Treasury Instruction), 2019 prohibits Accounting Officers from using resources from Funds within their Ministries to finance Appropriation budgets unless authorised by Treasury in writing.

### Risk/ Implication

The activities of the Fund could be negatively affected if the parent Ministry does not reimburse the outstanding amount.

### Recommendation

Management should comply with regulations and reimburse borrowed funds.

**Management Response**

**The observation is noted. A total of ZWL$3 544 915 was paid out from the Child Welfare Fund in order to procure food rations and other essential items for children in eleven government institutions. This happened at a time when the Ministry did not have any money on the budget. The Ministry is agreeable to reimbursing the funds within the 2025 financial year.**

## 2. EXPENDITURE CONTROL

### 2.1 Institutional Provisions

**Finding**

The Fund spent ZWL$819 982 577 on institutional provisions using the grant received from Treasury which amounted to ZWL$1 410 910 712. This consumed more than half the budget (58%) of the funds availed to meet the core operations of the Fund such as meeting the per capita grant disbursements.

**Risk/Implication**

The Fund may fail to meet its objectives if the availed resources are spent uneconomically.

**Recommendation**

Management should ensure that expenditure incurred is in line with meeting the objectives of the Fund.

**Management Response**

**It is acknowledged that a total of ZWL$819 982 577 was charged to institutional provisions, constituting over 58% of funds availed by Treasury.**

### 2.2 Expenditure Variance

**Finding**

The financial statements submitted for audit reported total expenditure of ZWL$1 659 975 901 while the budget consumption in the Public Financial Management System indicated expenditures of ZWL$1 674 815 579, resulting in a variance of ZWL$14 839 678 that was not reconciled.

**Risk/Implication**

The accuracy and credibility of financial statements may be compromised if the two expenditure figures are not reconciled.

**Recommendation**

The Ministry should reconcile any variances noted before preparation and subsequent submission of financial statements.

**Management Response**

**It is acknowledged there were variances between expenses shown in the PFMS and that which was shown on the financial statements. Timeous reconciliation will be done in future to avoid recurrence of the problem.**

## 2.3 Double Payments

**Findings**

Double payments amounting to ZWL$3 618 008 were made to service providers during the year under review. Of this amount, ZWL$2 132 923 was recovered leaving a balance of ZWL$1 485 085. No evidence of efforts to recover the overpaid funds was submitted for audit. Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019 requires officers to take adequate steps to collect any sums due to the Government and that no debt to become extinguished through lapse of time.

**Risk/Implication**

Funds may be misappropriated through double payments.

**Recommendation**

Management should institute measures to avoid double payments and ensure that recovery action is taken on the outstanding balance.

**Management Response**

**The observation is noted. The dual payments were made due to system error. The money was used to cater for the August 2024 per capital grant.**

## 2.4 Sundry Payables

**Finding**

The Fund borrowed ZWL$44 587 405 from Children on the Street Fund and from the Appropriation Account. This resulted in an increase of 245% from last year's figure of ZWL$10 960 214. By the time of audit in September 2024, the Fund had not repaid the borrowed financial resources.

**Risk/Implication**

It would be difficult to exercise control over the budgeted amounts if expenditure is met using borrowed funds.

**Recommendation**

Management should desist from the practice of borrowing from the Funds within the Ministry as it would impact negatively on the attainment of the Fund's objectives.

**Management Response**

**The Ministry acknowledged borrowing ZWL$44 587 405 from the Children on the Street Fund for the purposes of running, the Child Welfare Council. This amount should have been reimbursed to the Children on the Streets Fund, but could not happen due to lack**

**of fiscal space. The Fund will reimburse the Children on the Streets Fund this year once adequate funds have been availed.**

### 2.5 Constitution of the Fund

**Finding**

The Fund has been operating without an approved Constitution. Section 18 (2) of the Public Finance Management Act [*Chapter 22:19*], requires a Statutory Fund management to draw up a constitution to guide and regulate its affairs.

**Risk/ Implication**

In the absence of an approved constitution, there is no basis for the existence of the Fund.

**Recommendation**

Management should prioritise the finalisation of the Constitution.

**Management Response**

**The Child Welfare Fund was established in terms of the repealed Part VII B of the Children's Protection and Adoption Amendment Act [*Chapter 5:06*]. The Fund's Constitution was drawn up in 2005. Treasury has been approached to furnish a copy for retention within the Ministry.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make much progress in addressing audit findings raised in my previous audit report. Out of three (3) findings one (1) finding was addressed and two (2) findings were not addressed as indicated below:

### 3.1 Administration and Per Capita Grant

The finding was not addressed. There was still no acknowledgement of receipt of grants by the institutions.

### 3.2 Advances to Parent Ministry

The finding was not addressed as the parent Ministry made no reimbursement.

### 3.3 Compliance with Procurement Regulations

The Fund complied with the procurement regulations.

## CHILDREN ON THE STREETS FUND 2023

### Objective of the Fund

The purpose of the Fund is to protect and rehabilitate the children living in and/ or working on the street.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| Item | Amount ZWL$ |
|---|---|
| Income | 430 000 000 |
| Expenditure | 382 451 244 |
| **Surplus** | **47 548 756** |

### Statement of Financial Position

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Accumulated Fund | - | 47 549 156 |
| Current | 47 549 156 | - |
| **Total** | **47 549 156** | **47 549 156** |

I have audited the financial statements of the Children on the Street Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Children on the Street Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act *[Chapter 22:19],* and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Classification of Expenditure

### Findings

An amount of ZWL$4 600 000 relating to the purchase of foodstuffs from Chicken Inn for an interface held at Stodart Hall with children living and working on the streets was charged to domestic allowances expenses account instead of Food and refreshments. Food and Refreshments and Social Benefits expenses amounting to ZWL$1 952 451 and ZWL$70 000 000 respectively, were also recognised as Rations in the financial statements. This resulted in misstatements of the three (3) different expenditure heads by the same amounts. Section 54 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all expenditure on Voted services to be classified under the appropriate sub-heads and items as shown in the estimates of expenditure and as directed by the Treasury.

Further, the Fund paid domestic allowances of ZWL$649 030 to one of the officer's maid, who accompanied her when she undertook official trips to Chambuta Children's Home and Kadoma Training Institute. The domestic allowances were paid in to the officer's bank account. Section

65 (5) of the Public Finance Management (Treasury Instructions), 2019, stipulates that Government shall not be responsible for costs incurred when officers travel on official duty with spouses, children, or dependants.

**Risks/Implications**

Financial statements could be misstated due to misclassification of expenditure.

The Fund may fail to meet its objectives due to payment of funds for unintended purposes.

**Recommendations**

Management should ensure that expenditure is classified under appropriate sub-heads and items.

Management should ensure that the officer reimburses the domestic allowances paid to the maid.

The Fund should not pay domestic allowances to non-employees in line with the regulations.

**Management Response**

**The observation is noted. Misclassification of expenditure was due to an error on the part of the Ministry.**

**The officer's maid was paid domestic allowances of ZWL$649 030 at the discretion of the Accounting Officer. The Ministry has since stopped the practice of paying for maids whenever they accompany officers on official trips. The amount overpaid shall be deducted from the member from January 2025 upon her return from study leave.**

**Evaluation of Management Response**

*At the time of concluding the report on May 21, 2025, the officer had not reimbursed the domestic allowances paid as she was said to be coming back in August 2025.*

## 1.2 Advances to Parent Ministry

**Finding**

The Fund made advances of ZWL$42 967 111 to the parent Ministry in 2023. I was not furnished with the Treasury authority granted to the Ministry to borrow the funds. This amount was still outstanding at the time of my audit on December 4, 2024. Section 116 (9) of the Public Finance Management (Treasury Instructions), 2019 prohibits Accounting Officers from borrowing money from Funds within their Ministries to finance Appropriation budgets unless authorized by the Treasury in writing.

**Risk/ Implication**

The Fund may fail to achieve its objectives if funds advanced to the parent Ministry are not reimbursed.

**Recommendation**

Management should ensure that the amount owed by the parent Ministry is reimbursed.

**Management Response**

**The observation is noted. The sum of ZWL$42 967 111 remained outstanding at the time of the Audit. Treasury condonation was sought and arrangements are underway to pay off the debt once the Vote has been given adequate funding.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made partial progress in addressing the audit finding raised in my previous audit report as indicated below:

### 2.1 Underutilisation of funds

The finding was partially addressed. During the year under review, underutilization of funds dropped from 40% to 11%.

## COMMUNITY RECOVERY FUND 2023

### Objective of the Fund

The mandate of the Fund is to rebuild the livelihoods of the disadvantaged communities in the rural and peri-urban parts of Zimbabwe as part of the recovery process.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| Item | Amount ZWL$ |
|---|---|
| Income | 1 219 |
| Expenditure | 360 983 |
| **Deficit** | **(359 764)** |

### Statement of Financial Position

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Accumulated Deficit | - | (366 581) |
| Current | 133 419 | 500 000 |
| **Total** | **133 419** | **133 419** |

I have audited the financial statements of the Community Recovery Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Community Recovery Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the disclosure requirements of the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Constitution of the Fund

#### Finding

For four (4) consecutive years, the Fund has been operating without an approved Constitution. Management produced a draft constitution which was submitted to Treasury for approval. However, there was no evidence of follow ups made by management to ensure that the draft Constitution is approved. Section 18 (2) of the Public Finance Management Act [*Chapter 22:19*], requires Statutory Fund management to draw up a Constitution to guide and regulate its affairs.

#### Risk/Implication

The absence of an approved Constitution may affect the operational integrity of the Fund.

#### Recommendation

Management should prioritise the finalisation of the Fund's Constitution.

**Management Response**

**It is acknowledged that the Fund continued using a draft Constitution for the fourth consecutive year.**

## 1.2 Sundry Payables

**Finding**

As observed in my previous audit report, the Fund received ZWL$500 000 on December 10, 2021 from FBC Bank. The amount was a donation to the parent Ministry from the bank meant to fundraise for persons with disabilities, old persons and children with difficult circumstances. The amount was left lying idle in the bank for over two and a half years and was wiped out by bank charges. On August 29, 2024, the bank statement reflected a nil balance.

**Risk/Implication**

Loss of value on donated funds due to non-utilisation negatively affect the welfare of the intended beneficiaries.

**Recommendation**

Management should ensure that donated funds are used expeditiously and for the intended purpose.

**Management Response**

**It is acknowledged that the sum of ZWL$500 000 was received from FBC bank as a donation. However, the Ministry indefinitely deferred the function where upon corporates and other institutions were to donate for the purposes of our Ministry's Social Protection Programmes. The money remained in the account but got gradually eroded by the bank service charges which of necessity had to remain open pending management's decision to hold the function and allow new donations to come. In future, the Ministry should only receive donations after establishing all necessary parameters to make the event a success.**

## 1.3 Lack of Funding

**Finding**

The Fund did not receive any budget support from Treasury for the past three (3) years, resulting in the Fund failing to carry out its mandate of rebuilding the livelihoods of the disadvantaged communities in the rural and peri-urban parts of Zimbabwe.

**Risk/Implication**

Lack of funding compromises service delivery and defeats the purpose for which the Fund was established for.

**Recommendation**

Management should lobby for funding from Treasury so that the Fund's objectives are achieved.

**Management Response**

**It is acknowledged that the fund did not receive the budgetary support directly as the**

**plan to merge it with Sustainable Livelihoods is yet to be implemented.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make any progress in addressing the audit findings raised in my previous audit report. Out of the two (2) recommendations, none were addressed as indicated below.

### 2.1 Constitution of the Fund

The finding was not addressed and it has been raised on paragraph 1.1.

### 2.2 Sundry Payables

The finding was not addressed and it has been raised on paragraph 1.2.

## DISABLED PERSONS FUND 2023

### Objective of the Fund

The purpose of the fund is to promote the welfare of disabled persons by providing financial resources for the rehabilitation, training and engaging in income and employment generating projects.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| **Item** | **ZWL$** |
|---|---|
| Income | 1 541 885 871 |
| Expenditure | 1 545 374 111 |
| **Deficit** | **(3 488 240)** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 575 550 |
| Current | 1 822 442 | 1 246 892 |
| **Total** | **1 822 442** | **1 822 442** |

I have audited the financial statements of Disabled Persons Fund for the year ended December 31, 2023, and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Disabled Persons Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act *[Chapter 22:19],* and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Expenditure not Adequately Supported

For the third year running, the Fund processed payments amounting to ZWL$135 675 685 for assistive devices on the basis of quotations. This was contrary to Section 59(3)(c) of the Public Finance Management (Treasury Instructions), 2019 which requires the supplier to submit the original invoice for the amount claimed before a payment is made.

### Risk/Implication

Payments may be made for fictitious transactions.

### Recommendation

Management should make a follow up on invoices from suppliers for the appliances that were paid for.

**Management Response**

**It is acknowledged that payments for assistive devices under this programme were paid for using quotations. While waiting for the development of Standard Operating Procedures Manual, a system has been adopted where clients tested and found eligible to get assistance are required to obtain three quotations from reputable suppliers and lodge them to the district for onward submission to the Head Office by way of a specially designed write up to the Accounting Officer. Once the Accounting Officer has approved, the supplier is requested to provide an invoice which would support the payment. Payment is only made after the invoice has been received from the supplier or service provider.**

## 1. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make any progress in addressing the audit finding raised in my previous audit report as indicated below;

### 1.1 Expenditure not Adequately Supported

The issue of expenditure not adequately supported was not addressed and has been raised again in the basis for opinion paragraph above.

## DRUG AND SUBSTANCE ABUSE MITIGATION FUND 2023

### Objective of the Fund

The mandate of the Fund is to prevent the negative effects of the use of illegal drugs or the use of prescription or over the counter drugs or alcohol for the purposes other than those for which they were meant to be used, in excessive amounts among the youth and the general populace.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 130 000 000 |
| Expenditure | 1 018 113 778 |
| **Surplus** | **111 886 222** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | **-** | 111 886 222 |
| Current | 111 886 221 | - |
| **Total** | **111 886 221** | **111 886 222** |

I have audited the financial statements of the Drug and Substance Abuse Mitigation Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Drug and Substance Abuse Mitigation Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

Below is an issue noted during the audit:

## 1 GOVERNANCE ISSUE

### 1.1 Sundry Receivables

### Finding

The bank erroneously made double payments to suppliers and employees amounting to ZWL$8 456 207 on behalf of the Fund during the year under review. At the time of my audit on September 30, 2024 the Fund had recovered ZWL$4 482 085. Included in the recovered amount was ZWL$3 113 215 which was deposited into the Ministry's Sub-Exchequer Account instead of the Fund's bank account. ZWL$3 974 122 remained outstanding at the end of the year.

### Risks/Implications

The funds may not be transferred into the Fund's bank account if recovered through the main Exchequer Account.

The Fund would not meet its objectives if the outstanding amount remains unrecovered.

**Recommendations**

Management should engage the bank to ensure that recovery of the outstanding double payments is done without further delay.

In addition, the funds that were recovered through the Exchequer Account should be transferred into the Fund's Bank Account.

**Management Response**

**Sundry receivables arose from dual payment which were made to suppliers and employees. Out of the total of ZWL$7 087 338, the sum of ZWL$3 113 215 was paid leaving a balance of ZWL$3 974 122 which is yet to be received from three (3) remaining customers. These should be recovered before the end of 2024.**

**Evaluation of Management Response**

*The amounts remained outstanding as at February 28, 2025 and it is a concern that the bank has taken this long to fully recover the overpayment.*

## NATIONAL DROUGHT FUND 2023

### Objective of the Fund

The Fund was established to alleviate the effects of drought and other natural hazards adversely influencing food security and to promote the development of food production designed to counteract drought and/or purposes incidental thereto.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 17 900 000 000 |
| Expenditure | 17 498 763 872 |
| **Surplus** | **401 236 128** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 400 786 128 |
| Current | 402 791 178 | 2 005 050 |
| **Total** | **402 791 178** | **402 791 178** |

I have audited the financial statements of the National Drought Fund for the year ended December 31, 2023, and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Travel and Subsistence Allowances

### Finding

Travelling and Subsistence allowances amounting to ZWL$38 288 135 were processed without details of arrival and departure times on the claim forms. Section 59 (15)(f) of the Public Finance Management (Treasury Instructions), 2019 requires that before forwarding a cash voucher for payment or a journal voucher for adjustment, the officers initiating the transaction shall satisfy themselves that the claim is a proper charge against public funds, and is generally in order and properly certified.

### Risk/Implication

Allowances could be misstated if arrival and departure times are not included on claim forms.

**Recommendation**

Management should ensure that completed claims have relevant details such as departure and arrival times.

**Management Response**

**Management acknowledges the audit finding. In future, staff will be impressed upon to include departure and arrival times. This will go a long way in enhancing transparency and accountability in the use of public funds.**

## 1.2 Grain Distribution

**Findings**

An examination of grain distribution records in Masvingo Province, Manicaland Province, Matabeleland North Province, and Matabeleland South Province revealed that grain withdrawal slips at the District Offices and Grain Marketing Board tax invoices had discrepancies of 14 428 bags of maize which translates to 721 tonnes. The quantity authorised for issue by the District Offices differed from the quantity of maize issued by the GMB Depots. This could have been due to lack of proper measuring mechanism as GMB resorted to averaging the weight of few bags of the total stock of grain using a digital scale and took it to be representative of the whole stock.

Additionally, most GMB depots had no weigh bridges and some were not functional.

**Risk/Implication**

Grain might be abused as there is no exact way of measuring the quantities of maize dispatched.

**Recommendation**

Management should implement a proper way of measuring quantities of grain before being dispatched.

**Management Response**

**The observation is acknowledged. This problem is prevalent across all the GMB depots and arises from the failure by GMB to re-bag grain which has been received from farmers. Management will ensure that re-bagging is done to avoid these discrepancies and each district will be called upon to reconcile its grain withdrawal slips to the dispatch notes to ensure that the Ministry is charged for the actual grain withdrawn.**

## 1.3 Underutilisation of Resources

**Finding**

The National Drought Fund did not utilise all the Funds that were disbursed by Treasury during the year under review. ZWL$23 974 073 was recalled by Treasury due to non- utilisation. The amount could have gone a long way in availing the much-needed resources to mitigate the impact of the food deficit in the country. Section 36 (1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to monitor the performance of the budget regularly to ensure the delivery of expected results and to address any deviations from their line ministry’s targets.

**Risk/Implication**

The Fund could fail to achieve its mandate and carry out the programs and activities that were planned during the period under review.

**Recommendation**

The Ministry should regularly monitor the budget to ensure delivery of planned activities and avoid failure to utilise the resources availed by Treasury.

**Management Response**

**It is acknowledged that a total of ZWL23 974 073 remained unutilized at the end of the financial year. The amount has been ringfenced to procure galvanized iron buckets needed to measure grain to beneficiaries at the distribution points. Regrettably, the tender process did not move fast enough, resulting in an unexpected balance.**

### 1.4 Mis-posting of Expenditure

**Finding**

Expenditure amounting to ZWL$52 963 675 was posted to the wrong ledger accounts and processed without corresponding journal entries to rectify the anomaly. The transactions were posted in the vehicle hire ledger instead of being posted to the casual labour ledger. Section 119 of the Public Finance Management (Treasury Instructions), 2019 requires a journal to be kept for making relevant corrections where instances of mis-posting occur during the recording of transactions of the fund.

**Risk/Implication**

Expenditure line-item balances reported in the financial statements could be misstated as a result of misclassifications.

**Recommendation**

Management should ensure that misclassified expenditure is reclassified to the correct expenditure ledgers.

**Management Response**

**It is acknowledged that a mis-posting as observed by the auditors arose as management tried to pay casual labourers who had been engaged to offload rice and wheat consignments under the Food Deficit Mitigation Strategy (FDMS) program. Treasury did not avail the requisite budget to reimburse the vehicle hire general ledger.**

### 1.5 Expenditure not Adequately Supported

**Finding**

An examination of sample payment vouchers for grain transportation revealed that payments amounting to ZWL$1 217 479 923 were processed using quotations. Section 53 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all payments to have adequate supporting documents.

**Risk/Implication**

Processing of payments without adequate supporting documentation may result in fictitious payments being processed.

**Recommendation**

Management should ensure that all transactions are adequately supported before being processed to avoid fictitious transactions.

**Management Response**

**Due to the need to expedite the transportation of grain from GMB to various distribution points, transporters are engaged immediately after they have been awarded tender and due diligence processes. In the process, there are occasions when some transporters get paid on the basis of quotations. For the future, the Fund will ensure that invoices are furnished to support every payment.**

## OLDER PERSONS FUND 2023

### Objective of the Fund

The Fund was established to provide social welfare assistance to destitute or indigent older persons through promotion of programmes on health and education among destitute or indigent older persons, provision of facilities for developing skills in older persons at homes, projects aimed at promoting the well-being, welfare, care and protection of older persons, and, assisting any person who wishes to establish, operate and maintain any service or facility that is aimed at advancing the well-being, welfare, care and protection of older persons.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| **Item** | **Amount ZWL$** |
|---|---:|
| Income | 736 427 197 |
| Expenditure | 647 765 185 |
| **Total** | **88 662 012** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---:|---:|
| Accumulated Fund | - | 87 529 150 |
| Current | 123 869 897 | 36 340 747 |
| **Total** | **123 869 897** | **123 869 897** |

I have audited the financial statements of the Older Persons Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Older Persons Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act *[Chapter 22:19],* and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Expenditure not Adequately Supported

### Finding

A payment of ZWL$97 886 208 was made to the service provider on September 7, 2023 for conference, accommodation and dinner for forty-four (44) participants attending the Older Persons Social Development Training. However, no attendance registers, invoices, or receipts were attached to the payment voucher. Consequently, I was not able to confirm whether the payment was a legitimate charge to the Fund. Section 53 (1) of the Public Finance Management (Treasury Instructions), 2019 requires public entities to ensure that all payments made are appropriately authorized, accurate, complete and adequately supported.

**Risk/Implication**

Fictitious payments may be made if supporting documents are not attached to the payment vouchers or if attendance registers are not signed.

**Recommendations**

Management should ensure that payments to suppliers are based on original invoices which clearly show the amounts claimed and the services provided.

Attendance registers should be signed to validate the number of attendees.

**Management Response**

**The observation has been noted. Forty-four (44) participants attended the Older Persons workshop at the LaRochelle hotel and a total of ZWL$97 million was paid as workshop expenses. Attendance registers were prepared for the full duration of the workshop and all participants were logging in every day. On return to the Head Office, the documents could not be located. Members of staff are being impressed upon to ensure that important documents are kept by responsible officers to avoid recurrence of such incidents. In addition, the hotel has been requested to provide the receipt, invoices and the rooming list of all participants since payment has already been done.**

**Evaluation of Management Response**

*As at May 20, 2025, the Fund had not provided documents (invoices, Receipt, rooming list of participants) from the hotel.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Administration of the Fund

**Finding**

The Fund operated without a board for the year under review. Sections 4 and 7 of the Constitution of the Fund requires the Accounting Officer to nominate members of the board with the approval of the President for the effective formulation and development of policies designed to improve the general welfare of older persons.

**Risk/Implication**

Lack of oversight on management decisions compromise service delivery.

**Recommendation**

The Ministry should ensure that a board is appointed to enhance the Fund`s operations and service delivery.

**Management Response**

**The board has been appointed and is now in place.**

## 2. EXPENDITURE CONTROL

### 2.1 Outstanding Travelling and Subsistence Allowance Acquittals

**Finding**

The Fund paid advances amounting to ZWL$7 564 147 to five (5) officers before they had acquitted the previous advances. Section 65 (7) (c) of the Public Finance Management (Treasury Instructions), 2019 forbids the processing of new advances before the previous ones are cleared. There was no evidence that advance ledgers were being reviewed to ensure that no payments were processed for members with outstanding advances.

**Risk/Implication**

The Fund may fail to recover the advances if they remain outstanding for a long period.

**Recommendations**

Management should institute salary deductions for all staff with outstanding advances.

Management should put in place robust supervisory mechanisms to ensure that new advances are not processed before clearance of the previous one.

**Management Response**

**It is acknowledged that a total of ZWL$7 564 147 was paid out as advance for the purposes of the program but this was done when the officers had returned and submitted their acquittals. Unfortunately, these acquittals have not been brought to account in the records. This issue has now been regularized.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made progress in addressing audit findings raised in my previous audit report. Out of the two (2) findings raised, one (1) was addressed and the other finding was not addressed as indicated below:

### 3.1 Empowerment of Older Persons

The development of the Older Persons policy had not been finalised.

### 3.2 Underutilisation of Funds

The finding was addressed as funds were utilised during the year under review.

## SUSTAINABLE LIVELIHOODS FUND 2023

### Objective of the Fund

The purpose of the Fund is to assist the indigent to become self-reliant through income and self-sustainable generating projects which would wean them from social assistance and enhance their disaster preparedness and shock response capacity.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 630 000 000 |
| Expenditure | 379 084 500 |
| **Surplus** | **250 915 500** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 720 576 958 |
| Non-current | 2 484 000 | - |
| Current | 718 092 958 | - |
| **Total** | **720 576 958** | **720 576 958** |

I have audited the financial statements of the Sustainable Livelihoods Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Sustainable Livelihoods Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act *[Chapter 22:19],* and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Unvouched Expenditure

### Finding

The Fund did not avail payment vouchers for domestic travel allowances with a value of ZWL$29 597 164 for audit. Section 81 (b) of the Public Finance Management Act [*Chapter 22:19*] states that all expenditure made should be properly authorised, charged and supported by sufficient vouchers or proof of payment. As a result, I could not verify whether the expenditure was a proper charge to the Fund.

### Risk/Implication

Verification of the accuracy and validity of the expenditure may be difficult.

### Recommendation

Proper and effective document retention system should be implemented to avoid loss of documents.

**Management Response**

**The observation is noted. The Ministry is still looking for the documents.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Fund Accounting

**Finding**

As noted in my prior year audit report, the Fund operated manually and outside the Public Financial Management System (PFMS) during the year under review and up to the time of concluding my audit on July 31, 2024. Section 119 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all financial management transactions relating to Funds to be accounted for through the PFMS, unless the Accountant-General has authorised the Fund to operate an independent accounting package.

**Risk/Implication**

The Manual accounting system is prone to errors leading to misstatements of the financial statements.

**Recommendation**

Management should introduce the Fund into the PFMS to enhance internal controls and comply with regulations.

**Management Response**

**The observation is acknowledged. The Fund was operating outside the Public Financial Management System (PFMS). This was necessarily so due to the nature of the service which the Ministry renders under this programme. Beneficiaries under the programme are vetted and approved at the district level and they should be able to access suppliers of service within the locality in which they operate. Projects and programmes include market gardening and beekeeping. Once a project has been approved by the committee through the local district council, documentation is sent to the Head Office for payment after the due diligence process. However, the Ministry is going to move the account to the PFMS as is the case with all government accounts.**

### 1.2 Advances to Parent Ministry

**Finding**

As at December 31, 2023 an amount of ZWL$413 828 878 in respect of advances to the Parent Ministry was outstanding, and up to the time of audit on July 31, 2024 no reimbursements had been made. There was also no evidence that prior authority had been sought to utilise the funds contrary to Section 116 (9) of the Public Finance Management (Treasury Instructions), 2019 which requires Accounting Officers to seek authority from the Treasury before using money from Fund Accounts within their Ministries to finance Appropriation budgets.

**Risk/Implication**

The objective of the fund may not be achieved.

**Recommendations**

The Accounting Officer should ensure that the amount involved is reimbursed and channeled toward meeting the Fund's objectives.

The Ministry should seek Treasury authority prior to utilising Fund resources to finance Appropriation budgets in compliance with the regulations.

**Management Response**

**The observation is noted. The Ministry will desist from borrowing as it may affect the Fund's operations.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make much progress in addressing audit findings raised in my previous audit report. Out of the five (5) findings raised, two (2) were addressed and three (3) were not addressed as indicated below:

### 2.1 Absence of an Approved Constitution

The finding was not addressed as the Constitution was still to be approved so that the Fund is introduced into the PFMS. The issue is raised again on paragraph 1.1.

### 2.2 Fund Accounting Records

The Fund continued to operate outside the Public Financial Management System (PFMS) during the year under review as indicated on paragraph 1.1.

### 2.3 Underutilisation of Funds

The finding was addressed as funds were utilised during the year under review.

### 2.4 Advances to Parent Ministry

The issue of advances to Ministry persisted during the year under review as indicated on paragraph 1.2.

### 2.5 Receipting of Grants

The finding was addressed as grants received were properly receipted during the year under review.

## YVONNE EUSTASIE PARFITT HOMES FOR THE AGED FUND 2023

### Objective of the Fund

The Fund was established for the purpose of providing funds for establishing a home for the aged African people and to provide interest-free loans to assist voluntary organisations in establishing or maintaining home for the aged Africans.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **ZWL$** |
|---|---|
| Income | - |
| Expenditure | **-** |
| **Surplus** | **-** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| **Non-current** | 77 118 300 | 77 118 300 |
| **Current** | 1 614 594 | - |
| **Accumulated Fund** | - | 1 614 594 |
| **Total** | **78 732 894** | **78 732 894** |

I have audited the financial statements of the Yvonne Eustasie Parfitt Homes for the Aged Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Yvonne Eustasie Parfitt Homes for the Aged Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Operating without a Bank Account

#### Finding

During the year under review and up to the time of the audit in September 2024, the Fund operated without a bank account. Consequently, the Fund could not receive dividends amounting to ZWL$1 614 594 that had been declared in the years 2020, 2021, and 2022. This situation was in violation of Section 4 of the Fund's constitution, which stipulates that the Fund must maintain a double signature bank account for all financial transactions. The account was closed because it had become inactive due to insufficient funding.

#### Risks/Implications

The absence of the bank account could deprive the Fund of the much-needed income whenever dividends are declared.

The state funds could be misappropriated.

**Recommendation**

Management should prioritise the opening of the bank account to avoid delays in accessing dividends whenever they are declared.

**Management Response**

**It is acknowledged that at the time of the audit, the bank account had not yet been activated after it had been closed due to inactivity as a result of lack of fund. The Fund's resources come from dividends from the 30 000 shares. Windmill Private Limited has since asked the Ministry to avail an account and this account is being resuscitated.**

## 2.2 Fund Administration

**Findings**

Management did not take the initiative to merge the Fund with Funds that have similar mandates, even though Note 4(a) in Yvonne Parfitt's Last Will and Testament grants the Director of Social Welfare or their deputy unlimited authority regarding how the bequest of her shares should be administered.

Furthermore, the Constitution of the Fund was last reviewed on December 5, 1984. This was contrary to Section 8 of the Constitution which gives Treasury the responsibility to amend the Constitution after it has been initiated by the Ministry.

**Risks/Implications**

There could be duplication of efforts as Funds would have same objectives.

The Constitution would not effectively provide guidance due to changes that have taken place in the operating environment.

**Recommendations**

Management should consider merging the Funds that have similar mandates.

Management should review the Constitution to take into account changes in the environment.

**Management Response**

**Management did not respond.**

## VOTE 4.- DEFENCE AND WAR VETERANS AFFAIRS

## APPROPRIATION ACCOUNT 2023

### Mandate

The Ministry's mandate is to protect the country's territorial integrity and sovereignty over land and air space against both internal and external aggression. The Ministry also provides welfare and economic empowerment of war veterans, rescue assistance to civilians in times of disasters as well as promoting international peace and security through participation in peace keeping missions.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWL$ | Unallocated Reserve Transfers<br><br>ZWL$ | Total Budget<br><br>ZWL$ | Expenditure<br><br>ZWL$ | Net Underspending<br><br>ZWL$ |
|---|---|---|---|---|
| 133 173 086 000 | 1 367 645 809 247 | 1 698 788 895 247 | 1 516 621 710 026 | 182 167 185 221 |
| **Constitutional and Statutory Appropriation** | | | | |
| 2 870 400 000 | - | 2 870 400 000 | 2 870 400 000 | - |

I have audited the Appropriation Account of the Ministry of Defence and War Veterans Affairs as at December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements of present fairly in all material respects the state of affairs of the Ministry of Defence and War Veterans Affairs as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Fuel Management

### Findings

Anomalies were noted on the Petrol coupons Ledger maintained at the Ministry's Head Office. Further, the Zimbabwe National Army Headquarters, Harare District fuel point had variances between the Ledger and the audit re-computed balances. The discrepancies were attributed to the absence of segregation of duties as fuel administration and transport management was being manned by one person. The table below refers:

**Differences between the Ledger and Audit Re-computed Fuel Balances**

| DATE | ISSUE VOUCHER (IV) NUMBER | FUEL TYPE | LEDGER BALANCE (Litres) | RE-COMPUTED BALANCE (Litres) | VARIANCE |
|---|---|---|---|---|---|
| 11/01/2023 | IV51/23 | Petrol | 8 884 | 8 356 | 528 |
| 26/01/2023 | IV100/23 | Diesel | 24 900 | 23 060 | 1 840 |
| 16/02/2023 | IV69/23 | Petrol | 23 219 | 23 519 | (300) |
| 12/04/2023 | IV567/23 | Diesel | 7 700 | 8 000 | (300) |
| 20/04/2023 | IV604/23 | Diesel | 10 298 | 10 498 | (200) |
| 21/04/2023 | IV611/23 | Petrol | 10 884 | 13 884 | (3 000) |
| 10/08/2023 | IV2026/23 &IV2027/23 | Diesel | 20 266 | 20 066 | 200 |

In addition, the following was noted:

- There was no evidence of reconciliations and regular supervisory checks on fuel records**.** Section 157(2)(c) of the Public Finance Management (Treasury Instructions), 2019 requires the Accounting Officers to put in place a cost-effective system of internal controls that prevents or detects accounting errors.

- Furthermore, the petrol inventory balance increased to 20 469 litres on December 31, 2023 from a balance of 18 936 litres recorded on December 30, 2023. However, there was no evidence such as fuel receipts to support the increase of 1 533 litres. I could not therefore, confirm with certainty the accuracy of the fuel records.

- In addition, 640 and 300 litres of diesel issued on (IV) 538/23 and IV 537/23 respectively were recorded as petrol issues on the same IVs on April 06, 2023. Therefore, I could not place reliance on the information captured on the issue vouchers and the fuel management mechanism in place.

**Risk/Implication**

Fuel may be misappropriated and converted to personal use in the absence of accurate records.

**Recommendations**

The Ministry should ensure that there is segregation of duties in fuel management and that monthly fuel reconciliations are performed.

The Ministry should ensure that supervisory checks are regularly performed.

**Management Response**

**The observation is noted. Allocation of fuel management responsibilities is compliant with the Ministry's approved establishment. Segregation of duties will be implemented when the overall structure of the administration setup is adjusted.**

**Below are the explanations for the fuel variances**

| Date | Issue Voucher | Fuel Variance | Explanation for Variances |
|---|---|---|---|
| 11/01/23 | IV51/23 | 528 | IV 51/23 recorded an issue of 528 litres of petrol which was not deducted from the ledger balance resulting in the overstatement of fuel ledger closing balance. |
| 26/01/23 | IV100/23 | 1 840 | IV 100/23 issued 1 840 litres of diesel. The stores man did not subtract the fuel from the ledger resulting in the anomaly. |
| 16/02/23 | IV69/23 | 300 | The anomaly on IV 69/23 is attributed to arithmetic error on recording a balance of 23 219 litres of petrol instead of 23 519 litres |
| 12/04/23 | IV567/23 | 300 | IV 567/23 issued 300 litres of diesel. The correct balance is 7 700 of fuel. |
| 20/04/23 | IV604/23 | 200 | IV 604/23 issued 200 litres of diesel. The stores man did not subtract the fuel from the ledger. |
| 21/04/23 | IV611/23 | 3 000 | IV 611/23 recorded a balance of 10 884 litres of petrol which was understated by 3000 litres and therefore the correct balance was 13 884. |

**The variance of 1 533 litres of petrol is acknowledged. Monthly reconciliations will be carried out to eliminate such anomalies.**

**Reconciliation of petrol receipts and issues was being done by the desk officer responsible under the supervision of the Deputy Director Administration. The Ministry will institute monthly fuel register checks and an effective system to curb such anomalies will be put in place.**

**Evaluation of Management Response**

*The Ministry should not wait for the structure to implement segregation of duties recommendation as controls are necessary.*

## 1.2 Paymaster General Reconciliation Statement

**Finding**

There was an unreconciled variance of ZWL$133 046 210 between the Appropriation Account and the total expenditure disclosed in the Sub Paymaster General Reconciliation Statement. No explanation for the variance was provided to audit. Section 29(4)(d) and (f) of the Public Finance Management (Treasury Instructions), 2019 requires a system of internal checks to be in place to ensure accuracy of the accounts. I could not therefore, confirm with certainty the accuracy of the Ministry's Appropriation Account.

**Risks/Implications**

Unreconciled variances result in misstatements of the financial statements.

The reliability of amounts disclosed in financial statements may be compromised.

**Recommendation**

The Ministry should investigate and rectify the unreconciled expenditure.

**Management Response**

**The initial variance between the Ministry's Paymaster General Account and the Appropriation Account was ZWL$689 957 873 783. The Ministry managed to submit supporting documents to address the finding and the variance was reduced to ZWL$133 046 210. The Ministry is working on the issue to clear the remaining variance.**

### 1.3 Sub-Exchequer Reconciliation

**Finding**

The Ministry's Sub-Exchequer Account reconciliation had an uncleared variance of ZWL$3 705 136 between the total transfers and the Public Financial Management System (PFMS) ledger. I could not therefore, rely on the accuracy of the Sub-Exchequer Account reconciliation.

**Risk/Implication**

The total transfers disclosed may be misstated.

**Recommendation**

The Ministry should ensure that reconciliations between the ledger balances and the Sub-Exchequer returns are made so that accurate information is maintained.

**Management Response**

**The observation is noted. The variance was as a result of mispostings by Treasury. After taking into account these anomalies the total collections from the Reserve Bank of Zimbabwe (RBZ) and the CBZ amounted to ZWL$648 130 779 while the total disbursements were ZWL$651 835 415 respectively. The Ministry submitted supporting documents for the Statement of Receipts and Disbursements and is working on clearing variance noted.**

### 1.4 Submission of the Appropriation Account

**Finding**

The Ministry submitted the Appropriation Account for audit on the April 26, 2024 contrary to the provisions of Treasury circular No.1 of 2024 on submission of financial statements. The circular requires financial statements to be submitted by January 31, 2024. This resulted in delays in commencement and finalisation of the audit.

**Risk/Implication**

Transparency and accountability may be compromised.

**Recommendation**

The Ministry should comply with the statutory deadlines for the submission of the Appropriation Account.

**Management Response**

**The observation was noted. The Ministry had over 6 500 unfunded payments (open items) that needed to be reversed before working on the Appropriation. The Ministry**

**had challenges with the PFMS system which was sometimes down. The Ministry applied for an extension of the deadline to the submission of the Appropriation Account however, the deadline could not be met because of the system challenges.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing audit findings raised in my previous audit report. Out of two (2) findings raised one (1) was addressed and one (1) was not addressed as indicated below:

### 2.1 Unallocated Reserves

The finding was addressed as reconciliations were done to clear all the unallocated reserves variances.

### 2.2 Unvouched Expenditure

The issue of unvouched expenditure of ZWL$527 552 503 was not addressed. The supporting documents such as supplier invoices, delivery notes and receipt vouchers were not availed for audit.

## DEFENCE PROCUREMENT FUND 2021

### Objective of the Fund

The Fund was established for the supply of equipment to, or the construction or erection of buildings or structures for the Defence Forces and to provide for matters incidental to or connected with the foregoing.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year ended December 31, 2021.

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 332 531 |
| Expenditure | 16 599 |
| **Surplus** | **1 315 932** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 2 422 575 |
| Current | 2 422 575 | - |
| **Total** | **2 422 575** | **2 422 575** |

I have audited the financial statements of the Defence Procurement Fund for the year ended December 31, 2021 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Defence Procurement Fund as at December 31, 2021, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Maintenance of Records

### Finding

The Fund operated without proper books of accounts such as the cash book and nominal ledgers. The financial statements were prepared from the receipts and bank statements. In the absence of a sound book-keeping system, I could not establish the completeness and accuracy of the financial statements.

### Risk/Implication

Without accurate and complete records, the reliability and integrity of financial statements may be compromised.

### Recommendation

Management should implement a robust system for documenting and retaining all financial transactions. This will ensure consistent, complete and accurate financial statements.

**Management Response**

**Management did not respond.**

Below is another issue noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Statement of Cash Flows

**Finding**

The Fund prepared the Statement of Cash Flows for the year ending 2021 using the direct method contrary to the guidance provided by Treasury Circular Number 1 of 2022, which stipulates that the Statement of Cash Flows for the Fund Accounts should be prepared using the indirect method.

**Risk/Implication**

It may be difficult to consolidate the financial statements due to different presentation.

**Recommendation**

The Fund should comply with the guidance of Treasury Circular Number 1 when preparing the Statement of Cash Flows.

**Management Response**

**Management did not respond.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing audit findings raised in my previous audit report. Out of three (3) findings raised none were addressed as indicated below.

### 2.1 Non-utilisation of Funds

There was no evidence that the Fund initiated the appropriate measures to channel funds towards its objectives.

### 2.2 Maintenance of Records

The finding was not addressed as the Fund continued to operate without proper books of accounts. The issue was raised in the current year under basis for qualified opinion paragraph.

### 2.3 Accounting Officers Instructions/ Procedures Manual

The finding was not addressed as the Accounting Officers Instructions/ Procedures Manual was not yet in place.

## NATIONAL HEROES' DEPENDANTS ASSISTANCE FUND 2021 - 2023

### Objective of the Fund

The Fund was established for the purpose of providing assistance to designated national heroes' dependents.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year ended December 31, 2023.

### Statement of Comprehensive Income

| Item | Amount ZWL$ |
|---|---|
| Income | 585 000 000 |
| Expenditure | 618 251 604 |
| **Deficit** | **(33 251 604)** |

### Statement of Financial Position

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Non-Current | 17 650 601 | - |
| Accumulated Deficit | | (26 875 901) |
| Current | 18 613 573 | 63 140 075 |
| **Total** | **36 264 174** | **36 264 174** |

I have audited the financial statements of the National Heroes' Dependants Fund for the years ended December 31, 2021, 2022 and 2023 and I issued a qualified opinion for the year 2021, unmodified opinion for 2022 and a qualified opinion for 2023.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respects, the financial position of the National Heroes' Dependants Assistance Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Absence of Supporting Documents

### Finding

The Fund did not provide evidence such as payment vouchers and receipts to support the administration expenditure of ZWL$ 21 363 491(2022: ZWL$7 584 537) for the year ended December 31, 2023. Section 53 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all payments to be appropriately supported. Therefore, I could not verify the accuracy of the expenditure disclosed in the financial statements.

### Risk/Implication

Unauthorized payments may be processed in the absence of proper supporting documents.

**Recommendation**

Management should ensure that payments are adequately supported.

**Management Response**

**The observation is acknowledged. Management is going to make an effort to locate the two (2) remaining payment vouchers so that by January 13, 2025 all the payment vouchers will be available for audit. Management will ensure that all payment vouchers are kept in by accountants rather than the existing system where payment vouchers are kept in the Registry Department.**

**Evaluation of Management Response**

*On conclusion of the audit on April 10, 2025 the vouchers were still to be availed.*

**(ii) Absence of Accounting Policy**

**Finding**

The Fund did not depreciate its Property, Plant and Equipment (PPE) due to absence of an accounting policy. The Property, Plant and Equipment was therefore, disclosed at the cost value of ZWL$17 650 601. This was not in line with best practice. As a result, I could not ascertain the appropriateness of the value of PPE disclosed in the financial statements.

**Risks/Implications**

Failure to formulate an accounting policy on PPE may result in misstatement of the financial statements.

The financial statements are less informative without the disclosure of the accurate value of PPE.

**Recommendation**

The Fund's management should formulate an accounting policy to guide preparers of financial statements on depreciation of PPE.

**Management Response**

**The audit observation is acknowledged. From 2025 the Ministry's assets are treated in line with the Zimbabwe Financial Reporting Manual in accordance with IPSAS 45.**

Below are other issues noted during the audit:

**1 MANAGEMENT OF EXPENDITURE**

**1.1 Overpayment of Invoice**

**Finding**

The Fund made a payment to a supplier based solely on a quotation, contrary to Section 59(3)(c) of the Public Finance Management (Treasury Instructions), 2019. This resulted in an overpayment of ZSWL$377 400, being the difference between the quoted amount of ZWL$4 140 000 and the receipted amount of ZWL$3 762 600.

**Risk/Implication**

Financial resources may be lost resulting in loss of public funds.

**Recommendation**

The Ministry should comply with Treasury Instructions in order to safeguard public resources.

**Management Response**

**The observation is noted. The receipt attached to the voucher was incorrect. An amount of ZWL$4 140 000 was paid to the service provider as evidenced by the bank statement and equaled the quotation and invoice. An explanatory letter from the service provider is available for audit inspection. However, close supervision will be implemented in future to ensure that such mistakes do not recur.**

**Evaluation of Management Response**

*Only the quotation and receipt were attached to the payment voucher submitted for audit.*

### 1.2 Statement of Cash Flows

**Finding**

The Fund prepared the Statement of Cash Flows for the year ending 2021 and 2022 using the direct method instead of the indirect method. This was contrary to Treasury Circular Number 1 of 2023.

**Risk/Implication**

It may be difficult to consolidate the financial statements due to different presentation.

**Recommendation**

The Fund should comply with regulations when preparing the Statement of Cash Flows.

**Management Response**

**Management did not respond.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made some progress in addressing the audit findings raised in my previous audit report. Of the two (2) findings raised, one (1) was addressed and the other one was not addressed as indicated below;

### 2.1 Absence of supporting documents

Not all the supporting documents were provided for audit examination, the issue has been raised on paragraph (i).

### 2.2 Statement of Cash Flows

The Statement of Cash Flows was prepared using the indirect method.

## VOTE 5.- FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION

## APPROPRIATION ACCOUNT 2023

### Mandate

The Ministry is responsible for the formulation of macro-economic policies, national development programmes, plans, mobilization, allocation, management and accounting for public resources.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWL$ | Unallocated Reserve Transfers/Warrants ZWL$ | Unallocated Reserve Transfers to Ministries ZWL$ | Total Budget ZWL$ | Expenditure ZWL$ | Net (Over)/Under spending ZWL$ |
|---|---|---|---|---|---|
| 254 703 008 000 | 159 359 742 718 | (14 882 325 934 556) | 414 062 750 718 | 347 637 472 639 | 66 425 278 079 |
| **Constitutional and Statutory Appropriation** | | | | | |
| 274 361 900 000 | 50 000 000 | - | 274 411 900 000 | 1 188 218 167 968 | (913 806 267 968) |

I have audited the financial statements of the Ministry of Finance, Economic Development and Investment Promotion for the year ended December 31, 2023 and I issued an adverse opinion.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the state of affairs of the Ministry of Finance, Economic Development and Investment Promotion as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Adverse Opinion

### (i) Misstated Appropriation Account

The Appropriation Account submitted for audit had total expenditure amounting to ZWL$347 637 472 639 while the PFMS had a figure of ZWL$399 707 810 790 resulting in a variance of ZWL$52 042 765 131 that had not been reconciled as at the date of concluding the audit on May 27, 2024. I was not able to ascertain the source of figures disclosed in the financial statements.

### Risk/Implication

The unreconciled variance distorts fair presentation of the Appropriation Account.

### Recommendation

The Ministry should investigate, reconcile the total misstatement of ZWL$52 042 765 131 and make the necessary adjustments.

**(ii) Direct Payments**

**Finding**

The Ministry did not upload on the PFMS direct payments amounting to US$49 439 222 equivalent to ZWL$301 812 608 671 that were made to various suppliers by the Treasury Department within the Ministry. Consequently, the Ministry's total expenditure for the period 2023 was understated.

**Risk/Implication**

Omission of direct payments misstates the financial statements.

**Recommendation**

The Ministry should engage the Accountant-General's department with a view of obtaining the requisite budget resources to enable uploading of the expenditure on to PFMS.

**(iii) Investments**

**Finding**

The Appropriation Account had investment expenditure of ZWL$111 312 411 862, whilst the PFMS had ZWL$112 217 517 383 resulting in a variance of ZWL$905 105 521. The variance was not analysed and reconciled and as a result, I was not able to confirm the correct investment balance. Section 157 (2) (c) and (d) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to put in place an effective system of internal control that avoids or detects accounting errors.

**Risk/Implication**

The Ministry may have misstated expenditure figures.

**Recommendation**

The Ministry should investigate and reconcile the variance in order to determine the correct balance to be reported as this balance affect many other accounts.

**(iv) Unallocated Reserve (UR) Transfers from Treasury**

**Finding**

The Appropriation Account had Unallocated Reserve (UR) transfers amounting to ZWL$159 359 742 718 were received from the Treasury department. However, reported transfers were at variance with Ministry's UR schedule which reflected a total disbursement of ZWL$790 666 956 754 resulting in a variance of ZWL$631 307 214 036. The correctness of the reported transfers could therefore not be validated.

**Risk/Implication**

The budget amounts disclosed in the financial statements may be understated.

**Recommendation**

The Ministry should engage Treasury with a view of reconciling the Unallocated Reserves

(URs) variance of ZWL$631 307 214 036.

**(v) Unallocated Reserve (UR) Transfers to Ministries and Commission**

**Findings**

The Appropriation Account submitted for audit did not disclose Unallocated Reserves (URs) amounting to ZWL$14 882 325 934 556 disbursed to Ministries during the year under review resulting in understatement of expenditure of the same amount.

In addition, the original budget for UR of ZWL$69 506 170 000 was subsequently exceeded by ZWL$14 812 819 764 556 resulting in unauthorised excess expenditure.

**Risk/Implication**

Unauthorised and misstatement expenditure.

**Recommendation**

Treasury should approach Parliament to regularise the unauthorized excess expenditure and in future adhere to regulations.

**Management Response**

**The observation is noted. The UR supporting schedules have now been availed for audit.**

**Evaluation of Management Response**

*Despite receiving the Unallocated Reserve schedule, the disclosure of the URs transferred to MDAs has not been effected. The issue of excess expenditure was not responded to.*

**(vi) Constitutional and Statutory Appropriation**

**Finding**

A review of the Constitutional and Statutory Appropriation Account submitted for audit, revealed a variance of ZWL$763 507 883 999 between the actual payments on PFMS of ZWL$344 156 269 791 and the figure disclosed on the Appropriation Account of ZWL$1 107 664 153 790. At the time of concluding the audit on May 27, 2024 Treasury had not reconciled the variance, contrary to the Section 35 (6)(a) of the Public Finance Management Act [*Chapter 22:19*] which requires the Accounting Officer to keep proper records of account.

**Risk/Implication**

Decisions may be made on misstated financial statements.

**Recommendation**

The Treasury should reconcile the difference between the balance disclosed on the financial statements and the balance in the PFMS.

### (vii) Compensation of Employees

#### Findings

The Ministry`s Appropriation Account disclosed a total of ZWL$8 288 859 946 for Compensation of Employees while the PFMS had a figure of ZWL$7 746 628 750 resulting in a variance of ZWL$542 231 196. This contravened Section 35 (6)(a) of the Public Finance Management Act [*Chapter 22:19*] which requires the Accounting Officer to keep proper records of account.

Furthermore, the Ministry`s wage bill figure of ZWL$7 242 161 859 did not agree with the Salary Service Bureau confirmation of ZWL$7 628 551 929 leaving a variance of ZWL$386 390 070. There was no evidence that reconciliations of compensation of employees' transactions with Salary Service Bureau (SSB) billing documents were performed, in contravention of Treasury Circular B/1/88 dated June 5, 2018 which requires Finance Directors to carry out monthly salary reconciliations.

#### Risk/Implication

Misstatement of compensation of employees.

#### Recommendation

The Ministry should carry out monthly reconciliations in order to identify variances and correct variances.

### (viii) Expenditure not Adequately Supported

#### Finding

The Ministry did not avail for audit thirteen (13) payment vouchers with an aggregated value of ZWL$3 461 630 638. No satisfactory explanation was provided as at the date of concluding the audit on May 27, 2024. I could therefore not confirm whether the expenditure was a proper charge against public funds.

#### Risk/Implication

Payments could be made for goods and services not received.

#### Recommendation

The Ministry should avail requested documents for audit examination.

### (ix) Submission of Supporting Statements to the Appropriation Account

#### Finding

The Ministry did not submit the following 2023 financial year supporting statements for audit, contrary to the provisions of Treasury Circular Number 1 of 2023:

- Statement of Reconciliations between the Consolidated Revenue Fund- Main Paymaster General`s Account and the Sub-Paymaster General`s Accounts transactions;
- Paymaster General`s Account Reconciliation Statement;
- Statement of Revenue Transactions Reconciliations between the Sub-Exchequer

Account and the Consolidated Revenue Fund- Main Exchequer Account Transactions;
- Sub- Exchequer Account Reconciliations;
- Schedule of Loans and/ or Advances Received from Statutory Funds;
- Statement of Payment Arrears and
- Submission of Closure Certificates.
- Statement of Public Financial Assets

The supporting statements submitted for audit were incomplete, therefore, I could not validate whether the Ministry accounted for all the expenditure incurred and revenue received.

**Risk/Implication**

Misstatement of the Appropriation Account.

**Recommendations**

Management should comply with Treasury circular on submission of returns.

The outstanding statements and certificate should be prepared and availed for audit.

**(x) Direct deposits not receipted**

**Finding**

The Ministry's two (2) Sub Exchequer bank accounts had deposits amounting to ZWL$147 931 743 and ZWL$3 052 959 558. However, these deposits could not be traced to the Ministry's deposit cashbook, thereby indicating that some receipts may not have been receipted thereby overstating the outstanding revenue.

**Risk/Implication**

Decisions may be made on misstated figures.

**Recommendation**

The Ministry should ensure that all deposits are receipted for accountability purposes.

Below are other issues noted during the audit:

## 1. REVENUE COLLECTION AND DEBT RECOVERY

### 1.1 Outstanding Advances

**Finding**

There was no evidence that recoveries were done for Travelling and Subsistence and medical assistance of ZWL$19 932 140 advanced to two (2) Ministry officials. Verification of the documents availed for audit revealed that the debtor for medical assistance had indicated the willingness to start repayment three (3) months after the date of disbursement, which was November, 2023. No repayment was made as at the time of concluding the audit on May 27, 2024.

**Risk/Implication**

The Ministry might suffer financial loss if recoveries are not done.

**Recommendation**

The Ministry should recover the outstanding amounts from the debtors.

## 1.2 Revenue Collection

**Findings**

The Receipts and Disbursements return submitted for audit had total collections of ZWL$3 351 523 279, while the Revenue Received return had a total of ZWL$277 043 304, resulting in a variance of ZWL$3 074 479 975 other receipts of non- revenue nature. I could not validate the figures as the documentary evidence such as the breakdown of the non-revenue nature receipts was not availed for audit.

Furthermore, the Receipts and Disbursement return figure of ZWL$3 351 523 279 against CBZ and RBZ bank statements` aggregated figure of ZWL$3 200 891 300 revealed a variance of ZWL$150 631 979 which the Ministry could not reconcile as at the date of concluding the audit on May 13, 2024**.**

**Risks/Implications**

In the absence of a breakdown supporting figures disclosed on the return, revenue received could be misstated.

Revenue could be lost through fraudulent activities if bank account balances are not reconciled to the figures on the Receipts and Disbursement return.

**Recommendations**

The Ministry should ensure that figures disclosed in the Receipts and Disbursement return are well supported and that all revenue receiving bank account balances are reconciled to the figures disclosed in the Receipts and Disbursement return for accountability purposes.

## 1.3 Uncleared Deposits

**Finding**

The Ministry's Exchequer Transfers Account had uncleared deposits amounting to US$1 727 2862 and ZWL$4 748 527 029. The balances were deposits in suspense which were yet to be assigned to their respective revenue heads. Treasury Circular number 1 of 2024, paragraph B (1), mandates receivers of revenue to reconcile all closing balances between the Exchequer deposits cash book to the bank account so that the amounts are properly disclosed in the respective revenue heads in the financial statements.

**Risk/Implication**

Misstatement of financial statements.

**Recommendation**

The Ministry should ensure that all suspended balances are reconciled to their respective revenue heads for full accountability.

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Procurement of Corporate Wear

**Findings**

Corporate wear for 2023 was purchased at a cost of US$23 848 equivalent to ZWL$136 416 499 using the Direct procurement method on the basis of urgency. The conference was said to be held on October 01 to 03, 2023. Audit noted procurement anomalies in respect of the following:

- The Ministry did not carry out a due diligence on the company`s capacity to supply items within the stipulated timeframes when the decision to use direct procurement method on the basis of urgency was made.
- The delivery note attached to the procurement document, (purchase order 4505010389) was not signed by the Ministry official receiving the goods.
- The delivery note showed that the corporate wear was received on October 15, 2023, twelve (12) days after the conference dates. Late delivery of the goods defeats the whole purpose of direct procurement method if the required urgency could not be met.
- The Ministry could not provide evidence that the procured goods were actually received and an explanation on whether any action was taken against the supplier for supplying the corporate wear well after the conference dates.

**Risk/Implication**

Value for money could be compromised.

**Recommendation**

Management should Consider procurement of the conference materials early to limit use of direct procurement and allow other suppliers to participate so that value for money is maximised.

## 3. MANAGEMENT OF ASSETS

### 3.1 Losses of and Damages to State Property

**Finding**

The return submitted for audit revealed that a laptop worth ZWL$25 000 000 as at September 26, 2023 reported stolen was written off. I was not able to validate the write off as I was not availed with the authority.

**Risk/Implication**

Assets may be written off without authority.

**Recommendation**

Management should avail for audit the authority to write off.

## 4 GENDER ISSUES

### 4.1 Inadequate Facilities for the Physically Challenged in the Building

**Finding**

An inspection of the building where the Ministry is housed, at the time of audit in April 2024 revealed that the Ministry's offices were not easily accessible by the physically challenged in the event of power outage. The elevators did not have braille facility and speaker facility for the blind and deaf to enable those without aids to access the offices. Furthermore, audit noted that there is only one ablution facility for the disabled which is in Block E 4$^{th}$ floor against the number of 13 floors in 3 blocks the Ministry is occupying.

**Risk/Implication**

The physically challenged may not be able to access and vacate offices in emergency situations.

**Recommendation**

The Ministry should put in place an action plan to ensure that the officers and facilities are accessible by all.

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make any progress in addressing audit findings raised in my previous audit report. Out of the five (5) findings raised, one (1) was partially addressed and four (4) were not addressed as follows:

### 5.1 Excess on Unallocated Reserve (UR) Transfers

Condonation for the excess expenditure had not yet been regularized, the issue is reported on paragraph (v).

### 5.2 Direct Payment

Direct payments regularization remained unresolved and was raised on paragraph (ii).

### 5.3 Discrepancies on Revenue Collections

The Ministry had not addressed the finding. The matter was raised on paragraph 2.1.

### 5.4 Unallocated Reserve (UR) Transfers

The issue remained and has been raised on paragraph (v).

### 5.5 Purchase of Motor Vehicles

The issue of un delivered vehicles was partially addressed as two (2) Toyota Hilux 2.4 litres GD6 from Faramatsi Motors were delivered. One (1) VXR Toyota Landcruiser Purchased from Croco Motors had not been delivered as well, at the time of concluding the audit on May 17, 2024. Tsapo Holdings had not delivered seven (7) Toyota Hilux 2.8 litres GD and the case was said to be with PRAZ for Debarment.

## NATIONAL DEVELOPMENT FUND 2020- 2022

### Objective of the Fund

The main objective of the Fund is to account for the receipt of foreign donor aid for national development projects and disbursement to the Consolidated Revenue Fund in respect of corresponding expenditure charged to the votes of implementing Ministries on projects for which the aid was intended.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

### Statement of Comprehensive Income

| **Item** | **ZWL$** |
|---|---|
| Income | 14 310 173 |
| Expenditure | 2 966 960 |
| Total Comprehensive Income | **17 277 133** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZW$** |
|---|---|---|
| Non-Current | 196 205 644 | - |
| Accumulated Fund | - | 267 247 261 |
| Current | 79 123 490 | 8 081 873 |
| **Total** | **275 329 134** | **275 329 134** |

I have audited the financial statements of the National Development Fund for the years ended December 31, 2020, 2021 and 2022 and I issued a qualified opinion for the three (3) years.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the National Development Fund for the year ended December 31, 2022, in accordance with Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Opening Balances

### Findings

The financial statements submitted for audit for the period 2020 - 2022 had opening balances which were inconsistent with the audited 2019 closing balances. This resulted in a variance of ZWL$17 025 240 that could not be reconciled.

This was also the same in 2022 where the Accumulated Fund of ZWL$249 970 128 was inconsistent with the audited 2021 closing balance of ZWL$224 430 303, resulting in unreconciled variance of ZWL$25 539 825. Section157 (2) (c) of the Public Finance Management Act (Treasury Instructions), 2019 require the Accounting Officer to put in place a cost-effective system of internal controls.

**Risk/Implication**

Financial statements may be misstated.

**Recommendation**

The Ministry should investigate and regularise the inconsistent opening balances.

**Management Response**

**Management did not respond.**

**(ii) Interest Earned from Investments**

**Findings**

Accumulated interest earned on investments over the years from 2012 stood at ZWL$13 891 217 as at December 31, 2022. The Interest was from investments made through IDBZ, CABS, Farmer's World and Olivine Industries. However, the Ministry did not maintain amortisation schedules in order to independently verify the accuracy of the interest figure. Instead, reliance was placed on figures provided by the banks through bank statements. As such the correctness of the interest earned figure could not be relied on.

Furthermore, there was no evidence to show that the interest earned was credited to the Fund's bank accounts and the amount was also not disclosed under accounts receivable.

**Risks/Implications**

The interest earned figure may be inaccurate.

Earned interest might not be deposited in the Ministry's bank account if not properly accounted for.

**Recommendations**

The Ministry should maintain interest amortisation schedules for investments in order to independently verify the accuracy of the interest earned.

The Ministry should investigate and recalculate the interest that accumulated over the years and ensure that it is credited to the Fund's bank accounts for accountability purposes.

**Management Response**

**Management recognizes the necessity to implement a cost-effective system of internal controls aimed at preventing and detecting accounting errors. This will entail maintaining independent loan amortization schedules and investment registers, which will undergo monthly reconciliation with financial institutions.**

**The interest income recorded in the books remains outstanding due to delayed payments. Specifically, the interest from IDBZ loan, Farmers World, and Olivine Industries entails penalty charges of 6%, 5% and 5% respectively. Additionally, CABS investment certificates yield an interest rate of 7%, as verified by the certificate of balances.**

**(iii) Loan Recoveries**

**Finding**

The financial statements submitted for the period under review had loans contracted under IDBZ facility of ZWL$31 135 000 and under Distressed and Marginalised Areas Fund (DIMAF) facility of ZWL$6 385 894 dating as far back as 2012. No repayments could be traced to the National Development Fund bank accounts.

**Risks/Implications**

Financial resources may be misappropriated.

The financial statements could be misstated

**Recommendation**

The Ministry should consider engaging the banks so that interest earned over the years is credited to the Ministry's bank accounts. Attorney General's Civil Division should also be engaged for the recovery of the outstanding loans.

**Management Response**

**The management will engage the Bank and will provide feedback in due course.**

**(iv) Short term Investments**

**Finding**

The RBZ treasury bills amounting to ZWL$1 062 627 disclosed in the financial statements as short-term investments relates to treasury bills which matured on May 21, 2018. There was no evidence that the proceeds were credited to the Fund`s bank account during the three-year period under review. Audit was not provided with information as to how the investment had been accounted for. Section 11(3) of the Public Finance Management Act [*Chapter 22:19]* requires all proceeds realised from investments to be repaid to the Fund or account from which the money was withdrawn for the purpose of making such investment.

**Risk/Implication**

Investments may be misappropriated if they are not properly accounted for.

**Recommendations**

The National Development Fund should adhere to the provisions of the Public Finance Management Act [*Chapter 22:19*] and ensure that the investment maturity proceeds are credited to its bank account.

Management should investigate the issue.

**Management Response**

**The investment has been reinvested in the State Asset Disposal Fund. Regrettably, management is presently unable to access the Treasury Instruction due to a change in personnel from 2018-2023. Communication will be done with the RBZ to request a copy of the instruction.**

**Evaluation of Management Response**

*Management response has been noted. However, the investment was still maintained as a short-term investment in the Fund's books. The correspondence from the Ministry to RBZ instructing to direct the proceeds to another account were not availed for audit examination*

**(v) Ministry's FBC South African Rand (ZAR) Account**

**Finding**

The Ministry maintained a ZAR bank account with First Banking Corporation (FBC) from January 2020 to December 2022. No activity was noted in the bank account except for bank charges totalling ZAR2 200 (equivalent of ZWL$39 532.79) that reduced the bank balance from ZAR93 714 in January 2020 to ZAR91 614 on December 31, 2022. Of concern was that the bank account remained idle while the balance was being eroded by the monthly bank charges.

**Risk/Implication**

Funds were lost through bank charges as the account remained idle.

**Recommendations**

The Ministry should re-consider the need for investing the funds in the bank account or close the account before the bank balance is eroded by bank charges.

Management should investigate the reasons for depositing funds into the South African Rand Account.

**Management Responses**

**Recommendation will be given due consideration. A formal request will be drafted and submitted to the Accounting Officer to either allocate the funds to investment or proceed with the closure of the account.**

**(vi) Exchange Gain or Loss**

**Finding**

The National Development Fund financial statements for 2022 did not disclose exchange gains or loss on reporting conversions despite the Ministry maintaining an FBC South African Rand (ZAR) bank account which had a closing bank balance of ZAR91 614.

**Risk/Implication**

Financial statements might be misstated.

**Recommendation**

The Ministry should ensure that all foreign transactions of the National Development Fund are disclosed in the financial statements.

**Management Response**

**Management acknowledges the need to disclose the exchange rate utilized for the**

**translation of Rand cash closing balances. Throughout the review period, the Fund relied on the official year-end exchange rates (mid rates) sourced from the RBZ official website.**

Below is another issue noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Investments Decisions by the Fund

**Findings**

The Ministry could not avail minutes nor Accounting Officer`s detailed written instructions governing the conduct of financial business and the control of all public moneys as required by Section 28(7) and (10) of the Public Finance Management (Treasury Instructions), 2019. I was therefore unable to establish how decisions were arrived at when an investment amounting to ZWL$196 205 644 was made by the Fund.

Section 118 of the Public Finance Management (Treasury Instructions), 2019 also provides for the setting up of Management committees. The management committee is required to keep a record of minutes of meetings

**Risk/Implication**

Unavailability of supporting Minutes and Accounting Officer`s Instructions may lead to lack of transparency in the investing activities of the Fund.

**Recommendation**

The National Development Fund should furnish audit with investment decisions minutes for financial years ended December 31, 2020 to 2022 and the Accounting Officers instructions.

**Management Response**

**During the three-year period under review, the management committee did not make any investment decisions or hold meetings. The figures accumulated due to interest earned on existing investments. Management acknowledges the requirements of Section 118 of the Public Finance Management (Treasury Instructions) 2019, which mandate the management committee to keep records of meeting minutes.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made some effort in addressing audit findings raised in my previous audit report. Out of six (6) findings raised, the Fund managed to resolve two (2), three (3) remained outstanding and one (1) was partly addressed as indicated below:

### 2.1 Prior Period Errors

The Fund introduced a journal to correct the anomaly starting with the 2023 financial statements.

### 2.2 Opening Balances

The issue of inconsistent take on balances was not addressed as it continued to affect the

2020 opening balances. The issue was raised on Paragraph (i).

### 2.3 Classification of a transaction

The misclassification was addressed through adjusting the financial statements.

### 2.4 Fund's Mandate

The operations of the fund are still not aligned to the mandate of the fund.

### 2.5 Key Vacant Post

The vacant Accountant General's post which presented a weakness in the governance structure has since been filled.

### 2.6 Investment Register

The investment register is still not yet in place

## PUBLIC FINANCIAL MANAGEMENT SYSTEM 2023-2024

### Background Information

The Public Financial Management System (PFMS) is an Enterprise Resource Planning (ERP) system that processes financial transactions and produces reports for all the Ministries. It was implemented in 1999.

The Ministry of Finance, Economic Development and Investment Promotion is responsible for the system and the Accountant-General is the one in charge of the PFMS. The infrastructure of the system is managed by the Ministry of Information, Communication Technology, Postal and Courier Services. The following modules were implemented:

a)Financial Accounting (FI)-for external financial reporting.
b)Materials Management (MM)-for procurement.
c)Sales and Distribution (SD)-for receipting.
d)Customer Relationship Management (CRM)-for managing online services.
e)Grants Management Module-for managing grants from cooperating partners.
f)Business Planning and Consolidation (BPC)-for financial planning.
g)Business Intelligence (BI)- for decision-making.

### OBJECTIVE OF THE PUBLIC FINANCIAL MANAGEMENT SYSTEM

The objective of the PFMS is to process financial transactions and produce reports for all the Ministries and Government Departments.

I conducted an audit to determine the effectiveness of general information technology controls for the PFMS. The audit also aimed at ascertaining the implementation and operating effectiveness of application controls in terms of Information Systems Audit and Control Association (ISACA) Standards.

I have audited the General and Application Controls of the Public Financial Management System for the period ended December 31, 2024.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Information System Steering Committee

#### Findings

For the fourth year running, there was no evidence of the existence of an Information Technology (IT) Steering Committee at the Ministry of Finance, Economic Development and Investment Promotion as the terms of reference for the Committee were not availed for my inspection nor was there evidence of the appointment of approved membership of the Committee. Further, minutes of the Committee meetings were not availed for audit. Responding to the same issue in my previous audit report, management indicated that the Committee would resume sitting on March 3, 2023. However, as at January 15, 2025, there was no evidence that the Committee had convened any meetings.

This was contrary to best practice which advocates that top management demonstrates leadership and commitment by establishing an IT Steering Committee comprising senior managers to facilitate alignment of entity strategic goals and information technology goals and also assist in providing oversight over Information Systems activities.

**Risks/Implications**

IT related concerns may not be timeously attended to and resolved.

Project overruns on IT related projects could occur due to lack of oversight.

**Recommendation**

The Ministry should establish a formal IT Steering Committee that meets on a regular basis to consider IT related concerns and review projects in progress.

**Management Response**

**The approval was obtained to resuscitate the Steering Committee of the Public Financial Management System.**

## 1.2 Capacitation of the Internal Audit Function

**Finding**

The Internal Audit Function of the Ministry of Finance, Economic Development and Investment Promotion did not carry out Information Systems audits of the Public Finance Management System (PFMS) because it was not capacitated to perform the audits. Provisions of the Public Finance Management Act [*Chapter 22:19*] requires the Internal Auditor to monitor the financial administration procedures of the Ministry to ensure adequate internal checks and controls are observed.

**Risk/Implication**

Information System control deficiencies could go undetected if regular audits of the PFMS system are not carried out.

**Recommendation**

The Internal Audit Function should be capacitated to carry out Information System Audits of the PFMS system.

**Management Response**

**The Ministry of Finance had no capacity at the time of audit, and now they have been capacitated and ready to audit the PFMS.**

## 1.3 PFMS Organogram

**Finding**

At the time of the audit, there was no organogram for the PFMS Unit which was availed for audit inspection. Security best practice states that information security is achieved by implementing a suitable set of controls, including policies, processes, procedures, organisational structures, software and hardware functions.

**Risk/Implication**

There could be lack of separation of duties, ambiguity in business rules and inconsistency in

processes and procedures.

**Recommendation**

There is a need to develop an organogram to implement adequate information security controls.

**Management Response**

**The finding is noted. The organogram has been created and it will be implemented in consultation with the Human Resources Department and/or the Public Service Commission.**

**Evaluation of Management Response**

*The organogram submitted for audit inspection did not represent the structure existing in the PFMS Unit.*

## 2 COMPUTER OPERATIONS AND DISASTER RECOVERY PLANNING

### 2.1 Data Centre Operating Policy Manual

**Finding**

The data centre was operating without an approved data centre operating policy and manual. I raised the same matter in my previous report but it remained outstanding at the time of concluding my audit in January 2025. It is standard IT good practice to have an operating manual that has detailed instructions on how to perform various tasks related to the data centre operations such as equipment startup and shutdown procedures, maintenance routines, troubleshooting guides and disaster recovery protocols.

**Risk/Implication**

Lack of clear Operating Policy and Procedures Manual may result in inconsistent practices and sub-standard operation.

**Recommendation**

A Data Centre Operating Policy and a Manual should be developed and approved in line with IT good practice to ensure operational efficiency and consistency.

**Management Response**

**A draft Data Centre Operating Policy and a Manual have been developed and awaiting approval.**

### 2.2 Training of Data Centre Operators on Security Violations

**Findings**

Personnel manning the Data Centre were not trained on how to respond to different types of fire emergencies or security violations.

Furthermore, there were no emergency response teams appointed and equipped with basic tools to enable them to co-ordinate emergency evacuation activities. Fire Drills were last done in 2021.

This was against best practice which requires all employees of the organisation and, where relevant, contractors to receive appropriate awareness education and training and regular updates in organisational policies and procedures, as relevant for their job function.

**Risks/Implications**

There may be inadequate response in the event of fire outbreak and other emergencies.

Equipment and personnel may be lost if there are no fire marshals or emergency response teams in place.

**Recommendations**

Personnel manning the Data Centre should be trained on how to respond in case of fire outbreak or other emergencies.

Fire Marshals or emergency response teams should be appointed, equipped and trained in emergency response to enable them to co-ordinate evacuation activities in case of emergency.

**Management Response**

**Personnel manning the Data Centre will be trained on how to respond in case of fire outbreak or other emergencies.**

**Fire Marshals or emergency response teams will be appointed, equipped and trained in emergency response to enable them to co-ordinate evacuation activities in case of emergency. This will be done in the 2025 Budget year.**

### 2.3 Outsourcing and Internal Service Level Agreements (SLA)

**Finding**

For the third year running, both internal and outsourcing SLAs were not available for audit inspection. As a result, I was unable to confirm whether;

- PFMS was getting value for money from suppliers of products and services such as hardware, software, and networking infrastructure.
- Ministries, Departments, and Agencies (MDAs) were satisfied with PFMS's service levels.

This was against best practice which states that security mechanisms, service levels and management requirements of all network, hardware and software services should be identified and included in service level agreements, whether these services are provided in-house or outsourced. The SLAs should also cover issues of liability, reliability of services and response times for the provision of services.

**Risks/Implications**

In the absence of Outsourcing SLAs, suppliers and partners may not be held liable for failing to meet their service obligations.

MDAs' service delivery by ICT units may be compromised without Internal SLAs.

**Recommendation**

Service-level agreements should be established with vendors and MDAs in order to evaluate and improve service delivery.

**Management Response**

**Service Level Agreements will be established with vendors and MDAs in order to evaluate and improve service delivery. This will be done by the second quarter of 2025.**

## 3 CHANGE MANAGEMENT

### 3.1 Change Management Policy and Procedures

**Findings**

The PFMS Information Security Policy submitted for audit had provisions for change management such as approval, evaluation and recording of changes, the scope was limited because it did not include provisions for migration of program changes and emergency change procedures.

This was contrary to Best Practice which states that changes to the organisation, business processes, information processing facilities and systems that affect information security should be controlled, including a provision of an emergency change process to enable quick and controlled implementation of changes needed to resolve an incident.

**Risk/Implication**

The integrity of data and processing may be compromised if Change Management Policy and Emergency Change Procedures are not in place.

**Recommendation**

Management should establish and approve a Change Management Policy Document that includes migration of program changes and emergency changes.

**Management Response**

**The observation is noted, management will review in the first quarter of 2025, the existing Change Management Policy Document to include migration of program changes and emergency changes.**

## 4 EXPENDITURE BUSINESS CYCLE

### 4.1 Goods Receipt/Invoice Receipt (GR/IR) Clearing Account

**Finding**

The Goods Receipt or Invoice Receipt (GR/IR) suspense account is used to ensure that the goods received correspond to the amounts invoiced by vendors for those goods. For the third year in a row, I observed uncleared transactions totaling ZWL$109 625 206 695 in the GR/IR suspense accounts from a sample of ten (10) ministries and departments. Unreconciled entries included duplicated supplier invoices, goods receipts with no matching supplier invoices, supplier invoices with no matching goods receipts, and invoiced quantities greater than quantities received.

**Risks/Implications**

Uncleared items in the GR/IR account may facilitate unauthorised transactions.

Financial statements may be misstated if GR/IR mismatches are not timeously resolved.

**Recommendations**

Ministries, Departments and Agencies should investigate all uncleared transactions.

MDAs should conduct regular reconciliations of GR/IR suspense accounts to identify and address discrepancies in time.

The Ministry of Finance should monitor the GR/IR accounts to ensure that they are cleared

**Management Response**

**We take note of this matter and it is critical in the new era of reporting under IPSAS to ensure this account is cleared. We will continue to advise MDAs to clear this account.**

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

I raised five (5) findings in my previous year's report and all of them were still outstanding at the time of audit as detailed below:

### 5.1 Information System Steering Committee

Recommendations on IS Governance issues relating to the establishment of the Steering Committee and Risk Management were still work-in-progress as raised on paragraph 1.1.

### 5.2 Outsourcing and Internal Service Level Agreements

The draft SLA was not produced as per the prior year's commitment, hence the matter remained unresolved and was raised on paragraph 2.4.

### 5.3 Change Management

The Management Policy was not developed and the issue was raised during the year under review. See paragraph 3.1.

### 5.4 Goods Receipt/Invoice Receipt (GR/IR)

There remained entries in the GR/IR Suspense Account and the matter was again brought to the attention of management. See paragraph 4.1.

## STATE ASSETS DISPOSAL FUND 2014 - 2019

### Objective of the Fund

The Fund was established in terms of Section 18 of the Public Finance Management Act [*Chapter 22:19*]. The purpose of the Fund is to receive proceeds generated from the sale of State assets and to apply proceeds towards procurement, replacement of assets and maintaining of usable State assets.

Below is a summary of the statement of comprehensive income and statement of financial position for the year:

### Statement of Comprehensive Income

| | **2019** |
|---|---|
| **Item** | **ZWL$** |
| Income | 937 990 |
| Expenditure | 116 |
| **Surplus** | **937 874** |

### Statement of Financial Position

| | | **2019** |
|---|---|---|
| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
| Accumulated Fund | - | 4 246 442 |
| Current | 4 264 245 | 17 803 |
| **Total** | **4 264 245** | **4 264 245** |

I am required to audit the financial statements of the State Assets Disposal Fund for the years ended December 31, 2014-2019 and I issued a disclaimer of opinion for all the six (6) years.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the State Assets Disposal Fund. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

### (i) Maintenance of Accounting Records

### Finding

The Fund maintained the cashbook and ledgers which were updated from the bank statements instead of original source documents such as payment vouchers. The figures in the cashbook and ledgers could not be substantiated in the absence of source documents.

### Risk/Implication

Errors, omissions and fraud may occur in the absence of source documents.

**Recommendation**

The Fund should update the cashbooks and ledgers using source documents such as payment vouchers.

**Management Response**

**The observations have been noted. However, the anomaly has been rectified, line Ministries are now responsible for the preparation of their own accounting records including cashbooks and payment vouchers.**

**(ii) Auction Proceeds**

**Findings**

The Fund recorded auction proceeds of ZWL$2 848 204 between December 31, 2014 -2019. However, Treasury did not submit remittance advices, sales records, and reconciliations. Therefore, I could not confirm whether all the revenue collected by Ministries from auction sales had been fully accounted for.

In addition, auction proceeds of ZWL$613 269 received in October 2014 as per the cashbook could not be confirmed as Treasury did not avail the bank statement for audit. As a result, I could not confirm the accuracy of revenue generated from public auctions.

**Risk/Implication**

Lack of transparency in the disposal of public assets.

**Recommendation**

Treasury should avail remittance advices, sales records, bank statements and reconciliations for audit.

**Management Response**

**Treasury has directed all proceeds from assets disposal to be deposited into the Consolidated Revenue Fund (CRF) to ensure that a single Treasury account is maintained and funds are properly accounted for.**

**Evaluation of Management Response**

*Management response is noted. The issue remained unresolved since Treasury did not avail documentary evidence of proceeds from the disposal of assets.*

**(iii) Investments**

**Finding**

Treasury did not maintain an investment register for all the investments held by the Fund. The authority to invest and the investment certificates were not submitted for audit. Therefore, I could not confirm the completeness of investments disclosed in the financial statements. Section 110 (3) of the Public Finance Management (Treasury Instructions), 2019 requires every officer responsible for the custody of securities to maintain a register.

**Risks/Implications**

Non maintenance of an investment register may result in omissions in the financial statements.

It might be difficult to prove the authenticity of the investments made in the absence of investment certificates.

**Recommendation**

The Fund should maintain an investment register and comprehensive records relating to investment portfolios.

**Management Response**

**The observation is noted. The investment register and comprehensive records will be maintained.**

**Evaluation of Management Response**

*As at May 30, 2025, the investment registers and records had not been availed for audit.*

**(iv) Treasury Bills**

**Finding**

The Fund issued Treasury bills (TBs) during the period 2016 to 2019 with a carrying amount of ZWL$1 000 000 which were being rolled over continuously upon maturity. However, there was no evidence to support that the values of the TBs were being reconciled with records at the Public Debt Management Office (PDMO).

**Risk/Implication**

Errors and omissions may not be timely identified and addressed.

**Recommendation**

The Fund should reconcile records pertaining to the Treasury Bills issuances with those at the Public Debt Management Office for proper accountability of the Fund's financial resources.

**Management Response**

**Treasury notes the observation that no reconciliations were being done with the Public Debt Management Office. However, going forward the anomaly will be rectified.**

**(v) Bank Reconciliations**

**Finding**

Treasury did not submit for audit proof that bank reconciliations for the Fund were being performed for the years ended December 31, 2014 - 2019. I could not validate the bank balances for December 31, 2014, as the relevant bank statements and bank certificates were not availed for audit.

**Risk/Implication**

Failure to perform monthly bank reconciliations may result in errors, omissions and possibility of fraudulent activities being perpetrated without being noticed.

**Recommendations**

The Fund should carry out monthly bank reconciliations in line with good accounting practice.

Treasury should avail the bank statements and bank certificates in order to support the amounts disclosed in the financial statements.

**Management Response**

**The observation is noted. The bank reconciliations will be updated for the years 2014-2019. A request has also been made to the bank to have bank certificates available.**

**Evaluation of Management Responses**

*The bank reconciliations and bank certificates had not been availed for audit inspection as at May 30, 2025.*

**(vi) Suspense Account**

**Finding**

The financial statements for the year ended December 31, 2019 reflected a suspense account balance of US$1 023 383. However, the balance remained uncleared as at May 30, 2025. Section 157 (2) (c) of the Public Finance Management (Treasury Instructions), 2019 bestows a responsibility on Accounting Officers to put in place a cost-effective internal control system that avoids or detects accounting errors.

**Risk/Implication**

The suspense account balance impacts on the accuracy and credibility of the financial statements.

**Recommendation**

The Fund should investigate and take corrective measures to clear the imbalance.

**Management Response**

**The imbalance was caused by an omission on the bank statement on the part of RBZ on Treasury bills. However, the Ministry is engaging the bank to correct the imbalance.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Management of the Fund's Operations

**Findings**

The Fund was last audited by internal auditors in September 2014. Section 121 (1) of the

Public Finance Management (Treasury Instructions), 2019 requires the Accounting Officer to ensure that Funds are audited by the Internal Auditors at least once a year.

Further, Treasury submitted the 2014 - 2019 financial statements late as these were submitted in 2020. Section 32 (2) of the Public Finance Management Act [*Chapter 22:19*] requires Accounting Officers to submit financial statements within sixty days after year end.

**Risks/Implications**

The Fund's internal control weaknesses might not be timely addressed.

The late submission of financial statements compromises transparency and accountability.

**Recommendations**

Treasury should ensure that regular internal audits of the Fund are done to strengthen the operation of internal controls.

Treasury should take measures to ensure that financial statements are submitted within the statutory deadline.

**Management Response**

**The observation is noted. Management will take measures to ensure that systems and controls are put in place before the next external audit. Treasury faced huge staff turnover in the last few years, therefore the late submission of financial statements. However, that has been rectified as financial statements are being submitted in accordance with the requirements of the Public Finance Management Act [*Chapter 22:19*].**

## 1.2 Fund Management Committee

**Finding**

As at July 31, 2024, the Fund was operating without a management committee since its inception. There was no documentary evidence to support the existence of the management committee Section 118 (1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to set-up competent management committees to manage the affairs of the Funds.

**Risk/Implication**

The absence of management committee may result in lack of good corporate governance of the Fund.

**Recommendation**

Treasury should establish a Fund management committee in compliance with the regulations.

**Management Response**

**The observation is noted. A Fund Management Committee will be put in place.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing audit findings raised in my 2015 audit report. Out of the twelve (12) findings none had been addressed as indicated below:

### 2.1 Accounting Records

There was no improvement in the maintenance of accounting records. The issue has been raised on paragraph (i).

### 2.2 Auction of Motor Vehicles

The Fund is yet to put in place a clear system to govern the disposal of assets and identification of Ministries, Departments and Agencies (MDAs) the issue has been raised again in paragraph (ii).

### 2.3 Payment of Terminal Benefits

The Fund did not avail supporting documents to substantiate a claim for outstanding terminal benefits amounting to ZWL$31 948.

### 2.4 Mandate of the Fund

There was no evidence to prove whether auction proceeds were being solely utilized to meet expenditure prescribed by the Fund's Constitution.

### 2.5 Adjustment to Opening Balances

The matter of proceeds realized from the auction of European Union (EU) motor vehicles that had been wrongly included in income.

### 2.6 Understatement of Income of the Fund

The Fund did not avail proof on whether income of ZWL$19 400 generated by three (3) auctioneers in year 2013 had been regularized.

### 2.7 Overstatement of Expenditure of the Fund

The expenditure of ZWL$3 716 incurred on towing fees in year 2012 and wrongly accounted for in year 2013 had not been rectified.

### 2.8 Cash and Bank Management

The Ministries did not provide evidence of the independent confirmations for the cash deposit of ZWL$62 891 in 2013.

### 2.9 Late Submission of Financial Statements

The Fund submitted the financial statements after the statutory deadline. The issue has been raised on paragraph 1.1.

### 2.10 Management Committee of the Fund

The Fund was still to appoint a management committee at the time of concluding the audit and has been raised again on paragraph 1.2.

## 2.11 Bank Reconciliations

The issue recurred during the financial years under review as the Fund did not carry out monthly bank reconciliations. The issue has been raised on paragraph (v).

## 2.12 Auctioneering Service Agreements

The year 2013 requested service level agreements between the Fund and auctioneers were still to be availed for audit inspection.

## STATEMENT OF CONTINGENT LIABILITIES 2020

### Background Information

Contingent Liabilities are loans advanced to Parastatal Bodies or Private companies by independent lenders under guarantee by government. The power to guarantee rests with the Minister of Finance, Economic Development and Investment Promotion as per the Public Debt Management Act [*Chapter 22:21*]. The Minister issues guarantees on the recommendations of the External and Domestic Debt Management Committee and Public Debt Management Office.

Below is a summary of the Statement of Contingent Liabilities:

| **GUARANTEES** | **Net Contingent Liability as at December 31, 2020**<br><br>**ZWL$** | **Net Contingent Liability as at December 31, 2019**<br><br>**ZWL$** |
|---|---|---|
| **PUBLIC SECTOR** | | |
| External | 3 451 394 520 | 6 977 484 857 |
| Domestic | 10 732 430 072 | - |
| **Grand Total** | **14 183 824 592** | **6 977 484 857** |

I have audited the Statement of Contingent Liability for the Ministry of Finance, Economic Development and Investment Promotion for the year ended December 31, 2020 and I have issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Statement of Contingent Liabilities as at December 31, 2020 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Loan guarantees

### Finding

The Ministry could not avail due diligence reports produced prior to issuance of the guarantee to the beneficiary, to assess the ability to repay the loan. During the period under review, the Ministry issued guarantees amounting to ZWL$1 601 799 000. Therefore, I was not able to ascertain whether the guaranteed organizations had the capacity to repay the loans. The table below gives more details. This was contrary to the provisions of Section 20 (3) of the Public Debt Management Act [*Chapter 22:21*] which states that prior to issuance of loan guarantees, the office shall conduct or cause to be conducted a due diligence audit on the capacity of the beneficiary to repay the loan.

### Beneficiaries Awarded Loans Without Due Diligence

| **Guarantee** | **Date first guarantee given** | **Purpose** | **Amount (ZWL$)** |
|---|---|---|---|
| Agribank & FBC Bank | 2020 | To Finance agricultural activities | 200 000 000 |

| | | | |
|---|---|---|---|
| CBZ Agroyield | 2020 | Agricultural inputs for the 2020 winter maize programme | 175 000 000 |
| ZETDC | 2020 | Finance power inputs from Eskom | 1 226 799 000 |
| **Total** | | | **1 601 799 000** |

**Risk/Implication**

The Ministry may guarantee institutions without the capacity to repay the loans which may end up being a public debt.

**Recommendation**

Treasury should conduct a due diligence on the capacity of the beneficiary to repay the debt.

**Management Response**

**The guarantees were issued during the Covid 19 period, where in some cases, proper hand over take over was negatively affected, the support documentation for the due diligence on the issuance of the mentioned guarantees could not be located.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Net Contingent Liabilities

**Finding**

The statement of Contingent Liabilities had a balance of ZWL$14 183 824 592 as at December 31, 2020. However, returns from line Ministries had net contingent Liabilities of ZW$25 307 738 893, giving a variance of ZW$11 123 914 304 which could not be reconciled. The table below shows balances disclosed by line Ministries which had contingent liabilities as at December 31, 2020.

**Line Ministry Balances of Contingent Liabilities**

| **Ministry** | **Net Contingent Liabilities as at December 31, 2020 (ZWL$)** |
|---|---|
| Finance, Economic Development and Investment Promotion | 1 142 888 432 |
| Industry and Commerce | 23 057 086 297 |
| Energy and Development | 350 068 929 |
| Information, Communication, Technology and Courier Service | 757 695 235 |
| **Total** | **25 307 738 893** |

**Risk/Implication**

The amount of loans guaranteed by the State could be misstated.

**Recommendation**

Treasury should investigate and reconcile the variances noted during the audit.

**Management Response**

**The audit observation is noted. A reconciliation procedure with the line Ministries is to be commenced immediately as a strategy to resolve the observed variance.**

### 1.2 Monthly, Quarterly and Annual Reports on Guarantees

**Finding**

The Ministry did not submit the annual report to Parliament on guarantees and state loans. Therefore, I could not ascertain if the guarantees made during the financial year were accurate. This was Contrary to the provisions of Section 30 (1) of the Public Debt Management Act [*Chapter 22:21*] which states that annual and monthly reports on guarantees shall list the guarantees granted during the financial year or during a particular month and the cumulative national position regarding the guarantees.

**Risk/Implication**

The Statement of Contingent Liabilities may not be complete.

**Recommendation**

Treasury should prepare the Monthly, Quarterly and Annual Reports on Guarantees and submit them to the Secretary for Finance, Economic Development and Investment Promotion, the Accountant-General and Parliament within thirty days in line with the Act.

**Management Response**

**Management notes that monthly and quarterly public debt reports to the Secretary for Finance, Economic Development and Investment Promotion were not compiled in line with provisions of Section 30 of the Public Debt Management Act, in 2020. In light of this, since 2022, the Zimbabwe Public Debt Management Office is now preparing the monthly and quarterly debt reports. The office acknowledge that the monthly and quarterly public debt reporting is critical to detect and mitigate against any emerging risks on the public debt portfolio, including contingent liabilities.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made some progress in addressing audit findings raised in my previous audit report. Out of two findings raised one was addressed and the other one was not addressed as indicated below.

### 2.1 Monthly, Quarterly and Annual Reports on Guarantees

The Ministry did not submit the annual report to Parliament on guarantees and state loans. The matter has been raised again on paragraph 1.2 above.

### 2.2 Misstated Take on Balances

The misstatements have been resolved as the opening balances for the submitted Statement of Contingent Liabilities as at December 31, 2020 were corrected.

## STATEMENT OF PUBLIC DEBT 2020

### Objective of the Statement

The objective of the statement is to provide stakeholders with comprehensive public debt information and data regarding both external and domestic debt position of the country.

Below is a summary of the Statement of Public Debt:

| Details | External Borrowings ZWL$ | Domestic Borrowings ZWL$ | Total ZWL$ |
|---|---|---|---|
| Balance as at Jan 01, 2020 | 130 990 006 013 | 7 940 610 973 | 138 930 616 986 |
| Borrowings | 18 976 024 873 | 8 060 818 905 | 27 036 843 778 |
| Adjustments | 7 288 363 515 | 16 853 408 | 7 305 216 923 |
| Exchange rate variations | 507 713 371 106 | - | 507 713 371 106 |
| Repayments | (11 195 654 130) | (1 704 125 229) | (12 899 779 359) |
| Balance as at December 31, 2020 | **653 772 111 377** | **14 314 158 057** | **668 086 269 434** |

I have audited the Statement of Public Debt for the Ministry of Finance, Economic Development and Investment Promotion for the year ended December 31, 2020, and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Statement of Public Debt as at December 31, 2020 in accordance with the Public Finance Management Act [*Chapter 22:19*] and the relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Discrepancies on Repayment of Treasury Bonds and Bills

### Finding

There was a variance of ZWL$218 846 173 between the principal and interest repayments for Treasury Bills, Bonds and loans disclosed on the Statement of Public Debt (SPD) for the year ended December 31, 2020 and the corresponding figures extracted from System Applications Product (SAP) system. There was no evidence of reconciliations between the Statement of Public debt and the SAP ledger to address the variance. As a result, I could not ascertain the accuracy and completeness of the Statement of Public Debt. The table below refers:

**Variances Between the Statement of Public Debt and PFMS**

| | Statement of Public Debt figures ZWL$ | PFMS Figures ZWL$ | Variance ZWL$ |
|---|---|---|---|
| Foreign principal repayments | 1 448 011 756 | 1 341 307 266 | 106 704 490 |
| Domestic principal repayments | 2 654 113 724 | 2 766 219 627 | 112 105 903 |
| Interest payments | 332 191 577 | 326 825 944 | 35 780 |
| **Total** | **4 434 317 057** | **4 434 352 837** | **218 846 173** |

**Risk/Implication**

The record of exact repayments and Interests arrears accumulated and paid by the Government in 2020 could be incorrect.

**Recommendation**

The Public Debt Office should investigate and reconcile the total variance of ZWL$218 846 173, on principal repayments and interest charges.

**Management Response**

**The discrepancy was due to the classification of External Treasury bonds as Domestic Bonds by currency in the SAP system and by residency in the Statement of Public Debt (according to IMF definition).**

**Evaluation of Management Response**

*The management response is noted. However, the figures in the SAP system should reconcile to the total figures disclosed on the Statement of Public Debt.*

**(ii) Interest and Penalty Charges**

**Finding**

The Public Debt Management Office (PDMO) did not avail documentary evidence to support creditors reconciliations of interest arrears/other charges of ZWL$6 917 364 499 and penalty interest of ZWL$11 489 485 076. Consequently, l was not able to confirm the accuracy and completeness of the figures. Section 5 (2) (k) of the Public Debt Management Act [*Chapter 22:21*] requires the PDMO to keep comprehensive and accurate records of outstanding debt, guarantees and on-lending.

**Risk/Implication**

Failure to carry out regular creditor reconciliations may result in distorted debt obligations.

**Recommendation**

The Public Debt Management Office (PDMO) should carry out periodic creditors' reconciliations in order to ensure accurate financial reporting.

**Management Response**

**The observation is noted. Interest arrears/other charges amounting to ZWL$6 917 364 499 and ZWL$11 489 485 076 respectively were extracted directly from Debt Management and Financial Analysis System *(*DMFAS*)* amortization tables. Penalties were computed from Data call schedules provided by creditors annually. However, due to non-settlement of payments to these creditors, there has been non-response on requests by the Ministry for the data call schedules to enable reconciliation. Efforts to have the schedules available are currently underway.**

### (iii) Borrowing Plan and Debt Sustainability Analysis

#### Finding

I was unable to ascertain whether debt management controls were working effectively throughout the period under review, because the Public Debt Management Office did not prepare and publish an approved Borrowing Plan for the year 2020 as well as carrying out a Debt Sustainability Analysis (DSA) for the same year. Paragraph 5(b) of the Public Debt Management Act [*Chapter 22:21*] requires the Public Debt Office to prepare and publish an annual borrowing plan which include a borrowing limit as well as undertaking debt sustainability analysis.

#### Risk/Implication

Unauthorised and unplanned excess borrowing may occur, which puts financial pressure on the fiscus to settle foreign repayment obligations.

#### Recommendation

The Public Debt Management Office should come up with an annual Borrowing plan and conduct a Debt Sustainability Analysis.

#### Management Response.

**The audit finding has been noted, however, preparation of borrowing plans and carrying out of debt sustainability analysis will be done in subsequent years.**

Below are other issues noted during the audit:

## 1 POVERTY ALLEVIATION PROJECT: MINISTRY OF WOMEN AFFAIRS

### 1.1 Monitoring and Evaluation

#### Finding

The Government of Zimbabwe entered into a loan agreement of US$7.6 million with OPEC Fund for International Development (OFID) on August 23, 2016 for the Poverty Alleviation Project. The objective of the project was to improve access of beneficiary households to enhanced socio-economic services and income-generating opportunities. The Ministry of Women Affairs, Gender and Enterprises Development served as the Implementing Agent for the project responsible for training of beneficiaries, monitoring and evaluation of the projects in all the provinces.

During my audit in November 2023, the Ministry was not carrying out monitoring and evaluation of twenty-four (24) Poverty Alleviation financed projects, in Masvingo, Bulawayo and Manicaland. The provinces indicated that they did not have information of the beneficiaries and the projects. The beneficiary information was made available when my audit was underway. Consequently, beneficiaries embarked on projects without adequate training and guidance leading to failure of projects to take off, implementation as expected and misuse of the project funds.

For instance, Bukuso Cooperative received US$50 000 to boast their animal husbandry projects, namely cattle and goat fattening, poultry and fish farming as well as piggery. An inspection of project site revealed that piggery, cattle fattening, fish and goat projects were abandoned due to lack of knowledge by members of the cooperative and technical advice from

the Ministry Officials.

**Risk/ Implication**

Without regular monitoring and evaluation, financial resources may not be used for the intended purpose and the objective of the project may not be achieved.

**Recommendation**

The Public Debt Management Office should ensure that the Ministry of Women Affairs and Community Development has information relating to project beneficiaries and that regular monitoring and evaluation is performed.

**Management Response**

**The Provincial Development Officer for Masvingo province and Business Development Officer for Mwenezi district who had project information resigned from employment in 2020. In addition, even if the funds to monitor were available from the project, the number of days to cover all projects was controlled to minimize the budget. There was no complementary budget from the Ministry to support monitoring of these project activities. Motor vehicles were also a challenge since most of these projects were far from the offices.**

## 1.2 Training of beneficiaries

**Findings**

Audit noted that, for all the twenty-four (24) projects sampled out and visited in November 2023, the beneficiaries were not trained in project management and record keeping before receiving funding. This was due to lack of coordination between the project implementing team at Head office and the Provincial Offices responsible for training and monitoring of projects. This resulted in non-maintenance of records to account for funds provided and project failures.

For instance, in Masvingo province, Mujo holdings was given US$18 000 to start a gold mill but the project was abandoned. Ark life Private limited was given US$30 000 to start a broiler project which failed to take off. Moriah Cattle Fattening was given US$40 000 to start the project. OFID Poverty Alleviation Project- Disbursement Modalities (2017), require that selected beneficiaries should attend an on-site technical training (where necessary) before receiving funding.

**Risk/Implication**

Expenditure could be incurred for projects that have been abandoned resulting in fruitless expenditure.

**Recommendations**

The Public Debt Management Office should provide training to beneficiaries before allocating loans.

**Management Response**

**The observation is noted. The Ministry will improve on both business management and technical training of beneficiaries.**

## 2 MINISTRY OF LANDS, AGRICULTURE, FISHERIES, WATER AND RURAL DEVELOPMENT: SMALLHOLDER IRRIGATION PROJECT (SIRP): 2019-2020

### Objective of the Project

To reduce rural poverty by helping households in the targeted areas to achieve food and nutrition security and to become resilient to adverse climate change.

## 2.1 Contractual Obligations

### Findings

Three (3) out of sixteen (16) irrigation projects visited in Masvingo, Manicaland and Matabeleland South had progress of work by contractors slowed down due to late payments for the completed works. For instance, rehabilitation of Machena irrigation scheme in Masvingo had stopped and the contractor was not on-site citing non-payment. In Manicaland, at Cashel Valley Irrigation project, the irrigation project materials were piling at the station because the contractor had reduced the work force due to non-payment of completed work**.** In Matabeleland**,** progress was stalled at Rustlers Gorge Irrigation Scheme, due to non-payment of the contractor.

Further, an audit inspection of Romsley Irrigation scheme in Manicaland province on November 15, 2023 revealed that construction works at lot 2 lagged behind because the contractor could not discharge his obligation of blasting stones for canal construction on an 18-kilometer stretch due to lack of capacity. At Insukamini Irrigation scheme, the contractor left the construction site without carrying out land levelling which was part of the scope of works despite being paid in full.

### Risks/Implications

Incomplete projects and compromised service delivery.

The objective of food security through smallholder irrigation projects might not be realized if projects are left incomplete.

### Recommendation

The Public Debt Management Office (PDMO) should ensure that the Ministry of Lands, Agriculture, Fisheries, Water and Rural development as the implementing partner pays contractors timeously for completed works in order to allow them to meet the running costs and complete the projects on time.

### Management Response

**The observation is noted. The contractor at Rustlers Irrigation was paid all the outstanding certificates. The contractor has no capacity to drill sand abstraction boreholes (well points). He has failed to upgrade the existing submersible pumps. He is not giving any written reason for his failure. However, UNDP in partnership with Rural Electrification Agency (REA) have replaced the Lead battery bank with Lithium batteries, there by restoring power to Mashava Solar Mini-Grid system. Farmers will use the existing boreholes to irrigate.**

### Evaluation of Management Response

*The Ministry should consider to take legal action against the contractor for non-performance.*

## 2.2 Back-up Power

### Finding

Sebasa Valley, Mushandike, Musikavanhu and Chibuwe Irrigation schemes were facing challenges of water supplies because the installed pumps were affected by continuous load shedding. Further, there was no backup plan in the event of power outage at Musikavanhu and Chibuwe irrigation schemes in Manicaland. At Sebasa and Mushandike irrigation schemes in Midlands and Masvingo respectively, where solar pumps had been installed as backup, they were not functioning properly and could not pump adequate water for irrigation.

### Risk/Implication

The crops may wilt and the continuity of the project might be affected in the event that there are continuous and lengthy power outages.

### Recommendation

The Public Debt Management Office and the Department of Irrigation should consider installation of solar power or standby generators to assist farmers with alternative power source.

### Management Response

**The observation is noted. A hybrid solar system was considered during the feasibility studies but could not be implemented due to high capital costs involved. An alternative power supply option will be considered once funding is available. Efforts will be made to engage the Zimbabwe Electricity Transmission and Distribution Company to consider ring fencing the area and minimize load shedding and power blackouts.**

## 2.3 Electrification of Irrigation schemes

### Finding

At the time of audit on November 15, 2023, the electrification of Ramsley Irrigation scheme was stalled because of failure by the Rural Electrification Agency (REA) to secure seven (7) transformers. As a result, irrigation activities could not commence.

### Risk/Implication

The objective of SIRP may not be realized due to non-availability of water for irrigation.

### Recommendation

The Department of Irrigation should liaise with REA for the supply of 7 transformers to enable irrigation activities to commence.

### Management Response

**The observation is noted. Out of a total of seven (7) transformers two (2) have been secured and one (1) has been installed. The department will continue to look at avenues to expedite the works. REA is committed to complete the works as a matter of urgency.**

## 2.4 Land Clearance

### Finding

An inspection of Ramsey Irrigation scheme revealed that more than 50% of the land had not been cleared. The department of Irrigation had inadequate land clearing equipment. PSIP funds were not being availed to support the activities and the villagers had taken over the responsibility of land preparation. The same challenges were also noted at Bambanani and Mambanjeni Irrigation schemes in Matebeleland South and Midlands respectively.

### Risk/Implication

The project might fail to take off if land preparation is not completed.

### Recommendation

The Public Debt Management Office should ensure that the Ministry of Lands, Agriculture, Fisheries, Water and Rural Settlement avails equipment for land clearing.

### Management Response

**The observation is noted. The Ministry has deployed to site two (2) dozers and two (2) excavators to do canal soft excavation, Night Storage Dam (NSD) construction and land clearing. Currently dozers are engaged in land clearing and the excavators will join in once they complete excavation works. The farmers have been mobilised to undertake wood harvesting. However, due to limited funding within the PSIP budget, the farmers (with the assistance of relevant government departments and parastatals) have partnered a land clearing contractor under a Joint Venture set up and land preparation is currently underway.**

## 2.5 Overnight Storage Dams

### Findings

An inspection of Ramsey Irrigation scheme showed that construction work had not started on two (2) overnight dams due to non-availability of adequate equipment and financial resources as at the time of audit on November 15, 2023. At Gudo Irrigation scheme, the night storage dam had cracked within a year after having been repaired. As a result, the irrigation scheme was having challenges irrigating crops adequately. Further, a geo membrane used to line the inside of the dam was leaking, thereby reducing the water available for irrigation.

At Fuve Panganai irrigation scheme, the night storage dam was silted and was unable to store water for longer periods, making it difficult for the farmers to carry out their daily irrigation activities.

### Risks/Implications

Land earmarked for irrigation may remain unutilized if overnight storage dams are not reconstructed or repaired and the objectives of the project may not be realized.

Without adequate water the yield maybe adversely affected.

### Recommendation

The Public Debt Management Office should engage the Department of Irrigation so that the

problems faced by the irrigation Schemes on night storage dams are resolved, in order to ensure that the project is completed as planned.

**Management Response**

**The observation is noted. The Ministry deployed on site two (2) dozers, two (2) excavators, two tippers, and one (1) compactor to do NSD repair and or construction. To date two (2) NSDs (one old and one new) have been completed. Works are progressing well on the third Night Storage Dam. Fuel is currently being consistently delivered to site. The Department will continue to engage Treasury and SIRP for funds to service the equipment and where possible procure more plant and equipment.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing audit findings raised in my previous audit report. Out of the three (3) findings raised, none of them were addressed as indicated below.

### 3.1 Discrepancies on Repayment of Treasury Bonds and Bills

The figures of principal and interest repayments of Treasury Bills, Bonds and loans disclosed on the Statement of Public Debt (SPD) disagreed with corresponding figures extracted from SAP system. The issue has been raised again on paragraph (i).

### 3.2 Borrowing Plan and Debt Sustainability Analysis

The PDMO failed to prepare and publish an approved Borrowing Plan as well as carrying out a Debt Sustainability Analysis for the same year. The issue has been raised again on paragraph (iii).

### 3.3 Penalty Interest Charges

The Public Debt Office failed to carry out creditors' reconciliations of interest arrears/ other charges and penalty interest. The issue has been raised again on paragraph (ii).

## VOTE 7.- INDUSTRY AND COMMERCE

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry exists to promote the development of vibrant, sustainable and globally competitive industrial and commercial enterprises, and fair-trade practices through the provision of enabling policy and regulatory frameworks. This can be achieved through re-capitalization of Industries, issuance of import and export licenses for intermediate and finished products, consumer protection and handling of all commercial rental disputes.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br>ZWG | Unallocated Reserves<br>ZWG | Total Allocated<br>ZWG | Expenditure<br>ZWG | Net Underspending<br>ZWG |
|---|---|---|---|---|
| 203 536 643 | 4 170 984 | 207 707 627 | 97 227 401 | 110 480 226 |

I have audited the financial statements of the Ministry of Industry and Commerce for the year ended December 31, 2024, and I issued a qualified Opinion.

### Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Industry and Commerce as at December 31, 2024 in accordance with the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Open Items

### Finding

The Ministry had open items in the revenue general ledgers and Sub-PMG cash books in the Public Financial Management System. The revenue deposits amounting to ZWG928 066 remained uncleared, while the Sub-PMG Cashbook had uncleared expenditure totalling ZWG31 784 911 and prior years amounts of ZWL$4 483 490 997. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements. The Table below refers;

| Uncleared Amounts ZWG | Amount ZWG |
|---|---|
| | |
| Sub Exchequer Cashbook deposits | 23 796 |
| Sub Exchequer Cashbook receipting | 904 270 |
| Sub PMG Cashbook | 31 784 911 |

**Uncleared Items in the PFMS Ledgers**

| Uncleared Amounts | Amount ZWL$ |
|---|---|
| Sub PMG Cashbook | 4 324 695 418 |
| Sub PMG Payments | 158 795 579 |
| | **4 483 490 997** |

**Risks/Implications**

Revenue may not be accurately recognised.

The expenditure disclosed in the financial statements may be misstated.

**Recommendation**

Management should ensure that all uncleared items on the Revenue SAP ledgers and Sub PMG cash books are cleared.

**Management Response**

**The outstanding uncleared items in the PFMS are acknowledged and the Department is currently working in consultation with Treasury to address the issues which most of them require technical assistance and guidance from Revenue consultants.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Finding**

The Ministry had an approved budget of ZWG207 707 628 and the funding that was received for operations and capital expenditure was ZWG64 976 624 representing 31% of budget, while compensation of employees of ZWG32 250 777 was fully funded representing 16%. The budget underutilisation was mainly due to non-release of funding by Treasury as a result of lack of liquidity. In addition, the Ministry at year end owed ZWG22 911 168 to service providers and suppliers which could not be funded.

**Risk/Implication**

Inadequate funding compromised the Ministry's ability to deliver its mandate effectively.

**Recommendation**

The Ministry should continually engage Treasury to provide funding for its operations.

**Management Response**

**Treasury support of 47% of the appropriated budget negatively affected the Ministry's achievement of set goals and targets.**

**At the end of the year Treasury issued a circular directing Ministries to reverse all unfunded expenditures citing cash flow constraints.**

**The implementation of projects like Rural Industrialisation was also greatly affected as they required constant engagement with the various stakeholders both in the public and private sectors. Extensive engagements and workshops which were set to be carried out were deferred.**

**With limited budget support we could not adequately cover all the areas to achieve our set targets in areas such as Consumer Protection, Surveillance and Trade Measures.**

### 1.2 Payment Arrears

#### Finding

The Ministry had arrear payments with various suppliers and service providers totaling ZWG22 911 168, with some invoices dating back to January 2024. There was no evidence that these liabilities were periodically reported to Treasury for funding to facilitate clearance.

#### Risk/Implication

If the payment arrears are not monitored and reported, they will continue accumulating resulting in eroding of the subsequent years' budget.

#### Recommendation

The Ministry should continuously engage Treasury so that the outstanding balances are settled.

#### Management Response

**The observation has been noted. The Ministry has been requesting for operational budget support to service the incurred expenditures however Treasury issued a circular during the quarter which cited cash flow constraints and limited fiscal space. The cumulative arrears were then mainly as a result of non-release of appropriated budget by Treasury during the period under review 2024 financial year.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Outstanding Revenue

#### Finding

For the second year running the Ministry had outstanding Assize fees amounting to ZWG6 567 398, an increase of over 100% from 2023 outstanding amounts. There was no evidence to support that adequate effort was being made to follow-up on the outstanding amounts. Section 42 (4) of the Public Finance Management (Treasury Instructions), 2019 requires Receivers and Collectors of Revenue to enforce the punctual collection and disposal of revenue and other public moneys in accordance with the laws, regulations, instructions or agreements.

#### Risk/Implication

If recovery action is not taken timeously, amounts may be eroded by inflation.

**Recommendation**

The Ministry should consider taking more proactive action to recover outstanding debts as required by the Treasury Instructions.

**Management Response**

**The observation is acknowledged. Recoveries were made during the year under review and efforts are under way to ensure that majority of outstanding debts are recovered. The Accounting Officer has since issued a directive to adopt a No Payment, No Service Policy that has since been communicated to all Provincial Heads. Payment plans with major debtors have been entered into and the department of Trade Measures will ensure enforcement of the new policy and also upscale debt follow ups as part of the routine work.**

## 2.2 Revenue Received from Consignment- Based Conformity Assessment (CBCA) Programme

**Findings**

The Ministry through the Consignment-Based Conformity Assessment (CBCA) Programme contracted four (4) Companies to provide services on its behalf. The contractors are required to remit to Government quarterly royalty of 20% of their turnover. Of the 20%, 15% is paid into the Exchequer account and 5% is withheld by the service providers for capacity building and is used through drawdowns by the Ministry. Royalties from CBCA Programme had no independent PFMS ledger account, it was being accounted for in the Import and Export fees ledger account.

The Revenue Received in form of CBCA Royalties reported was US$3 345 981 while invoices raised amounted to US$2 045 777, indicating that the Ministry was not timeously raising invoices to account for amounts due to Government. Without raising invoices some of the contractors may not pay royalties. Outstanding Revenue from contractors was not disclosed on the Statement of Outstanding Revenue as at December 31, 2024. As a result, the Outstanding Revenue amount was misstated.

**Risks/Implications**

The delay or failure to issue invoices to contractors may result in the Ministry not collecting amounts due.

Misclassification of revenue resulting in understatement of revenue reported.

**Recommendations**

The Ministry should invoice contractors timeously as per the agreement.

Variances should be investigated and adjustments should be made in the ledgers and the returns.

The Ministry should ensure that a separate ledger for Royalties is created in PFMS.

**Management Response**

**The delay in invoicing is acknowledged and going forward invoicing to the service providers, for the total royalty fees due to the Government of Zimbabwe will be effected.**

**Reconciliations will be done to account for outstanding revenue due to the Government of Zimbabwe as at December 31, 2024. The Ministry will resubmit the updated Outstanding Revenue Return after verifications.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Change of Ownership for House Acquired in Bindura

**Finding**

In my report for 2023, I reported that the Ministry acquired an immovable property in Bindura at a cost of US$150 000 for use as Provincial Offices for Mashonaland Central. It is now two years since the property was purchased in May 2023 and as at the time of concluding my audit on May 27, 2025, the change of ownership had not yet been effected with the Deeds Registry and Bindura Town Council respectively.

**Risk/Implication**

Delays in changing ownership may lead to ownership disputes or claims.

**Recommendation**

The Ministry should expedite the change of ownership of the property with the local municipality.

**Management Response**

**The Ministry engaged the seller to discuss on his pending issue with ZIMRA on Capital Gains settlements. However, the seller is yet to furnish the Ministry with his exemption permit for Capital Gains from Zimra since he claimed that he bought another property after selling the one which was bought by the Ministry. However, the Ministry will continue to engage him and push the Attorney General for quick expedience of the Title Deeds.**

### 3.2 Vehicle Records

**Finding**

My examination of the Motor Vehicles registration books and the Vehicles register revealed that six (6) vehicles being 3 Toyota Hiace, a Toyota Hilux, Isuzu Double cab and a Mazda B1800, were not recorded in the Asset register. A register provides a central record for all vehicles, enabling better management and control of all vehicles under the control of the Ministry.

**Risk/Implication**

Motor vehicles not recorded in the asset register may disappear without trace.

**Recommendation**

The Ministry should maintain proper records for motor vehicles to enhance accountability as well as adhere to requirements of the Public Finance Management Act [*Chapter 22:19*].

**Management Response**

**The three (3) Minibus Hiace Kombis have since been recorded in the Ministry Asset Register. The other two vehicles are for new Directors who came with their personal issue vehicles registered in the names of their former Ministries. These vehicles have since been recorded in the master assets register and registration in the name of the Ministry will be done as soon as practicable. The Mazda B1800 a pool vehicle at our Marondera offices which was omitted when a new asset register was created was also regularised. The updated registers are available for audit inspection.**

## 4. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made some progress in addressing audit findings raised in my previous audit report. Out of five (5) recommendations, two (2) were addressed, one (1) was partially addressed and two (2) were not addressed as indicated below:

### 4.1 Reconciliation of Appropriation Account Expenditure

Partial progress has been made through further reconciliations in consultation with Treasury however there is still an imbalance which is still under investigation.

### 4.2 Unbudgeted Expenditure

The finding was addressed by including the budget provision for Zimbabwe International Trade Fair Company (ZITF) in the 2024 Ministry overall budget.

### 4.3 Outstanding Revenue

The finding was not addressed as the Ministry had outstanding assize fees amounting to ZWL$268 970 659.

### 4.4 Acquisition of Fixed Capital Assets

The Ministry is yet to get the title deeds for the property which will facilitate the name change.

### 4.5 Gender Policy and Structure

The Ministry has since appointed Director Gender Mainstreaming, Inclusivity and Wellness since May 7, 2025.

## STANDARDS DEVELOPMENT FUND 2023

### Objective of the Fund

The Fund was established for the development and promotion of standardisation and quality control.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 62 730 597 648 |
| Expenditure | 14 376 871 679 |
| **Surplus** | **48 353 725 969** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 2 276 831 338 | - |
| Current | 52 646 248 046 | 699 902 033 |
| Accumulated Fund | - | 54 223 177 351 |
| **Total** | **54 923 079 384** | **54 923 079 384** |

I have audited the financial statements of the Standards Development Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements of the Standards Development Fund for the year ended December 31, 2023, are prepared, in all material respects, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Unidentified Deposits

### Finding

The balance of unidentified deposits increased significantly by ZWL$563 637 208, from ZWL$113 259 714 in 2022 to ZWL$676 896 922. This substantial increase is attributed to the inadequacy of management systems to identify and issue receipts for direct deposits made by employers. The continued growth in unidentified deposits raises concerns about the Fund's ability to account for and manage its financial transactions effectively. Section 52(4) of the Public Finance Management (Treasury Instructions), 2019 requires that unclaimed money exceeding six months be paid into revenue.

### Risk/Implication

Failure to have a system to clear all direct deposits by employers may result in fraud being perpetrated without trace.

**Recommendation**

Management should liaise with banks for employer details to be captured when deposits are made to enable the Fund to issue a receipt after identifying employers who would have made direct deposits.

**Management Response**

**The issue of unidentified deposits is a significant challenge. This issue typically arises when employers make direct transfers into our bank account without providing sufficient details, making it difficult for us to identify and issue receipts. The other challenge emanates from employers who pay levy before being registered.**

**To address this challenge, we are engaging our bankers, CBZ, to introduce mandatory fields that require employers to provide essential information when making deposits into our account. This enhancement will enable us to capture employer details accurately and issue receipts promptly, thereby reducing the incidence of unidentified deposits. Furthermore, we intend to employ several strategies, including:**

- **Sending periodic reminders to employers to submit required documentation such as proof of payment.**
- **Continue conducting regular inspections to verify employer compliance.**
- **Implementing a robust tracking system to monitor deposits and follow up on unidentified transactions.**
- **Develop an application for payment of SDF Levy.**

**In addition, we are also exploring opportunities to leverage the ZimSwitch platform to streamline our payment processing and reduce unidentified deposits.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Accounting Package

**Finding**

The Fund manually receipted Levy Income collected in foreign currency amounting to ZWL$14 071 183 298 instead of using the Public Financial Management System (PFMS). Management failed to upgrade the Standards Development Fund (SDF) system to support the receipt of USD and ZAR currencies. This was contrary to Section 13 (2) of the Public Finance management (Treasury Instructions) 2019, which states that statutory and other funds shall utilize the same accounting package unless authorized by Treasury to run independent systems

**Risk/Implication**

The amount of income disclosed in the financial statements may be materially misstated due to errors and commissions if some transactions are processed outside the system.

**Recommendation**

Management must ensure that all transactions of the Fund are processed through the system as prescribed by the statute.

**Management Response**

**Central Computing Services (CCS), a department in the Ministry of Information**

**Communication Technology and Courier Services, is currently working on upgrading the Standards Development Fund (SDF) system to support the receipt of USD and ZAR currencies. Until the upgrade is complete, the SDF will continue to process these currencies manually and then transfer them to the system as notes on an employer's profile to reflect the payment and status on whether fully paid up or in arrears. We expect the system to be fully upgraded by March 2025. Will continue to provide updates on the status of the upgrade and notify stakeholders once the new functionality is available.**

**Evaluation of Management Response**

*Management's response has been noted. However, the reasons for not using PFMS were not provided.*

## 1.2 Cash and Cash Equivalents

**Finding**

For the fourth year in succession, I have to report that the Fund continued to maintain huge balances in the bank accounts instead of investing the surplus balance as required by Section 13 (2) of the Standards Development Fund Act [*Chapter 14:19*], which states that any part of the monies not immediately required for the purpose of the Fund may be invested in such manner as the Minister, may approve. As at December 31, 2023 the Fund had a total of ZWL$46 319 782 822 in its bank accounts. The average bank balances on monthly basis were USD$1 883 856 and ZWL$11 485 130 846.

**Risks/Implications**

The Fund may lose potential revenue in the form of interest on investment if huge balances of cash are left in the bank accounts.

Further, the monies may be eroded by inflation if not used to meet objectives of the Fund.

**Recommendation**

The Fund should consider investing surplus cash so as to generate revenue.

**Management Response**

**Standards Development Fund has written several requests to Treasury seeking authority to invest excess funds. No response has been received to date. Follow up is still being made to get authority and invest the excess funds.**

## 1.3 Accounting for Fuel

**Finding**

A fuel Issue Voucher number 576282 dated June 1, 2023 for 300 litres of diesel received from Standards Development Fund head office by Bulawayo Regional Office was not recorded in the Fuel Register in violation of Section 104(1) of Public Finance Management (Treasury Instructions) 2019 which states that, all Ministries, Departments and Agencies shall keep a record of fuel coupons received and issued in sequential order. There was no record of who was issued with the fuel coupons serial number(s) 1038139 to 1038153 valued at ZWL$463 977. I could therefore, not establish whether the fuel was properly accounted for.

**Risk/ Implication**

Fuel could be exposed to misappropriation.

**Recommendations**

Management should enhance controls on the receipt, recording, custody and issue of fuel coupons.

An investigation should be carried out on the discrepancies of recording and utilisation of fuel.

**Management Response**

**The Fuel in question was entered into the register and issued thereon as per the documents provided. The Manual register has been updated.**

**Evaluation of Management Response**

*The documentation provided had no evidence that the fuel was recorded in the Fuel Register and subsequently issued from the Register.*

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Levy and Rental Debtors

**Findings**

The Fund did not take adequate measures to clear outstanding Levy Debtors and Rental debtors. There was a substantial increase from ZWL$861 695 431 and ZWL$41 617 in 2022 to ZWL$4 533 573 657 and ZWL$1 362 082 776 in 2023 respectively. This substantial escalation can be attributed to the Fund's inadequate recovery efforts and lack of effective debt collection strategies. At Bulawayo and Mutare stations, I observed that no adequate measures were taken to ensure employers paid the required 0.5% levy to the Fund on time. Section 42 (4) of the Public Finance Management (Treasury Instructions), 2019 requires Receivers and Collectors of Revenue to enforce the punctual collection and disposal of revenue and other public moneys in accordance with the laws and regulations.

Furthermore, I noted that some employers had unpaid levies in ZWL dating back to 2019, and due to inflation or changes in currency, there will be little to no liability owed to the Fund. This highlights the need for the Fund to implement effective measures to ensure timely payment of levies and to prevent such losses in the future.

**Risks/Implications**

Revenue due to the Fund is meant to be used in the implementation of Government programs, hence non collection derails implementation.

Levy due to the Fund loses value thereby impacting on ability to achieve objectives.

**Recommendations**

The Fund should consider implementing stricter enforcement mechanisms, such as penalties for late payment, to encourage employers to pay their levies and rentals on time.

Management should establish clear policies outlining the procedures for collecting levies, as required by Section 3(6) of the Standards Development Fund Act [*Chapter 14:19*].

**Management Response**

**The Fund has collected ZWL$400 000 000 to date and will intensify collection of debts through company visits by levy inspectors.**

**The matter of timely payment of levies by employers at the Bulawayo and Mutare stations is noted. To address the concerns raised, management is committed to implementing the following corrective measures:**

- **Enhanced Tracking and Monitoring: Will develop and implement a robust tracking system to monitor levy payments from employers, ensuring timely detection of defaulters.**
- **Regular Communication and Reminders: Will maintain open communication channels with employers, sending regular reminders and notifications to ensure they are aware of their payment obligations.**
- **Penalty Framework: Will establish a clear penalty framework for late or non-payment of levies, as per the Standards Development Fund Act. Guided by our legal department.**
- **Capacity Building and Training: Will provide training and capacity-building programs for our staff to ensure they are equipped to handle levy payment issues effectively. Regarding the unpaid levies in ZWL dating back to 2019, we acknowledge the impact of inflation and currency changes on the liability owed to the Fund. Will conduct a thorough review of these cases and explore possible solutions, including negotiating payment plans or settlements with the affected employers.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made progress in addressing audit findings raised in my previous audit report. Out of the four (4) findings, three (3) were addressed, one (1) was not addressed, as indicated below:

### 3.1 Expenditure not Adequately Supported

The Fund managed to implement audit recommendations as the documents were adequately supported.

### 3.2 Database for Employers

The Fund was also able to implement the recommendation, database for employers is now in place.

### 3.3 Unidentified Deposits

The Fund did not address the audit finding, the unidentified deposits still remain uncleared during the year under review.

### 3.4 Procurement of Motor Vehicles

The issue was addressed the outstanding vehicle from Motor City Toyota was delivered.

## VOTE 8.- LANDS, AGRICULTURE, FISHERIES, WATER AND RURAL DEVELOPMENT

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement is to ensure food security in the country and agriculture produce for the manufacturing sector, through facilitating a sustainable and viable agricultural sector by providing new materials for the rest of the economy. The Ministry carries out this mandate by providing administrative, technical, advisory, research and regulatory services to the sector. It is also mandated to promote equitable distribution of land and provision of security of tenure.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 6 439 202 920 | 5 175 637 787 | 11 614 840 707 | 11 256 118 193 | 358 722 514 |

I have audited the financial statements of the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development as at December 31, 2024, and I have issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Direct Foreign Currency Payments

### Finding

Treasury made direct foreign currency payments to service providers on behalf of the Ministry amounting to US$84 578 833 (ZWG2 182 007 023) during the financial year 2024. However, these transactions were not uploaded in the Public Financial Management System (PFMS) and was not recognised in the financial statements owing to lack of documentary evidence from Treasury. These transactions have remained unaccounted for in the Ministry`s financial records. Therefore, the expenditure disclosed in the Appropriation Account was incomplete and inaccurate.

### Risk/Implication

The Ministry`s total expenditure for the year review was materially understated.

### Recommendation

The Ministry should from time to time liaise with Treasury to identify if any payments were

made on behalf of the Ministry so as to be furnished with source documents such as payment vouchers and invoices. This will facilitate accounting for the expenditure made on its behalf by Treasury timeously.

**Management Response**

**Notwithstanding the fact that some payments made by Treasury require supporting documents for the Ministry to verify, adopt and capture the expenditure in the PFMS, Treasury amended the same transfer schedules availed to the Ministry by inserting some transactions without availing revised schedules of transfer to the Ministry.**

**The variance came to light only after it was raised as an observation during the audit of the Appropriation Account. Verification of the amounts is currently in progress with a view to approach Treasury to provide budgetary support to enable the Ministry to adopt and capture the expenditure in the system.**

**(ii) Uncleared Amounts**

**Finding**

The Appropriation Account expenditure submitted for audit was misstated by a total amount of ZWG5 655 569 996 that was not cleared in the Public Financial Management System in the Ministry`s various General Ledgers Accounts. Open items hold funds that would have been committed during the financial year and these funds will only be released after the items are cleared. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of financial information.

**Risks/Implications**

The Appropriation Account could be misstated.

Ineffective budgetary control may arise due to open items.

**Recommendation**

All open items should be cleared annually before preparation of bank reconciliations, annual returns and financial statements.

**Management Response**

**The observation is noted and corrective action is being sought from Treasury. As already explained under the committed expenditures observation, most of the open items relate to capital expenditure (assets) which could not be reversed because Treasury had already effected the depreciation run in the system for the Ministry for the year under review.**

**The Ministry engaged Treasury regarding this observation and was advised that Treasury through its Central Computing Services (CCS) Helpdesk is ceased with the identified problem.**

**(iii) Receipts and Disbursement and Revenue Received Returns**

**Findings**

The Receipts and Disbursement Return submitted by the Ministry reflected a total amount of ZWG32 783 369 for collections (revenue) for the year whereas the PFMS report had a total amount of ZWG38 824 554. This resulted in an unreconciled variance of ZWG$6 041 185.

Furthermore, the revenue received return submitted for audit had a total amount of ZWG30 690 594 while the amount of revenue collected as per the Ministry's sub-Exchequer and transferred to the Main Exchequer was ZWG31 907 510 resulting in a variance of ZWG1 216 916. There were no reconciliations prepared to explain the variances.

**Risk/Implication**

The returns may be misstated.

**Recommendation**

The balances in the Receipts and Disbursements and Revenue Return should be supported by transactions receipted in the SAP system ledgers.

**Management Response**

**The variance of ZWG6 041 185 resulted from receipts raised after Alpha deductions without confirming with the bank statement. This anomaly has been rectified from the year 2025 going forward; receipting is now done only after confirming receipt of funds from the bank statement. The Ministry is also committed to ensuring all discrepancies are reconciled promptly moving forward. Regarding the variance of ZWG1 216 916, management acknowledges the need for improved reconciliation processes and are implementing measures to ensure all revenue collected is accurately reflected.**

**(iv) Receipting of Collected Revenue**

**Finding**

Revenue collected by the Ministry for the financial year ended December 31, 2024 could not be verified as only two receipt books were provided, for November and December. Section 45 (2-3) of the Public Finance Management (Treasury Instructions), 2019 requires proper maintenance of security items.

**Risk/Implication**

Absence of receipt books may result in some revenue not being accounted for.

**Recommendation**

Management should ensure that all receipt books used to collect revenue for the Ministry are well kept and availed for audit inspection.

**Management Response**

**The Ministry recognize the limitations in verifying the total revenue collected due to the absence of complete receipt books. The two receipt books provided covered only November and December. This has been addressed; prior to November, PFMS**

**receipting was used for direct deposits without manual receipts. Since then, manual receipts have been issued for all deposits, especially in response to requests from Tobacco stop order farmers. To prevent future discrepancies, management have implemented internal control measures to ensure that all receipt books are securely maintained and readily available for audit inspection when requested.**

### (vi) Outstanding Revenue

#### Finding

The Department of Mechanisation sold a total number of six hundred and nineteen (619) tractors, two (2) disc harrows and seven (7) combine harvesters with a total value of ZWG601 838 450 (US$23 328 429) to financial Institutions and other farmers on credit. However, the submitted outstanding revenue return had a nil balance. The Department did not disclose the outstanding revenue for farm machinery such as tractors since the inception of the programme.

#### Risks/Implications

Transparency and accountability may be compromised.

The ability of oversight institutions to fully assess the financial performance and sustainability of the program may be limited.

#### Recommendation

Management should ensure that all revenue streams are fully accounted for.

#### Management Response

**Contracts for distribution and revenue collection from tractor sales were signed and are managed by Treasury under the Consolidated Revenue Fund prior 2024. The Ministry adopted audit recommendations for the creation of an Exchequer Account to cater or the Debit/Credit Contra entries for the transactions regarding handover of assets to the Banks in 2024. The Reports for 2024 fully account for the transactions beginning 2024. This accounts for reporting of the revenue streams from the mentioned transferred assets.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Statement of Payment Arrears

#### Finding

The Ministry owed suppliers and service providers a total amount of ZWG9 696 270 525 as of December 31, 2024. This represented expenditure incurred but not funded at the close of the 2024 financial year. The arrears constituted 83% of the Ministry's total budget.

#### Risk/Implication

Service delivery may be impaired due to late payment of suppliers.

There is reputational risk as the Ministry could be sued.

#### Recommendation

The Ministry should conduct regular meetings with Treasury to discuss its funding needs and address potential delays.

**Management Response**

**The Ministry has files relating to budget release requests, however, Treasury could not provide the funding.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Motor Vehicles

**Findings**

In my Audit Report for the year 2023 I noted that the Veterinary Field Department bought four (4) motor vehicles for ZWL$203 844 148 in May 2023 for the department's operations. However as at May 06, 2025 the department had not received the four (4) vehicles. Audit was not availed with the actual contract that was entered into with the supplier. Section 78 (2) (h) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] requires the procuring entity to ensure that every procurement contract it enters into specify the delivery date and place. The supplier did not deliver the motor vehicles citing non-allocation of Forex from the Reserve Bank of Zimbabwe auction floor.

Veterinary Tsetse Unit also bought two Toyota 2,8 GD6 single cabs at a cost of ZWL$ 88 789 084 in February 22 and on May 05, 2023. As at May 06, 2025 Tsetse department had not received the two vehicles.
Another purchase for the supply and delivery of three (3) motor vehicles was made February 8, 2022. The company only managed to deliver two (2) motor vehicles resulting in a balance of one (1) Toyota Hilux Double Cab.

**Risk/Implication**

If contracts are not properly managed, it may lead to loss of financial resources.

**Recommendations**

Management should ensure that contracts are managed according to the terms and conditions agreed in the signed contract documents.

Procurement contracts should be provided to auditors when requested.

Follow ups should be made with the supplier for the delivery of remaining vehicles.

**Management Response**

**The observation is noted. Follow up is done through PMU Office since the supplier is engaging meetings with PMU for price variation so negotiations are underway.**

### 2.2 Fowl Run Construction

**Finding**

The Ministry paid a total amount of ZWG258 475 to a supplier for the roofing of a fowl run. However, no work was done despite the full payment having been made by the time of audit on August 24, 2024. I was not provided with documentary evidence of any follow-up with the contractor by the Ministry.

**Risk/Implication**

Non-performance by contractors may lead to wasteful expenditure, erodes public trust, and undermines service delivery.

**Recommendation**

The Ministry should enforce performance by SmartView and Strengthen contract management by implementing a centralized tracking system for deliverables, deadlines, and penalties, with regular reporting to oversight bodies.

**Management Response**

**The necessary administrative procedures and remedies of contract breach by the contractor are systematically being followed using the available government channels to amicably address the matter.**

**Evaluation of Management Response**

*The Ministry is yet to provide documentation to support the management efforts to address the breach of the contract.*

## 2.3 Fixture and Fittings

**Finding**

The Ministry paid a total amount of ZWG30 400 on November 27, 2024 for a filing cabinet and ZWG3 300 for iPhone accessories, on November 22, 2024. However, on May 16, 2025 the assets were not delivered. This was caused by inadequate contract clauses which protects the Ministry in case of non-performance by suppliers and lack of proper review of the procurement contract, contrary to Section 78 (2) (h) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] which requires the procuring entity to ensure that every procurement contract it enters into should specify the delivery date and place.

**Risk/Implication**

The Ministry may incur financial losses, misuse of public funds, and operational disruptions if goods remain undelivered.

**Recommendation**

The Ministry should enforce contractual penalties, and implement stricter controls, including pre-payment verification, and contract tracking system.

Follow ups should be done for the non-delivered assets.

**Management Response**

**Management did not respond.**

## 2.4 Fencing Installation

**Finding**

A supplier was contracted on October 25, 2023 to install palisade fencing valued at US$1 593 607 and the Ministry paid 15% mobilisation fees amounting to US$207 862. However, despite receiving this upfront payment to commence the work, the contractor had

not performed any activity on the ground by the time of the audit May 8, 2025. There was no documentary evidence of follow up on the contractor to enforce performance by the Department of Mechanisation.

**Risks/Implications**

Financial loss may occur.

Delayed service delivery thereby depriving intended beneficiaries.

**Recommendations**

The Department should immediately recover the paid amount from the supplier and institute penalties as per contractual terms.

Future contracts should include stringent performance clauses, regular progress monitoring, and escalation mechanisms for non-compliance.

**Management Response**

**The Contractor was paid after mobilising plant and equipment and cleared 5km distance. Partial Fence construction was completed before the contractor stopped works citing precedence contracts issues arising from works with other contracts with the ministry such as contract expiry dates and renewals. The necessary administrative procedures and remedies of contract breach / non-performance by the contractor are systematically being followed using the available Government channels to amicably address the matter.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Board of Inquiry

**Finding**

The Ministry had two (2) motor vehicles Nissan NP300 GAGR 4446 and Nissan NP300GAGR 2822 that were involved in accidents during the year under review. Documentary evidence which support that investigations were held to ascertain the circumstances and magnitude of the deficiency, destruction or damage was not provided to audit. This was caused by failure to coordinate the appointment of the board of enquiry to carry out the investigations. Section 12(1) of the Public Finance Management Act [*Chapter 22:19*] requires an accounting officer to investigate deficiency in, or destruction of or damage to State property.

**Risk/Implication**

The damaged vehicles may not be replaced resulting in loss of assets.

**Recommendation**

Management should appoint the Board of Inquiry as required by the law.

**Management Response**

**Management did not respond.**

## AGRICULTURAL REVOLVING FUND ACCOUNT 2022-2023

### Objective of the Fund

The Fund was established to provide additional resources to the Ministry's sub-votes to enable them to supplement their operational resources. These additional resources from the Agricultural Revolving Fund, represent 100% retention of funds raised and are meant for the maintenance and improvement of essential equipment, purchase of drugs and consumables required to improve the level and quality of departmental service**.**

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---:|
| Income | 53 290 789 485 |
| Expenditure | 41 442 691 591 |
| **Surplus** | **11 848 097 894** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---:|---:|
| Non-Current | 4 455 040 808 | - |
| Accumulated Fund | - | 12 531 038 425 |
| Current | 9 121 815 512 | 1 045 817 895 |
| **Total** | **13 576 856 320** | **13 576 856 320** |

I am required to audit the financial statements of Agricultural Revolving Fund for the year ended December 31, 2023, and I issued a disclaimer of opinion.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the Agricultural Revolving Fund. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer Opinion

### (i) Maintenance of Accounting Records

### Findings

The Fund did not maintain accounting ledgers for all account balances disclosed in the financial statements, contrary to the provision of Section 119 (2) of the Public Finance Management (Treasury Instructions), 2019, which prescribes the minimum books to be maintained. As a result, I could not validate the completeness and accuracy of the revenue received of ZWL$53 257 010 446, accounts receivables of ZWL$5 822 776 351, accounts payable amounting to ZWL$799 529 950 and property plant and equipment of ZWL$3 856 511 126 in the 2023 financial statements and also ZWL$3 534 128 874, ZWL$33 811 795, ZWL$28 235 314 and ZWL$140 605 592 respectively in the 2022 financial statements.

**Risk/Implication**

Financial statements may be materially misstated in the absence of proper accounting records.

**Recommendation**

Management should maintain accounting ledgers to enhance accountability in the recording of transactions.

**Management Response**

**The Ministry has huge volumes of transactions that are being accounted for manually. Management wrote to Ministry of Finance Projects Office requesting for setting of all fund accounts in the PFMS to ensure that proper accounting records are maintained at all the institutions. However, the Ministry of Finance is facing challenges to set the Funds in the PFMS. Most of the institutions do not have accountants and finance work is being done by non-accountants. Efforts to fill in the vacant posts are being pursued. The Ministry has started the procurement process for PASTEL accounting package.**

**(ii) Disclosure of Biological Assets**

**Finding**

The Fund did not disclose the total value of the biological assets amounting to ZWL$1 413 793 431 (2023) and ZWL$142 596 805 (2022) in the financial statements for the three (3) institutions namely Grasslands Research Institute, Makoholi Research Institute and Matabeleland North Veterinary Services. This was contrary to Section 119 (2) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

The disclosed assets value was understated.

**Recommendations**

The Ministry should provide the Institutions with clear accounting procedures on how to account for Biological Assets.

At the end of each year the Institutions should carryout stock take exercises placing values on the biological assets and invite external audit to observe the inventory count.

**Management Response**

**The observation has been noted. Management is currently working towards formulation of a standardized policy with the advent of IPSAS standards to guide accountants in recording all biological assets notwithstanding the source of funds.**

**(iii) Accounts Receivables**

**Finding**

The Fund did not disclose the value of the accounts receivable for the Masvingo, Mashonaland West, Manicaland and Matabeleland North Provincial Veterinary Offices amounting to ZWL$6 206 758 618 (2023) and ZWL$1 513 757 868 (2022). This was caused by the use of cash accounting system instead of the accrual accounting system as required by Section 10

(2) and 11(2) of the Public Financial Management Act (Treasury Instructions), 2019.

**Risk/ Implication**

The accounts receivable figures for the two consecutive years were understated.

**Recommendation**

The Provincial Offices should apply the accrual accounting concept in order to come up with accurate receivable balances.

**Management Response**

**The observation is noted. With the IPSAS implementation and training the institutions will apply the Accrual Accounting concept to come up with accurate revenue figures.**

**(iv) Consolidated Cash and Cash Equivalence**

**Finding**

The cash and cash equivalence figure on the consolidated statement of financial position amounted to ZWL$3 121 043 159 for the year 2023 while the cash flow statement closing cash and cash equivalence had an amount of ZWL$3 296 534 173. This resulted in an unexplained variance of ZWL$175 491 014. This violated section 49 (2) (a) of the Public Finance Management Act [*Chapter 22:19*] which requires the Accounting Authority of a public entity to submit financial statements which fairly present the state of affairs of the public entity`s financial results, performance and position.

**Risk/Implication**

Misstatement of financial statements.

**Recommendation**

The variance should be investigated and reconciled.

**Management Response**

**The variance for cash and cash equivalence for 2023 was reconciled. However, there is a difference of ZWL$175 491 013 which is a result of money collected, receipted but not banked.**

**(v) Suspense**

**Finding**

The statement of financial position for the year ended December 31, 2023 had an imbalance (Suspense) amounting to ZWL$175 491 013. I was not furnished with a satisfactory explanation for the variance. This violated section 49 (2) (a) of the Public Finance Management Act [*Chapter: 22:19*] which requires the Accounting Authority of a public entity to submit financial statements which fairly present the state of affairs of the public entity`s financial results, performance and position.

**Risk/Implication**

Financial statements are susceptible to material misstatements if the statement of financial position has an imbalance.

**Recommendation**

The variance should be investigated and the financial statements should be amended.

**Management Response**

**The imbalance is a result of money collected, receipted but not banked. There is a pending litigation case for the Fund involving one of the accountants who is suspected of misappropriating funds.**

**(vi) Submission of Receipt Books and Security Items Register**

**Findings**

I was not provided with the security items register to verify whether the receipt books used to collect revenue during the years 2022 and 2023 were for the Ministry. Furthermore, the Fund did not avail the receipt books that were used from June 10 to September 06 and from December 05 to December 31, 2022 as well as fourteen (14) receipt books for the year 2023. As a result, I was not able to validate the completeness and accuracy of the revenue figures disclosed in the financial statements for the two years.

There was no evidence of supervision of the finance personnel by responsible authorities. Section 44 (4) of the Public Finance Management (Treasury Instructions), 2019 states that at least every three months all existing forms recorded in the register shall be verified and any missing forms shall be reported in writing to the Receiver of Revenue quoting the serial numbers and letters by Head Office.

**Risk/Implication**

Fraudulent activities may go undetected in the absence of security items register.

**Recommendation**s

The Fund management should ensure responsible officers are conscious of the importance of the security items register and its proper maintenance.

Management should investigate the issue of the missing security items register and the missing receipt books for the month of June, July, August and December.

**Management Response**

**The security items register from April 2023 to date is available for inspection. The accountant whom is suspected of misappropriating funds amounting to US$120 861 signed for the missing 2023 receipts books. We have since written to him to avail them for audit inspection. As for the 2022 receipts we have since written to Printflow to provide us with names of the officers who were collecting them to identify those responsible for the missing receipt books.**

### (vii) Opening Balances

#### Findings

The Fund did not take into account the closing balances for the previous audited financial statements when they prepared the financial statements for the year 2023. The closing balances forms the opening balances in the following year.

In addition, the Fund did not correct the misstatement on determination of depreciation on property, plant and equipment (PPE) emanating from misstated opening balance.

#### Risk/Implication

The financial statements may be misstated.

#### Recommendation

The Fund should take into account the audited closing balances in the preparation of financial statements.

The errors in the calculation of depreciation should be corrected in the financial statements.

#### Management Response

**The observation has been noted. However, the ultimate solution is for the employer to timeously fill vacancies as they arise. Usage of non-accounting staff members on accounting tasks is out of desperation by station management. The ministry shall continue lobbying for the timeous appointment of appropriate staff members.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Submission of Financial Statements

#### Finding

The Ministry did not meet the statutory deadline of March 31, 2024 for the submission of the Agricultural Revolving Fund financial statements for the year ended December 31, 2023. The financial statements were submitted on November 8, 2024. Section 156 (1) of Public Finance Management (Treasury Instructions), 2019 requires submission on or before March 31, 2024.

#### Risks/Implications

Transparency and accountability may be compromised.

Performance of the Fund may not be ascertained if financial statements are not timely prepared.

#### Recommendation

Management should put in place mechanisms that would ensure that statutory deadline is met.

**Management Response**

**It is regretted that the 2023 Agricultural Revolving Fund financial statementswere submitted after the statutory deadline. The delay was unavoidable as a suspected case of fraud was discovered on the Fund in the first quarter of 2024 rendering the accounts which had been prepared incorrect. The financial statements had to be redone. Another contributory factor is the non-automation of the accounting records taking into consideration that over 74 accounts from programmes must be consolidated. Ministry of Finance Projects Office were unable to provide an accounting package.**

### 1.2 Trade Payables Variance

**Finding**

Matabeleland North Provincial Veterinary Office did not disclose the trade payables in the financial statements amounting to ZWL$9 134 967 (2022) and ZWL$56 708 505 (2023) This was contrary to section 49(2a) of the Public Finance Management Act [*Chapter* 22:*19*] which outline that financial statements shall fairly present the state of affairs of the public entity.

**Risk/Implication**

Misstatement of financial statements.

**Recommendation**

Management should ensure that work done by subordinates is regularly reviewed to detect and correct errors that may result in misstatements of the financial statements.

**Management Response**

**Chief Accountants were allocated to programs to ensure that work done by subordinates is regularly reviewed to detect and correct errors that may result in the misstatements of the financial statements.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make any progress in resolving the five (5) audit findings raised in the previous year report as outlined below.

### 2.1 Expenditure Misstatements

The issue was not resolved as there was no improvement in the maintenance of accounting records such as ledgers and the cash book and no adjustments were shown in the 2022 financial statements.

### 2.2 Understatement of Revenue

The issue was not resolved as adjustments were not done to the financial statements.

### 2.3 Property Plant and Equipment

The issue of depreciation was not addressed in the 2022 financial statements hence opening balances were misstated.

## 2.4 Disclosure of Biological Assets

The issue was not addressed as three institutions that were inspected did not disclose the biological assets.

## 2.5 Non-delivery of Fencing Material

The issue remained unresolved.

## LAND COMPENSATION FUND 2023

### Objective of the Fund

The Fund's mandate is to provide resources for the payment of compensation to former farm owners whose farms were acquired by the state and to enhance productivity of the allocated land.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 2 912 100 687 |
| Expenditure | 3 145 612 656 |
| **Deficit** | **233 511 969** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 940 544 581 | - |
| Accumulated Fund | - | (21 314 816 421 562) |
| Current | 45 426 616 | 21 315 802 392 759 |
| **Total** | **985 971 197** | **985 971 197** |

I am required to audit the financial statements of the Land Compensation Fund for the year ended December 31, 2023, and I issued a disclaimer of opinion.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the Lands Compensation Fund. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

### (i) Maintenance of Accounting Records

### Finding

Receipts in respect of monies collected could not be linked to invoices issued to individual farmers nor farmers database and ledger accounts. I could therefore, not validate the completeness and accuracy of the total revenue amounting to ZWL$779 141 913 disclosed in the financial statements. This was caused by the absence of a robust accounting package to handle the voluminous accounting transactions from the 10 Provinces and respective District Offices. Section 35 (6) (a) of Public Finance Management Act [*Chapter 22:19*] requires Accounting Officers to keep or cause to be kept proper records of account.

### Risk/Implication

The total receipts disclosed in the financial statements could be misstated.

**Recommendation**

The Ministry should utilize the Lands Management Information System to maintain proper accounting records.

**Management Response**

**The Ministry identified the Palladium System as suitable to use for accounting purposes. Acquisition of the Palladium system is at the procurement stage. The Ministry had hoped that the system was going to be procured in the year 2024 for it to have been in use. However, procurement processes are underway.**

**(ii) Land Compensation**

**Finding**

Land compensation payments amounting to ZWL$2 244 132 725 disclosed in the financial statements were not supported. There were no valuation reports produced for each farm neither were the minutes of the Land compensation committee approval of the property valuations. Therefore, the expenditure on compensation to the farmers could not be validated and confirmed as a proper charge to the Fund in the absence of the supporting documentation.

**Risk/Implication**

Failure to adequately support payments could result in the processing of fraudulent transactions, which may result in financial loss.

**Recommendation**

Internal controls should be enhanced so as to improve payments systems as well as the control environment.

**Management Response**

**Interim relief payments were effected before the signing of the Global Compensation Deed. When audits were carried out, negotiations on valuation rates and other parameters were still ongoing between the Government and Farmers. Agreements were reached and the new valuation rates were adopted and effected on valuation reports. Valuation reports are now available and minutes of the compensation committee where fixing of values was undertaken can be availed at your request.**

**It is on the basis of these valuation reports and Compensation Committee resolutions that compensation payments are now being done, starting January 1, 2024.**

**Evaluation of Management Response**

*The expenditure for the year 2023 was incurred before agreements were reached and the new valuation rates adopted. During the audit the Ministry did not avail the valuation reports and Committee resolutions despite several request.*

### (ii) Trade Payables

#### Finding

The Fund administrators did not maintain ledgers for the farmers who were compensated by Government. I could not therefore validate the accuracy of the trade and other payables amount of ZWL$21 315 802 392 759 disclosed in the financial statements for the year under review. This was due to inadequate record keeping by the Fund administrators.

#### Risk/Implication

The amount for payables disclosed in the financial statements could be misstated.

#### Recommendation

The Fund should maintain ledgers for each farmer compensated to enhance accountability in the recording of transactions.

Management should also come up with a credible national database based on provincial lists supported by internal valuation reports to support the disclosed liabilities.

#### Management Response

**The Fund has ledgers for former farm owners being paid compensation. However, the delay in the procurement of the Palladium system has affected the creation of a credible national database.**

#### Evaluation of Management Response

*The Ministry only submitted a transaction list.*

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing the audit findings raised in my previous year report. Out of the three (3) audit findings raised non was addresses as indicated below:

### 2.1 Trade and other payables

The Ministry was still to get the finer details of farmers to update records.

### 2.2 Maintenance of Accounting Records (Revenue)

The process of acquiring the accounting software to aid in updating the records was still in progress

### 2.3 Revenue Received

The issue was yet to be addressed as the Ministry intended to rectify through an accounting package which is yet to be procured.

## NATIONAL CO-ORDINATING UNIT ACCOUNT 2021-2023

### Objective of the Fund

The National Co-ordinating Unit is a Secretariat of the National Action Committee (NAC) which was established by the Government of Zimbabwe in 1986 following the United Nations Declaration-International Decade for Drinking Water and Sanitation (1981-1990) focusing mainly on rural areas which had been marginalised during the colonial era. The main objective of the National Action Committee is to co-ordinate water and sanitation matters in rural areas through its secretariat.

Below is a summary of the statement of comprehensive income and statement of financial position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount (US$)** |
|---|---|
| Income | 72 898 |
| Expenditure | 107 910 |
| **Deficit** | **(35 012)** |

**Statement of Financial Position**

| **Item** | **Assets (US$)** | **Liabilities (US$)** |
|---|---|---|
| Non-Current | - | - |
| Accumulated Fund | - | 1 962 |
| Current | 1 962 | - |
| **Total** | **1 962** | **1 962** |

I have audited the financial statements of the National Co-ordinating Unit for the years ended December 31, 2021, 2022 and 2023 and I issued an unmodified opinion for all the three years.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Co-ordinating Unit as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit;

## 1 GOVERNANCE ISSUES

### 1.1 Record Keeping

### Finding

The National Coordinating Unit (NCU) did not provide the Financial Accountability and Certification of Expenditure (FACE) forms, which are essential requisitions for requesting funding from UNICEF. These forms are used to report the disbursement of funds and ensure that the expenditure is aligned with the approved activities and budgets as per the agreement with UNICEF. This was contrary to the provisions of Section 35(6)(a) of the Public Financial Management Act (Chapter 22.19) which requires that every accounting officer of a Ministry shall keep or cause to be kept proper records of accounts.

**Risk/Implication**

Funds could be misappropriated or misallocated thus affecting project implementation.

**Recommendation**

Management should ensure that all future funding requests documentation and acquittals are properly filed for reference purposes.

**Management Response**

**The Ministry submitted signed rolling work plan, face forms and reports from Ernst and Young on the Finances disbursed to the Fund.**

**Evaluation of Management Response**

*The FACE forms were not availed to support utilization of UNICEF funds.*

## 1.2 Annual Rolling Plan and Performance Report

**Finding**

The National Coordinating Unit (NCU) did not submit for audit the annual rolling plan and performance reports for 2021 and 2023. These documents are crucial for evaluating the annual performance of the Fund. In the absence of the annual rolling plans reported achievements could not be compared with the agreed plan set out by the Fund, Government and UNICEF. Section 35(7)(a) of the Public Finance Management Act (Chapter 22.19) requires that every accounting officer of a Ministry shall submit an annual report on the activities of their entity.

**Risk/Implication**

Without submission of the annual plan and performance report service delivery could not be assessed and management may not be able to identify areas for improvement.

**Recommendation**

Management should submit the annual rolling plan and performance report for audit review.

**Management Response**

**The Ministry submitted signed rolling work plan, face forms and reports from Ernst and Young on the Finances disbursed to the Fund. The department of National WASH Coordination does not enter into contracts with UNICEF beyond the signed rolling work plan.**

**Evaluation of Management Response**

*Management submitted only the 2022 rolling work plan that was not sufficient to assess the annual performance for the three-year audit period.*

## PIG LEVY FUND 2023

### Objective of the Fund

This Fund was established for the purpose of providing the imposition and collection of levies on pigs produced in Zimbabwe and to provide for the development of the Pig Industry in Zimbabwe and for the matters incidental thereto.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 644 566 127 |
| Expenditure | 325 360 515 |
| **Surplus** | **319 205 612** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 321 257 111 |
| Current | - | 1 159 336 |
| Current | 322 416 447 | - |
| **Total** | **322 416 447** | **322 416 447** |

I have audited the financial statements for the Pig Levy Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Pig Levy Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Maintenance of Accounting Records

### Findings

The Fund used Excel spreadsheet for recording and reporting of financial information instead of the Public Financial Management System (PFMS). Section 13(2) of the Public Finance Management (Treasury Instructions), 2019 requires statutory and other funds to use the PFMS unless authorised by Treasury to run independent system.

Furthermore, there was no evidence that accounting records were being reviewed by senior officials. Section 29 (4) (d) Public Finance Management (Treasury Instructions), 2019 requires management to put in place systems of internal checks and control on financial administration.

**Risks/Implications**

Transactions processed on Excel spreadsheet may be susceptible to human errors.

Errors and omission may remain undetected due to absence of independent internal checks.

**Recommendations**

Management should utilize the PFMS for accounting and recording of transactions or seek Treasury authority to use an independent system.

In addition, independent reviews of accounting records should be done.

**Management Response**

**The observation is noted. Management has requested the Projects Office to install the Grants Management module for all Funds in the Ministry. Despite the absence of a reliable accounting system, the accounts were verified by senior officers on printed hard copies.**

**Evaluation of Management Response**

*The management response is noted. The submitted ledgers did not have evidence such as signature and date of review by senior officials.*

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Revenue Collection

**Finding**

Audit noted that the Fund was delaying by up to a month to raise invoices for services rendered by Agritex Officers to abattoirs. As a result, invoices amounting to ZWL$180 856 335 had not been settled as at December 31, 2023. The outstanding payments constitute 28% of the total invoiced amount. Section 42(4) of Public Finance Management (Treasury Instructions), 2019 requires receivers of revenue to supervise and enforce punctual collection of revenue.

Further, a debt management policy was not in place to provide guidance on revenue collection and debt recovery.

**Risks/Implications**

The Fund account might not get revenue timeously leading to cash flow problems.

There may be inconsistent practices and decision-making regarding invoicing and payment for services rendered.

**Recommendations**

Management should ensure that invoices are raised promptly after the service has been rendered.

A Debt management policy should be put in place stating cut-off date for invoicing and payments.

**Management Response**

**The observation is noted. Monthly invoicing will be done.**

**Evaluation of Management Response**

*Management response is acknowledged. However, the issue of the Debt management policy was not responded to*.

## 2.2 Accounts Receivable

**Finding**

There was no evidence that the accounts receivable balance of ZWL$316 887 184 dating back to 2022 was being followed up. Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019 requires management to take adequate steps to recover outstanding debts.

**Risk/Implication**

Irrecoverable debts and loss of value of money due to lapse of time.

**Recommendation**

The Ministry should follow up on outstanding debts.

**Management Response**

**The observation is noted. The Ministry has requested its legal division to follow up on debtors to mitigate revenue losses and to persuade the abattoirs to settle outstanding debts on time.**

## 2.3 Invoicing for Services Rendered

**Finding**

A review of a sample of fifty (50) invoices with a total value of ZWL$155 496 912, revealed that all the invoices lacked sufficient information such as the quantity of slaughtered pigs and the unit price of the services rendered. Therefore, I could not confirm with certainty the accuracy of the accounts receivables disclosed in the financial statements.

**Risk/Implication**

Accounts receivables could be understated.

**Recommendation**

Sufficient details such as quantity and unit price of service rendered should be captured on the invoices.

**Management Response**

**The observation is noted. Invoices are now being issued with sufficient details such as quantity and unit price of service. Upon delivery of the invoices, clients will be notified to make payments against a specific invoice.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing the audit finding raised in my previous audit report as indicated below:

### 3.1 Accounts Receivable

The accounts receivable balance increased by 45% from the previous year's amount of ZWL$1 565 583 to ZWL$2 274 982. There was no evidence that follow-ups were made to recover the outstanding amounts.

## TOBACCO LEVY FUND 2023

### Objective of the Fund

This Fund was established for the purpose of providing the imposition and collection of levies on Tobacco produced in Zimbabwe and to provide for the development of the Tobacco Industry in Zimbabwe and for the matters incidental thereto.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 23 695 838 709 |
| Expenditure | 25 897 276 479 |
| **Deficit** | **(2 201 437 770)** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 119 373 209 |
| Current Liabilities | - | - |
| Current Assets | 119 373 209 | - |
| **Total** | **119 373 209** | **119 373 209** |

I have audited the financial statements of the Tobacco Levy Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Tobacco Levy Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below is an issue noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Maintenance of Accounting Records

### Finding

The Fund used Excel spreadsheet to maintain its records instead of the Public Financial Management System. This was caused by administrative delays in seeking Treasury assistance to have the Fund's ledgers maintained on the Public Financial Management System. This was in violation of Section 44 (1) (a) of the Public Finance Management Act [*Chapter 22:19*] which requires the Accounting Officer to establish and maintain effective, efficient and transparent systems of financial and risk management and internal controls.

### Risk/Implication

Maintaining records on excel may result in loss of data since excel spread sheets do not have security features to secure stored data.

**Recommendation**

The management of the Fund should put in place a credible accounting system to enhance the reliability of the Fund's financial statements.

**Management Response**

**The observation is noted. The Ministry has requested Projects Office to install Grants Management Module for all Ministry's Funds.**

## WATER FUND ACCOUNT 2023

### Objective of the Fund

The Fund was established for the purpose of providing for the development and utilisation of the water resources of Zimbabwe; establishment of powers and procedures of the catchment councils and sub catchment councils, grant of permits for the use of water, control of the use of water when it is in short supply, acquisition of servitudes in respect of water, protection of the environment and prevention and control of water pollution, approval of combined water schemes, matters relating to dam works, to repeal the Water Fund Act [*Chapter 20:22*] and to provide for matters incidental to or connected with the foregoing.

Below is a summary of statement of comprehensive income and statement of financial position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 462 160 431 |
| Expenditure | 1 297 845 649 |
| **Surplus** | **164 314 782** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 153 544 857 | - |
| Accumulated Fund | - | 182 300 229 |
| Current | 28 755 372 | - |
| **Total** | **182 300 229** | **182 300 229** |

I have audited the financial statements of the Water Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Water Fund as at December 31, 2023, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Maintenance of Accounting Records

### Finding

The completeness and accuracy of the revenue figure disclosed in the financial statements for the year under review of ZWL$1 450 196 649 could not be validated as receipts could not be linked to invoices issued to individual farmers. This was as a result of non-maintenance of ledger accounts and data base of the farmers that were using water from the catchment and sub catchments.

### Risk/Implication

The revenue figures might be misstated.

**Recommendation**

Management should ensure that ledger accounts and a farmer's data base are maintained.

**Management Response**

**The audit observation is noted. However, the Water Fund has been moved to Zimbabwe National Water Authority (ZINWA) from December 17, 2024 for administration purposes. The Ministry will ensure that proper accounting records are maintained by ZINWA**

**(ii) Receivable and Payable**

**Finding**

The Fund did not disclose trade receivables and trade payables in the financial statements submitted for audit. This was caused by use of cash basis that does not match revenues with corresponding expenses leading to distorted financial results, instead of accrual basis of accounting. Therefore, the financial statements submitted for audit were incomplete and inaccurate.

**Risk/ Implication**

The financial statements might be misstated.

**Recommendation**

The Fund should apply the accrual accounting concept in order to come up with accurate financial statements.

**Management Response**

**The audit observation is noted. However, the Water Fund has been moved to ZINWA from December 17, 2024 for administration purposes. The Ministry will ensure that the raised issues are resolved by ZINWA.**

Below is an issue noted during the audit:

**1 REVENUE COLLECTION AND DEBT RECOVERY**

**1.2 Revenue Collection and Receipting**

**Finding**

Receipts amounting to ZWL$262 729 174 deposited directly into the bank account were receipted without reflecting the name of depositors. This was caused by lack of procedures to identify revenues transferred directly to the bank. Section (46) (18) Public Finance Management (Treasury Instructions), 2019 require the receipt to include the information for the name of the person transferring funds. This issue was also raised in the previous audit report.

**Risk/Implication**

It may be difficult to identify debtors of the Fund.

**Recommendation**

Management should engage its bankers so that it may include additional information on deposit slips for accounting purposes.

**Management Response**

**The observation is noted. Efforts were being carried out with the bankers to fill in all the necessary information.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made progress in addressing the audit findings raised in the previous Audit Report as indicated below. Out of two (2) issues reported, one (1) was resolved and one (1) is still to be resolved.

### 2.1 Revenue Collection and Receipting

The issue has not yet been resolved as indicated in paragraph 2.2.

### 2.2 Outstanding Debtors and Trade Creditors

The outstanding debtors and trade creditors were all been cleared.

## VOTE 9.- MINES AND MINING DEVELOPMENT

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry's mandate is to formulate policies that ensure sustainable mining and marketing of mineral resources for the socio-economic well-being of the country's citizens, regulate all mining operations by ensuring that all mining activities comply with statutory regulations, ensure mineral beneficiation and value addition before export.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve ZWG | Total Budget ZWG | Expenditure ZWG | Net Under Spending ZWG |
|---|---|---|---|---|
| 199 381 522 | 7 333 392 | 206 714 914 | 189 240 161 | 17 474 753 |

I have audited the financial statements of the Ministry of Mines and Mining Development for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of Ministry of Mines and Mining Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Direct Payments

### Finding

Direct Payments amounting to US$676 203 were made by Treasury to various service providers in settlement of the Ministry of Mines and Mining Development obligations during the year under review. However, the Ministry accounted for US$583 977 in the Public Financial Management System (PFMS). The balance of US$92 227 was not uploaded in the PFMS. There was no evidence that the Ministry engaged Treasury to confirm the direct payments made on its behalf before preparation of the Appropriation Account. Therefore, I could not ascertain the accuracy of the expenditure amount disclosed in the Appropriation Account.

### Risk/ Implication

The Appropriation Account could be misstated.

### Recommendation

The Ministry should engage Treasury to ensure that all the direct payments are accounted for through the PFMS.

**Management Response**

**The amount of US$583 997 represents the total payments received from Treasury. The Ministry is actively engaging Treasury to obtain further details on the payment of US$92 227. Based on the current information, management believes this amount may be an error. The Ministry is working diligently to resolve this matter and obtain the necessary supporting documents.**

**(ii) Reconciliation of Compensation of Employees**

**Finding**

For the second year running, the Ministry did not reconcile the variances between salaries expenditure figures in the PFMS, Appropriation Account and those reported by the Salaries Service Bureau (SSB). The Appropriation Account had expenditure amount of ZWG62 365 176 in respect of compensation of employees, PFMS reflected ZWG61 519 433 while the SSB wage bill was ZWG56 256 046. The variances on these amounts were not reconciled. Treasury Circular B/1/88 dated June 5, 2018 requires Ministries to perform monthly reconciliations between the SSB wage bill and compensation of employee costs shown in the PFMS. Therefore, I could not confirm the accuracy of the compensation of employee costs disclosed in the Appropriation Account.

**Risks/Implications**

Payments may be made to non-existent employees and errors in records remain undetected.

Compensation of employee's expenditure reported could be misstated.

**Recommendation**

Management should reconcile the three (3) figures to come up with the correct amount for the compensation of employees.

**Management Response**

**The discrepancies in the salary figures may be partly due to exchange rate differences as Treasury made payments for certain components in foreign currency at the prevailing interbank rate. The Ministry acknowledges that such exchange rate fluctuations can impact the reported amounts. The Ministry has consistently made efforts to obtain the applicable rates or figures used in these transactions to ensure accurate reconciliation. To further validate the figures, the Ministry coordinated with the Recurrent Budget Section for the release of funds and the Consolidated Accounts and Policy Section for payments. The Ministry remains committed to working with all relevant departments to clarify and reconcile these differences.**

**(ii) Translation of Expenditure from ZWL$ to ZWG**

**Finding**

The Appropriation Account submitted for audit included an amount of ZWG 59 473 274 in respect of expenditure for the period January 1 to April 5, 2024 which was translated from ZWL to ZWG. However, there were no supporting documents or an analysis to show how these figures were arrived at. I therefore, could not ascertain the completeness and accuracy of the expenditure figure disclosed in the Appropriation Account in the absence of the supporting documents.

**Risk/Implication**

The financial statements may have been misstated.

**Recommendation**

The Ministry should submit supporting documents or analysis to show how the expenditure for the period January 1 to April 5, 2024 was arrived at.

**Management Response**

**The expenditure figures for the period from January 1, 2025 to April 5, 2025 have been translated from ZWL to US$ and ZWG in accordance with Treasury Circular Number 1. and Management is currently in the final stages of completing the necessary adjustments and verifications.**

**(iv) Open Items**

**Finding**

The PFMS showed open items amounting to ZWL$4 688 507 561 and ZWG38 975 394 in the Ministry`s various General Ledgers and Goods Receipt/Invoice Receipt (GR/IR) Clearing Accounts. Open items hold funds that would have been committed during the financial year. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of financial information.

**Risks/Implications**

The Appropriation Account could be misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared annually before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment.

**Management Response**

**The observation is noted. Kindly note that Treasury is yet to capture into the system the salaries paid directly, which has contributed to the inability to clear these open items. Management is actively working to address the issue of open items to ensure accurate and timely reconciliation moving forward.**

Below are other issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilisation

The total budget allocation for the Ministry of Mines and Mining Development was ZWG206 714 914 while funding provided amounted to ZWG120 920 778 resulting in a budget utilisation of 58% of the voted funds. However, the Ministry had arrear payments of ZWG8 374 229 that could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programmes of the Ministry of Mines and Mining Development.

**Risks/Implications**

Management could not achieve its planned activities due to lack of budget support.

The Ministry could be sued by creditors for non-payment of debts.

**Recommendation**

Management should continue lobbying for more funding from Treasury for the achievement of its plans and clearance of debts.

**Management Response**

**The observation is noted. Underutilization of the budget was not due to the Ministry's failure. Given resource constraints, Treasury did not release the full budget allocation and even the portion released was not entirely supported with cash, which left the Ministry in arrears and limited its ability to fully utilize the funds. The Ministry remains committed to working closely with Treasury to ensure timely releases and support to optimize budget utilization despite resource constraints.**

## 1.2 Risk Management Policy

**Finding**

The Ministry did not have an approved Risk Management Policy to enable implementation. As a result, the Ministry did not conduct a risk assessment for the year under review. This issue has been raised for the past five (5) years. Section 162 (1) of Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to carry out a risk assessment of their operations on an annual basis and come up with mitigation measures for the risks identified.

**Risk/ Implication**

The Ministry may not identify and respond to material risks or threats effectively.

**Recommendation**

The Ministry should expedite the approval of risk management policy and risk assessments should be conducted to safeguard Government funds and assets.

**Management Response**

**The observation is noted. To expedite the finalisation of the Risk Management Policy, the Ministry drafted and submitted the Risk Policy Framework to the Central Internal Audit Unit (CIAU) for review in 2024. Concurrently, institutional capacity-building initiatives are underway, including scheduled risk management training workshops for Senior Managers and Risk Champions to ensure preparedness for policy implementation.**

**With technical collaboration from the Ministry of Finance, Economic Development and Investment Promotion, a qualified consultant has been engaged to streamline the finalisation of the Risk Management Policy. The Ministry is committed to finalizing the Risk Management Policy by the end of second quarter 2025, ensuring compliance with national standards and global best practices.**

## 2. PROCUREMENT OF GOODS AND SERVICES

### 2.1 Fuel Coupons Recording and Issuance

#### Findings

A review of fuel records revealed that 3 640 litres of fuel coupons were physically issued while the register shows that 4 060 litres were issued resulting in a variance of 420 litres of diesel. There was no evidence that the fuel register was regularly reviewed by an independent person. Section 35(6)(a) of the Public Finance Management Act [*Chapter 22:19*] requires the Accounting Officer to keep or cause to be kept proper records of account.

Further, audit noted that 30 coupons amounting to 600 litres of diesel were not recorded in the fuel register when they were issued out in February and October 2024. I could not therefore, confirm whether the fuel coupons were used for the Ministry's business

In addition, the fuel coupon register showed that fuel batch numbers PU006F1962082 to PU006F1962186 and PU006F1951718 to PU006F1951772 were issued on September 24, 2024, and October 7, 2024, respectively. However, these coupons were not within the range of coupons recorded in the fuel register. I could not therefore, place reliance on the fuel register submitted for audit.

#### Risk /Implication

Errors and fraud may have occurred.

#### Recommendations

The Ministry should ensure that the fuel coupons register is regularly reviewed to ensure accuracy.

The variance between the fuel issued out and fuel register should be investigated and corrected.

The Ministry should issue fuel coupons in sequential order and all coupons received should be recorded in the fuel coupon register.

#### Management Response

**The fuel coupons issued were of the right quantity as evidenced by the running balances however, there were errors in recording of the coupon serial numbers. The Ministry will ensure that serial numbers are captured correctly.**

**The 20 litre fuel coupons received on October 10, 2024 had the following serial numbers PU006G1248395-49972. However, on issuing some serial numbers were omitted. Proper attention to serial numbers will be enforced.**

## 3 REVENUE COLLECTION AND DEBT RECOVERY

### 3.1 Public Financial Assets

#### Finding

For the third year running, there were no recoveries made by the Ministry for the loan amount of US$14 560 697 that was assumed on behalf of Hwange Colliery Company.

**Risk/Implication**

There may be loss of revenue due to non-recovery of the loan.

**Recommendation**

The Ministry should engage the Ministry of Finance, Economic Development and Investment Promotion on the issue of the loan recovery from Hwange Colliery Company.

**Management Response**

**The Ministry has been engaging Treasury and Hwange Colliery Company without success. Hwange Colliery Company requested for documentation which clearly shows that indeed Government paid off the loan. The proof of payment and other supporting documents were not be availed for audit.**

## 4. MANAGEMENT OF ASSETS

### 4.1 Procurement and Delivery of Motor Vehicles

**Findings**

The Ministry procured two (2) motor vehicles, a Toyota Land Cruiser Prado VXL and Toyota Land Cruiser 79 valued at US$193 000 on September 5, 2023. The Toyota Land Cruiser Prado VXL was delivered to the Ministry in April 2024 however the supplier had not followed proper importation procedures and could not produce proper documentation to enable registration of the motor vehicles. This resulted in the vehicle being impounded by the Zimbabwe Revenue Authority.

Further, Toyota Land Cruiser 79 had not been delivered by the time of concluding my audit on May 30, 2025.The advance payment bond for the contract from Export Credit Guarantee Corporation of Zimbabwe had expired on February 29, 2024 and efforts to recover the amount paid through the Export Credit Guarantee could not be done since the bond had expired.

**Risks /Implications**

The impounded vehicle may take long to be recovered prejudicing the Ministry of the required motor vehicle services. (Issue of impounded never came up in the finding.) The supplier may fail to deliver the outstanding vehicle.

The Ministry may fail to recover the guaranteed motor vehicles resulting in loss of public funds.

**Recommendation**

The Ministry should follow-up with the supplier in order to have the vehicles delivered.

**Management Response**

**The observation is noted. The Ministry has engaged PRAZ, Civil Division and ZRP Commercial Crime Division so that they may assist in the process of recovering the two (2) outstanding motor vehicles. The Civil Division has started the process of summoning the supplier.**

### 4.2 Procurement and Delivery of Laptops and Desktops

**Finding**

The Ministry paid for 57 Laptops and 2 Desktops computers valued at ZWG1 329 613 on September 13, 2024. A total of thirty (30) laptops were delivered on May 30, 2025 while 27 laptops and the two (2) desktops had not been delivered by the time of concluding my audit on May 30, 2025. The Ministry sent a final letter of demand to the supplier on December 19, 2024. Audit also noted that the guarantee for the contract expired on February 28, 2025, therefore any demand for payment under this guarantee should have been made on or before that date.

**Risk/Implication**

The supplier may fail to deliver the laptops and desktops resulting in loss of public funds.

**Recommendation**

The Ministry should follow-up with the supplier in order to have the laptops and desktops delivered.

**Management Response**

**The observation is noted. Follow up action is being taken and reports have been made to PRAZ and Crime Division so that they may assist in the recoveries of the outstanding assets. A final demand letter was also sent to the supplier. The next stage is to write and request for debarment from PRAZ.**

## 5. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing findings in my previous report. Out of the Nine (9) findings, four (4) were fully addressed, one (1) was partially addressed four (4) were not addressed as indicated below:

### 5.1 Risk Management Policy

The Ministry has not yet finalised the Risk Management Policy.

### 5.2 Documents for the Procurement of Goods and Services

The approved Annual Procurement Plan was submitted.

### 5.3 Procurement and Delivery of Motor Vehicles

The supplier delivered one vehicle was delivered, one was still outstanding

### 5.4 Direct Payments

The Direct payments were reconciled.

### 5.5 Classification of Expenditure

The issue of misclassification of expenditure was addressed.

### 5.6 Reconciliation of Salaries

The Ministry did not address the salary variances. The issue was raised on paragraph (ii).

### 5.7 Ministry Strategic Plan 2023-2025

The gender issues were addressed as they were included in the Ministry's Strategic Plan.

### 5.8 Gender Policy and Gender Institutional Framework

The Ministry did not have gender sensitive policies that ensures gender parity in mining.

### 5.9 Public Financial Assets

The Ministry had not made recoveries of the loan advanced to Hwange Colliery Company the issue was raised on paragraph 3.1.

## MINING INDUSTRY LOAN FUND 2023

### Objective of the Fund

The objective of the Fund is to assist mining industry and promote the production of minerals, in such a manner, as the Minister of Mines and Mining Development, in conjunction with the Minister of Finance and Economic Development shall from time to time determine.

Below is a summary of the statement of comprehensive income and statement of financial position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 466 780 350 |
| Expenditure | 437 305 183 |
| **Surplus** | **29 475 167** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | - | 183 447 352 |
| Non-Current | 37 524 508 | 12 383 756 232 |
| Current | 12 530 232 358 | 553 282 |
| **Total** | **12 567 756 866** | **12 567 756 866** |

I have audited the financial statements of the Mining Industry Loan Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Mining Industry Loan Fund as at December 31, 2023 in accordance with Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Asset Verification

### Finding

No physical asset verification was conducted during the year ended December 31, 2023 for both Non-Current Assets and Inventory contrary to Section 105(1) of the Public Finance Management (Treasury Instructions), 2019. I could therefore, not place reliance on the amounts disclosed under property, plant and equipment and inventory.

### Risk/Implication

The Financial Statements may be misstated.

### Recommendation

The management of the Fund should ensure that physical asset counts are carried out regularly and at least twice a year to establish existence, status and usability.

**Management Response**

**The observation is noted. To ensure compliance, the verification exercises are planned for January and July 2025.**

Below are other issues noted during the audit:

## 1. PROCUREMENT OF GOODS AND SERVICES

### 1.1 Unbudgeted Expenditure

**Finding**

The Fund incurred unbudgeted expenditure amounting to ZWL$33 963 023 during the year under review. This was contrary to Section 17(1)(b) of the Public Finance Management Act [*Chapter 22:19*] which states that no expenditure of public moneys shall be incurred on any service unless provision has been made by or in terms of this Act or any other enactment. Furthermore, invoices and Goods Received Vouchers/Delivery notes were not attached to the payment vouchers.

**Risk/ Implication**

Unbudgeted expenditure may negatively impact the Fund's ability to achieve its objectives.

**Recommendation**

The Fund should ensure that all expenditure is in line with the budget.

**Management Response**

**The observation is noted. The Fund will henceforth ensure that:**

- **Payment vouchers provide a detailed breakdown of payments when multiple general ledgers are used for a single invoice.**
- **Delivery notes are attached to support payment vouchers.**

**Evaluation of Management Response**

*No response was given regarding the unbudgeted expenditure. Invoices, Goods Received Vouchers and delivery notes were still not attached to the payment vouchers.*

## 2. REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Utilisation of Grants

**Finding**

The Mining Industry Loan fund received a grant of US$2 000 000 from Treasury on the 5th of May 2023 for the procurement of mining equipment for resale to the miners. By the time of concluding my audit on November 25, 2024 the grant had not been utilized. This was caused by delays in the procurement process.

**Risk / Implication**

The objectives of the Fund may not be met if funds availed are not utilized.

**Recommendation**

Management should expedite the procurement process for the mining equipment.

**Management Response**

**The observation is noted. The tendering process for mining equipment is nearing completion.**

## 2.2 Revenue Processed Outside the Accounting System

**Finding**

Revenue from workshop sales amounting to ZWL$77 292 085 was not processed in the Public Financial Management System (PFMS) and only receipts from Treasury were recorded in PFMS. This was contrary to Section 43(1-2) of the Public Finance Management (Treasury Instructions), 2019 which states that the preferred method of acknowledging receipt of funds is through electronic receipts. Further, it states that Receivers of Revenue shall ensure that manually issued receipts are posted onto the PFMS as soon as the system becomes available and within three (3) working days of issue of such receipt.

**Risks/Implications**

Transactions done outside the PFMS compromises the accuracy and reliability of revenue received.

Fraudulent activities may go undetected.

**Recommendation**

Management should ensure that receipting is done in the PFMS as required by Section 43(1-2) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**The observation is noted. ZB Bank and CBZ accounts are currently not integrated with the SAP system. The Fund will collaborate with the Public Financial Management (PFM) team to ensure that all receipts are accurately recorded in the Public Financial Management System (PFMS).**

## SPECIAL GOLD UNIT FUND 2023

### Objective of the Fund

The Fund was established in terms of the Public Finance Management Act [*Chapter 22:19*] to mobilise and manage financial, human and material resources for the purpose of curbing mineral leakages particularly gold.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 231 599 800 |
| Expenditure | 456 452 741 |
| **Deficit** | **(224 852 941)** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | — | 4 694 113 |
| Non-Current | 81 683 | — |
| Current | 4 612 430 | — |
| **Total** | **4 694 113** | **4 694 113** |

I have audited the financial statements of the Special Gold Unit Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Special Gold Unit Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 PROCUREMENT OF GOODS AND SERVICES

### 1.1 Wasteful Expenditure on Procurement of Fuel

### Finding

The Fund's financial statements reflected fuel expenditure of ZWL$3 928 044 for 400 litres of diesel which was paid for on December 15, 2023 but was not collected during the financial year under review. However, on June 12, 2024 the Fund only collected 65 litres of diesel for that transaction thereby giving a variance of 335 litres. Third party confirmations with the Petrotrade management revealed that the payment was credited into their bank account on December 15, 2023 but the Fund never collected fuel coupons until June 12, 2024. Audit noted that the company's policy is that the quantity of fuel coupons issued to a customer on collection is calculated based on the prevailing rate on the day of collection, irrespective of date of payment. Late collection therefore, resulted in loss of value of the amount deposited due to inflation and hence the loss of fuel quantities.

**Risk/ Implication**

The Fund lost 335 litres of diesel due to delayed collection for the paid diesel.

**Recommendation**

The Fund should timeously collect fuel procured in order to avoid losses.

**Management Response**

**The observation is noted. Management will ensure that processing of documents and collection of fuel is done at the appropriate time.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made progress in addressing the audit finding raised in my previous audit report. The finding raised was addressed as indicated below:

### 2.1 Assets Register

The Assets register was submitted for audit.

## VOTE 10.- ENVIRONMENT, CLIMATE AND WILDLIFE

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Environment, Climate and Wildlife is to develop, coordinate, and monitor implementation of policies and programmes for environment, climate, wildlife and meteorology that promote sustainable economic development.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Under spending<br>ZWG |
|---|---|---|---|---|
| 203 540 907 | 45 232 902 | 248 773 809 | 104 527 019 | 144 246 790 |

I have audited the financial statements of the Ministry of Environment, Climate and Wildlife, for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements, present fairly in all material respects the state of affairs of the Ministry of Environment, Climate and Wildlife as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Unreconciled Expenditure

### Finding

The total expenditure of ZWG102 386 898 as per the Sub-Paymaster General's Account (Sub-PMG) reconciliation did not agree by ZWG2 140 121 with the total expenditure of ZWG104 527 019 disclosed in the Appropriation Account. The variances were not reconciled. Therefore, I could not place reliance on the expenditure disclosed in the Appropriation Account in the absence of a reconciliation showing the make-up of the difference.

### Risk/Implication

The total expenditure reported might have been misstated.

### Recommendation

The Ministry should investigate the variance so that the correct expenditure amount is determined and reported.

### Management Response

**The audit finding has been noted. The variance relates to exchange rate differences.**

**(ii) Direct Payments**

**Finding**

According to Treasury, a total amount of US$972 232 was paid to service providers on behalf of the Ministry. However, the Ministry disclosed direct payments amounting to US$603 630 leaving a variance of US$368 602.

**Risk/Implication**

The accuracy of the figures reported in the financial statements could be misstated.

**Recommendation**

Management should liaise with Treasury so that corrective action is taken.

**Management Response**

**The finding is acknowledged. The variance of US$368 602 was for the Ministry of Tourism and Hospitality Industry.**

**(iii) Compensation of Employees**

**Finding**

The compensation of employees expenditure reported in the Appropriation Account amounted to ZWG23 638 793, Salary Services Bureau (SSB) wage bills had a total of ZWG22 822 698 and Treasury Payment records had ZWG26 837 304. As a result, there were variances of ZWG816 095 between the Appropriation Account and SSB and ZWG3 198 511 between Appropriation Account and Treasury Payments, which were not reconciled to establish the correct amount to be reported. The variance was partly attributed to the January 2024 salaries that were not included in the total amount reported in the Appropriation Account. The SSB Wage Bill and the PFMS ledgers for January were not availed for audit inspection hence the totals could not be ascertained.

**Risks/Implications**

Unauthorised payments may occur when reconciliations or monitoring of the wage bill is not done.

Misstatement of the financial statements.

**Recommendation**

The Ministry should carry out reconciliations on a monthly basis to ensure that any variances are identified and rectified in time.

**Management Response**

**The audit observation has been acknowledged. An exercise is being carried out to reconcile the wage bill, PFMS and the Treasury Release Letters.**

**For the month of January, the Ministry was still combined with the Ministry of Tourism and Hospitality Industry. Therefore, the payment for the Ministry's staff was done through the Ministry of Tourism and Hospitality Industry's Vote. Hence the wage bill**

**was combined with that of the Ministry of Tourism and Hospitality Industry.**

**Evaluation of Management's Response**

*Management's response has been noted. However, the Ministry was separated from the Ministry of Tourism and Hospitality in September 2023. Hence, the Ministry should have processed the January 2024 compensation of employees and account for them.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Finding**

Out of the total budget of ZWG248 773 809, the Ministry was funded to the tune of ZWG104 527 019 (42%). The funding received towards operations and capital expenditure constituted ZWG80 888 225 (33%), while that for compensation of employees constituted ZWG23 638 794 (9%). However, at the year-end, the Ministry had arrear payments of ZWG22 031 255 and US$456 270. Treasury was not able to provide adequate funding to support the payments and other budgeted or planned programmes. The table below refers:

**Analysis of the Ministry's Budget Utilisation**

| Total Budget | Total Funding | | Arrear Payments | |
|---|---|---|---|---|
| ZWG | Operations and Capital Expenditure ZWG | Compensation of Employees ZWG | ZWG | US$ |
| 248 773 809 | 80 888 225 | 23 638 794 | 22 031 255 | 456 270 |

**Risks/Implications**

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears if left unattended negatively impacts on Government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury.

**Management Response**

**The observation has been noted. The low budget utilisation was attributable to low disbursements. The Ministry will continue lobbying Treasury for financial support.**

### 1.2 Inactive Audit Committee

**Finding**

For the second year, the Ministry's Audit Committee did not meet to deliberate on audit issues. This was in contravention of the Public Finance Management Act (PFMA) [*Chapter 22:19*] section 84 (3) (b) which requires that, the Audit Committee should meet at least twice a year.

**Risk/Implication**

Review of internal controls and governance issues will not be carried out and anomalies may remain unaddressed.

**Recommendation**

The Ministry's Audit Committee should adhere to the requirements of the Public Finance Management Act (PFMA) [*Chapter 22:19*], so that issues to do with breakdowns in internal controls and governance are addressed.

**Management Response**

**The audit observation has been noted. There was a challenge of having a quorum for the meeting to be constitutionally acceptable. Going forward new measures are to be put in place, that is addition of new members.**

**Evaluation of Management's Response**

*The Management's response has been noted. However, the Ministry should have considered replacing the members for non-attendance.*

## 1.3 IT and Environmental Controls

**Finding**

A number of policies, plans and control procedures were not in place to facilitate smooth operations of the Ministry:

- Training program to build IT capacity,
- Approved IT security policy,
- Process to ensure up to date security on systems software,
- Process to review user access rights on the system,
- Backup retention strategy,
- IT continuity plan and disaster recovery plan,
- Fire suppression systems, fire extinguishers, Uninterrupted Power Supply (UPS) and generators.

**Risk/Implication**

Information management may be compromised when IT Controls are not effective.

**Recommendation**

The Ministry should put in place adequate IT and Environmental Controls in order to mitigate against risks.

**Management Response**

**The audit observation has been noted. The ICT Strategic Committee nomination letter has been drafted. The ICT Strategic document will be formulated once the formation of the Strategic Committee is done. The Ministry will draft the ICT Policy taking into account the audit recommendation.**

## 1.4 Outstanding Advances

### Finding

The Ministry was advanced a total of ZWG344 647 by the Environmental Management Agency (EMA) and the Zimbabwe Parks and Wildlife Management Authority (ZIMPARKS). The advances were used to meet the following expenses, foreign trips, purchasing number plates from CMED, United Nations Framework Convention on Climate Change (COP 28) workshop and accommodation costs. However, supporting documents for expenses incurred were not availed for my validation. Treasury approvals for the Ministry to borrow from Parastatals were not availed.

### Risk/Implication

Unauthorised expenditure may be incurred.

### Recommendation

The Ministry should provide Treasury Approval Letters and supporting documents to authenticate the transactions.

### Management Response

**The audit observation has been noted. The documents relating to this observation will be submitted on June 4, 2025.**

# 2 MANAGEMENT OF ASSETS

## 2.1 Asset Registers

### Finding

The Ministry was not updating the Master Asset Register. On November 12, 2024 the Ministry procured four (4) HP desktops and were not recorded in the Master Asset Register. This was contrary to the Public Finance Management (Treasury instructions) 2019, Section 100 (1) which requires Accounting Officers to ensure that all public assets under their control received from whatever source are recorded promptly and accurately in the appropriate manual registers. The assets were also not uploaded in the Public Financial Management System.

### Risk/Implication

Assets may not be properly accounted for if they are not recorded in the Master Asset Register.

### Recommendation

The Ministry should ensure that all assets are properly accounted for by promptly recording them in the Master Asset Register and in the Public Financial Management System.

### Management Response

**The audit observation has been noted. The mentioned assets have now been recorded in the asset register.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing findings raised in my previous audit report. Out of nine (9) findings raised, one (1) was addressed and eight (8) were not addressed as indicated below:

### 3.1 Unreconciled Expenditure

The finding was not addressed by the Ministry and has been raised under paragraph (i).

### 3.2 Compensation of Employees

The issue of differences on salaries amounting to ZWL$791 003 206 and ZWL$1 068 295 854 had not been resolved and has been raised under paragraph (iii).

### 3.3 Inactive Audit Committee

The finding was not addressed by the Ministry and has been raised under paragraph 1.2.

### 3.4 IT Controls and Environmental Controls

The issue of the Ministry not having policies, plans and control procedures for the IT environment remains unresolved and has been raised under paragraph 1.3.

### 3.5 Non-Disclosure of Revenue Received

The issue of not disclosing revenue of ZWL$53 435 924 received remains unresolved.

### 3.6 Non-Disclosure of Short-Term Loan

The issue on non-disclosure on the public financial assets return of the short-term loan amounting to ZWL$7 125 900 000 made to Zimbabwe Parks and Wildlife Management Authority remains unresolved.

### 3.7 Asset Registers

The issue of the Ministry not maintaining an up-to-date vehicle asset register remains unresolved.

### 3.8 Undelivered Assets

The vehicles were delivered in 2024.

### 3.9 Boards of Inquiry

The non-holding of Boards of Inquiry finding was not addressed.

## METEOROLOGICAL SERVICES FUND 2020-2023

### Objective of the Fund

The Fund was established to facilitate the provision of weather-related services and products and to undertake projects that enable the smooth running of the Meteorological Services Operations.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year 2023:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 6 704 095 642 |
| Expenditure | 1 250 587 288 |
| **Surplus** | **5 453 508 354** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Reserves ZWL$** |
|---|---|---|
| Non-Current | 54 751 007 | - |
| Accumulated Fund | | 8 595 279 259 |
| Current | 8 540 528 252 | - |
| **Total** | **8 595 279 259** | **8 595 279 259** |

I have audited the financial statements of the Meteorological Services Fund for the years ended December 31, 2020 to 2023 and I issued an adverse opinion for the four (4) years.

### Adverse Opinion

In my opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the Meteorological Services Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

### Basis for Adverse Opinion

### (i) Conversion of Foreign Exchange Transactions

#### Finding

In 2023, management used the exchange rate of the last day of each month to convert monthly foreign currency transactions reported in the Statement of Comprehensive Income instead of converting using exchange rate applicable on the date of the transaction. For the period 2020 to 2022 average exchange rate was used to convert foreign exchange transactions instead of converting using exchange rates applicable on the date of the transactions. The Statement of Financial Position balances were converted using the Reserve Bank of Zimbabwe Ask Rate instead of the Mid-Rate for the year 2020 to 2022.

#### Risk/Implication

Misstatement of financial statements.

**Recommendation**

Management should ensure that they convert foreign denominated accounts into the presentation currency using the rates at the date of transaction for the Statement of Comprehensive Income components and the closing rate for the year for the Statement of Financial Position.

**Management Response**

**The observation has been noted. Going forward, the Fund will ensure compliance with appropriate International Accounting Standards and use the exchange rate applicable.**

**While management acknowledge the finding, it should be noted that for revenues or enroute fees, monthly exchange rates were used as disclosed in the financial statements, hence using daily exchange rates for expenses violates or compromises accounting principles such as consistency and matching.**

**Evaluation of Management Response**

*Using exchange rates applicable on the date of the transactions does not violate any accounting principles, rather it upholds the standard.*

**(ii) Foreign Exchange Gain**

**Finding**

There was no evidence supporting how management had calculated or determined the Foreign Exchange Gains of ZWL$735 820 632 for 2023, (2022: ZWL$203 284 989), (2021: ZWL$5 601 179) and (2020: ZWL$8 496 400) reported in the Statements of Comprehensive Income. The accuracy of the amounts could not be confirmed in the absence of the supporting documentation showing how the exchange gains were determined.

**Risk/Implication**

The financial statements could have been misstated.

**Recommendation**

Management should provide the supporting documentation showing how the exchange gains were determined.

**Management Response**

**The end of year exchange rate was used during the preparation of Financial Statements instead of the rate on the transaction date. This resulted in exchange rate gain. The anomaly will be corrected.**

**The foreign exchange gains were based on matching the monthly US$ conversions using closing monthly spot rates. These were then summed up to attain the year's profit in local currency compared with the US$ profit on the Statement of Comprehensive Income, that was converted using closing rate.**

**Evaluation of Management Response**

*Management response is acknowledged. However, the above-mentioned calculations were not availed for audit.*

**(iii) Differences between General Ledger Balances and Financial Statement Balances**

There were differences between the total balances in the general ledgers and the balances reported in the financial statements for some of the components for the year 2023. The Table below refers. These differences which were not traced and reconciled resulted in the misstatements of the financial statements.

**Differences between General Ledger Balances and Financial Statements Balances**

| Component | General Ledger ZWL$ | Financial Statements ZWL$ | Variance ZWL$ |
|---|---|---|---|
| Foreign Travel | 116 954 101 | 103 506 538 | 13 447 563 |
| Fuels, Oils and Lubricants | 92 892 203 | 91 696 383 | 1 195 820 |
| Communication Supplies and Services | 57 592 301 | 80 759 221 | (23 166 920) |
| Salaries and Wages | 131 579 083 | 130 377 111 | 1 201 972 |

*Source: Financial Statements and General Ledgers*

**Risk/Implication**

This could lead to misstatement of financial statements.

**Recommendation**

Management should reconcile the differences between the general ledger and financial statements figures.

**Management Response**

**The error on Foreign Travel expenses is acknowledged. The figures will be reconciled accordingly. The ZWL$91 696 383 was realized using the monthly spot rates, as the manual system was being used. These were the same rates which were being used to convert enroute fees.**

**The ZWL$80 759 221 was computed by converting the various corresponding monthly communications supplies and services expenses with respective monthly spot rates and finally consolidated with the ZWL$ balances to arrive at the stated amount.**

**The difference of ZWL$1 201 972 emanated from monthly spot rates applied.**

**Evaluation of Management Response**

*Management did not provide evidence to substantiate the differences*.

**(iv) Misstatement of Figures in the Financial Statements**

**Findings**

The reported amount for Cash and Cash Equivalents as of December 31, 2023, in both the Statement of Cash Flows and the Statement of Financial Position, which was

ZWL$5 248 472 456, was inflated by the inclusion of an amount of ZWL$5 246 977 980, the source of which could not be identified. As a result, I was unable to confirm that the changes in Cash and Cash Equivalents had been accurately reported.

The Cash and Cash equivalents amount as at December 31, 2023 reported in the Statement of Cash Flows and disclosed in the Statement of Financial Position of ZWL$5 248 472 456 was arrived at following introduction of an amount of ZWL$5 246 977 980 whose origins could not be traced. I therefore could not satisfy myself that the movements in Cash and Cash Equivalents had been accurately stated.

The statement of cash flows submitted for audit had an amount of ZWL$1 252 281 for net increase in cash and cash equivalents for 2022. Recalculations performed showed that the amount should be ZWL$8 413 160. There was no evidence to support how the figure of ZWL$1 252 281 was determined.

In addition, the Cash and Cash Equivalents figures in the Statement of Cash Flows for the year 2022 of ZWL$1 477 057 was different from the figure disclosed in the Statement of Financial Position of ZWL$1 492 326 giving a variance of ZWL$15 269. Furthermore, cash and cash equivalents at the beginning of the year of ZWL$224 776 was different from the cash and cash equivalents at the end of the period for 2021 of ZWL$435 627. The variance of ZWL$210 851 was not explained.

The Statement of Cash Flows had ZWL$1 252 281 as acquisition of computer hardware and furniture and fittings for 2022 whilst acquisitions as per the notes to the financial statements had a total of ZWL$11 180 926, hence the value of assets disclosed in the Statement of Financial Position were misstated.

The cash and cash equivalents amount in the Statement of Cash Flows for the year 2021 of ZWL$435 627 was different from the figure disclosed in the Statement of Financial Position of ZWL$224 776 giving a variance of ZWL$210 851.

The 2020 depreciation adjustment for non-cash item amounting to ZWL$64 143 in the Statement of Cash Flows was different from the one disclosed in the Statement of Comprehensive Income of ZWL$52 625. In addition, the Statement of Cash Flows submitted for audit had assets acquisition totaling ZWL$830 134 whereas the notes had a total of ZWL$839 878, giving a difference of ZWL$9 744.

**Risk/Implication**

The financial statements could have been misstated.

**Recommendation**

The management should ensure that all figures reflected in the financial statements are substantiated and correctly calculated to avoid misstatement. Management should investigate all the above errors and correct them.

**Management Response**

**The prior year accounts will be investigated and corrected accordingly. The observation has been noted. This was as a result of exchange rate differences in the year 2022 and 2023.**

**(v) Misstatement of Revenue**

**Finding**

For the year 2021, the ledger for US$ had a total of US$240 245 (2020: US$117 381), whilst invoices had a total of US$246 245 (2020: US$122 881). The ledger for local currency had ZWL$ 12 520 197 (2020: ZWL$6 422 613) whilst invoices had ZWL$12 824 489 (2020: ZWL$6 012 367). This resulted in revenue in US$ being understated by US$6 000 (2020:US$5 500), whilst revenue in ZWL$ was overstated by ZWL$235 708
(2020: ZWL$410 246).

**Risk/Implication**

The differences may result in misstatement of financial statements.

**Recommendation**

The management should ensure that correct computations are done and disclosed in the financial statements.

**Management Response**

**Management acknowledges the observation. The revenue deficiencies and the issue of exchange rate differences will be addressed.**

**(vi) Differences between the Revenue Ledger and Billing Schedules**

**Finding**

There was a difference between total revenue as per the ledger and billing schedules for the year 2023. The revenue ledger indicated amounts of US$1 118 435 and ZWL$288 584 828 whilst the billing schedules had US$589 194 and ZWL$598 771 896. Thus, there were variances of US$529 241 and ZWL$310 187 068 respectively that were not reconciled.

**Risk/Implication**

Revenue may be misstated.

**Recommendation**

Management should reconcile the amounts on ledgers and billing schedules.

**Management Response**

**Management has noted the error with great concern and we are going to correct the 2023 ledgers to align with the billing schedules.**

**(vii) Property, Plant and Equipment**

**Finding**

In 2022 the carrying amount for Furniture and Fittings as per the Statement of Financial Position was ZWL$5 585 109 while the ledgers had ZWL$1 052 418, resulting in a difference of ZWL$4 532 691. Computer Equipment in the Statement of Financial Position had a total

amount of ZWL$3 380 871 and the ledger had ZWL$974 365 giving a variance of ZWL$2 406 506.

There were also differences in carrying amounts for furniture and fittings and computer equipment disclosed in the ledgers against those disclosed in the financial statements in the year 2021. The carrying amount for Furniture and Fittings as per the Statement of Financial Position was ZWL$1 086 335 and ZWL$1 100 011 as per the ledgers resulting in the difference of ZW$13 676. The balance of Computer Equipment in the Statement of Financial Position was reported as ZWL$1 213 946 while the ledger had ZWL$1 262 852, resulting in a variance of ZWL$48 906.

The depreciation charge for Laptops and Office Furniture purchased for ZWL$830 134 and ZWL$1 094 688 in the years 2020 and 2021 respectively was not recorded in the ledgers and in the financial statements.

The balance for furniture and fittings was brought forward from the previous financial year (2019) as ZWL$51 637 instead of ZWL$61 381 giving a variance of ZWL$9 744. No evidence was availed indicating that there had been any changes to the furniture and fittings closing balances carried forward.

**Risks/Implications**

This could result in understatement of overall assets disclosed in the statement of financial position.

Users of financial statements may make incorrect decisions based on inaccurate financial statements.

**Recommendation**

Management should account for all assets so that the financial statements reflect a true and fair view.

**Management Response**

**Management will investigate and address the errors in the financial statements.**

**(viii) Proceeds from Auctioned Vehicles**

**Finding**

In 2021 the Fund auctioned three (3) vehicles whose proceeds amounting to ZWL$1 040 000 were not receipted or banked in the Meteorological Services Fund account, neither were they disclosed in the financial statements. The auction was conducted by the then Ministry of Environment, Climate, Tourism and Hospitality Industry. There was no evidence that management made efforts to recover the proceeds and account for the money properly.

**Risk/ Implication**

Proceeds received may be used for other purposes not benefiting the Fund.

**Recommendation**

Management should recover the proceeds for auctioned motor vehicles.

**Management Response**

**Proceeds from the disposal of the vehicles were deposited into the CRF Fund Account, however the Fund will recover and account for it in the financial statements.**

**(ix) Variance Between Total Assets and Reserves and Liabilities**

**Finding**

The comparative figures in the Statement of Financial Position for the year 2022 indicated total Assets of ZWL$409 017 547 whilst Reserves and Liabilities totalled ZWL$316 020 057. This resulted in a variance of ZWL$ 92 997 490. The variance was attributed to misposting and exchange rates movements.

**Risk/Implication**

The financial statements could be misstated.

**Recommendation**

Management should ensure that all figures reflected in the financial statements are substantiated and correctly calculated to avoid misstatement of financial statements.

**Management Response**

**The variances were attributed to exchange rates movements. Management will act accordingly.**

**(x) Property, Plant and Equipment Additions, Disposals and Depreciation**

**Finding**

The property, plant and equipment (PPE) notes supporting the financial statements did not disclose all additions, disposals, accumulated depreciation and current year depreciation. Notes to the 2022, 2021 and 2020 financial statements did not separately disclose opening balances for PPE, accumulated depreciation, additions and depreciation of ZWL$11 180 826, ZWL$2 001 515 and ZWL$839 878 respectively.

**Risk/Implication**

Movements in the property, plant and equipment may not be recorded, leading to material misstatements of financial statements.

**Recommendation**

Management should prepare PPE notes reconciling all movements, accumulated depreciation, disposals, additions and current year depreciation.

**Management Response**

**The Fund will assure compliance with appropriate Financial Reporting Standards when preparing and presenting the 2023 financial statements.**

## (xi) Variances of Trade Debtors Balances

### Finding

A comparison of Trade Debtors balances in the financial reports for the years 2023, 2022, 2021, and 2020 with the debtors listing revealed variances of ZWL$253 633 291, ZWL$35 393 886, ZWL$6 237 312, and ZWL$5 111 413 respectively. Additionally, the trade debtors' balances in the statement of financial position lacked accompanying notes that would break down the figures. Table below refers;

**Analysis of Trade Debtors Balances**

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Element** | **Amount ZWL$** | **Amount ZWL$** | **Amount ZWL$** | **Amount ZWL$** |
| Financial Statements | 3 292 055 796 | 398 153 142 | 37 743 684 | 16 855 696 |
| Debtors Age Analysis | 3 038 422 505 | 362 759 256 | 31 506 372 | 11 744 283 |
| **Variance** | **253 633 291** | **35 393 886** | **6 237 312** | **5 111 413** |

### Risk/Implication

Financial statements could have been misstated.

### Recommendation

The management should reconcile the differences highlighted.

### Management Response

**The observations raised were mainly due to internal control issues. Following the observations raised, the Ministry has a duty to put in place sufficient internal controls to ensure smooth administration of the Fund.**

**A review of the debtors showed a technical glitch in the system contributing to the error. We will act accordingly to resolve the issue.**

## (xii) Recognition of Assets in the Financial Statements

### Finding

Four (4) motor vehicles purchased for the Fund by the Ministry of Environment, Climate and Wildlife in 2023 as indicated in the Master Assets Register were not recognised in the Statement of Financial Position. Section 13.1 of the Statutory Fund's Financial and Accounting Manual requires recognition of the assets acquired through purchase, donation, or by transfer from other government agencies. The values of the motor vehicles were not availed for audit.

### Risk/Implication

Understatement of assets in the financial statements**.**

### Recommendation

Management should ensure that assets are recognised according to the manual and best practice.

**Management Response**

**The vehicles were bought by Treasury and the values will be recorded in the vehicle register.**

**Evaluation of Management Response**

*Management did not respond to the requirements of Section 13.1 of the Statutory Funds Financial and Accounting Manual.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Segregation of Duties in the Fuel Management Process

**Finding**

There was no segregation of duties in the fuel management process for the period 2020 to 2023. The same officer was responsible for requesting the purchase of fuel and signing for the fuel request, issuing the fuel coupons and recording them in the fuel register. This was contrary to Section 158(2) of the Public Finance Management (Treasury Instructions), 2019 which states that an Accounting Officer shall ensure that there is segregation of duties. As a result, no checks and balances were being carried out.

**Risk/Implication**

Errors may not be picked as all the tasks are done by the same person and fuel coupons may be misappropriated.

**Recommendation**

Management should ensure that there is segregation of duties. This will minimise errors and facilitate checks and controls.

**Management Response**

**During the period under review, there was a shortage of staff. However, interviews were held and some of the posts have been filled. This will improve our internal controls.**

### 1.2 Management Committee

**Finding**

The Management Committee met once on November 3, 2023, instead of at least four (4) times per year as stipulated in Section 3 of the Meteorological Service Fund Constitution. The Management Committee performs the oversight duties of the Fund.

**Risk/Implication**

The efficient and effective operation of the Fund may be compromised when the Management Committee does not meet regularly.

**Recommendation**

The Management Committee should meet as per the regulations.

**Management Response**

**We have taken note of the observation and in future we are going to adhere to the recommendation and act accordingly.**

### 1.3 Payments Made Based on Proforma Invoices or Quotations

**Finding**

I noted that payments for Communication Supplies and Services and Contributions and Subscriptions were made based on proforma invoices or quotations. The total value of the payments was ZWL$2 360 493 and US$5 049 for the period 2020 to 2022. This was in violation of section 59(2) (c) of the Public Finance Management (Treasury Instructions), 2019 which states that on no account shall a payment be made on the basis of a quotation only but submit an original invoice for the amount claimed and this shall be attached to the voucher.

**Risk/Implication**

There may be overpayments for goods and services when proforma invoices/quotations are used.

**Recommendation**

Management should ensure that all payments are made based on original invoices in order to reduce risks associated with overpayments.

**Management Response**

**The observation is noted. However, this has been rectified and original invoices have been collected.**

**Evaluation of Management Response**

*Management response is appreciated. However, the original invoices were not submitted for evaluation.*

### 1.4 Monthly Bank Reconciliations

**Finding**

Bank reconciliations for 2023, 2022, 2021 and 2020 were not being performed on a monthly basis for both ZWL$ and US$ Bank Accounts. This was in contravention of Section 6.1.7 of the Accounting Procedures Manual which requires the senior accountant to reconcile all bank accounts monthly.

**Risk/Implication**

Fraud and errors may not be detected in time.

**Recommendation**

Management should perform bank reconciliations on a monthly basis in order to reduce risk of fraud and errors.

**Management Response**

**Management acknowledges the recommendation and will definitely perform the bank reconciliations.**

### 1.5 Fuel Issued to Management

**Finding**

For the year 2023, audit noted that fuel totalling 2 340 litres was issued to Deputy Directors (1 280L) and the Directors (1 060L) as monthly condition of service. The fuel was supposed to be issued by the Ministry. This constituted an Advance to the parent Ministry, which should be reimbursed.

**Risk/Implication**

The Fund may fail to carry out its main mandate if its resources are used elsewhere.

**Recommendations**

Management should not use fuel from the Fund as condition of service in compliance with the Fund's Constitution. The fuel which was utilised as condition of service should be reimbursed.

**Management Response**

**Management has noted the finding and will comply with the audit recommendations.**

## 2. COMPENSATION OF EMPLOYEES

### 2.1 Payment of Casual Workers without Contracts

**Finding**

There were nine (9) casual workers who were paid by the Fund who had no valid contracts during the year 2023. The total amount of salaries paid to those without contracts amounted to US$1 950 and ZWL$557 647.

**Risk/Implication**

Payment of ghost workers may occur when there are no contracts of employment.

**Recommendations**

Management should ensure that contracts are signed with all engaged casual workers.

The payments to casual workers without contracts should be investigated and rectified.

**Management Response**

**The observation has been noted. Management will act accordingly.**

## 3 REVENUE COLLECTION AND DEBT RECOVERY

### 3.1 Revenue not Receipted

#### Finding

For the period 2020 to 2022 total amounts of ZWL$582 475 and US$32 870 were banked without being receipted. Non receipting was in contravention of Section 43 (1) (2) of the Public Finance Management (Treasury Instruction), 2019, which requires receipting of funds to be done through electronic receipts. The table below refers;

**Non-Receipted Revenue**

| Year | Amount in ZWL$ | Amount in US$ |
|---|---|---|
| 2022 | 558 106 | 273 |
| 2021 | 22 369 | 16 388 |
| 2020 | 2 000 | 16 209 |
| **Total** | **582 475** | **32 870** |

#### Risks/Implications

Monies received may be converted for personal use.

Errors and/or fraudulent practices may go undetected.

#### Recommendation

Management should ensure that all monies are receipted upon receipt and that bank reconciliations are carried out on a monthly basis.

#### Management Response

**The observation has been noted and agreed. The receipts were done basing on the bank statements, there could have been an oversight on the part of the department, however this anomaly will be rectified in future.**

### 3.2 Increase in Outstanding Debtors

#### Finding

Financial statements for 2020 to 2023 revealed that the Meteorological Services Department had been experiencing a sharp increase in outstanding debtors. Evidence of follow-ups or any efforts made to collect the outstanding amounts was not availed. Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019 requires Officers responsible for collecting debts to take adequate steps to collect any sums due to the Government. Table below refers;

**Increase in outstanding debtors**

| | 2023 Amount ZWL$ | 2022 Amount ZWL$ | 2021 Amount ZWL$ | 2020 Amount ZWL$ |
|---|---|---|---|---|
| Opening balance | 398 153 142 | 37 747 684 | 16 855 682 | 7 224 216 |
| Closing balance | 3 292 055 796 | 398 153 142 | 37 747 684 | 16 855 682 |
| Increase in Debtors | 2 893 902 654 | 360 405 458 | 20 892 002 | 9 631 466 |
| Percentage increase | 727% | 955% | 124% | 133% |

**Risks/Implications**

The Fund's liquidity position and its ability to sustain operations could be adversely affected, while monies are tied up in debtors thereby restraining the Fund from meeting its objectives.

The outstanding amounts may become irrecoverable with time.

**Recommendations**

The management should engage the debtors and come up with payment plans.

Written follow-ups should be done to remind debtors.

**Management Response**

**Management engaged CAAZ and ACZ regarding debtors. This is still work in progress.**

### 3.3 Supporting Documents for Airline Billings

**Finding**

There were no supporting schedules attached to confirm the billing for the airlines for each month for the year 2023. The supporting schedules were supposed to indicate the activity for each airline per month. The schedules are used when billing airlines.

**Risk/Implication**

Revenue might be understated.

**Recommendation**

Management should attach all the billing details to the respective invoices per month.

**Management Response**

**Management pursued the matter and had a meeting with both CAAZ and ACZ. They are still working on the best possible solution or way forward as they said the billing schedules carry sensitive information from other stakeholders.**

### 3.4 Accounting for Debt Repayments

**Finding**

A receipt from South African Airways amounting to US$877 435 paid in 2023 pertaining to a debt for the period between 2006 and 2014 was not included in trade debtors balance in the prior years. The receipt was wrongly classified as revenue in 2023 instead of reducing trade debtors. Apart from this, a receipt of US$13 723 from Civil Aviation Authority of Zimbabwe was treated as other income instead of reducing the debtors balance in the year 2023.

**Risk/Implication**

Revenue amount was overstated.

**Recommendation**

Management should properly account for transactions to ensure accurate reporting.

**Management Response**

**The receipt from South African Airways was treated as income as it had not been recognized in the system as a debt in prior years. The US$ 13 723 was just credited into our Fund Account with no narration and we were not aware of the source of funds, hence we just treated it as other income.**

### 3.5 Enroute and Landing Fees Contract

**Finding**

The Fund engaged Airports Company of Zimbabwe (ACZ) to collect revenue on its behalf. However, there was no contract or memorandum of agreement, outlining the rights and obligations of both parties. ACZ was withholding 5% commission on revenue collected.

**Risk/Implication**

Disputes might arise between the parties which may not be resolved amicably when there is no written contract.

**Recommendation**

Management should enter into a written contract with ACZ so that the terms and conditions of the parties are clearly clarified.

**Management Response**

**Management is still making follow-ups on the matter.**

### 3.6 Internal Controls in the Invoicing System

**Finding**

There was no evidence that the accounting supervisor was confirming the accuracy of the invoices generated from the billing schedules submitted by Airports Company of Zimbabwe (ACZ) and Civil Aviation Authority of Zimbabwe (CAAZ) for the year 2023.

**Risk/Implication**

Errors may not be detected.

**Recommendation**

Management should ensure that the invoices are validated for accuracy by a senior staff in the finance department.

**Management Response**

**Management has noted the observation. Management will act accordingly.**

## 4 MANAGEMENT OF ASSETS

### 4.1 Depreciation of Assets

**Finding**

Depreciation for the Plant and Machinery with a carrying amount of ZWL$100 000 was not disclosed in the financial statements for the year 2023. Further, the depreciation rates and methods used were not disclosed. This was contrary to Section 13.8 of the Statutory Funds Financial and Accounting Manual which states that the depreciation on fixed assets shall be based on the expected useful life of each of the assets on a straight-line basis.

**Risk/Implication**

The financial statements may be misstated.

**Recommendation**

Management should ensure that all assets have been correctly depreciated over their useful life and correctly recognised in the financial statements.

**Management Response**

**The audit recommendation has been noted. Management will adhere to Section 13:8 of the Statutory Funds Financial and Accounting Manual.**

### 4.2 Revaluation of Assets

**Finding**

Audit noted that nine (9) motor vehicles belonging to the Fund had been fully depreciated but continued to be in use in the year 2023. The management was not complying with the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments which requires the useful lives and residual values of assets to be reviewed annually.

**Risk/Implication**

The value of vehicles may be understated in the financial statements.

**Recommendation**

Management should ensure that revaluations are done annually and adjustments be done on the expected useful life of the motor vehicles.

**Management Response**

**Management will comply with audit recommendation and ensure revaluations are carried out regularly.**

## 5. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing audit findings raised in my 2019 audit report. Out of the three (3) findings raised, none was addressed.

### 5.1 Trade Debtors

Revenue due from airline operators amounting to ZWL$7 224 216 remained uncollected.

### 5.2 Climatology Database

The Fund has not updated the climatology database.

### 5.3 Maintenance of Weather Stations

Maintenance of Weather Stations had still not been done.

## VOTE 11.- TRANSPORT AND INFRASTRUCTURAL DEVELOPMENT

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry's mandate is to develop integrated transport infrastructure networks and services that facilitate smooth, safe and secure movement of goods, services and persons.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br>ZWG | Unallocated Reserve<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Overspending<br>ZWG |
|---|---|---|---|---|
| 1 732 622 145 | 3 330 011 289 | 5 062 633 434 | 5 212 919 259 | (150 285 825) |

I have audited the financial statements of the Ministry of Transport and Infrastructural Development for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Transport and Infrastructural Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and any other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Sub-Paymaster General's Account Reconciliation

#### Finding

The Ministry's expenditure of ZWG4 424 513 728 as per Sub Pay Master General's Account reconciliation did not agree with the total expenditure of ZWG5 212 919 259 disclosed in the Appropriation Account. The variance of ZWG788 405 531 was not reconciled. Therefore, I could not place reliance on the expenditure disclosed in the Appropriation Account in the absence of a reconciliation.

#### Risk/Implication

Financial statements may be materially misstated.

#### Recommendation

The Ministry should investigate and reconcile the expenditure variance.

#### Management Response

**The observation has been noted and being attended to. Please note that there has been various changes which are affecting the reconciliations of the PMG Account and PFMS due to exchange rates to be applied towards conversion of ZWL to ZWG. Engagement with Treasury is still being conducted. Once the reconciliations are done, they will be submitted to the auditors.**

**(i) Direct Payments**

**Finding**

The Ministry of Finance, Economic Development and Investment Promotion made direct payments amounting to US$255 689 192 to various service providers in settlement of the Ministry of Transport and Infrastructural Development obligations. However, the Ministry of Transport and Infrastructural Development accounted for US$145 093 663 as direct payments leaving a variance of US$110 595 529. The variance remained unaccounted for at the time of concluding my audit.

**Risk/Implication**

In the absence of a reconciliation, the financial statements could be materially misstated.

**Recommendations**

The Ministry should engage Treasury in order to clear the variances for accountability purposes.

Reconciliations should be done regularly with Treasury so that the true state of affairs is maintained.

**Management Response**

**The observation is noted. The Ministry is engaging Treasury for reconciliations of direct payments made in the 2024 financial year so as to address the variance.**

**(iii) Unallocated Reserve Transfers**

**Finding**

The Ministry received budget support in the form of Unallocated Reserves from the Ministry of Finance, Economic Development and Investment Promotion totalling ZWG3 632 270 697. The Ministry disclosed unallocated reserves of ZWG3 330 011 289 in the Appropriation Account leaving a balance of ZWG302 259 408 which was not reconciled. As a result, I could not validate the Unallocated Reserves figure with certainty.

**Risk/Implication**

In the absence of a reconciliation and supporting documents, the financial statements could be materially misstated.

**Recommendations**

The Ministry should engage Treasury in order to obtain supporting documents for the variances for accountability purposes.

Reconciliations should be done regularly with Treasury so that the true state of affairs is maintained.

**Management Response**

**The observation is noted. The Ministry has written to Treasury to be furnished with a full list of all transfers made from Vote 5.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Finding**

The total budget allocation for the Ministry was ZWG5 062 633 434 while funding provided amounted to ZWG5 212 919 259 resulting in a budget utilisation of 103% made up of operations and capital expenditure of 101% and compensation of employees of 2%. The Ministry had arrear payments of ZWG449 345 576 that could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted programmes.

**Risks/Implications**

The Ministry may fail to achieve its planned activities due to lack of budget support.

The Ministry may be sued for failure to pay service providers.

**Recommendation**

Management should continue to lobby Treasury for additional funding to achieve its plans.

**Management Response**

**The Ministry reversed payment runs which failed to get cash support from Treasury by year end and this affected budget utilisation.**

### 1.2 Interest on Outstanding Accounts Payables

**Finding**

The Ministry failed to settle contract obligations totalling US$14 147 901 in a timely manner, resulting in an interest charge of US$546 304 on overdue accounts. Section 82 (1) of the Public Procurement and Disposal of Public Assets Act [*Chapter 23:22*] requires payments under procurement contract to be made within the time limits set out in the contract.

**Risk/Implication**

Interest expenses may increase contract prices resulting in wasteful expenditure.

**Recommendation**

The Ministry should enhance its financial planning, cash flow management processes to ensure that funds are allocated, and payments made on time as per the contract terms.

**Management Response**

**The Ministry does not have control over the budget support/releases from Treasury, any delay in the release of funds by Treasury hugely affect the payment of contractors.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Receipts and Disbursements

**Finding**

The Ministry's Receipts and Disbursements statement showed that receipts totalling ZWG93 655 091 had not been cleared. This was in violation of Section 46(26) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Financial Statements may be materially misstated.

**Recommendation**

Receipts in the Public Financial Management System (PFMS) Receipts and Disbursements should be timeously cleared.

**Management Response**

**The Ministry faced technical challenges in clearing open items of ZWG93 655 091 for the month of November and December 2024. However, the Ministry finally got the Electronic Banking Statements used for clearing the open items on June 5, 2025 and as such the process of reconciliation to clear the figure has been initiated.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing the audit findings raised in my previous report. Out of seven (7) findings, one (1) was fully addressed, one (1) was partially addressed and five (5) were not addressed as indicated below:

### 3.1 Variance on Expenditure Figures

The finding was not addressed as the Ministry did not provide a reconciliation for the variance.

### 3.2 Direct Payments

The finding was not addressed as the Ministry did not account for US$12 123 760 (ZWL$21 555 682 520) in Direct Payments made by Treasury to its service providers.

### 3.3 Receipts and Disbursements

The finding was not addressed as the Ministry did not clear the receipts totalling ZWL$7 729 686 328.

### 3.4 Compensation of Employees Variance

The Ministry did not provide a reconciliation for a variance of ZWL$192 854 656 between the Salary Service Bureau and the compensation of employees reported by the Ministry.

### 3.5 Unbudgeted Expenditure

The finding on delivery of the licence discs was partially addressed as 100 000 discs were received at the time of concluding the audit leaving 685 000 discs undelivered.

### 3.6 Valuation of Properties

The issue of compensating properties owners using the highest valuation was cleared as compensation was based on the Ministry of Local Government valuation.

### 3.7 Registration of Land of Expropriated for Trabablas Interchange

The Ministry did not notify Registrar of Deeds about expropriated land to secure land against unlawful transfer.

## VOTE 11.- TRANSPORT AND INFRASTRUCTURAL DEVELOPMENT

## APPROPRIATION ACCOUNT 2023

### Mandate

The Ministry's mandate is to develop integrated transport infrastructure networks and services that facilitate smooth, safe and secure movement of goods, services and persons.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br>ZWL$ | Unallocated Reserve<br>ZWL$ | Total Budget<br>ZWL$ | Expenditure<br>ZWL$ | Net Underspending<br>ZWL$ |
|---|---|---|---|---|
| 144 571 220 000 | 919 701 254 224 | 1 064 272 474 224 | 1 046 848 986 158 | 17 423 488 066 |

I have audited the financial statements of the Ministry of Transport and Infrastructural Development for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respect, the state of affairs of the Ministry of Transport and Infrastructural Development as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Expenditure Reconciliations

#### Finding

The Appropriation Account disclosed expenditure of ZWL$1 046 848 986 158 whilst the Sub-Paymaster General's Account reconciliation had an amount of ZWL$395 520 890 335 resulting in a variance of ZWL$651 328 095 823. Furthermore, the expenditure figure disclosed in the Appropriation Account differed with the expenditure processed in the Public Financial Management System (PFMS) of ZWL$1 046 853 205 401, resulting in an unreconciled variance of ZWL$4 219 243.

#### Risk/Implication

The total expenditure reported in the financial statements could be materially misstated.

#### Recommendation

The Ministry should investigate and reconcile the variances between the expenditure figures to establish the correct expenditure for the year under review.

#### Management Response

**The variance emanated from the financial transactions where the revenue section had uncleared uploaded batches by the time of submission of 2023 Appropriation Accounts, the exercise continued well after submission date. Clearance of such batches involves**

**direct charging of Ministry's budget thus increasing expenditure as noted.**

**Evaluation of Management Response**

*While the Ministry acknowledges that the financial statements have an unreconciled variance which may result in misstatement of the financial statements, a clear plan or timeline for reconciling the variances has not been provided.*

**(ii) Direct Payments**

**Finding**

The Ministry of Finance, Economic Development and Investment Promotion made direct payments amounting to ZWL$412 706 558 879 (US$232 121 112) to settle the Ministry's obligations to various service providers. However, the Ministry accounted for ZWL$391 150 876 359 leaving a balance of ZWL$21 555 682 520 (US$12 123 760). The balance remained unaccounted for as at June 22, 2024.

**Risk/Implication**

In the absence of a reconciliation, the financial statements could be materially misstated.

**Recommendations**

The Ministry should engage Treasury in order to clear the variances for accountability purposes.

Reconciliations should be done regularly with Treasury so that the true state of affairs is maintained.

**Management Response**

**The Ministry solely relies on Treasury for both Cash and Budget Support. Failure to regularise these Direct Payments was due to lack of Budget Support. Reference is made to letters dated 26 June 2023 and 03 October 2023 written to Treasury seeking Budget Support for these Direct Payments and nothing materialised. Several physical visits were done to Treasury, which also failed to yield any positive result. The processed Direct Payments of ZWL$391 150 876 359 were done using the unutilised Budget Support available by the end of 2023.**

**(iii) Open Items**

**Finding**

The Receipts and Disbursements Statement of the Ministry had uncleared entries or open items amounting to ZWL$7 729 686 328 as at December 31, 2023. This was in violation of Section 46(26) of the Public Finance Management (Treasury Instructions), 2019 which requires that, all receipts dated up to and including the last day of the month or financial year shall be brought to account in that month or financial year.

**Risk/Implication**

Revenue could be understated.

**Recommendation**

Management should ensure that all uncleared entries in the Receipts and Disbursements Statement are processed before end of financial year.

**Management Response**

**The observation is noted, however, on numerous occasions both formally and informally, the Ministry requested Treasury to confirm the revenue swept into the Main Exchequer Account to facilitate clearance of open items and batch processing which was lagging behind by 8 months in November 2023. However, Treasury managed to confirm revenue swept to the Main Exchequer Account for 2023 financial period in the month of January 2024. Of the ZWL$80 billion and US$8,1 million revenue generated by the Ministry, management had successfully managed to clear the ZWL dollar value of ZWL$72 billion by the time of Audit. By extension, Treasury has given all Ministries up until June 30, 2024 to clear all 2023 open items.**

Below are other issues noted during the audit:

## 1 COMPENSATION OF EMPLOYEES

### 1.1 Compensation of Employees Variance

**Finding**

The Salary Services Bureau (SSB) had total expenditure on compensation of employees of ZWL$20 359 614 196 whilst the Ministry's financial statements and Public Financial Management system ledgers had expenditure of ZWL$20 552 468 852 resulting in a variance of ZWL$192 854 656. I was unable to reconcile the two amounts between SSB and Public Financial Management system ledger figures as per circular B/1/88 dated June 5, 2018.

**Risk/ Implication**

Compensation of Employees costs could be misstated.

**Recommendation**

The Ministry should ensure that proper supervision mechanisms are implemented so that monthly reconciliations are done and that all variances are investigated on time.

**Management Response**

**Currently Salaries are processed after reconciliations are done between Treasury, SSB and the Ministry. SSB Return submitted to the Ministry as at 31 December 2023 show that Salaries for the financial year ending 31 December 2023 were ZWL$ 20 552 468 852 and this figure matches the amount of SSB Salaries processed by the Ministry.**

**As for the mismatch on the total Compensation of Employees figure reported in the Appropriation Account of ZWL$20 552 468 852 and the SSB Return Figure, Compensation of Employees consist of items such as Salaries in Kind and Casual Wages that are not paid through SSB Wage Bills but from recurrent disbursements from Treasury. This has resulted in the variance as observed.**

**Evaluation of Management Response**

*Management response is noted. However, the Ministry did not reconcile the variance of ZWL$192 854 656.*

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Unbudgeted Expenditure of Drivers Licence Discs

**Findings**

The Ministry processed US$1 500 000 in February 2023 and US$1 326 500 in June 2023 translating to ZWL$12 375 073 656 for purchase of one million plastic driver's licence discs and other raw materials which related to 2022 financial year. The expenditure had not been provided for in the 2023 budget hence this affected the recurrent operations. Furthermore, no evidence was provided that arrear payment was reported to Ministry of Finance, Economic Development and Investment Promotion as required by Treasury Circular number 1 of 2024.

**Risk/Implication**

Expenditure could affect the implementation of programs budgeted for under 2023 financial year.

**Recommendation**

The Ministry should notify Treasury in writing of any unbudgeted expenditure.

**Management Response**

**The expenditure was unavoidable. The transaction failed to get cash support by December 31, 2022, the financial year which the transaction was budgeted for. Production of National Drivers' Licence materials is very strategic to the nation and at no point should production be interrupted. It was implied that Treasury was aware of the transaction as it was also directly affected by the transaction failure in 2022 due to lack of cash support. Going forward such transactions have been taken over by Treasury and should there be similar cases in future, the Ministry will notify Treasury in writing so as not to violate the regulations.**

**Evaluation of Management Response**

*All outstanding payments should be included in the subsequent year's budget and communicated to Treasury for consideration.*

### 2.2 Delivery of Driver's License Discs

**Finding**

The first delivery of 215 000 plastic driver's license discs was received in June 2023 leaving a balance of 785 000 discs. The reasons for piece-meal deliveries were not provided given the fact that payments had already been made to the supplier. This was contrary to Section 67 (19) of the Public Finance Management (Treasury Instructions), 2019 which requires the conditions of a contract to be complied with and applied consistently throughout the procurement cycle. It further states that there shall be no variations on delivery time. These remained undelivered as at the time of audit on May 31, 2024.

**Risk/Implication**

Service delivery is compromised as there could be delays in issuing out drivers` license to the public.

**Recommendation**

The Ministry should make a follow up with the supplier to ensure that outstanding drivers' licences discs are delivered.

**Management Response**

**Due to lack of storage capacity, the Department thought they will be drawing down as and when stocks would have decreased.**

**Whilst it was an oversight on the Department's part, the Ministry had since instructed the service provider who is also a partner under the Public Private Partnership (PPP) arrangement to deliver the balance forthwith.**

## 3 MANAGEMENT OF PROGRAMMES

### 3.1 Valuation of Properties

**Findings**

In determining compensation amounts for properties affected by the Trabablas (Mbudzi) Interchange Project, the Ministry engaged the services of three professional property valuers for the calculation of an average value as compensation amount. Despite the prescribed methodology of averaging the property values determined by the three (3) valuers, I noted discrepancies in compensation amounts offered to property owners.

In some instances, the highest value among the three (3) valuations was adopted as the compensation amount, deviating from the established practice of averaging the three property amounts. The total variance between the amount offered and that derived from the average amounted to ZWL$24 315 185 226 (US$3 983 014). Selection of the highest valuated amount as the compensation raises concerns about the objectivity and fairness of the compensation process. This approach disregards the purpose of engaging multiple valuers to mitigate bias whilst ensuring that a balanced assessment of property values is maintained throughout the entire process.

**Risk/Implication**

The Ministry could have been prejudiced of public funds as a result of deviation from the standard procedure.

**Recommendation**

The Ministry should adhere to the set standard practice of determining the compensation amount using the average rate. Corrective action should be taken to address the anomaly.

**Management Response**

**The two (2) private valuers were contracted and paid for the services rendered to the Ministry. The reports from the two private valuers were requested so that comparisons could be made for value for money to be compared, since private valuers are**

**professionals in the industry of disposing properties. Variance and inconsistencies in valuation were caused by the property owners who refused to accept the offer based on average and claimed that they only accept the offer from Local Government and Public works**.

### 3.2 Registration of Land expropriated for Trabablas (Mbudzi) Interchange

**Finding**

The Ministry did not provide evidence which shows notification to the Registrar of Deeds of the expropriated land for Trabablas (Mbudzi) Interchange so that no other transactions are done on the property. This was contrary to Section 10 (1) of Land Acquisition Act [*Chapter 20:10*], which states that upon the ownership of any land being vested in an acquiring authority, the acquiring authority shall, as soon as practicable thereafter, notify the Registrar of Deeds in writing of that fact.

**Risk/Implication**

The property owners could sell the properties or obtain mortgages using the title deeds giving rise to potential legal challenges with the ownership of the properties.

**Recommendation**

The Ministry should comply with the provisions of the Land Acquisition Act [*Chapter 20:10*] to safeguard its interests.

**Management Response**

**The compensation of property owners is not yet complete. The majority of the affected property owners are yet to receive full compensation. It is against this background that the Ministry could not ask the affected property owners to relinquish the Title Deeds as this will cause legal disputes.**

**The process of notifying Registrar of Deeds is done after actual construction of the project. The Ministry's survey team will go on site, measure the portion of the land previously occupied by the affected property owners and new diagrams will be produced and that information is submitted to the Registrar of Deeds.**

**Evaluation of Management Response**

*Management response indicates that the notification to the Registrar of Deeds is done after the completion of the construction project. While this approach could align with the Ministry's operational procedures, it is essential to alert the Deeds Office of the development to ensure that the property owners would not sell the properties or obtain mortgages using the title deeds of the properties under sale.*

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing audit findings raised in my previous audit report. Out of the twenty (20) findings, seven (7) were addressed, eight (8) were partially addressed and five (5) were not addressed as indicated below:

### 4.1 Direct Payments

The finding was not addressed as variances on the direct payments continue to occur as

reported on paragraph (ii).

### 4.2 Variance on Expenditure Figures

The finding was partially addressed. However, the issue recurred as reported on paragraph (i).

### 4.3 Interest paid to Contractors

The finding was not addressed as the Ministry continued to be charged interests by the contractors for late payment of certificates.

### 4.4 Service level agreement

The finding was not addressed as the service level agreements were not in place.

### 4.5 Monitoring of Contractors

The finding was addressed as progress reports on monitoring of contracts was availed to audit.

### 4.6 Reconciliation of Compensation of Employees Cost

The finding was not addressed. It has recurred in the current year and is raised on paragraph 3.1.

### 4.7 Supporting Documents

The finding was addressed as supporting documentation was provided for audit.

### 4.8 Transfer of Fund Assets

The finding was partially addressed as the transfer of fund assets was still work in progress.

### 4.9 Issuance of construction materials to contractors.

The finding was partially addressed as the Ministry had recovered part of the materials that had been advanced through Interim Payment certificates (IPCs).

### 4.10 Serviceable Equipment

The finding was partially addressed as the serviceable equipment status was communicated to CMED and the Sanny graders were to be sent to CMED for repairs.

### 4.11 Impounded Vehicles

The finding was partially addressed as Zimbabwe Integrated Transport Management System (ZIMTIS) was now at implementation stage.

### 4.12 Revenue reconciliation

The finding was addressed as the reconciliations were done.

### 4.13 Point of Sale Receipting

The finding was partially addressed as some of Point-of-Sale machines for receipting were now linked to the Ministry's Bank.

### 4.14 Point of Sale Machines

The finding was partially addressed as some machines were linked to the Ministry's Bank Account.

### 4.15 Remittance of Revenue Collected

The finding was addressed as revenue deposited into FBC was being transferred to Exchequer account.

### 4.16 Revenue received from Billboards

The finding was partially addressed as revenue was collected for some of the billboards. Billboard registers are yet to be availed for audit.

### 4.17 Payment of Wages

The finding was addressed as outstanding wages were paid.

### 4.18 Payment of cushioning Allowances

The finding was addressed as arrears were paid.

### 4.19 Travelling and Subsistence Allowances

The finding was addressed as arrears were paid.

### 4.20 Submission of Financial Statements

The finding was not addressed as financial statements were submitted four (4) months after due date.

## DEPARTMENT OF ROADS FUND 2022 and 2023

### Objective of the Fund

The objective of the Fund is to provide financing of road development, rehabilitation and maintenance works.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year 2023.

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 93 174 192 372 |
| Expenditure | 91 309 648 457 |
| **Surplus** | **1 864 543 915** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 4 776 734 | - |
| Current | 2 220 173 310 | - |
| Accumulated Fund | - | 2 224 950 044 |
| **Total** | **2 224 950 044** | **2 224 950 044** |

I have audited the financial statements of the Department of Roads Fund for the years ended, December 31, 2022 and 2023 and I issued a qualified opinion for the two (2) years.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Department of Roads Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Basis of Preparation of Financial Statements

### Finding

There were inconsistencies in the application of accounting basis between the consolidated and provincial financial statements. The consolidated financial statements were prepared on an accrual basis, whereas provincial offices prepared their financial statements on a cash basis. This inconsistency contravenes Section 10(2) and 116(5) of the Public Finance Management (Treasury Instructions), 2019. As a result, the financial statements for four provincial offices that I visited failed to disclose Accounts Payables of ZWL$58 325 444 and ZWL$985 320 857 for 2022 and 2023 respectively as well as Accounts Receivables of ZWL$6 599 766 and ZWL$1 494 430 076 for 2022 and 2023 respectively. I was therefore not able to determine the completeness and fair presentation of the accounts receivables and payables disclosed in the financial statements.

### Risk/Implication

Financial Statements could be materially misstated.

**Recommendation**

Financial statements should be prepared on accrual basis as per requirement of Section 10(2) and 116(5) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**The observation is noted. The Fund will be migrating to accrual basis of accounting after receiving the instruction from the Head Office.**

**Accounts Payables**

**The accounts payable balance represents unpaid wages for maintenance works funded under the Treasury budget (Appropriation). Please note the Provincial account is sorely for transferring wages into individual contract workers' accounts.**

**Accounts Receivable**

**The revenue to be collected for billboard fees must be deposited into the Sub-Exchequer Account, hence any accounts receivables for billboard fees must be accounted for under the Ministry. The billboards in question were illegal billboards that were earmarked for removal.**

**(ii) Inventory/Closing Stock**

**Finding**

The Provinces had inventory balances as at December 31, 2022 which were completely omitted from the financial statements. Evidence for the year-end inventory counts for the Department of Roads was not availed for examination. Audit was not satisfied with the accounting treatment of inventory and its non-disclosure in the financial statements.

**Risks/ Implications**

Financial statements may be misstated.

Misappropriation of inventory may occur.

**Recommendation**

Year-end inventory counts should be performed and inventory values included in the financial statements.

**Management Response**

**Management did not respond.**

Below are other issues noted during the audit:

## 1 GOVERNANCE

### 1.1 Compensation of Employees

**Finding**

Variances were noted between the financial statements figure for Compensation of Employees expenditure and the payment vouchers figure for Matabeleland South. The 2022 financial statements showed a figure of ZWL$281 631 051 whilst the payment vouchers totalled ZWL$298 953 673 resulting in a variance of ZWL$17 322 622. Similarly, variances were also noted in 2023, where the financial statements showed a figure of ZWL$350 025 284 whilst the payment vouchers totalled ZWL$825 232 842 resulting in a variance of ZWL$475 207 558. There was no evidence to show that reconciliations were done for both years.

**Risk/Implication**

Financial Statements could be misstated.

**Recommendation**

Regular reconciliations between financial statements, ledgers and source documents should be performed to identify and rectify discrepancies promptly.

**Management Response**

**Management did not respond.**

### 1.2 Classification of Expenditure

**Findings**

In the 2022 financial statements, transactions totalling ZWL$3 985 424 were posted to the compensation of employees ledger when they related to other expenses such as bank charges, reimbursements, Emergency Road Rehabilitation Programme 2 (ERRP2) and water charges. Similarly, in 2023, the Fund's financial statements reflected a figure of ZWL$90 192 437 626 as expenditure for hire of services. However, some of the expenditure was not related to the hiring services, for example, misclassified transactions totalling ZWL$1 608 836 493 related to travel and subsistence allowances for head office staff, job evaluation and overtime. This was contrary to Section 54(1) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/ Implication**

Compensation of Employees and the other related expense accounts could be materially misstated.

**Recommendation**

All transactions should be posted to the correct ledgers in accordance with Section 54(1) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**Water was classified under compensation of employees' ledger because contract workers under Masvingo Province were using the Department of Roads houses where an agreement was made to deduct water bills from their wages for the payment of these water charges.**

**Evaluation of Management Response**

*Management response covered the water issue only and did not fully address the finding. Water bills should be classified under utilities and service charges.*

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Revenue Deposits

**Finding**

Masvingo Province collected revenue amounting to ZWL$1 934 911 and ZWL$73 771 971 for 2022 and 2023 respectively from billboards and laboratory which was being deposited into the Province's Bank Account. This was contrary to Treasury Circular No 9 of 2020 and the Accounting Officer's directive dated December 11, 2020 to deposit all revenue into the Ministry's Exchequer Account. However, the amount was included as revenue in the Fund's financial statements.

**Risk/ Implication**

The financial statements could be materially misstated.

**Recommendation**

All revenue collected should be directly deposited into the Exchequer Account in accordance with Treasury Circular No 9 of 2020.

**Management Response**

**The revenue collected for the financial year 2023 was deposited into the Department of Roads Fund Account and not into the Exchequer Account. This was caused by poor communication between the technical team that did not inform the clients of changes in policy.**

### 2.2 Accounts Receivables

**Finding**

Midlands and Matabeleland South Provinces were owed significant amounts by billboard owners in both 2022 and 2023. In 2022, Midlands Province was owed ZWL$1 573 980, while Matabeleland South was owed ZWL$5 025 786. In 2023, the amounts owed were ZWL$1 413 485 146 to Midlands Province, ZWL$33 088 086 to Manicaland, and ZWL$47 756 835 to Matabeleland South. For both years, there was no evidence to show that efforts were made to recover these amounts, contrary to Section 49(2) of the Public Finance Management (Treasury Instructions), 2019.

**Risks/Implications**

Financial statements could be misstated by including amounts that are irrecoverable.

Revenue may be lost due to non-recovery of funds from billboard owners.

**Recommendation**

The Department of Roads should take the necessary action as required by section 49 (2) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**The Province maintained the ledgers for only authorised billboards and payment is directly made to the Exchequer account. The Province is using the cash basis form of financial reporting and that is the reason why the billboards funds did not appear in the financial statements.**

**Billboard fees collected must be directed to the Exchequer Account as a result, this is accounted for under receipts and disbursements return for the Ministry. Uncollected billboard fees are recorded as cash receipts only when payment is received and receipted under the Ministry's bank account. Please note that the Ministry is in the process of coming up with a billboard policy. There is also a proposal for an electronic system that will manage the billboard fee revenue.**

**Evaluation of Management Response**

*Regardless of the financial reporting basis, follow-ups on unpaid invoices should be made.*

## 3 MANAGEMENT OF ASSETS

### 3.1 Identification of Fund Assets

**Finding**

Audit could not distinguish between the assets in the master assets register acquired by the Department of Roads Fund and those acquired through the Appropriation Account due to lack of detailed information pertaining to the source of assets. limiting my ability to ascertain the accuracy and completeness of the balance disclosed under Property, Plant and Equipment of ZWL$5 385 619. This was in contravention to Section 98 (2) of Public Finance Management (Treasury Instructions), 2019 which requires the Accounting Officer to issue instructions to give guidance on proper asset accounting and management procedures.

**Risk/Implication**

Financial statements could be misstated.

**Recommendation**

The provinces should maintain the asset registers for the Fund clearly stating all the necessary details of an asset for the purpose of accounting records.

**Management Response**

**Management has taken note of the audit recommendation. A separate register will be created to capture all the assets purchased by the Fund.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not address the two (2) audit findings raised in my previous report, as indicated below:

### 4.1 Expenditure Variances

The figure of ZWL$4 627 481 726 reported in the previous year is still outstanding.

### 4.2 Submission of Financial Statements

The Fund submitted financial statements late on May 19, 2023 instead of March 31, 2023.

## VOTE 12.- FOREIGN AFFAIRS AND INTERNATIONAL TRADE

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Foreign Affairs and International Trade is to promote, protect and safeguard the national interests, image and influence of the Republic of Zimbabwe in the regional and international arena and to protect the interests of Zimbabwean nationals abroad.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfers ZWG | Total Budget ZWG | Expenditure ZWG | Net Underspending ZWG |
|---|---|---|---|---|
| 1 466 352 235 | - | 1 466 352 235 | 1 086 474 011 | 379 878 224 |

I have audited the financial statements of the Ministry of Foreign Affairs and International Trade for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matters described in the basis for Qualified Opinion section of my report, the financial statements present fairly the state of affairs of the Ministry of Foreign Affairs and International Trade as at December 31, 2024 in accordance with Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Expenditure**

#### Finding

The Appropriation Account disclosed expenditure amounting to ZWG1 086 474 011 while expenditure of ZWG56 034 116 was processed outside the Public Financial Management System (PFMS) and was not uploaded in the system. As a result, the Appropriation Account was understated by the same amount. This was because twenty-nine (29) Missions were not connected to the PFMS. Section 156 (2) (b) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to ensure that financial statements fairly present the state of affairs of the Ministry.

#### Risk/ Implication

Misstatement of the Appropriation Account.

#### Recommendation

The Ministry should continue to pursue connectivity of the PFMS to all Diplomatic Missions so that transactions are recorded as they are being incurred to enhance the accuracy of the Appropriation Account.

**Management Response**

**The finding is agreed. This was caused by the fact that expenditure for some of the missions are done outside the PFMS. Documents received from missions could not be captured in time, before closure of the financial year. However, the Ministry connected four (4) more Missions in the first quarter of 2025 and intends to connect sixteen (16) more Missions before the end of the year with the hope of doing away with expenditure outside the system.**

**(ii) Open Items**

**Finding**

The PFMS Cashbook had open items of ZWG683 408 537 and ZWL377 869 881 092 for the RBZ Account and ZWL188 550 771 for the Sub PMG Account. These open items represent payments that had been recorded in the system but remain unmatched with corresponding bank transactions or supporting documents. Treasury Circular No.1 of 2025 requires Accounting Officers to ensure that all open items in the PFMS are cleared before preparation of each Ministry's Annual Returns and Financial Statements.

**Risk/Implication**

Misstatement of the financial statements.

**Recommendation**

The Ministry should investigate the open items with the aim of reconciling and clearing the accounts.

**Management Response**

**The observation is noted. The Ministry managed to clear all items in the Sub-PMG Account for ZWG account. However, the Ministry is facing technical problems to access ZWL account and will seek advice from Ministry of Finance, Economic Development and Investment Promotion Projects Office on how to clear the main bank account.**

Below are other issues noted:

## 1. GOVERNANCE ISSUES

### 1.1. Budget Utilisation

**Finding**

The total budget allocation for the Ministry was ZWG1 466 352 235 while funding provided amounted to ZWG1 243 184 445 resulting in a budget utilisation of 85% of the voted funds. However, the Ministry had payment arrears of ZWG9 070 976, US$2 055 223 and EUR59 984 respectively that could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programmes of the Ministry of Foreign Affairs.

**Risks/Implications**

Planned activities could not be achieved due to lack of budget support.

The Ministry could be sued by creditors for non-payment of debts.

**Recommendation**

Management should continue lobbying for more funding from Treasury for the achievement of its plan and clearance of debts.

**Management Response**

**While the Ministry's Head Office budget was lowly funded, Missions were adequately funded on a monthly basis which included salaries and operations resulting in cumulative budget usage of 85%.**

## 1.2 Submission of Supporting Statements and Returns

**Finding**

The Ministry submitted the Departmental Asset Certificate, Outstanding Advances including Disallowances, Departmental Asset Certificate Investigations Explanatory Notes, Certificate of the Statement of Departmental Asset and Statement of Receipts and Disbursements returns during the periods April 17 to May 19, 2025 in violation of Treasury Circular Number 1 of 2025 which required returns to be submitted before or on March 31, 2025.

**Risk/Implication**

Late submission of returns impedes the audit process and could result in the failure to meet the audit statutory reporting deadline of June 30, of each year.

**Recommendation**

Management should ensure that the returns are prepared and submitted for audit within the stipulated timeframe.

**Management Response**

**The finding is agreed. The submission was delayed due to the fact that the Ministry had to consolidate submissions from 52 missions across the world which were also delayed by slow movement of diplomatic bags. Going forward, the Ministry will endeavour to start the process earlier.**

## 1.3 Risk Management and Disaster Recovery Plans

**Findings**

In my previous audit report, I made mention of the Ministry's failure to have an approved Risk management plan. At the time of my audit in March 2025, the Risk Management Plan was still in its draft form. Section 162(1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to carry out risk assessment of their Ministries' operations on an annual basis and take deliberate steps to identify, quantify, assess and come up with mitigation measures for the risks identified.

Furthermore, the Ministry had also not finalized the Disaster Recovery Plan (DRP) that has been in draft form since February 1, 2023. The DRP will assist the Ministry to respond effectively, shortening recovery time and minimising losses in the event of unplanned disruption of services.

**Risks/Implications**

The Ministry might not be able to mitigate certain risks which negatively impact its operations.

Loss of data and assets as the Ministry may not be able to quickly recover and resume operations after being struck by a disaster.

**Recommendation**

Management should prioritize finalizing the Risk Management and Disaster Recovery Plans.

**Management Response**

**The observation is noted. The Ministry had a draft Risk Management and Disaster Recovery Plans for which finalisation has been delayed by limited resources. However, the Ministry has started working on the Risk Management and Disaster Recovery Plans on the basis of a new circular received from Ministry of Finance, Economic Development and Investment Promotion guiding Ministries, Departments and Agencies (MDAs) on Enterprise-Wide Risk Management Implementation.**

### 1.4 Information Technology (IT) Policy

**Finding**

The Ministry's Information Technology (IT) Policy had not been approved as at the date of audit, February 14, 2025. Section 44 (1) (a) (i) of the Public Finance Management Act [*Chapter 22:19*] requires an accounting authority for a public entity to establish and maintain an effective, efficient and transparent system of financial and risk management and internal controls.

**Risks/ Implications**

There is no guidance to users on how to efficiently and economically use IT resources.

The Ministry could be exposed to risks including virus attacks, compromise of network systems and services.

**Recommendation**

The Ministry should promptly finalise the IT Policy to provide guidance to users and effectively manage and safeguard the use of its IT resources.

**Management Response**

**The finding is agreed to. The Information Technology (IT) Policy and Strategic Draft Plan has not been finalised because of constrained financial resources. In May 2024, the department proposed to hold a consultative workshop. The workshop could not be held because of lack of resources.**

## 2. EXPENDITURE CONTROL

### 2.1 Payment Arrears

**Finding**

An examination of the Statement of Payment Arrears for the Ministry revealed outstanding

arrear payments as at December 31, 2024 dating back to 2023 amounting to ZWG9 070 976, US$2 055 223 and EUR59 984. Section 97(1) of the Public Finance Management (Treasury Instructions), 2019 states that it is the responsibility of Accounting Officers to ensure that payments are made in a timely manner in order to avoid unnecessary expenditure in terms of penalties. There was no evidence to show that the payments had been settled at the time of my audit on May 20, 2025.

**Risks/Implications**

The Ministry may be sued or penalized for late payment.

There could be a reputational risk which may result in suppliers being unwilling to engage in future business with the Ministry.

**Recommendation**

Management should make arrangements for the settlement of the outstanding amounts.

**Management Response**

**The finding is agreed. The Ministry requested funding from Treasury and had not received enough funds to clear the arrears.**

## 3. REVENUE COLLECTION AND DEBT RECOVERY

### 3.1 Management of Domestic Travel Expenses

**Finding**

As at December 31, 2024, the Ministry had uncleared domestic and foreign travel advances backdating to 2021 amounting to ZWG1 382 872 and US$4 148 122. At the time of audit on May 21, 2025, only ZWG1 619 389 of the outstanding travel advances had been recovered, which translates to 29%.

**Risk/Implication**

Outstanding Travel and Subsistence Advances may become irrecoverable if it takes too long to follow up.

**Recommendation**

Management should ensure that advances are acquitted and that outstanding advances owed by officers are recovered by instituting deductions from salary in compliance with regulations.

**Management Response**

**The Ministry has been engaging with the concerned officers regarding the outstanding balances and unacquitted advances. However, progress has been made with several officers having acquitted their advances and repaid the amounts due. The Ministry is now preparing to engage Salary Service Bureau (SSB) to initiate deductions directly from salaries for those who remain non-compliant.**

## 3.2 Salary Advances

### Finding

An examination of salaries advanced to officials posted to various diplomatic missions revealed that the Ministry was owed US$1 969 744. Section 64(5) requires Accounting Officers to be responsible for the recovery of all advances made by them and for ensuring that the terms and conditions of the advance are complied with. The Ministry did not take the necessary action to recover the advances on the following month's paysheet.

### Risk/ Implication

The Ministry could end up failing to recover the amounts owed.

### Recommendation

The Ministry has control over recovery of salary advances and full recovery should be effected on the salary.

### Management Response

**The finding is agreed to. The Ministry instructed all personnel deployed to Missions to repay the advance salaries on May 8, 2024. A reminder was issued on October 14, 2024 requesting officials to settle the outstanding salary advances by November 2024 of which failure to do so would result in the amounts being deducted from their monthly allowances. The department is currently implementing recovery of these funds through a six-month garnish order, effective from June 2025.**

## 3.3 Outstanding Departmental Surcharges

### Findings

The Ministry had an amount of US$395 730 and ZWG3 325 which was outstanding backdating from 2018. Section 66 (6) of the Public Finance Management (Treasury Instructions), 2019 states that Accounting Officers are responsible for the recovery or adjustment of disallowances and departmental surcharges and shall ensure that this is done as soon as possible.

Furthermore, there were narrations on the return which did not indicate the recovery arrangements put in place such as "Ministry to liaise with SSB" and "to recover from officer". The narrations indicated that no recovery had been initiated by the Ministry.

### Risk/ Implication

The amount owed in local currency could lose its value due to currency fluctuations.

### Recommendations

The Ministry should institute effective recovery methods to avoid losing the Funds. Where the stipulated recovery period has lapsed, garnish orders should be raised to recover the funds.

Arrangements made for the recovery of the outstanding amount should be specific and action oriented.

**Management Response**

**The finding is agreed to. The departmental surcharges arise from officers who remain on the pay sheets of the Mission after recall to Head Office and salaries that were not refunded by the Mission. The Ministry will make effort to recover the surcharges on time. The salaries that were not given to officers will be transferred to the Exchequer Account.**

## 4. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made some progress in addressing audit findings raised in my previous audit report. Out of the thirteen (13) findings, five (5) were addressed, three (3) were partially implemented, and five (5) were not addressed as indicated below: -

### 4.1 Audit Committee

The finding was addressed during the year under review.

### 4.2 Procurement of Goods and Services

The finding was addressed as invoices were attached during the year and expenditure was correctly classified.

### 4.3 Management of Assets

The finding was addressed as handover/ takeover of duties was done during the year under review.

### 4.4 Staff Rotations and Reallocations

The finding was addressed as staff rotations were done after at least a year.

### 4.5 Understaffing of the Internal Audit Department

The finding was addressed as the internal audit unit now has staff as per establishment.

### 4.6 Diplomatic Missions Expenditure

The finding was partially addressed as the issue persisted during the year under review as shown on (i). However, the Ministry is in the process of connecting all missions to the PFMS.

### 4.7 Outstanding Salary Advances

The finding was not addressed as the Ministry has indicated that recoveries to be made effectively from April 2025 salaries for two (2) months. Follow-ups will be made to see if this is implemented.

### 4.8 Outstanding Disallowances

The finding was partially addressed as disallowances were now being recovered through SSB Stop order.

### 4.9 Risk Management and Disaster Recovery Plan

The finding was not addressed as indicated on paragraph 1.2.

### 4.10 Information Technology (IT) Policy

The finding was not addressed as indicated on paragraph 1.3.

### 4.11 Payment Arrears

The finding was not addressed as indicated on paragraph 2.1.

### 4.12 Understatement of Revenue

The finding was not addressed as indicated on paragraph 3.1.

### 4.13 Outstanding Domestic and Foreign Travel Advances

The finding was not addressed as indicated on paragraph 3.5.

## VOTE 13. – LOCAL GOVERNMENT AND PUBLIC WORKS

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry is to ensure that functional human settlements are promoted and sustained in all Urban Local Authorities backstopped by sound Local Governance and provision of quality well maintained Government infrastructure.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfers ZWG | Total Budget ZWG | Expenditure ZWG | Net (Over)/ Under spending ZWG |
|---|---|---|---|---|
| 1 833 137 298 | 427 767 727 | 2 260 905 024 | 4 901 147 826 | (2 640 242 802) |
| **Constitutional and Statutory Appropriations** | | | | |
| 3 870 664 202 | - | 3 870 664 202 | 435 188 726 | 3 435 475 476 |

I have audited the financial statements of the Ministry of Local Government and Public Works for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Local Government and Public Works as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Open Items

### Finding

The expenditure ledgers showed that there were open items amounting to ZWG366 349 742 in the Public Financial Management System (PFMS). Open items or uncleared entries disrupt budgetary control as they represent unconfirmed or unresolved expenditures. This would make it difficult to track actual expenditure against allocated funds. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of financial information.

### Risks/Implications

The Appropriation Account could be materially misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared annually before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of the financial information disclosed in the Appropriation Account.

**Management Response**

**Clearing of open items is a process which involves a lot of investigation. The major causes of the remaining open items in the system are as follows:**

- **Most of the open items are waiting for budget support to enable regularization of direct payments and foreign currency component of employment costs**
- **Some of them needs thorough scrutiny before reversal since there was a lot of manual payments due to the change of currency which were regularized later into the year.**
- **The Ministry anticipates to clear all open items as soon as Treasury releases the budget to regularize direct payments and after completing the thorough scrutinising for reversal.**

**(ii) Unallocated Reserve Transfers**

**Finding**

Records from Treasury revealed that the Ministry received unallocated reserves of ZWG592 127 611. However, the Ministry's Appropriation Account had an amount of ZWG427 767 727 leaving a variance of ZWG164 359 884 that could not be explained. There was no evidence of correspondence and follow-up by the Ministry to ensure that records agreed with those at Treasury. As a result, I could not confirm with accuracy the total amount of unallocated reserves received by the Ministry for the year ended December 31, 2024.

**Risk/Implication**

Financial statements could be misstated if reconciliations are not done.

**Recommendation**

Management should follow up with Treasury and reconcile the variances between the Figures to avoid misstatement of the Appropriation Account.

**Management Response**

**The Ministry acknowledges the audit observation and in future will consider the anomaly before submission of the Appropriation Account.**

**(iii) Receipts and Disbursements**

**Findings**

The Statement of Receipts and Disbursements submitted for audit had collections amounting to ZWG21 124 785. The documents such as receipts in support of the amount were not availed for audit to enable me to validate the accuracy of the collections disclosed.

The opening balance of ZWG20 846 and collections for the year of ZWG21 124 785 totalled ZWG21 145 631. However, the statement of Receipts and Disbursements disclosed total transfers of ZWG98 366 820 which exceeded collections by ZWG77 221 189. On the other hand a closing balance of ZWG853 780 092 was disclosed on the statement. The source of the excess transfers and the closing balance could not be explained. As a result, I could not ascertain the completeness and accuracy of the Statement of Receipts and Disbursements.

**Risk/Implication**

The receipts and disbursements return may be misstated.

**Recommendations**

Management should investigate the excess amount of ZWG77 221 189 transferred to the Exchequer Account.

The Ministry should avail supporting documents for the collections for the year under review.

**Management Response**

**Management did not respond.**

**(iv) Direct Payments**

**Finding**

Treasury made a direct payment of US$784 743 for thirteen (13) motor vehicles. The Ministry did not account for this amount in the Public Financial Management System (PFMS) and Appropriation Account. Therefore, I could not validate whether the payments made represented a proper charge to the vote.

**Risk/Implication**

The total expenditure for the Ministry could be misstated.

**Recommendation**

The Ministry should liaise with Treasury from time to time to identify any payments made on their behalf to enable regularization of the same in the PFMS.

**Management Response**

**The Ministry has noted the Audit Observation and in future will endeavour to take into account direct payments done by Treasury and introduce them into the Public Financial Management System [PFMS] and the Appropriation Account.**

**(v) Temporary Deposit Accounts**

**Findings**

The Ministry Temporary Deposit account had an amount of ZWG279 385 359. The amount represented open items for Salary Service Bureau (SSB) Deductions which were not cleared, thereby affecting clearance of Surcharges and Disallowances. Furthermore, some of the deposits had been in the account for over two (2) years and at the time of concluding my audit on May 29, 2025, the deposits had not been cleared.

The Ministry was taking long to create the business partner (BP) numbers for all employees in order to clear the temporary deposit account. The invoicing of the debtors using the BP number was also not done.

Section 52 (3) of the Public Finance Management (Treasury Instructions), 2019, states that Receiver of Revenue should ensure that temporary deposits are cleared by payment or adjustment without delay.

**Risks/Implications**

Funds may lose value if they are held in temporary deposits for too long and this would affect service delivery.

Accountability for resources held in the Temporary Deposit account may not be transparent in the absence of the debtor's accounts.

Delays in clearing the outstanding balances results in returns such as Surcharges and Disallowances having a misstated figure.

**Recommendations**

The Ministry should ensure that the temporary deposit account is cleared.

Receipts from SSB deductions should be itemized to identify their nature and source.

**Management Response**

**The Ministry agrees with the Auditors recommendation, the Ministry is in the process of clearing all outstanding temporary deposits. Currently with the assistance of PFMS Section Business Partners are being created and it is expected that by the end of June the account will have been cleared.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Translation of Expenditure

**Findings**

The Ministry's expenditure from period January 1 to April 5, 2024, was translated using the exchange rate on the day the expenditure was incurred when converting the ZWL$ to US$ then using the rate 13.56 to convert the US$ to ZWG. However, there was expenditure that was translated using 14.56 and 15.56 instead of 13.56 from US$ to ZWG resulting in a variance of ZWG1 715 283. Consequently, I could not validate the accuracy and completeness of the expenditure figures disclosed in the Appropriation Account.

Further, the budget and expenditure figures for the Constitutional and Statutory Appropriations were not translated using the prescribed rates. Treasury Circular No. 1 of 2025 Appendix 3, provides guidance on translating budget and expenditure figures from ZWL to ZWG.

**Risks/Implications**

Failure to translate expenditure figures correctly could result in misstatements of the financial statements.

It may be difficult to compare the financial statements if the translation is different from other entities.

**Recommendation**

The Ministry should comply with Treasury Circular No. 1 of 2025 to ensure there is uniformity and transparency.

**Management Response**

**The Ministry acknowledges the audit observation and is currently working on correcting the translation rates according to Treasury Circular No. 1 of 2025.**

## 1.2 Management of State Land

**Finding**

The Ministry did not avail a register of all designated State land for my audit. This made it difficult to validate the quantity of State land allocated to various Land Developers and Local Authorities. The Ministry was using Excel spreadsheet which is susceptible to manipulation to record all the State land allocated to various Land Developers and Local Authorities. This was contrary to Section 100 (4) of the Public Finance Management (Treasury Instructions), 2019 which stipulates that the Accounting Officer should keep a sound, accurate and complete record of all government assets in custody.

**Risks/Implications**

The Ministry would lose land to undeserving individuals or institutions if there is no database that explicitly shows all the land owned by the state.

The quantity of Land available for distribution may not be known with accuracy thereby prejudicing bonafide potential land beneficiaries.

Revenue received from lease of state land may be misstated.

**Recommendation**

The Ministry should create a complete, well validated database of all land that it received from other Ministries and state institutions.

**Management Response**

**Compilation of the Urban State Land Register is ongoing; however, progress has been hampered by lack of budgetary support. There is therefore need to lobby Treasury for financial support for the important task.**

## 1.3 Budget Utilisation

**Finding**

The Ministry had an approved budget of ZWG1 833 137 297 and the funding that was received

for operations was ZWG1 150 440 561 which was 63% of the budget while compensation of employees of ZWG326 372 763 was fully funded representing 18% of the budget. Treasury was not able to provide adequate funding to settle the arrear payments of ZWG151 160 703 and US$3 675 149 and implementation of other budgeted/ planned programs of the Ministry.

**Risks /Implications**

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears if left unattended negatively impacts on government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury.

### 1.4 Risk Management Policy

**Finding**

The Ministry has not finalised the Risk Management Policy for its approval and implementation. Section 162 (1) of Public Finance Management (Treasury Instructions), 2019 requires the Accounting Officers to carry out a risk assessment of their operations on an annual basis and take deliberate steps to identify, quantify, assess and come up with mitigation measures for the risks identified.

**Risks/Implications**

Failure to formulate a risk management policy may result in the Ministry not identifying and responding to material risks or threats effectively.

The absence of a risk management policy could expose the Ministry to numerous risks which could negatively impact on its performance.

**Recommendation**

The Ministry should have an approved risk management policy and register that will guide in mitigating risk exposure.

**Management Response**

**Please be advised that, the Ministry developed a Risk Management Policy after Gweru workshop for senior management staff which was conducted during the period July 16 to 18, 2024. The Ministry has not yet developed a Risk Management register due to inadequate funds from our own budget.**

**On March 10, 2025 due to the importance of this register, the Ministry requested the Ministry of Finance, Economic Development and Investment Promotion for a special ring-fenced budget to finance this register. The Ministry is waiting for a response from Treasury, follow ups are being made with regards to this matter.**

**Evaluation of Management Response**

*The management response is appreciated. However, the Risk Management Policy has not yet been approved by Treasury.*

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Departmental Surcharges

#### Findings

The Ministry did not recover revenue from Departmental Surcharges in respect of current serving members and the ones whose services were terminated. The cumulative effect of such non-collections prejudiced the State of a total amount of ZWG5 081 687 dating back to July 2018. There was no evidence that robust dunning procedures were put in place to recover the outstanding amounts contrary to Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019.

In addition, the Surcharges register was not up to date. The register had no transactions for 2024 but the return showed surcharges amounting to ZWG759 533. Further, the transactions for 2023 did not have dates. I could not therefore confirm the balances reflected on the return worth ZWG5 081 687 for outstanding surcharges. Section 50 (3) of the Public Finance Management (Treasury Instructions), 2019 states that Surcharges should be recorded in a register specifically opened for this purpose**.**

#### Risks/Implications

Failure to collect revenue adversely affects service delivery within government departments due to strained financial resources.

Failure to recover outstanding revenue would lead to loss of state funds which is needed to boost the Government's operations.

#### Recommendations

The Ministry should come up with robust dunning procedures in collecting revenue under its jurisdiction. Further to this, effective measures should be put in place to monitor revenue collection.

#### Management Response

**The Ministry has updated the surcharges register with all the information required and has submitted to SSB TY 30 form to effect deductions for serving members. The Ministry has also written to SSB for creation of a deduction code for members on pension.**

#### Evaluation of Management Response

*No register or letters were provided for audit.*

## 3 PROCUREMENT OF GOODS AND SERVICES

### 3.1 Non-Delivery of Motor Vehicles

#### Finding

I noted that the Ministry had not yet received thirty-seven (37) motor vehicles which were procured in the year 2020 and 2021 respectively. The suppliers had not yet delivered the assets by the time of concluding the audit on May 28, 2025. Section 96 (10) of the Public Finance Management (Treasury Instructions) 2019, requires Accounting Officers to ensure that there are remedies for breach of contract.

**List of Assets Not Delivered**

| Date of Purchase | Quantity and Description of Goods Acquired | Not Delivered |
|---|---|---|
| 06/07/2021 | 5 x Isuzu Double Cab<br>13 x Isuzu Single Cab | 3 x Isuzu Double Cabs |
| 19/10/2021 | 17 x 2.8 GD6 Toyota Double Cab<br><br>9 x Land cruiser hardtop | 9 x 2.8 GD6 Toyota Double Cabs<br>8 x Land cruiser |
| 2021 | 131 fire trucks and Toyota Hilux | 17 fire trucks |

**Risk/Implication**

The Ministry may not realise value for money and suffer financial loss should the supplier fail to fulfil the terms of the contract.

**Recommendation**

The Ministry should liaise with the suppliers and have the outstanding assets delivered and where there are no prospects of delivery, the Ministry should consider instituting legal proceedings to recover funds.

.

**Management Response**

**Isuzu vehicles**

**As of May 15, the supplier delivered 15 units, the supplier has indicated that they should deliver the remainder of the units, definite timelines could not be obtained. The Ministry had sent the documents to the Attorney General to pursue legal proceedings to recover the money. The Ministry is also in engagement with the supplier to secure delivery.**

**Toyota Double Cabs**

**As of May 12, 2025, the supplier delivered 9 units. The Ministry engaged PRAZ to have the company debarred and is awaiting judgement, the Ministry has also engaged in legal proceedings to recover the money paid. The issue is with the Attorney General's Office.**

**As previously reported, the seventeen (17) firetrucks were confiscated by the Lithuanian Government. They were the first consignment of the fire trucks and the contractor used a route that goes via Lithuania. The Attorney-General is still engaging the Lithuanian Government via diplomatic channels.**

## 3.2 Maintenance of Government Buildings

**Findings**

The Public Works Department is charged with ownership of all Government buildings and maintenance.

Programme 4 (Construction, Maintenance and Management of Public Buildings) was allocated a total of ZWG759 155 951 as a budget estimate during the year under review. However, there was no budget allocation for maintenance programmes. As a result, there was no structured maintenance of Government buildings due to lack of budgetary support.

Section 36 (1) of the Public Finance Management (Treasury Instructions), 2019 states that the Accounting Officer shall monitor the performance of the budget regularly to ensure delivery of expected results and to address any deviations from the ministry's targets.

**Risks/Implications**

Failure to adhere to the Physical Infrastructure and Construction Works budgeted amounts by all Ministries may cause deterioration of the Government Buildings in the long run.

**Recommendations**

The Ministry should create a database of all repairs and maintenance works requests executed and outstanding requests and ensure allocations for repairs and maintenance for all Government buildings are utilized strictly for that purpose.

**Management Response**

**There was very little maintenance of Government Buildings during the year 2024 and this was as a result of tight budgetary constraints. However, the Ministry has since requested Treasury to avail Officials from the Accountant General's Department and Recurrent Expenditure during the period 5 to 16 May 2025 for a tour to familiarize and appreciate the need for maintenance of Government Buildings in various Provinces.**

## 4 MANAGEMENT OF ASSETS

### 4.1 Master Assets Register

**Finding**

The Ministry did not maintain a Master assets register. I was not able to ascertain how the assets were accounted for in the absence of the above master assets register. Section 100 (1) of the Public Finance Management (Treasury Instructions) 2019, requires the Accounting Officers to ensure that all public assets are recorded promptly and accurately in the appropriate manual registers. The assets should also be captured immediately on the PFMS system.

**Risk/Implication**

The absence of the Master assets register could expose them to misuse and misappropriation.

**Recommendation**

The Ministry should ensure that a master assets register is put in place to safeguard the Ministry's assets.

**Management Response**

**The record of all assets procured through the system since 2009 are available in the system and the values are a challenge because of the cash accounting policy that was being used during that time. Updating of the manual master asset register is currently in progress and the missing values and other details will be extracted from the available excel sheet compiled for IPSAS.**

### 4.2 Donated Vehicles

#### Findings

Six (6) donated vehicles were not recorded in the donation and vehicle registers. Section 103 (14) of the Public Finance Management (Treasury Instructions), 2019 requires the Accounting Officers to ensure that a vehicle register detailing the make, model, engine and chassis number is maintained for Government vehicles under their control.

Furthermore, a sample of the vehicles inspected revealed that some of the vehicles did not have log books.

#### Risks/Implications

Vehicles not recorded in the vehicle register may be exposed to misuse and misappropriation.

The motor vehicles may be used for purposes not related to the Ministry ‘s business resulting in accelerated wear and tear and high maintenance costs.

#### Recommendation

Accounting Officers should make sure that vehicle registers are maintained and updated.

#### Management Response

**The donated vehicles were recorded in the donations register and the vehicle register availed to audit. The Ministry will ensure that each vehicle has a log book and reminder will be issued to all users except personal issue vehicles to complete the log books for every trip undertaken in line with regulations. The transport officer will also ensure monthly returns are submitted and carry out reconciliation for each vehicle.**

#### Evaluation of Management Response

*The management response is appreciated. Two (2) vehicles were recorded in the donations register leaving six (6) unrecorded. Further, all donated vehicles should be recorded in the donations register as well as the vehicle register.*

## 5 IMPLEMENTATION OF GOVERNMENT PROGRAMMES

### 5.1 Stalled Projects

#### Findings

The Ministry’s mandate is to plan, design and supervise Government Construction and Maintenance Programmes. There was no prioritization of construction projects which resulted in significant failures in project implementation. The Public Works database had fifty (50) stalled projects from Line Ministries.

In addition, the estimated cost for the stalled projects was US$152 124 049. The fifty (50) funded projects were still ongoing and only one (1) building project was completed in 2024.

**Risk/Implication**

The service delivery of the Ministry may be compromised if projects are not being completed.

**Recommendation**

Management should monitor project prioritization and the number of projects that are undertaken in order to ensure implementation, completion and effective service delivery.

**Management Response**

**There were some failures in 2024 Project Completion due to non-release of funds.**

**In view of the above the Ministry has Written to Treasury inviting PSIP, Project Monitoring and Evaluation Departments to undertake a tour of Government Stalled Projects from May 5 to 16, 2025 to appreciate the need for completion of stalled projects and effective service delivery.**

## 6 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made some progress in addressing prior year audit findings. Out of eleven (11) findings raised, three (3) were addressed, four (4) were partially addressed and four (4) were still to be addressed as follows:

### 6.1 Open items

The issue remained unresolved and has been included on paragraph (i).

### 6.2 Receipts and Disbursements

The issue was not addressed and has been included on paragraph (vi).

### 6.3 Commercial Rent Tenants

Files for commercial rent tenants were availed for audit.

### 6.4 Rent Debtors

Some debtors were served with letters of demand and others were handed over to the Attorney General.

### 6.5 Management of State lands

The issue remained outstanding and the same issue has been included on paragraph 1.2.

### 6.6 Statement of Payment Arrears

Payment arrears were partially addressed and the issue has been included on paragraph (vii).

### 6.7 Land Developers

The issue was partially addressed as some outstanding amounts were being recovered.

### 6.8 Eviction Notices

The issue was partially addressed as eviction notices were handed out.

### 6.9 Outstanding SSB Surcharges

The issue was addressed.

### 6.10 Temporary Deposits

The issue was partially addressed as the submitted return followed the correct format. The issue has been included in paragraph (vii).

### 6.11 Non-Delivery of Procured Assets

The issue was still outstanding as some assets were not delivered and has been included on paragraph 3.1.

## VOTE 13. – LOCAL GOVERNMENT AND PUBLIC WORKS

## APPROPRIATION ACCOUNT 2023

### Mandate

The Ministry's mandate is to ensure that functional human settlements are promoted and sustained in all Urban Local Authorities anchored by sound Local Governance and provision of quality well maintained Government infrastructure.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWL$ | Unallocated Reserve Transfers<br><br>ZWL$ | Total Budget<br><br>ZWL$ | Expenditure<br><br>ZWL$ | Net Underspending<br><br>ZWL$ |
|---|---|---|---|---|
| 98 640 911 000 | 375 046 033 638 | 473 686 944 638 | 420 290 378 978 | 53 396 565 660 |
| **Constitutional and Statutory Appropriations** | | | | |
| 195 503 620 000 | 96 286 740 223 | 291 790 360 223 | 168 951 548 943 | 122 838 811 280 |

I have audited the financial statements of the Ministry of Local Government and Public Works for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Local Government and Public Works as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Open Items

### Finding

The expenditure ledgers showed that there were open items amounting to ZWL$79 138 902 263 in the Public Financial Management System (PFMS). Open items or uncleared entries overstate the expenditure of the Ministry. This would make it difficult to track actual expenditure against allocated funds. Treasury Circular No. 1 of 2024 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of financial information.

### Risks/Implications

The Appropriation Account could be materially misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared annually before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and accuracy of the financial information disclosed in the Appropriation Account.

**Management Response**

**The audit observation has been noted. The open items were emanating from exchange rate differences which were caused by escalating exchange rates during the financial year. The Ministry has requested for budget support from Ministry of Finance to be used to clear the open items.**

**(ii) Receipts and Disbursements**

**Finding**

The Ministry submitted the Receipts and Disbursement Return for the year ended December 31, 2023 with an opening balance of ZWL$2 101 and collections amounting to ZWL$20 559 346 369 bringing the total collections to ZWL$20 559 348 470. The Ministry transferred a total of ZWL$25 748 312 091 from the receipts and disbursements to the exchequer and other accounts. The source of the excess transfer of ZWL$5 188 965 721 could not be explained Section 42 (7) of the Public Finance Management (Treasury Instructions), 2019 requires receivers of revenue to institute and maintain, appropriate independent systems of internal check and control in respect of revenues and other public moneys for which they are responsible.

**Risk/Implication**

The receipts and disbursements return may be misstated.

**Recommendation**

Management should investigate the excess amount of ZWL$5 188 965 721 transferred to the exchequer account.

**Management Response**

**The observation is noted and the difference will be investigated and deposited into the temporary deposit account when the system is opened.**

**Evaluation of Management Response**

*All revenue collected should be deposited into the exchequer and not the temporary deposit account.*

**(iii) Commercial Rent Tenants**

**Finding**

Audit could not verify the validity of an amount of ZWL$7 544 017 025 for commercial rent tenants that was disclosed as outstanding revenue during the year under review as the ledger records and also files with lease contracts and related documents were not availed for audit.

**Risk/implication**

The debts of the Ministry may be misstated and may not be collectable if ledgers showing the respective debts are not maintained.

**Recommendation**

The Ministry should avail ledgers and all files relating to commercial rent tenants to ensure transparency and accountability of all properties that belong to the Ministry.

**Management Response**

**The issue is being investigated and the files will be provided.**

**(iv) Other Rent Debtors**

**Findings**

Outstanding Revenue increased from ZWL$187 142 280 in 2022 to ZWL$120 589 590 503. This represents a 643% increase from the prior year's outstanding revenue figure of ZWL$187 142 280.

A review of the debtors' ledgers revealed that four (4) debtors, owed the Ministry ZWL$9 090 023 21. However, third party confirmations revealed that the debtors revealed owed ZWL$4 414 313 841 giving a variance of ZWL$4 675 709 462 which could not be explained. The ledgers and rent files for the debtors were not availed for audit. I therefore, could not confirm the accuracy of outstanding balances for the rent debtors for the year ended December 31, 2023. There was no evidence that steps were taken to recover the amounts due contrary to Section 49(2) of the Public Finance Management (Treasury Instructions), 2019.

**Risks/Implications**

The rent debtors' figures may be misstated.

Revenue due to Government may remain uncollected if there are no accurate records.

Outstanding amounts may become irrecoverable due to passage of time.

**Recommendations**

The Ministry should ensure that rent debtors' records are properly maintained and monthly rental debtors' reconciliations should be conducted.

Management should institute an effective debt recovery system including sending reminders.

**Management Response**

**The Ministry's debtors receive letters of demand on a monthly basis detailing the amount being owed by each debtor. Some of the debtors make payments direct into the Ministry's account and present their proof of payments later on. The onus is therefore, on the debtor to present their proof of payment timeously to enable the Ministry to receipt the paid amount. Those who are owing have been served with letters of demand and some have been handed over to Attorney General's office for recovery and eviction.**

**Evaluation of Management Response**

*The Ministry did not respond to the issue of records maintenance and measures being taken to recover debts. It is the responsibility of the Ministry to recover debts than waiting for debtor to prove payment.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Management of State Land

#### Finding

The Ministry did not avail a register of all designated State land for my audit. This made it difficult to validate the quantity of State land allocated to various Land Developers and Local Authorities. An explanation proffered was that the Ministry was to engage Twenty Third Century Systems to computerize the database of State land.

#### Risks/Implications

The Ministry would lose land to undeserving individuals or institutions if there is no database that explicitly shows all the land owned by the state.

The quantity of Land available for distribution may not be known with accuracy thereby prejudicing bona-fide potential land beneficiaries.

Revenue received from lease of state land may be misstated.

#### Recommendation

The Ministry should create a complete, well validated database of all land including that it received from other Ministries and state institutions.

#### Management Response

**The finding is noted. The Ministry is in the process of compiling the information electronically. This information has been stored as hard copies in various files. Zimbabwe National Geospatial and Space Agency (ZINGSA) and the Surveyor General were also roped in to do electronic mapping of all State land in Zimbabwe which exercise they have started. Twenty Third Century Systems is also working on the computerisation of State land and all these efforts will come in handy in ensuring all records in the office are digitalised.**

### 1.2 Statement of Payment Arrears

#### Finding

The Ministry had outstanding payments amounting to ZWL$163 871 806 101 as at December 31, 2023 in respect of various creditors. The statement of payment arrears did not include outstanding payments to ZETDC Masvingo of $39 432 444 and Zvishavane Town Council of ZWL$2 650 482 765. There was no evidence that reconciliations of creditors were being performed. Section 22 (2) of the Public Finance Management (General) Regulations, 2019 requires all arrear payments to be recorded.

#### Risks/Implications

The Ministry may not be able to determine the extent of obligations they need to settle.

The statement of payment arrears may be misstated.

There may be reputational risk and denial of service provision by suppliers in the future.

**Recommendation**

Management should perform reconciliation of all creditors and make arrangements for the clearance of the liabilities.

**Management Response**

**The observation is noted. Corrections are going to be made and the statement will be resubmitted.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Land developers

**Finding**

The Ministry had land developers who never paid anything over many years and some that made only one payment for the land allocated to them. The age analysis shows that some of the land developers had not paid for over ten (10) years. No satisfactory explanation was provided during my audit. As at the time of my audit on August 06, 2024, the land developers owed a total amount of ZWL$297 626 432.

**Age analysis for land not paid for by land developers**

| **PERIOD** | **AMOUNT (ZWL$)** |
|---|---:|
| 1-5 years | 187 401 632 |
| 6-10 years | 104 373 279 |
| 11-13 years | 5 851 521 |
| **Total** | **297 626 432** |

**Risk/Implication**

Failure to timeously recover outstanding amounts may lead to loss of revenue due to lapse of time.

**Recommendation**

The Ministry should take measures to recover the outstanding amounts timeously.

**Management Response**

**Management did not respond.**

### 2.2 Eviction Notices

**Finding**

Rent debtors amounting to US$43 991 had been handed over to the Attorney General for evictions. The Ministry could not avail the actual dates when the eviction notices were given, making it difficult to verify the actual amounts owed as the amounts would accumulate until tenant vacates premises.

**Risks/implications**

Financial statements may be misstated by the amounts owed as the information may be incomplete.

If recovery action is not taken timeously, amounts will be eroded by inflation.

**Recommendation**

The Ministry should improve the debt recovery system from evicted tenants to avoid loss of much needed funds.

**Management Response**

**Management did not respond.**

## 2.3 Outstanding Salary Service Bureau (SSB) Surcharges

**Findings**

The Ministry had outstanding SSB surcharges of ZWL$4 322 153, an increase of ZWL$3 006 357 (328% increase) from the 2022 figure of ZWL$1 315 796. As previously stated in my 2022 report, the return indicated that one of the recovery arrangements was write off and that was awaiting a budget. This was the case as well for the 2021 financial year. There was no evidence that follow ups were being done.

Furthermore, the narrations given on recovery action were unsatisfactory as the Ministry had been committing itself to recover from SSB but no recoveries were being made since 2020.

**Risk/Implication**

Failure to timeously recover and clear outstanding surcharges might render them irrecoverable.

**Recommendation**

The Ministry should institute effective recovery methods to recover outstanding amounts.

**Management Response**

**Management did not respond.**

## 2.4 Temporary Deposits

**Finding**

The Temporary Deposit Return was not prepared in the format prescribed by the Treasury Circular 1 of 2024. The person(s) or accounts due to receive the ultimate benefit of the deposits and the dates on which the deposit was received were not indicated. Section 52 (5) of the Public Finance Management (Treasury Instructions), 2019 requires the person or account due to receive the ultimate benefit of the deposit and the date on which the deposit was received to be disclosed on the return. I could not therefore, rely on the return submitted for audit.

**Risk/Implication**

Non-compliance with the prescribed format may create opportunities for misappropriation of funds in the temporary deposit account.

**Recommendation**

The Ministry should submit the temporary deposit return in the prescribed format.

**Management Response**

**The observation is noted. The return will be corrected and resubmitted.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Delivery of Procured Assets

**Finding**

The Ministry bought a mobile water treatment plant at a cost of US$532 495, 131 fire trucks for US$64 599 028 and 144 vehicles worth ZWL$306 935 545 from various suppliers in 2021. As at October 31, 2024, the water treatment plant, fifty-eight (58) fire trucks and twenty-four (24) vehicles had not been delivered. This was contrary to Section 67 (19) of the Public Finance Management (Treasury Instructions), 2019.

**List of Assets Not Delivered**

| Year of Purchase | Quantity and Description of Goods | Value of Goods and Services | Outstanding Deliveries |
|---|---|---|---|
| 2020 | Mobile Water Treatment Plant | US$532 495 | Mobile Water Treatment Plant |
| 2021 | 5 x Isuzu Double Cab<br>13 x Isuzu Single Cab | ZWL$103 650 000 | 5 x Isuzu Double Cab<br>1 x Isuzu Single Cab |
| 2021 | 17 x 2.8 GD6 Toyota Double Cab<br>9 x Land cruiser hardtop | ZWL$203 285 545 | 10 x 2.8 GD6 Toyota Double Cabs<br>8 x Land cruiser |
| 2021 | 131 fire trucks and Toyota Hilux | US$64 599 028 | 58 fire trucks not delivered |

**Risk/Implication**

The Ministry may not realise value for money and suffer financial loss should the supplier fail to fulfil the terms of the contract.

**Recommendations**

The Ministry should follow-up with the suppliers for the un-delivered goods.

Management should monitor implementation of procurement contracts so that the contract terms are complied with.

**Management Response**

**Isuzu Trucks**

**The observation is noted. As of September 30, 2024, fifteen (15) double cabs had been delivered. The Attorney General has been given the documents to pursue legal proceedings and get a refund for the outstanding vehicles. We have written to the supplier demanding the remainder of the vehicles and we will continue to engage the supplier and the Attorney-General. Updates will be provided as they come.**

**Toyota Double Cabs**

**PRAZ was engaged to have the supplier debarred while the supplier is also being engaged to provide the remaining vehicles.**

**Mobile Water Treatment Plant**

**The documents pertaining to the plant were forwarded to the Attorney-General to pursue legal action to get a refund.**

**Firetrucks**

**The seventeen (17) vehicles were confiscated by the Lithuanian Government. They were the first consignment of the firetrucks and the contractor used a route that goes via Lithuania. The Attorney-General is still engaging the Lithuanian Government via diplomatic channels.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing prior year audit findings. Out of eight (8) findings raised, one (1) was addressed, two (2) were partially addressed and five (5) were still to be addressed.

### 4.1 Direct Payments

The issue was addressed and the direct payments were reconciled.

### 4.2 Outstanding Revenue

The issue remained outstanding in respect of lease rentals from land developers. This has been raised on paragraph 2.3.

### 4.3 Receipts and Disbursements

The issue was not addressed and has been included on paragraph (iii).

### 4.4 Information Technology (I.T) Policy

The issue has been partially addressed as the draft policy is awaiting Treasury approval.

### 4.5 Land Developers

The issue was not addressed and has been included on paragraph 2.1.

### 4.6 Outstanding Revenue

The issue was not addressed and follow up on the issue is being done.

### 4.7 Revenue Collections

The issue was partially addressed as some Government employees who had lease rentals had deductions made directly from Salary Service Bureau (SSB).

### 4.8 Outstanding Salary Service Bureau Surcharges

The issue was not addressed and has been raised on paragraph 2.3.

## NATIONAL CIVIL PROTECTION FUND 2021-2023

### Objective of the Fund

The objective of the Fund is to develop and promote civil protection in Zimbabwe.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for 2023.

**Statement of Comprehensive Income**

| Item | Amount ZWL$ |
|---|---|
| Income | 3 214 785 375 |
| Expenditure | 3 191 856 441 |
| **Surplus** | **22 928 934** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| **Non-Current** | 3 491 177 | 3 656 249 |
| **Accumulated Fund** | - | 68 338 088 |
| **Current** | 68 141 491 | - |
| **Suspense** | 361 669 | - |
| **Total** | **71 994 337** | **71 994 337** |

I have audited the financial statements of the National Civil Protection Fund for the year ended December 31, 2021- 2023 and I issued a qualified opinion for the three (3) years.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Civil Protection Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for a Qualified Opinion

### (i) Disaster Management Expenditure

### Finding

The Fund did not maintain the records for the disaster management account properly, as expenditure amounting to ZWL$368 421 065 for 2023 could not be traced to source documents. As a result, I could not satisfy myself on the validity, completeness and accuracy of the expenditure.

### Risk/Implication

If payments cannot be traced to source documents, irregular and fraudulent transactions may be processed without detection.

### Recommendation

The Ministry should ensure that all expenditure is supported by adequate documentation to prevent the processing of irregular or fraudulent payments.

**Management Response**

**The observation is noted. Disaster Management expenditure pertains to transfers to Provinces and District Offices for disaster mitigation in response to emergencies and disasters such as road traffic accidents, rainfall related incidents, mine accidents, disease epidemics and many other incidents. The transfers in question are well documented at Head Office where transfers were effected. However, acquittals originate at Provincial and District Offices where services are rendered. A letter has since been written to Provinces requesting for submission of acquittals to Head Office.**

**(ii) Expenditure**

**Finding**

An amount of ZWL$169 099 864 was spent on the Chimanimani Housing Project, Cyclone Idai, Milo victims, damaged schools in Zvishavane, and damaged houses in Budiriro in 2021. Additionally, ZWL$3 300 000 was sent to the Mashonaland West province in 2022. However, there was no evidence of follow up on acquittals. Therefore, validation of the accuracy of reported expenditure and confirmation of whether the funds had been used for the intended purpose could not be done with certainty.

**Risk/ Implication**

Processing payments without proper supporting documents may result in undetected irregular or fraudulent transactions.

**Recommendation**

Management should follow up on acquittals to ensure that expenditures disclosed in the financial statements is supported.

**Management Response**

**Management has taken note of the observation and will provide the acquittals.**

**(iii) Property, Plant and Equipment**

**Findings**

There was no evidence to support the changes in value of the Property, Plant, and Equipment figures disclosed in the statement of financial position from ZWL$110 210 in 2021 to ZWL$3 523 892 in 2022. Therefore, I could not rely on the balance for Property, Plant, and Equipment disclosed in the financial statements.

Furthermore, there was a discrepancy between the depreciation figure of ZWL$22 770 for 2021 disclosed in the statement of comprehensive income and the amount of ZWL$423 710 in the notes to the financial statements, resulting in an unreconciled variance of ZWL$400 940. The notes to the financial statements did not reveal the acquisition of property, plant, and equipment, although the statement of cash flows showed acquisitions amounting to ZWL$27 226 for 2021.

**Risk/Implication**

Incorrect decisions made based on financial statements.

**Recommendation**

The Fund should explain the variance between the figures in the statement of financial position and the statement of cash flows for proper accountability and reliability.

**Management Response**

**The observation is noted. An investigation will be carried out to correct the anomalies.**

**(iv) Suspense Account Balance**

**Finding**

The financial statements had a suspense account balance of ZWL$361 669 that remained uncleared as at April 28, 2025. Suspense accounts are supposed to be cleared without delay as the financial statements of the Fund would not be fairly stated.

**Risk/Implication**

Financial statements could be misstated.

**Recommendation**

The Ministry should investigate the suspense account balance and make the necessary adjustments to clear the balances.

**Management Response**

**Management did not respond.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Donations

**Finding**

The financial statements submitted for audit disclosed an amount of ZWL$14 785 375 for donations received by the Fund whilst the Ministry's Administration Department submitted a figure of USD$102 903 (ZWL$615 959 864) leaving a variance of ZWL$601 174 489 unreconciled. Furthermore, the donations received did not have Treasury Authorities. I therefore, could not confirm the accuracy and completeness of the donations received by the Fund. This was in contravention of Section 112(6)(b) of the Public Finance Management (Treasury Instructions), 2019.

**Risks/Implications**

Misappropriation of donations.

Misstatement of the donations figure in the financial statements.

**Recommendation**

Management must at all times seek Treasury authority for donations received.

**Management Response**

**The ZWL$14 785 375 was a financial donation received, recorded and treated as such in the financial statements while the US$102 903 (ZWL$615 959 864) pertains to donations of goods which were then given an estimated value well after the preparation of the financial statements.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Maintenance Services

**Findings**

The Fund had transactions amounting to ZWL$51 623 940 relating to the maintenance of vehicles with various suppliers whose Service Level Agreements were not availed for audit.

In addition, there was no evidence to prove that there had been competitive bidding when acquiring services. No justification was availed to support the direct procurement method when there is no competitive bidding. This contravened Section 30(2) of the Public Procurement and Disposal of Public Asset Act [*Chapter 22:23*]

**Risk/Implication**

Direct engagement of service providers without Service Level Agreements or documented justification compromises the transparency and fairness of the Fund's procurement system.

**Recommendation**

Management should provide justifications for any procurement method which does not involve competitive bidding as required by the regulations.

**Management Response**

**The observation is noted. The Ministry used direct procurement for maintenance of vehicles as the Ministry had no standing or approved framework for such services. The Ministry failed previously in attempts to have the framework approved by Procurement Regulatory Authority of Zimbabwe.**

**Evaluation of Management Response**

*The management response is acknowledged. However, it provides no justification for the Fund to disregard the requirements of the Public Procurement and Disposal of Public Asset Act [Chapter 22:23].*

### 2.2 Unsupported Procurements

**Finding**

The Fund incurred expenditure amounting to ZWL$4 767 490 that was not adequately supported by source documents such as three competitive quotations, procurement committee minutes and comparative schedules. This contravened Section 53 of the Public Finance Management (Treasury Instructions), 2019. Consequently, I was unable to determine whether the purchases were made to the best economic advantage of the Fund.

**Risk/Implication**

If purchases are done without following procurement procedures, goods and services may not be obtained to the best advantage for the Fund.

**Recommendation**

The Fund Officials should ensure that procurements are sourced from the most competitive suppliers to avoid wasteful expenditure.

**Management Response**

**The observation is noted. Key procurement processes were omitted which administration, accounts and procurement sections have taken note for correction to avoid recurrence of the same anomaly.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make much progress in addressing prior year audit findings raised in my previous report. Out of the five (5) findings raised, two (2) were addressed and three (3) were not addressed as indicated below:

### 3.1 Financial Statements

The issue of imbalances between the figures in the submitted financial statements was not resolved and has been included on paragraph (iii).

### 3.2 Expenditure

The issue of expenditure that was not supported by payment vouchers was not addressed and has been included on paragraph (iii).

### 3.3. Grants

The issue was addressed as supporting documents were provided for the grants.

### 3.4 Donations

The issue of donations that were omitted from the financial statements recurred during the year and has been included on paragraph 1.2.

### 3.5 Asset Valuation

The issue of assets that had been procured but had not been depreciated was addressed and the assets were depreciated.

## VOTE 14.- HEALTH AND CHILD CARE

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry's mandate is to provide the highest standards of health care services to all Zimbabweans in line with the Primary Health Care approach as set out in the National Health Strategy.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Underspending<br>ZWG |
|---|---|---|---|---|
| 9 483 013 455 | - | 9 483 013 455 | 7 453 988 622 | 2 029 024 833 |

I have audited the financial statements of the Ministry of Health and Child Care for the year ended December 31, 2024 and I issued an adverse opinion.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the state of affairs of the Ministry of Health and Child Care as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Adverse Opinion

**(i) Direct Payments**

#### Findings

There was an unexplained variance of US$3 135 050 between an amount of US$22 656 013 disclosed on the Treasury Direct Payments schedule and the Direct payment notification letters of US$19 520 963 submitted by the Ministry for audit. Further, the direct payments were not accounted for through the Public Financial Management System (PFMS) and were not disclosed in the Appropriation Account. As a result, the total expenditure disclosed in the PFMS and Appropriation Account was misstated by US$19 520 963.

The supporting documents for the direct payments such as payment vouchers, invoices and goods receipt notes were not availed for audit. Therefore, I could not ascertain whether the goods and services paid for were received and related to the Ministry.

#### Risks/Implications

The expenditure disclosed in the Appropriation Account and PFMS could be materially understated.

Expenditure may be incurred for goods and services not received by the Ministry.

**Recommendations**

Management should follow up with Treasury to avail the Direct payment notification letters and ensure that the variance of US$3 135 050 is addressed.

The Ministry should engage Treasury to ensure that the direct payments are regularised in the PFMS. In addition, the supporting documents for payments made should be availed for audit.

**Management Response**

**The Ministry is in the process of conducting reconciliations of direct payments with Treasury. Treasury has been engaged for confirmation of amounts paid on behalf of the Ministry and to ensure that all expenditure is recorded.**

**(ii) Reconciliation of Appropriation Account Expenditure**

**Finding**

The Appropriation Account disclosed total expenditure of ZWG7 453 988 622, the PFMS Funds Management report had expenditure of ZWG7 453 426 221 whilst the Sub-Paymaster General (Sub-PMG) Account reconciliation statement reflected ZWG875 786 578. Under normal circumstances, the expenditure amount should be the same in the three (3) records or a reconciliation should be provided when they are different. I could not therefore, validate the accuracy of expenditure reported in the Ministry's Appropriation Account.

**Risk/Implication**

The total expenditure reported in the Appropriation Account could be misstated.

**Recommendation**

Management should investigate and reconcile the variances, ensuring that all expenditure is accurately disclosed in the Appropriation Account.

**Management Response**

**The audit finding is noted. The reconciliation between the Sub-PMG and PFMS Funds Management Report is being re-performed to ensure compliance.**

**(iii) Clearance of Open Items**

**Findings**

The Ministry had uncleared transactions of ZWL$178 500 300 943 in the PFMS Cash Book and Sub-Paymaster General transfers. The uncleared items represented transactions processed in the PFMS that had not been funded and reversed as at December 31, 2024. Therefore, the expenditure disclosed in the Appropriation Account was inaccurate as the unfunded amounts were reflected as expenditure in the PFM System.

In addition, the uncleared transactions in the Goods Receipt/Invoice Receipt Clearing Account of ZWG8 243 620 631 represent the difference between the value of invoiced goods and the goods received implying that there were goods and services procured that may not have been delivered at year end. Treasury Circular Number 1 of 2025 requires all uncleared transactions in the system to be cleared before preparing annual returns and financial statements to ensure completeness and alignment.

**Risk/Implication**

The expenditure disclosed in the Appropriation Account could be inaccurate as the unfunded amounts may be reflected as expenditure in the PFM System while goods and services procured may not have been delivered at year end.

**Recommendation**

The Ministry should ensure that all outstanding open items are investigated and resolved on time and that all unfunded payment runs are reversed.

**Management Response**

**The audit observation is noted. The Ministry has engaged Ministry of Finance, Economic Development and Investment Promotion to open the 13th period to enable clearance of the open items.**

**(iv) Compensation of Employees**

**Finding**

The Appropriation Account had total compensation of employee costs of ZWG4 852 692 234 while the Salary Services Bureau (SSB) Wage bill report showed ZWG4 669 595 770 resulting in a variance of ZWG183 096 464. There was no evidence that monthly reconciliations were performed as required by Treasury Circular B/1/88 June 5, 2018. As a result, I could not validate the accuracy of employment costs disclosed in the financial statements.

**Risk/Implication**

The compensation of employee costs reported for the year under review may be misstated.

**Recommendation**

Management should ensure that compensation of employee costs billed by SSB are reconciled monthly against expenditure figures shown in the PFMS ledgers and any variance should be investigated.

**Management Response**

**The observation is noted. The variance primarily stems from US$ denominated bonuses that were not recorded in December 2024 as the wage bill was not received. Additionally, management is reviewing further minor discrepancies of ZWG455 073 for May 2024, ZWG1 551 for June 2024 and ZWG559 for November 2024.**

**(v) Completeness of Revenue Received**

**Findings**

The Revenue Received return showed total revenue of ZWG807 319 while the supporting PFMS General Ledger showed ZWG272 555 resulting in an unreconciled variance of ZWG534 764. At the time of concluding the audit in April 2025, the Ministry was in the process of uploading 2024 receipts onto the PFMS and indicated that this was due to technical challenges encountered during the transition to the new PFMS platform in 2024.

Further, Manicaland and Matabeleland South Provinces submitted revenue returns which had ZWL$121 347 719 and US$14 817 respectively that were not converted to ZWG. As a result of non-conversion to ZWG, the revenue received reported was inaccurate.

**Risk/Implication**

The Revenue received may be incomplete and understated.

**Recommendation**

Management should investigate, rectify the variances and convert the revenue received from ZWL$ to ZWG.

**Management Response**

**The observation is noted. The amount of ZWG270 000 is accrued revenue raised from penalties of late notification of resignation by staff members. It was not included on the revenue return as the financial statements are prepared on cash basis. The reconciliation of revenue received has now been submitted for audit.**

**For the year under review, five (5) provinces collected revenue for the exchequer account and receipted in the PFMS. The remaining five (5) provinces did not collect any revenue for the exchequer account as there were no services provided.**

**Evaluation of Management Response**

*The management response is noted. However, under cash basis accounting, revenue is recognized when cash is received. Therefore, the amount of ZWG270 000 should be accounted for in 2024 when it was received.*

*The issue of conversion of revenue from ZWL$ and US$ to ZWG was not addressed.*

**(vi) Outstanding Disallowances**

**Finding**

The Statement of Outstanding Advances including Disallowances showed a balance of ZWG849 167 which differed from the PFMS figure of ZWG2 535 279, resulting in an unreconciled variance of ZWG1 686 112. At the time of concluding the audit on April, 30, 2025 the Ministry was still posting 2024 disallowances into the PFMS. Therefore, I could not confirm with certainty the accuracy of the Outstanding Disallowance figure disclosed.

**Risk/Implication**

The supporting statements to the Appropriation Account may be misstated.

**Recommendation**

The Ministry should timely upload information onto the PFMS and a reconciliation between the figures on the Disallowance return and PFMS General Ledger should be performed.

**Management Response**

**The audit observation is noted. The variance noted was due to system downtime and delays in the configuration of the ZWG Client 600 platform. Furthermore, the Ministry**

**experienced high levels of late notification of terminations and resignations. As a result, processing and invoicing of the 2024 Disallowances was only initiated during the 13th period in 2025. The process is ongoing and the Ministry will ensure alignment between the Disallowance Return and the General Ledger.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Finding**

The Ministry had a budget allocation of ZWG9 483 013 455. However actual funding for operations and compensation of employees amounted to ZWG5 544 475 164. The Ministry therefore, received 9% of voted funds towards operations and 49% for compensation of employees. As a result of inadequate cash support, the Ministry could not implement the planned activities for 2024 and settle arrear payments of ZWG864 395 415, US$16 539 691 and ZAR733 058 dating back to 2011.

**Risks/Implications**

Health service delivery may be compromised due to inadequate funding.

The accumulation of arrears if left unattended to, negatively impacts on Government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury to enable implementation of programs and settle arrear payments.

**Management Response**

**Management did not respond.**

### 1.2 Filling of Vacant Posts

**Finding**

For the fifth year running, the Ministry had twenty (20) managerial vacant posts in the Finance, Procurement, Oral Health and Laboratory Services Departments among others, which had not been filled since 2018. Acting personnel have been appointed to fill these roles temporarily. Evidence supporting the requests and follow-ups made to the relevant authorities to fill in the vacant positions was not availed for audit. I could not confirm with certainty whether formal requests seeking authority to fill in the vacant positions were made to the Health Services Board and Treasury.

**Risks/Implications**

Existence of too many vacant positions affects productivity there by compromising service delivery.

There may be inadequate segregation of duties resulting in self-review of work and errors not being detected.

**Recommendation**

Management should continuously make requests and follow ups to the Health Service Board for filling of the vacant positions.

**Management Response**

**The observation is noted. The positions of Director Laboratory and Director Pharmacy were filled on May 15, 2025. The other eighteen (18) posts are still to be filled.**

### 1.3 Annual Operational Plan

**Finding**

The Ministry submitted an unapproved Annual Operational Plan for audit. The Plan did not include budget allocations per programme. The Annual Operational Plan serves as a blueprint of how the Ministry will achieve its goals for the year and forms the basis for the performance contracts for the senior Ministry officials. Therefore, I could not confirm with certainty the targeted activities for 2024.

**Risk/Implication**

Resource management, monitoring of progress and risk management may not be effectively done.

**Recommendation**

Management should produce a complete Annual Operational Plan to guide the operations of the Ministry.

**Management Response**

**The observation is noted. The Ministry's planning process is guided by the Public Service Commission which provides templates. The templates that the Ministry received do not have space for signature, however the submitted Annual Plan was the final approved plan.**

### 1.4 Outstanding Travelling and Subsistence (T&S) Advances

**Finding**

The Ministry had outstanding foreign and domestic T&S advance acquittals of US$22 200 date backing to 2016 and ZWG101 766 for 2024. There was no evidence that management had made efforts to ensure that recoveries were made before new advances were made. This was contrary to Section 65 (19) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Expenditure may be incurred for a business trip not undertaken.

**Recommendations**

Management should follow up on outstanding acquittals and ensure that new advances are not issued to members before clearance of previously issued advances.

In addition, deductions should be effected on the salaries in compliance with regulations.

**Management Response**

**The Ministry is strengthening the follow up and monitoring of travel and subsistence advances to ensure timely acquittals. Going forward, any outstanding advances will be recovered through SSB and a follow up system has been finalised to support this process.**

## 2 MANAGEMENT OF ASSETS

### 2.1 Registration of Motor Vehicles

**Findings**

The Ministry did not record in the Assets or Motor vehicle register twenty-two (22) Land Cruisers and fourteen (14) Toyota Quantum ambulances as well as twenty-eight (28) Tata buses procured in 2023 as required by the regulations. The Ministry indicated that financial constraints hindered the registration of the motor vehicles with the Central Vehicle Registry Department.

Furthermore, the Ministry distributed to provincial health institutions seventeen (17) Land cruiser ambulances valued at US$1 409 300, seven (7) Toyota Quantum ambulances worth US$585 200 and twenty (20) Tata buses valued at US$1 842 607 which were unregistered. This was contrary to Section 103(4) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Unrecorded and unregistered assets may be lost without trace.

**Recommendations**

The Ministry should record the motor vehicles in the relevant registers using the engine numbers.

Management should ensure that the ambulances and buses are registered.

**Management Response**

**The Ministry acknowledges the audit observation and is currently mobilizing resources to regularize the registration and recording of all outstanding vehicles. Instructions have also been issued to all stations to ensure that any assets received are promptly registered and the supporting documents submitted to Head Office for consolidation**. **Moving forward, the Ministry will work with Treasury to ensure that future vehicle procurement budgets adequately provide for all associated costs, including registration and asset management.**

### 2.2 Statement of Departmental Asset Certificate

**Finding**

The Ministry did not submit the Statement of Departmental Asset Certificate that supports that assets have been physically compared with the records at least once during the year and that the records have been properly maintained. Therefore, I could not validate whether the Ministry accounted for all the assets.

**Risk/Implication**

Transparency and accountability of assets may be compromised.

**Recommendation**

The Ministry should avail the Statement of Departmental Asset Certificate for audit.

**Management Response**

**The Statement of Departmental Asset Certificate was availed for audit on May 27, 2025.**

**Evaluation of Management Response**

*The management response is acknowledged. However, the presentation format did not comply with the guidelines provided on Treasury Circular No.1 of 2025.*

## 3 IMPLEMENTATION OF GOVERNMENT PROGRAMMES

### 3.1 Public Sector Investment Projects (PSIPS)

**Findings**

The Public Sector Investment Project (PSIP) report availed for audit revealed that twenty-nine (29) PSIPs were completed in 2024 whilst thirty-seven (37) projects valued at US$98 670 000 had been stalled. Supporting evidence such as projects in progress, progress reports as well as explanations for stalling of the projects was not availed for audit.

In addition, the construction of Lupane Provincial Hospital which commenced in 2003 had its expected completion date extended to 2024 resulting in a construction period of twenty-one (21) years. However, as at December 31, 2024, the project was still reported as ongoing.

**Risks/Implications**

The achievements indicated on the PSIP schedule and the progress may be misstated in the absence of project reports.

Delays in the completion of the projects negatively impacts on the health delivery system and leads to cost overruns.

**Recommendations**

The Ministry should avail for audit the project reports to confirm ongoing construction and stage of completion.

The Ministry should also provide explanations for not completing the construction of Lupane Provincial Hospital project within the expected timelines.

**Management Response**

**Stalled projects were as a result of non-disbursement of funds by Treasury. This has resulted in delays in the completion of projects and also affecting service delivery.**
**Lupane Hospital construction was not completed on time due to non-payment of certificates and inadequate budget support from Treasury. The Contractor has demobilised indicating they could no longer continue work due to non-payments of certificates.**

## 4 GENDER ISSUES

### 4.1 Gender Mainstreaming

**Finding**

The Ministry did not avail for audit statistical data or reports to support activities such as promotion of gender equity, provision of free maternity services for women, support for cancer patients and gender-based violence assisted victims. This was caused by the absence of the Gender Policy, strategies and related guidelines. Due to the absence of the supporting reports and data, I could not confirm with certainty the extent to which the Gender related budget had been utilized and the extent of services offered.

**Risk/Implication**

Assessment of the progress made towards implementation of related activities and interventions may not be effectively done.

**Recommendations**

The Ministry should develop a Gender Policy and related guidelines on the implementation on gender related activities.

Management should provide the gender related data to support the reported initiatives.

**Management Response**

**The observation is noted. The Ministry is waiting for the review of the National Gender Policy which will be used to formulate the Ministry's Gender Policy. Currently the Ministry is awaiting the health service commission sexual harassment policy which is currently being developed.**

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing prior year findings. Out of fourteen (14) findings raised, four (4) were addressed, four (4) were partially addressed and six (6) were not addressed as indicated below.

### 5.1 Reconciliation of Sub-Paymaster's General Account (SUB-PMG)

The issue of variances between the expenditure figures disclosed in the Appropriation Account, PFMS Funds Management Report and Sub-PMG Account Reconciliation was not addressed. The issue has been raised on paragraph (ii).

### 5.2 Expenditure Supporting Documents

The issue of inadequately supported expenditure was addressed.

### 5.3 Conference Cost Expenditure Validation

The issue of reconciliation between the advance payment made and the actual hotel bill was not addressed.

### 5.4 Arrear Payments

The Ministry's arrears payments increased and were settled in 2024.

### 5.5 Annual Closure Certificate

The issue of open items was not resolved. The issue was raised on paragraph (iii).

### 5.6 Filling of Key Vacant Posts

The Ministry partially addressed the issue by appointing a Director Laboratory and Director Pharmacy on May 15, 2025.

### 5.7 Organisational Structure

The Ministry now has an approved Organisational Structure in place.

### 5.8 Risk Management

The risk management issues were partially addressed. The Disaster Recovery Plan (DRP) is now in place and the Risk Committee was appointed in 2024, although it was not fully functional.

The issue of fraud detection and prevention was not fully addressed. Some health institutions were still to have the mechanisms installed.

### 5.9 Procurement Plan and Authority

The issue of procurement authority was addressed. The Ministry obtained procurement authority. The evaluation and disposal committees for the Head Office were registered with Procurement Regulatory Authority of Zimbabwe (PRAZ).

### 5.10 Staff Accommodation

The rehabilitation of the Hutano flats did not commence in 2024.

### 5.11 Losses of and Damages to Government Property

The Board of Inquiries for the two (2) motor vehicles ADA 1938 and GHCC 1641, six (6) laptops and 1 500litres of fuel coupons were not convened. In addition, the vehicle registration book for ADA 1938 was not availed for audit.

### 5.12 Improved Access to Medicine

The issue of budget utilization was partially addressed. The budget utilisation for programmes one (1) to three (3) improved whilst the funds allocated for programme 4 were not utilised.

The Monitoring and Evaluation Reports to support budget utilisation progress were availed for audit.

### 5.13 Public Health and Well-Being

There was an improvement in the budget allocated towards treatment and management of communicable and non-communicable diseases which increased from ZWG268 704 966 in 2023 to ZWG338 775 851 in 2024.

### 5.14 Gender Policy

The issue of development of a Gender Policy and submission of source documents was not addressed. The issues were raised on paragraph 4.1.

## HEALTH SERVICES FUND 2023

### Objective of the Fund

The Fund was established for the purpose of collecting and administering hospital fees to supplement the health budget, both recurrent and capital for the development and maintenance of Health Services, programmes and related activities as may be approved from time to time by the Secretary responsible for Health and Child Care in consultation with Treasury.

Below is a Summary of the Statement of Comprehensive Income and Statement of Financial Position for the year.

**Statement of Comprehensive Income**

| Item | Amount ZWL$ |
|---|---|
| Income | 58 821 236 208 |
| Expenditure | 37 650 014 036 |
| **Surplus** | **21 171 222 172** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Accumulated Fund | - | 22 857 700 345 |
| Current | 22 913 554 310 | 55 853 965 |
| **Total** | **22 913 554 310** | **22 913 554 310** |

I have audited the financial statements of the Health Services Fund for the year ended December 31, 2023 and I issued an adverse opinion.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the Health Services Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Adverse Opinion

### (i) Basis for Preparation of Financial Statements

### Finding

The Fund did not comply with a specific acceptable financial reporting framework in preparation of the financial statements. The financial statements were prepared using both the cash and accrual accounting basis in line with the Fund's Financial and Accounting Manual. There was no clear indication of which components were reported on cash or accrual basis. Section 116 (5) of the Public Finance Management (Treasury Instructions), 2019 requires Fund financial statements to be prepared on an accrual basis. As a result, the financial statements could be misstated.

### Risk/Implication

Understandability and reliability of financial statements may be compromised.

**Recommendation**

The Ministry should amend its Financial and Accounting Procedures Manual for the Health Services Fund (HSF) and come out with a clear basis for preparing financial statements.

**Management Response**

**The Ministry is in the process of amending the Financial and Accounting Procedures Manual for the HSF and align the reporting framework with IPSAS accrual.**

**(ii) Bank Balance**

**Finding**

For the second year running, I could not validate with certainty the completeness of the consolidated cash at bank balance of ZWL$9 753 608 148. Out of eighty-eight (88) health institutions, ten (10) did not submit bank statements and certificates of balance to support the cash at bank balance figure. The Ministry did not have a mechanism in place such as a register to confirm whether all the health institutions under the Health Services Fund had submitted their financial statements and relevant supporting documents for consolidation. As a result, the accuracy of the bank balance could not be confirmed with certainty.

**Risk/Implication**

Some balances could be omitted resulting in material misstatement of the consolidated financial statements.

**Recommendation**

Management should put in place a mechanism to enable confirmation of all cash and bank balances disclosed in the financial statements.

**Management Response**

**The observation is noted. The bank statements and certificates for seventy-eight (78) health institutions were availed for the audit.**

**(iii) Other Income**

**Findings**

Included in the Other Income amount of ZWL$4 504 382 651 reported in the Statement of Comprehensive Income is an amount of ZWL$4 367 808 870 relating to foreign exchange rate gains on income and expenditure transactions. However, the income and expense transactions were translated using the closing rate at the balance sheet date instead of the exchange rates on the dates of transacting.

In addition, the translation was effected on the 2022 closing Accumulated Fund figure instead of the individual income and expenses accounts. Section 34.2.4(a) of the Financial and Accounting Procedures Manual for the Health Service Fund requires foreign currency transactions to be translated at the official exchange rate on the date of the transaction. As a result, the accuracy of the exchange rate gain could not be confirmed with certainty.

Further, the Fund did not include an explanation and breakdown of the remaining balance of the Other Income of ZWL$136 573 781. The accuracy of the Other Income reported in the

financial statements could not therefore be ascertained.

**Risk/Implication**

Financial statements could be misstated.

**Recommendations**

The Ministry should use the foreign exchange rate at the date of transaction in compliance with the regulations.

Management should ensure that comprehensive notes are provided to support figures disclosed in the financial statements.

**Management Response**

**The observation is noted. A reconciliation of exchange differences was shared on October 14, 2024. Going forward, the Ministry will adhere to Section 34.2.4 (a) of the Financial and Accounting Procedures Manual in preparation of financial statements.**

**Evaluation of Management Response**

*Management response is acknowledged. The issue of the misstated exchange rate gain was not addressed and the breakdown of the remaining balance of Other Income was not availed.*

**(iv) Variances Between Consolidated and Provincial Financial Statements Figures**

**Findings**

Audit noted variances of ZWL$21 852 837 on income, ZWL$2 472 571 on expenditure and ZWL$21 852 837 on cash at bank between figures disclosed in the consolidated financial statements and Masvingo provincial financial statements. Under normal circumstances the figures reported in the provincial financial statements should be the same as those reported in the consolidated financial statements.

Additionally, a variance of ZWL$2 190 733 and US$277 between the income figures reported in the financial statements and the receipts issued by the Government Analyst Laboratory (GAL) was noted. There was no evidence of maintenance of revenue ledgers to ensure that all revenue transactions were correctly recorded as required by Section 9.3 of the Financial and Accounting Procedures Manual for the Health Service Fund. As a result, of the uncorrected variances, the reliability and accuracy of the financial statements could be compromised.

**Risk/Implication**

Expenditure and revenue figures may be misstated.

**Recommendations**

Management should timely investigate variances and make the necessary adjustments before submission of financial statements for audit.

Proper accounting records including relevant ledgers should be maintained.

**Management Response**

**Head Office: An incorrect excel file for the consolidated return was erroneously forwarded to auditors. The correct return that was used for final consolidation had matching figures. The correct financial statements have now been shared with the auditors.**

**GAL: The maintenance of ledgers is a function of the Accounting Assistant whose post is currently vacant. Management commits to maintain appropriate, up to date and relevant ledgers for the HSF.**

**Evaluation of Management Response**

*Management response is acknowledged, however, at the time of concluding the audit on January 14, 2025, Head Office had not shared the correct financial statements for Masvingo.*

**(v) Cash Withdrawals and Unsupported Expenditure**

**Findings**

Gweru Provincial hospital made cash withdrawals totalling US$29 111 between September 20, 2023 and October 6, 2023, to cover the procurement cost of US$24 000 for the autoclave machine and traveling costs of US$1 936 to South Africa. The hospital submitted for audit supporting documents for payments of US$22 471 made to the supplier for the autoclave machine and travel costs of US$ 1 936. Evidence of how the balance of US$4 704 was utilised was not availed for audit. I could not therefore, confirm whether all the cash withdrawn was used for the intended purpose.

Further, on May 19, 2023, Gweru Provincial Hospital withdrew cash amounting to US$4 667 from the bank for the purpose of paying various suppliers of goods and services. Payment vouchers amounting to US$4 540 were availed to support how the cash was utilised however, an amount of US$127 remained unsupported. In addition, the payments were processed between March 21, 2023 and May 8, 2023 prior to the cash withdrawal date. The hospital did not maintain a cash register to assist in tracking cash payments. Therefore, I could not confirm with certainty whether the payment vouchers availed were the appropriate supporting documents for the amount withdrawn. As a result, the credibility of the expenditure disclosed in the financial statements could be compromised.

**Risks/Implications**

Public funds may not be used for intended purpose.

Fraudulent activities may be perpetrated if registers are not maintained to account for all withdrawals and usage of the money.

**Recommendations**

Hospital management should submit proof of payments and receipts for audit as evidence of how the cash withdrawals were utilized.

The hospital should have adequate safeguards such as maintenance of a cash register for all cash payments.

Cash withdrawals should be avoided and payments should be done through the Electronic Funds Transfer system.

**Management Response**

**All supporting documents for the noted transactions are in place and have now been availed to the auditors.**

**Evaluation of Management Response**

*Management response is acknowledged. However, evidence of how the balances of $4 704 and US$127 on the cash withdrawals for the procurement of the autoclave machine and payments to various suppliers were utilised was not availed for audit. There was no evidence that the amount was subsequently banked.*

**(vi) Under Banking**

**Finding**

Out of a total of US$376 764 receipted at Gweru Provincial Hospital between January and December 2023, US$338 213 was banked resulting in failure to account for US$38 551. As a result of the under banking, I could not confirm with certainty the completeness of the revenue disclosed in the financial statements.

**Risk/Implication**

Inaccurate balances may be reported in the financial statements.

**Recommendation**

An independent senior officer should regularly review the cash management records to ensure that monies are timely banked and intact. Any variations to the banking period should be supported by the Accounting Officer's approval.

**Management Response**

**Management has noted the audit observation in relation to receipting and cash management. Measures have now been put in place to ensure the recommendations are followed.**

**Evaluation of Management Response**

*The management response is acknowledged. However, the issue of unaccounted receipts of US$38 551 was not responded to.*

**(vii) Unearned Revenue**

**Finding**

The Ministry disclosed unearned revenue amounting to ZWL$38 860 659 under current liabilities. However, no supporting documents were availed for audit inspection. Consequently, I could not validate the figure or confirm the services paid for but not rendered. The current liabilities could be overstated.

**Risk/Implication**

The current liabilities disclosed in the financial statements may be misstated.

**Recommendation**

Management should carry out an investigation to determine the source of the figure and update the auditors.

**Management Response**

**A reconciliation of the unearned revenue was availed for audit inspection.**

**Evaluation of Management Response**

*The management response is acknowledged. The reconciliation availed was a breakdown of the unearned revenue figure for three (3) provinces and one (1) health institution and did not show details of the services paid for in advance to facilitate confirmation.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Bank Reconciliations

**Findings**

Audit noted that Chinhoyi Provincial Hospital had health fees receipts amounting to ZWL$1 147 382 collected through Point of Sale (POS), Ecocash platform, and direct bank deposits which were receipted after six months.

In addition, the Government Analyst Laboratory (GAL) took more than 180 days to investigate and clear direct deposits of US$1 658 and ZWL$121 134. There was no evidence of daily and monthly bank reconciliations. Sections 46(4) (e) and 46 (7) of the Public Finance Management (Treasury Instructions), 2019 require daily reconciliations to be done for POS and mobile money payment platforms

**Risks/Implications**

Some deposits may remain unaccounted for if daily receipts are not reconciled.

Errors or fraudulent activities may remain undetected for a long time.

**Recommendation**

Management should ensure that daily and monthly reconciliations for Point of Sale (POS), Ecocash platform and direct bank deposits are done.

**Management Response**

**Chinhoyi Provincial Hospital: The observation is noted. Management will supervise and ensure that reconciliations are done from now going forward.**

**GAL: Management will make sure that outstanding reconciling items are cleared within 90 days.**

## 1.2 Segregation of Duties

### Findings

Bulawayo Metropolitan and Harare Provincial Medical Directors' Offices had one (1) Accountant responsible for all accounting functions including receipting, data capturing and making monthly reconciliations. Also, over the past five years, Government Analyst Laboratories had only one Accounting Assistant. There was no evidence of segregation of duties and compensatory controls such as supervision by head office. This was contrary to Section 15 (a) of the Financial and Accounting Procedures Manual for the Health Services Fund.

At the time of audit on October 1, 2024 and October 7, 2024 respectively, at Stoneridge and Cowdray Park Health Centres, office assistants and nurse aids were responsible for receipting and custody of cash. Since the establishment of Stoneridge Health facility in July 2022 and Cowdray Park Health facility in August 2023, the health facilities did not have dedicated accounts personnel. The accountants for both Harare and Bulawayo PMDs' Offices were responsible for banking, carrying out reconciliations and preparation of financial statements.

### Risk/Implication

Irregular supervision of work and non-availability of qualified accounting personnel may lead to weak internal controls and financial statement errors.

### Recommendations

Management should strengthen supervisory controls where there is no segregation of duties.

The Ministry should revisit its organizational structure and appoint qualified accounting personnel at the health centres.

### Management Response

**Harare PMD's Office: Efforts will be made to communicate with the Health Service Commission to avail posts as well as to seek Treasury concurrence.**

**Bulawayo Metropolitan PMD's Office and Cowdray Hospital: Management acknowledge that since the facility began revenue collections in October 2023, there has not been a dedicated Finance unit. The current arrangement, where the PMD's Office accountant handles financial records, is not sustainable due to the extensive responsibilities. Management is prioritizing the recruitment of qualified accounting personnel to establish a dedicated Finance unit at the Health Centre. Management is actively working with the Human Resources department to expedite this process.**

**GAL: Management will continue to request authority to recruit adequate Accounting personnel to enable segregation of duties. Head Office seconds Accounting personnel to assist and there is need to increase the frequency of such secondments.**

**Stoneridge Health Centre: Efforts are underway for the recruitment of accounts personnel.**

## 1.3 Submission of Financial Statements for Audit

### Finding

The Ministry submitted for audit the 2023 HSF financial statements on June 6, 2024 and re-submitted revised financial statements on August 22, 2024. The delayed submission was contrary to Treasury Circular Number 1 of 2024, which requires the financial statements for Fund Accounts to be submitted on or before 31 March 2024.

### Risk/Implication

Late submission of the financial statements delays the audit process and inhibits the accountability process.

### Recommendation

Management should submit the HSF financial statements by March 31 of each year in line with regulations.

### Management Response

**The observation is noted. The Ministry will abide by the statutory deadline.**

## 1.4 Travelling and Subsistence (T&S)

### Finding

Audit noted that three (3) hospital officials at Gweru Provincial Hospital were paid US$825 for traveling and subsistence to South Africa from September 25 to 27, 2023 to procure medical equipment. However, I was not provided with the Treasury concurrence, cabinet authority and acquittals of the advance paid for the trip. Therefore, I could not verify with certainty if the trip and the advance issued had been properly authorised as stipulated under Sections 39 and 42 of the Treasury Circular Number 5 of 2023.

### Risk/Implication

Expenditure may be incurred for unauthorised trips.

### Recommendations

Management should avail for audit the cabinet authority which was granted for the trip.

The Ministry should timely follow up on outstanding Travelling and Subsistence allowances acquittals.

### Management Response

**Gweru Provincial Hospital: Management noted and appreciates the recommended procedures. The trip to South Africa was extremely urgent as the hospital was functioning without an Autoclave machine, therefore formal and normal procedures could not be followed.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Misappropriation of Funds and Delayed Banking

#### Findings

An investigation into under banking of US$38 551 cash at Gweru Provincial Hospital resulted in the responsible officer being suspended from duty on September 5, 2024. Documentation relating to the preliminary investigation and police report were not availed to enable me to assess whether the Disciplinary Authority had complied with the requirements of the Health Services Regulations, 2006.

Instances of delays in banking of cash amounting to US$44 499 ranging from two (2) to thirty-five (35) days were also noted at Government Analyst Laboratories, Bulawayo and Harare Dental Centres, Stoneridge and Cowdray Park Health Centres, Esigodini and Silobela District Hospitals. There was no evidence of approval by the Accounting Officer in cases where cash could not be banked within 24 hours or the next banking day as required by Section 17.1 of the Financial and Accounting Procedures Manual for the Health Services Fund.

Management at Harare Dental conducted a disciplinary hearing in November 2023 regarding the issue of delays and under banking. However, the outcome of the disciplinary hearing had not been implemented at the time of the audit on October 9, 2024.

#### Risks/Implications

Delays in concluding the disciplinary hearings may result in delayed justice or the suspended officer may abscond.

Delays in banking could result in misappropriation of cash or conversion to personal use.

Fraudulent activities may remain undetected due to non-supervision and review of revenue collection and banking.

#### Recommendations

The Ministry should avail documentation of processes carried out and should timely conclude the disciplinary hearing.

An independent senior officer should regularly review the cash management records to ensure that monies are timely banked and intact. Any variations to the banking period should be supported by the Accounting Officer's approval.

Management should report to police any cash deficiency resulting from suspected theft cases to enable timely and effective investigations to be conducted.

#### Management Response

**Gweru Provincial Hospital: A disciplinary hearing has been constituted on the issue of cash management.**

**GAL has no pool vehicle for daily errands including banking. Management will ensure that cash is banked within 24hours.**

**Bulawayo Dental Centre: The delays in banking were due to shortage of personnel in the finance department. Management will review the staff establishment.**

**Harare Dental Centre: The issue of late banking was resolved towards end of 2023. The issue of under-banking is being investigated. A board of investigation was convened on November 2023. However, the disciplinary date and final recommendations are yet to be set by the Head Office.**

**Stoneridge Health Centre: Staff bids have been sent to the Head office to enable the employment of Accounts personnel to enable timely banking.**

**Cowdray Park Health Centre: Management acknowledges that cash banking has not been performed within the stipulated timeframe due to shortage of finance personnel and absence of a service vehicle.**

**Esigodini District Hospital: Management has taken note and corrective measures are being taken.**

**Silobela District Hospital: Management has taken note of the audit recommendations.**

**Silobela District Hospital: The hospital was not implementing the petty cash aspect leading to the use of collected cash before it was banked. This resulted in under-banking in some instances.**

## 3 PROCUREMENT OF GOODS AND SERVICES

### 3.1 Price Variation

#### Finding

Gweru Provincial Hospital made a payment of US$24 000 for an auto clave machine procured in South Africa based on an approved quotation of US$18 972 resulting in an unexplained price variation of US$5 028 (26.5%). Section 80(2) and (6) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] prohibits price adjustments of more than 20% of the original price unless permitted in the procurement contract.

#### Risk/Implication

There may be loss of transparency and fairness among the bidders if there is a material price variation.

#### Recommendations

Management should avail to audit the justification and approval of the price variation.

New procurement proceedings should be initiated if there are material price variations.

#### Management Response

**Management has noted the audit observations in relation to procurement of medical equipment. All supporting documents for the noted transactions are now in place.**

#### Evaluation of Management Response

*Management response is acknowledged. However, the issue of price variation was not responded to.*

## 3.2 Expenditure not Adequately Supported

### Findings

Chinhoyi and Marondera Provincial Hospitals and Mashonaland East PMD's Office processed payments totalling ZWL$414 600 257 and US$12 202 using requisitions without supporting payment vouchers. Section 26.1 (f) of the Financial and Accounting Procedures Manual for the Health Service Fund requires payment vouchers to be prepared and supported by relevant supporting documents.

There was no evidence that payment vouchers amounting ZWL$6 493 553 and US$6 202 were checked for accuracy and certified not previously paid at Kadoma General, and Murewa District Hospitals and Bulawayo Dental Centre. This was contrary to Section 59 (15) (b) and (f) of the Public Finance Management (Treasury Instructions), 2019.

### Risk/Implication

Duplicate and unauthorized payments may be processed.

### Recommendation

Management at Kadoma and Murewa hospitals should ensure that controls over processing of payments are adhered to in compliance with regulations.

### Management Response

**Chinhoyi Provincial Hospital: Management had been given an internal recommendation to use a requisition as an alternative to payment voucher. From now forth payment vouchers will be used.**

**Marondera Provincial Hospital: The observation is noted. The hospital has adopted the audit recommendation.**

**Mashonaland East PMD's Office: Management acknowledges that payments worth ZWL$1 399 456 and US$3 310 were not properly supported. However, management has since rectified the anomaly by raising payment vouchers for all the payments.**

**Kadoma General Hospital: Management reviewed relevant documents and acknowledges that some payment vouchers were not certified correctly. This was due to shortages of staff in the accounts department. Two (2) accountants were seconded to work for Mhondoro and Sanyati districts in 2023 and efforts are being made to combine staff for the hospital and districts to ensure checks and balances.**

**Murewa District Hospital: The payment vouchers have now been numbered, passed for payment, certified, and stamped.**

**Bulawayo Dental Centre: Management will make sure that payment vouchers are fully signed by the relevant officials to reduce the risk of unauthorized payments.**

# 4 MANAGEMENT OF ASSETS

## 4.1 Fuel Management

### Finding

Eight (8) health institutions namely Mashonaland East and West PMD's Office, Chinhoyi and Marondera Provincial, Kadoma General, Murewa, Esigodini and Silobela District Hospitals had

control weaknesses in fuel management ranging from non-maintenance of fuel registers and inconsistent fuel recordings of purchased fuel. Section 104 (1) of the Public Finance Management (Treasury Instructions), 2019 requires an up-to-date fuel register to be maintained. There was no evidence that the fuel registers were regularly reviewed by an independent officer.

**Risk/Implication**

Fuel may be misappropriated.

**Recommendation**

An independent officer should regularly review the fuel registers to ensure that recordings are accurate and that they are up to date.

**Management Response**

**Mashonaland East PMD's Office: All sections of the fuel request forms will be completed and serialised. The Provincial Health Services Administrator will periodically review the entries in the fuel register.**

**Mashonaland West PMD's Office: All fuel requests will be serialized with immediate effect. Estimate of fuel gauge level is now being monitored.**

**Chinhoyi Provincial Hospital: Fuel reconciliations were done on soft copy. Fuel request forms which were completed during the weekend were done whilst senior administration staff were unavailable, therefore, some fields were not fully completed. Management is addressing the anomalies.**

**Marondera Provincial Hospital: The fuel register now indicates the source of fuel and signature of a senior person. The hospital has adopted the recommendation from audit.**

**Kadoma General Hospital: Management has noted the weaknesses in fuel requests forms and therefore, amendments are being made to include additional details. Reconciliation of the fuel register is also going to be done to indicate fuel bought against fuel issued.**

**Murewa District Hospital: Based on the audit recommendations, the Administration Department concerned has made the necessary changes to fuel request form to include the areas that were not previously on the fuel request forms. The fuel register has now been updated.**

**Esigodini District Hospital: The observation is noted. The fuel register was not in place in 2023, however from June 20, 2024 a register is now in place.**

**Silobela District Hospital: Emergency fuel purchases were not being recorded in the fuel register. Going forward, all fuel purchases will be recorded.**

## 5 MANAGEMENT OF MEDICINES

### 5.1 Stock Management

**Finding**

A review of medicines received between March and December 2023 at Esigodini District Hospital revealed that the pharmacy was not maintaining and updating its stock cards.

According to Management, the hospital conducted a clean-up exercise and disposed off some stock cards for items in stock. Therefore, I could not verify the accuracy of the stock quantities in the pharmacy. Chapter 6 of the Stock Management Module of Zimbabwe states that used stock cards should be kept for two years before they are destroyed.

**Risk/Implication**

Medicines may be misappropriated in the absence of stock cards.

**Recommendations**

Management should carry out an investigation into why the stock cards were destroyed and a replacement should be done. Stock Variances should be investigated and addressed.

**Management Response**

**Esigodini District Hospital: During 2023, there was a high attrition rate of staff in the pharmacy department and this contributed to a lot of problems including non-updating of stock cards and variances between quantities recorded on stock cards and actual physical counts. Management traced the omitted entries and rectified the anomalies. Anomalies noted during the audit are being corrected.**

**Evaluation of Management Response**

*Esigodini District Hospital: The management response is noted; however, the response did not address the issue of stock cards destroyed during the said clean-up exercise.*

## 6 SERVICE DELIVERY

### 6.1 Health Equipment

**Findings**

Government Analyst Laboratories did not have air conditioner for Inductively Coupled Plasma Mass Spectrometry and Freezers for the preservation of post-mortem samples for the Toxicology and Clinical Section.

In addition, Bulawayo Dental Centre did not have malt-para monitors, oxygen gauges, drug trollies, and nebulizers which were essential in the provision of health services.

Audit also noted that the Dialysis, Computed Tomography (CT) scan and Antistatic machines at Chinhoyi Provincial Hospital have not been functional since 2018, 2021, and 2022 respectively.

**Risk/Implication**

Service delivery may be compromised in the absence of adequate health equipment.

**Recommendation**

Management should submit request for procurement of medical equipment and regular follow ups should be made with the head office.

**Management Response**

**GAL: The health institution submits a list of prioritised equipment for purchase annually. Unfortunately, the procurement process takes long resulting in failed purchases since the GoZ funding is not ring fenced.**

**Bulawayo Dental Centre: Management will lobby for the procurement of emergency equipment to facilitate an efficient and effective response in the event of emergencies.**

**Chinhoyi Provincial Hospital: The CT scan and the dialysis machine are earmarked to be repaired this year and the procurement process is complete. Management will continue to lobby for funding from the Head Office.**

## 7 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Health Services Fund did not make much progress in addressing the audit findings raised in my previous report. Out of the twelve (12) findings, one (1) was addressed, two (2) were partially addressed and nine (9) were not addressed as indicated below.

### 7.1 Disclosure of Bank Account Balance

The Temporary deposit account for Health Services Fund remain undisclosed and the bank certificate was not availed for audit.

### 7.2 Submission of Statutory Returns

The issue of non-submission of the statutory returns for motor vehicles, was not addressed. However, Notes to the financial statements were submitted for audit.

### 7.3 Maintenance of Registers

The Ministry was still to put in place a mechanism to monitor submissions of financial statements from districts and provinces. The issue was raised again on paragraph (ii).

### 7.4 Prior Year Error Adjustment of Hospital Fees Collected in 2021

The 2021 financial statements were not restated to correct the omitted health fees. The Ministry did not restate the 2022 financial statements to correct an error of ZWL$1 535 191.

### 7.5 Use of the Public Financial Management System (PFMS)

The Fund was still using a manual accounting system.

### 7.6 Temporary Deposit Statement of Balance

The Ministry did not avail the bank account or breakdown of the monies deposited in the Temporary Deposit Account.

### 7.7 Disposal Committee

Harare Government Dental now has a disposal committee in place.

### 7.8 Segregation of Duties

Government Analyst Laboratory continued operating without an Accounting Assistant.

### 7.9 Banking and Custody of Cash

The issue was partially addressed. Harare Dental introduced cash registers and the missing amount was reimbursed.

### 7.10 E-Nursing Application Fees Reconciliations

Reconciliations for the application fees between the online payment platform, bank statement and Non-V payment settlement status were not done.

### 7.11 Dental and Laboratory Testing Services

The issue regarding hospital equipment was partially addressed as some of the equipment was still to be delivered.

### 7.12 Port Health Fees Remittances

The Ministry had not put in place a mechanism to facilitate reconciliations of Port Health Fees.

## VOTE 15.- PRIMARY AND SECONDARY EDUCATION

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry's mandate is to provide access to quality, inclusive, relevant and competent driven infant, junior, secondary and non-formal education.

Below is a summary of funds allocated and spent during the year.

| Original Budget ZWG | Unallocated Reserve ZWG | Total Budget ZWG | Expenditure ZWG | Net Under Spending ZWG |
|---|---|---|---|---|
| 11 968 109 269 | 6 208 781 648 | 18 176 890 917 | 14 171 238 215 | 4 005 652 702 |

I have audited the financial statements of the Ministry of Primary and Secondary Education for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respects, the state of affairs of the Ministry of Primary and Secondary Education as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments**.**

### Basis for Qualified Opinion

### (i) Reconciliation of Appropriation Account Expenditure

#### Finding

There was an unreconciled variance of ZWG325 646 200 between the expenditure reported in the Appropriation Account of ZWG14 171 230 215 and the Sub-Paymaster General's Account (Sub-PMG) total payments of ZWG13 845 584 016. In the absence of a reconciliation, the accuracy of the expenditure disclosed in the Appropriation Account could not be validated.

#### Risk/Implication

The total expenditure reported in the Appropriation Account could be misstated.

#### Recommendation

Management should investigate and reconcile the variance, ensuring that expenditure is accurately disclosed in the Appropriation Account.

#### Management Response

**The Ministry acknowledges the observation. The variance originally noted by the auditors was ZWG3 642 834 998. A reconciliation has now been provided and the remaining variance of ZWG 325 646 200 will be investigated and reconciled.**

**(ii) Uncleared Balances on the PFMS Ledgers**

**Findings**

The Ministry had an uncleared balance of ZWG3 664 694 464 on the Public Finance Management System (PFMS) cash book and ZWG89 383 993 on the Sub-PMG transfers general ledgers. The uncleared balances represent payments processed in the PFMS that had not been funded and reversed as at December 31, 2024.

In addition, there was a balance of ZWG9 927 560 on the Goods Receipt/Invoice Receipt general ledger. The amount representing the difference between the value of invoiced goods and the goods received was not reconciled. As a result of the uncleared balance, I could not ascertain whether all the goods and services paid for were received and that the corresponding expenditure was properly accounted for and disclosed.

**Risks/Implications**

The expenditure disclosed in the Appropriation Account could be inaccurate.

Goods and services procured may not have been delivered at year end.

**Recommendation**

Management should investigate and clear outstanding transactions in the general ledgers in compliance with regulations.

**Management Response**

**The Ministry takes note of the uncleared and open transactions. The transactions were cleared between January and February 2025. The evidence of the efforts made to clear the general ledgers was shared with the auditors. The Ministry will continue to investigate the causes of negative balances especially in the PFMS Cash book.**

**Status of the PFMS General Ledgers after Clearance**

| General Ledger | Closing Balance 2024 | Opening Balance 2025 |
|---|---|---|
| PFMS Cashbook | (8 426 441919) | 3 664 694 464 |
| Sub-PMG Transfers | 978 700 991 | (89 383 993) |
| Goods Receipt/Invoice Receipt Clearing | (14 665 323) | (9 927 560) |

**(ii) Reconciliation of Compensation of Employees**

**Finding**

A variance of ZWG3 663 512 008 between the compensation of employees' costs of ZWG13 693 709 157 reported in the Appropriation Account and ZWG10 030 197 149 disclosed on the Sub-Paymaster-General's Account was noted. Additionally, the Salary Services Bureau (SSB) records showed compensation of employees' costs of ZWG14 305 327 228. There was no evidence that the amounts in the three (3) records were reconciled to ensure consistency. As a result of the unreconciled variances, I could not validate the accuracy of the employment costs disclosed in the Appropriation Account.

**Risk/Implication**

The non-performance of reconciliations may result in misstated Compensation of Employee's costs.

**Recommendation**

The Ministry should perform reconciliations for compensation of employee costs and any variances should be addressed.

**Management Response**

**The observation is noted. The variances were due to 2024 direct payments for salaries and the 2023 bonuses that were effected directly from SSB. The relevant supporting documents were not provided by Treasury to facilitate reconciliations.**

### (iii) Receipts and Disbursements

**Finding**

The Ministry submitted a return which disclosed receipts of ZWG14 623 897 while PFMS Sub-Exchequer Account had total receipts of ZWG12 708 102 resulting in a variance of ZWG1 915 796. Under normal circumstances the two (2) records should have the same amounts. There was no evidence that the variance was investigated and corrected. Therefore, I could not validate with certainty the completeness and accuracy of the receipts disclosed on the submitted return.

**Risk/Implication**

The receipts disclosed on the Sub Exchequer Account may be incomplete and understated.

**Recommendation**

Management should reconcile the receipts on the submitted return to the PFMS Sub-Exchequer Account.

**Management Response**

**The observation is noted. The Ministry will investigate and reconcile the variance.**

### (iv) Conversion of Transactions from ZWL$ to ZWG

**Finding**

The Ministry incorrectly converted from ZWL$ to ZWG, Treasury releases of ZWL$510 950 094 254 and the Ministry payments of ZWL$ 517 299 821 759 relating to the period January 1 to April 5, 2024. The transactions were converted to the ZWG using a rate of 2498.7242 which was the conversion rate for the opening bank balances instead of using the cross rate of ZWL$ and ZWG at the date of transaction. Therefore, I could not ascertain the accuracy of the expenditure disclosed.

**Risk/Implication**

Use of an incorrect conversion rate could result in misstated expenditure figures.

**Recommendation**

Management should review and convert the Treasury releases and Ministry payments for January 1 to April 5, 2024 in line with regulations to facilitate accuracy.

**Management Response**

**The observation is noted. The Ministry used the gazetted rate of 2498.7242. The corrected returns will be submitted on April 28, 2025.**

**Evaluation of Management Response**

*The management response is noted. However, the revised Sub-PMG Reconciliation statement had not been submitted at the time of concluding the audit on May 16, 2025.*

Below are other issues noted during the audit.

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

The total budget allocation for the Ministry was ZWG18 176 890 917 while funding provided amounted to ZWG14 772 555 775 resulting in a budget utilisation of 3% on operations and 78% on compensation of employees. Treasury was not able to provide adequate funding to settle the arrear payments and implement other budgeted/ planned programs of the Ministry. As a result, the Ministry had payment arrears of ZWG333 437 303 that could not be settled.

**Risks /Implications**

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears if left unattended to, negatively impacts on Government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury to enable implementation of programs.

**Management Response**

**The observation is noted. The Ministry will continue to engage Treasury to provide cash support for recurrent and capital expenditure.**

### 1.2 Audit Committee

**Findings**

The Audit committee did not have a Terms of Reference (TOR) which gives guidance to the committee members on how to effectively discharge their duties. This was contrary to Section 4 (b) of the Audit Committee Framework dated January, 2017 which requires the Terms of Reference to be in place and for them to be reviewed at least annually.

In addition, there was no evidence that the financial statements were reviewed by the audit committee. The Audit Committee met once during the year on September 24, 2024 and did not review the internal and external audit reports for 2023. The Ministry indicated that meetings

could not be held due to financial constraints. Sections 9 and 7(c) of the Audit Committee Framework January 2017 require the Committee to hold meetings at least once every quarter and to meet at least annually with the Auditor-General to deliberate on unresolved issues.

**Risks/ Implications**

The Audit Committee members may fail to effectively discharge their duties if the TOR is not in place.

The Audit Committee's oversight role could be ineffective due to irregular meetings.

Internal control and financial management weakness may remain uncorrected.

**Recommendations**

The Ministry should ensure that the Audit Committee's TOR is in place to enable discharge of prescribed duties effectively.

Management should prioritize the Audit Committee meetings to ensure compliance with regulations.

**Management Response**

**The observation is noted. The Ministry will engage the Audit Committee on the issue of the TOR. When the Committee met in 2024, the Internal Audit reports for the first quarter of 2024 and the Auditor-General report on the Ministry's 2023 Appropriation Account were reviewed and discussed. The Committee could not meet thereafter due to lack of funding.**

**Evaluation of Management Response**

*The management response is noted. There was no evidence that internal and external audit reports were reviewed when the Audit Committee met in 2024.*

### 1.3 Filling of Vacant Positions

**Finding**

The Ministry had thirty-six (36) vacant positions under the Procurement Management Unit (PMU) following its decentralization to provinces. The PMU duties in the provinces were being performed by administrators. Section 3 (1) and (2) of Statutory Instrument number 1 of 2000 requires the appointing authority to recruit suitable personnel.

**Risk/Implication**

Failure to appoint PMU officers at provincial level may result in procurement not being done properly.

**Recommendation**

The Ministry should expedite the filling of the vacant positions in the Procurement Management Unit.

**Management Response**

**The observation is noted. Interviews were held to fill in at least eight (8) PMU vacant positions in 2024. The rest of the vacant positions could not be filled due to lack of Treasury concurrence.**

## 2 MANAGEMENT OF ASSETS

### 2.1 Boards of Inquiry

**Finding**

Boards of inquiries for seven (7) motor vehicles involved in road traffic accidents and other cases (stolen and damaged assets) valued at ZWG11 677 664 took more than six (6) months to be convened. The causes for delays ranged from absence of police reports and postponements in convening boards of inquiries. Section 103 (15) of the Public Finance Management (Treasury Instructions), 2019 requires that upon receipt of the written reports, a Board of Inquiry convening order be issued within 14 working days and a board of inquiry to be instituted within five (5) weeks. The tables below refer.

**Status of Boards of Inquiries in 2024**

| Incident Date | Vehicle Registration No. | Status as at December 31, 2024 |
|---|---|---|
| 12/11/2022 | GED800 | Pending board |
| 04/01/2024 | GED1516 | Pending board |
| 18/01/2024 | GED1513 | Pending board |
| 25/02/2024 | GED736 | Pending board |
| 08/05/2024 | GED782 | Pending board |
| 27/06/2024 | GED1402 | Pending board |
| 18/06/2024 | GED1560 | Pending board |

**Other Cases Pending Boards of Inquiries**

| Nature of loss or damage | Number of incidences involved | Valuation of the loss or damage ZWG |
|---|---|---|
| Theft of assets | 69 | 237 458 |
| Damages of assets and loose tools | 898 | 10 577 992 |
| Fire (Hostel kitchen burnt at Chipindura High School) | 5 | 849 164 |
| Discrepancies noted after asset counts | 14 | 13 050 |
| **Total** | | **11 677 664** |

**Risk/Implication**

In the absence of boards of inquiry, it may be difficult to establish the party or person responsible for the loss or damage of the assets.

**Recommendation**

The Ministry should expedite the convening of Boards of Inquiries in order to determine responsibility of the parties involved.

**Management Response**

**The observations are noted. The delays in convening the Boards of Inquiry were due to non-availability of police reports and postponements by committee members as they were engaged in other government programmes. Efforts are underway to convene and finalise the inquiries.**

**The various incidents of theft and fire occurred in schools therefore, the Board of Inquiries are being held in the respective provinces. The provinces will be advised to expedite the process.**

## 2.2 Delivery of Canopy Purchased

**Finding**

The Ministry paid ZWG60 673 to Victor Onions for the supply of a motor vehicle canopy on September 23, 2024. However, the canopy had not been delivered at the time of audit in April 2025 and there was no evidence that the Ministry followed up on the outstanding delivery.

**Risk/Implication**

Failure to follow up on delivery of goods and services procured may result in financial loss to Government.

**Recommendation**

The Ministry should follow up with the supplier for the delivery of the canopy.

**Management Response**

**The observation is noted. However, follow ups are being made with the service provider to supply the canopy. Initial engagements were made but the canopy with the required specifications was not in stock. The supplier therefore requested for a period of two (2) weeks starting April 17, 2025 since the canopy with correct specifications is now being imported.**

**Evaluation of Management Response**

*Management response is noted. However, at the time of concluding the audit on May 30, 2025, the canopy had not been delivered.*

# 3 IMPLEMENTATION OF PROGRAMMES

## 3.1 Public Sector Investment Programme (PSIP)

**Findings**

The Ministry did not avail for audit inspection monitoring and evaluation reports in respect of PSIP projects undertaken. The list of PSIP projects submitted for audit, did not indicate location of the project by province or district, the start date and expected date of completion, stage of completion, estimated costs and the contractor working on the project was not indicated among other matters.

Further, according to the Strategic Review Minutes of October 28-29, 2024, the Ministry was going to reallocate funds to Mapfungautsi, Twai and Soya projects. However, these three (3)

projects were not on the list of the Ministry's projects submitted for audit. As a result of the incomplete information, I could not ascertain the status of these projects and whether allocated resources were properly accounted for.

**Risk/Implication**

Inadequate monitoring may result in loss of accountability, in inefficient resource allocation, extended project timelines and cost overruns.

**Recommendation**

Management should avail Project monitoring and evaluation reports that have complete information to enhance accountability.

**Management Response**

**The observation is noted. The Ministry remains committed to ensuring transparency, accountability and effective resource utilization on all ongoing and planned projects. Necessary steps will be taken to address all concerns raised in the audit.**

**Monitoring and Evaluation Reports – The Ministry recognizes the importance of detailed project tracking and acknowledges the gaps identified. Steps are being taken to enhance the Ministry's reporting mechanisms to include all relevant details, including project timelines, locations, objectives, allocations, scope of work and ongoing activities.**

**Project Status Updates – The Ministry acknowledges that some project data was not up to date at the time of the audit. The Ministry is currently reviewing all ongoing projects and ensuring that records are accurately maintained.**

**Reallocation of Funds – The Strategic Review Minutes of October 28-29, 2024, highlighted the reallocation of funds to Mapfungautsi Secondary, Twai Primary projects. The Ministry will ensure that these projects are formally reflected in our updated project submissions to provide clarity and transparency.**

## 4 GENDER ISSUES

### 4.1 Gender Disaggregated Data

**Finding**

The Ministry indicated that there were more men than women in all leadership positions. However, the gender disaggregated data on teaching and non-teaching staff was not availed for audit. Therefore, I was not able to verify if the Ministry was complying with the Constitution of Zimbabwe Amendment No 20 Section 17 which requires promotion of the full participation of women at all institutions and agencies of Government on the basis of equality with men.

**Risk/Implication**

The Ministry may fail to identify gender gaps in the absence of disaggregated data.

**Recommendation**

The Ministry should provide gender disaggregated data.

**Management Response**

**The observation is noted. The Ministry has gender disaggregated data for teaching staff and is currently disaggregating the data for non-teaching staff.**

**Evaluation of Management Response**

*The management response is noted. The gender disaggregated data for teaching staff was not availed for audit.*

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing audit findings raised in my previous audit report. Out of eleven (11) findings, three (3) were addressed, two (2) were partially addressed and six (6) were not addressed as indicated below:

### 5.1 Statement of Payment Arrears

The issue was addressed as the Ministry submitted the Statement of Payment Arrears return for 2024.

### 5.2 Reconciliation between the Consolidated Revenue Fund and Sub-PMG's account.

The issue was not addressed as the reconciliations between the 2023 Consolidated Revenue Fund and Sub-Paymaster General's account was not submitted for audit**.**

### 5.3 Annual Closure Certificate

The issue of open items in general ledgers recurred in 2024 was raised on paragraph (ii).

### 5.4 Contract Management Procedures

The availability of internal policies and procedures for procurement and contract management was partially addressed, as draft documents are now in place.

### 5.5 Travelling and Subsistence Allowances

The non-recovery of outstanding foreign travel advances was not addressed.

### 5.6 Registration of Schools

The issue of registration of schools was addressed.

### 5.7 Risk Management

Risk assessments were conducted in 2024.

### 5.8 Updating of Staff Appointment and Terminations Registers

The issue of staff appointment and terminations registers remained unresolved in 2024.

### 5.9 Direct Procurement of Motor Vehicle Services

The finding was not addressed as the Ministry did not avail for audit written justifications for direct procurement on motor vehicle services.

### 5.10 Gender Policy

The issue was partially addressed as a draft policy is now in place.

### 5.11 Public Sector Investment Programme (PSIP)

The issue was not resolved as adequate project records were not being maintained and there was no evidence that construction works were being inspected to confirm progress. The issue was raised on paragraph 4.1 above.

## SCHOOL SERVICES FUND 2023

### Objective of the Fund

The Fund was established to facilitate the provision of quality education by providing resources for the procurement of learning and teaching materials and to finance other school services and related activities in the school system which may be approved by the secretary in consultation with the Treasury.

Below is a Summary of the Statement of Comprehensive Income and Statement of Financial Position for the year.

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---:|
| Income | 67 226 356 042 |
| Expenditure | 65 213 811 903 |
| **Surplus** | **2 012 544 139** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Reserves ZWL$** |
|---|---:|---:|
| Non-Current | 322 533 637 | **-** |
| Accumulated Fund | **-** | 1 785 838 024 |
| Current | 21 173 650 309 | 19 710 345 922 |
| **Total** | **21 496 183 946** | **21 496 183 946** |

I have audited the financial statements of the School Services Fund for the year ended December 31, 2023 and I issued an adverse opinion.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the School Services Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Adverse Opinion

### (i) Maintenance of Accounting Records

### Finding

The School Services Fund's (SSF) management did not maintain the required ledger accounts for income, expenses, assets and accounts payable during the year ended December 31, 2023. This was observed at eighteen (18) schools out of nineteen (19) visited in Harare, Mashonaland West, Mashonaland Central, Masvingo and Matabeleland South. In the absence of ledgers, I could not verify the correctness of income of ZWL$9 341 011 120, expenditure of ZWL$7 215 348 362, assets of ZWL$3 825 844 337 and liabilities of ZWL$2 317 767 216 for the eighteen (18) schools disclosed in the financial statements.

**Risk/Implication**

Without adequate accounting records, the financial statements may be misstated.

**Recommendation**

The Ministry should ensure that schools maintain ledgers and appropriate staff are appointed and trained.

**Management Response**

**The observation is noted. Some schools may not be maintaining ledgers due to financial management matters being handled by unqualified personnel. Recognizing this, in 2022 the Ministry initiated a significant nationwide effort to address the gap by providing Finance Management Training (FMT) to at least 5 000 schools. This comprehensive financial management skills program included all government school headmasters and selected local authority schools.**

**To further support this initiative, an updated FMT Manual was developed and distributed to all schools across the country earlier in 2024, ensuring standardized and effective financial management practices.**

**In addition, the Ministry is proactively working to resolve the issue of ledger maintenance through the acquisition of an advanced accounting software package. This software, planned for implementation in 2025, aims to enhance the efficiency and accuracy of financial management across all our government schools.**

**(ii) Completeness of Income Disclosed**

**Findings**

Examination fees amounting to ZWL$142 054 913 collected by Amandas Primary school on behalf of the Zimbabwe Schools Examination Council were incorrectly recognised as income. Therefore, the income disclosed in the financial statements may be incorrect.

Further, Esigodini Primary School maintained two (2) different ZWL$ School Services Fund (SSF) bank accounts. Revenue received through the Commercial Bank of Zimbabwe (CBZ) amounting to ZWL$2 588 378 was omitted in the financial statements. Also, Mushumbi High School did not disclose in the financial statements the closing bank balance of US$3 569 (ZWL$21 787 746). As a result of the omission, I was not able to validate the completeness of the income disclosed in the financial statements.

**Risk/Implication**

Loss of accountability of revenue collected and misstatement of financial statements.

**Recommendations**

Reconciliation between bank and financial statements should be carried out to ensure accountability of all revenue collected.

Management should review and ensure that all receipts are included in the financial statements in order to fully account for revenue.

**Management Response**

**Amandas Primary School: The observation is noted. Corrections will be made to address the error.**

**Mushumbi High School: The observation is noted. The school will submit training needs to the District Schools Inspector for consideration.**

**Esigodini Primary School: The school management will ensure that financial statements are reviewed by a senior person.**

**(iii) Submission of Certificates of Bank Balances and Maintenance of an Updated Schools Register.**

**Findings**

The Ministry did not avail for audit supporting documents such as bank statements and certificates of bank balances to enable validation of the cash and cash equivalents of ZWL$11 285 210 435 disclosed in the financial statements. Further, the schools register was not updated to enable confirmation of whether all the 507 schools under the School Services Fund had submitted financial statements and relevant supporting evidence.

Some schools such as Harare Central Prison, Braeside Zimbabwe Republic Police and Southlea Park Primary Schools appeared on the register but are not part of SSF whilst Seke 6 primary was indicated on the list as Dzidzai primary school. In the absence of the relevant supporting documents and an updated schools register I could not confirm with certainty whether the bank balance disclosed in the consolidated financial statements was accurate and complete.

**Risk/Implication**

The bank balances for some schools may be omitted resulting in material misstatement of the consolidated financial statements.

**Recommendation**

Management should ensure that certificates of bank balances are submitted for audit and that an updated schools' register is maintained.

**Management Response**

**Registers are maintained at every stage of consolidation to ensure accountability and transparency. The Ministry will implement measures to ensure that these registers are submitted alongside the financial statements to strengthen the overall financial reporting process.**

**Evaluation of Management Response**

*Management response is acknowledged. However, the issue of the schools' registers which had errors was not responded to.*

**(iv) School Development Committee Bank Account**

**Finding**

Mushumbi High School did not disclose SSF receipts of US$40 014 (ZWL$244 278 173) and

payments of the same amount processed through the School Development Committee Account. The school did not have a Nostro Account for the SSF. As a result of the omission, I could not ascertain the completeness of the foreign currency receipts and payments disclosed in the financial statements.

**Risk/Implication**

Transparency and accountability of the foreign currency transactions may be compromised.

**Recommendations**

School Authorities should ensure that a separate Nostro account is maintained for the School Services Fund.

Management should review and ensure that all SSF foreign currency transactions are accounted for in the appropriate financial statements.

**Management Response**

**The observation is noted. The school will also ensure that the accountants are monitored to avoid misstatements in future.**

**Evaluation of Management Response**

*The management response is acknowledged. However, the issue of opening a separate Nostro Account was not responded to.*

**(v) Cash and Cash Equivalents Disclosures**

**Finding**

The statement of financial position for Chikato Primary and Mzingwane High Schools had a nil balance of cash and cash equivalents whilst the Statement of Cash Flows disclosed balances of ZWL$ 10 567 and ZWL$49 839 656 respectively. As a result of the unreconciled variances, the cash and cash equivalents balance disclosed in the financial statements could be misstated.

**Risk/Implication**

Inappropriate financial management decisions may be made based on incorrect cash flows.

**Recommendation**

The Ministry should investigate and correct the anomaly.

**Management Response**

**Chikato Primary School: The audit recommendations have been noted and will be complied with accordingly.**

**Mzingwane High School: The school will do a thorough checking to ensure compliance and also request the services of qualified personnel.**

### (vi) Expenditure not Adequately Supported

#### Finding

Payment vouchers amounting to ZWL$801 687 581 for five (5) schools listed in the table below were processed without adequate supporting source documents such as requisitions, invoices, receipts and goods received notes. This was contrary to Section 59 of the Public Finance Management Act [*Chapter 22:19*]. Consequently, accountability and determination of whether the expenditure incurred was a proper charge to public funds could not be done with certainty.

**Table of Unsupported Expenditure:**

| No. | School | Amount ZWL$ |
|---|---|---|
| **1** | Churchill Boys High | 343 102 875 |
| **2** | Karoi High | 33 976 026 |
| **3** | Mushumbi High | 23 991 512 |
| **4** | Roosevelt Girls High | 214 314 919 |
| **5** | Sinoia Primary | 186 302 249 |
| **Total** | | **801 687 581** |

#### Risks/Implications

Dual payments may be processed**.**

Goods and services may not be purchased to the best advantage of the schools and monies may be utilised for unintended purpose.

#### Recommendation

School authorities should review payment vouchers to ensure that they have adequate supporting documents before payments are processed.

#### Management Response

**Churchill Boys High School: The observation is noted. Many of the source documents like competitive quotations, requisitions, order forms, were not attached to all payments despite the fact that the said documents were available. This was an oversight.**

**Karoi High School: Most companies denied Real Time Gross Settlement (RTGS) and the school resorted to purchasing from suppliers who accepted the local currency. The Head will ensure that proper procurement procedures are followed.**

**Mushumbi High School: In future requisitions and all necessary supporting documents will be attached to payment vouchers as required.**

**Roosevelt Girls High School: The finding is acknowledged. The accountant will include a referral note on each voucher to notify that the quotes, user request and quotations are attached on a certain voucher number.**

**Sinoia Primary School: Management will ensure that all vouchers are well supported with relevant documents from requisition to delivery of goods.**

**Head Office: The observation is noted the errors will be addressed in future.**

**(vii) Foreign Exchange Rate Gain Disclosures**

**Findings**

The Fund translated the US$ denominated 2022 Accumulated Fund closing balance using the rate at the balance sheet date resulting in a foreign exchange gain of ZWL$330 642 502 which was reported as other income in the Statement of Comprehensive Income. There was no evidence of translation of the income and expenditure transactions using the exchange rates on the dates of transacting.

In addition, no adjustment of the foreign exchange gain was disclosed in the Statement of Cashflow. As a result, the Other Income figure and Statement of Cashflow could be inaccurate.

**Risk/Implication**

The lack of disclosure may obscure how currency fluctuations impact cash flows, leading to potential misinterpretation of the financial statements.

**Recommendation**

Management should ensure compliance with the guidance provided on treatment of foreign exchange gains or losses and adjust the Statement of Cashflow where relevant.

**Management Response**

**Management did not respond.**

**(vii) Unreconciled Expenditure Variances**

**Finding**

There was a variance of ZWL$32 870 316 between the financial statement's expenditure figure of ZWL$1 016 659 080 and payment vouchers of ZWL$983 788 764 for four (4) schools audited. No reconciliations between the source documents and financial statements were performed to establish the cause of the variance. The table below refers:

**Unreconciled Expenditure Variances**

| School | Financial Statements ZWL$ | Payment Vouchers ZWL$ | Variance ZWL$ |
|---|---|---|---|
| Nyava High | 113 536 788 | 52 857 116 | 60 679 672 |
| Esigodini Primary | 16 042 656 | 15 618 606 | 424 050 |
| Mushumbi High | 40 969 312 | 24 607 662 | 16 361 650 |
| Amandas Primary | 846 110 324 | 890 705 380 | (44 595 056) |
| **Total** | **1 016 659 080** | **938 788 764** | **(32 870 316)** |

**Risk/Implication**

The surplus figure disclosed in the financial statements may be understated.

**Recommendation**

Reconciliations should be performed and the financial statements should be adjusted to reflect the correct position.

**Management Response**

**Nyava High School: The accountant is working on the adjustment to reflect the correct figures on the financial statements.**

**Esigodini High School: The school management will ensure correct figures are disclosed in the financial statements.**

**Mushumbi High School: The variance will be investigated with assistance from the district office to establish the source and corrective measures taken.**

**Amandas Primary School: The discrepancy was caused by non-declaration of other incomes like school examination fees, vacation school funds which were earlier on mistakenly considered as income. In future, such funds will not be included so that the financial statements will not be misstated.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budgeting

**Finding**

Churchill Boys and Karoi High Schools collected revenue amounting to ZWL$400 672 360 and incurred expenditure amounting to ZWL$790 391 987 without an approved budget. The absence of a budget resulted in Churchill Boys High school closing the year with a deficit of ZWL$388 099 184 from a surplus of ZWL$22 360 373 in 2022. Section 4.3 of the School Services Fund manual requires the Finance Committee to prepare a budget at the beginning of each financial year.

**Risk/Implication**

Expenditure may not be aligned to available resources.

**Recommendation**

The school authorities should prepare budgets and have them approved before expenditure is incurred.

**Management Response**

**A budget was prepared at Churchill High School. However, the accountant could have misplaced the document. The accountant has been encouraged to keep such records on file. It is the budget which directs all boarding purchases.**

**Karoi High school had approval letters dated October 24, 2022 and June 6, 2023 for Real Time Gross Settlement (RTGS) and US$ denominated budgets. The approval letters were however, not availed at the time of audit.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Maintenance of Cash Books

**Finding**

An examination of the financial records at the following schools; Esigodini Primary, Churchill Boys High, Moffat Primary, and Rhodes Estate Preparatory schools revealed that cash books were not being updated timeously and monthly bank reconciliations were not being performed. The cash books were last updated on November 31, 2021, April 30, June 30 and November 10, 2023. There was no evidence of supervision and review of the financial records. This was contrary to Section 46(25) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Errors and omissions may not be detected and corrected timeously.

**Recommendation**

Provincial accountants and school authorities should supervise, monitor the work of the accountants, ensure that cashbooks are updated and monthly reconciliations are performed.

**Management Response**

**Esigodini Primary school: The school authorities will review the school's financial records regularly.**

**Churchill High school: The observation is noted. Further training will be provided to the accountant.**

**Moffat Primary school: Measures have been put in place to ensure that the manual cashbook is updated by October 30, 2024.**

**Rhodes Estate Preparatory school: The school authorities will ensure that signatures and stamps are appended immediately after carrying out reviews.**

### 2.2 Management of Debtors

**Finding**

Out of the nineteen (19) schools audited, eleven (11) did not have effective debt recovery systems such as sending follow-up letters and having payment plans in place. As a result, the schools were owed ZWL$2 772 731 048. This was contrary to Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Failure to institute effective recovery systems renders debts irrecoverable.

**Recommendation**

The schools should write follow-up letters and engage parents to make payment plans.

**Management Response**

**Mushumbi High School: Payment plans with parents were being done. The school**

**would sometimes send phone messages to parents as reminders though not documented. However, written follow-up letters to parents will be effected.**

**Nyava High School: The school has engaged parents with huge debts. Some have offered to work for fees on the school's construction project. However, payments for 165 learners on Basic Education Assistance Module (BEAM) for 2023 had not been received.**

**Msengezi High School: The school is going to write follow up letters to parents who owe the school money.**

**Churchill High School: Debtors increased not because the school failed to institute effective debt recovery systems, but of late the debtors take advantage of the policy that no student can be send away for non-payment of fees.**

**Roosevelt Girls High School: Management will ensure that monthly debt reminders to parents are sent.**

## 2.3 Receipting and banking

### Findings

Nyava High School did not issue master receipts since March 25, 2020 and the banking register was last updated on December 5, 2019. There was no evidence that the receipting and banking process was being regularly reviewed. Section 5.8.3 (b) of the School Services Fund Manual requires all monies from subsidiary receipt books to be receipted in the master receipt book.

In addition, Amandas Primary and Nerupiri High Schools were taking between 2-6 days to bank cash receipted. As a result, confirmation of whether cash was banked intact could not be done with certainty. There was no evidence that authority to vary the banking requirements was granted. Section 48(3) of the Public Finance Management (Treasury Instructions), 2019 requires all revenues and other public moneys received by collectors to be deposited daily in the local bank or on the next banking day.

### Risk/Implication

Cash may be misappropriated if not banked timeously.

### Recommendations

School authorities should ensure that all subsidiary receipts are captured in the master receipt book and that the banking register is regularly updated.

The school should ensure that all cash receipted is banked timeously in compliance with regulations and where this is not possible authority should be sought from the Accounting Officer to vary the banking period.

### Management Response

**Nyava High: The school has resumed mastering subsidiary receipts and updating the banking register.**

**Amandas Primary: The observation is noted, management will with immediate effect comply with the advice. Stakeholders will be advised to make payments through the bank.**

**Nerupiri High School: The school authorities did not respond.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Asset Registers

**Finding**

At the time of audit in October 2024, the asset registers for ten (10) schools listed in the Table below had incomplete information. As a result, I could not confirm with certainty the existence of the school assets and completeness of the assets register. This was contrary to Section 100 (4) of the Public Finance Management (Treasury Instructions), 2019. This was due to absence of administration officers and inadequate knowledge on maintenance of asset registers.

**List of Schools with Asset Registers not Properly Maintained**

| | SCHOOL | DEFICIENCY |
|---|---|---|
| 1 | Churchill Boys High School | The school did not have an asset register. |
| | Amandas Primary School | There was no evidence that the asset registers were being checked by the supervisors. |
| | Nyava High School | |
| | Glenview 1 High School | 2 Upright Fridges, 2 projectors, 34 microscopes, 9 solar panels, 9 water tanks, incubator, 39 scale electronic balances, 1 solar battery, 1 solar invertor and blender purchased or donated from 2021 to 2024 were not recorded in the Assets register. |
| | Moffat Primary School | The asset register was last updated on May 27, 2021. |
| | Nerupiri High School | Capri fridge serial number 320-40538 and a superior electric cooker were not recorded in the school Asset register. |
| | Mucheke High School | The asset register not being updated as an AVM bus registration number ADS 1052, Toyota Hilux AFR2205 and a Mazda truck number AAW2239 were not recorded. |
| | Oriel Boys High School | The asset register was not updated as an Electric water boiler Number WT-25P, Electric water boiler WT-25R and Photocopier number A782AKOR1107638 were not recorded. |
| | Roosevelt Girls High School | The asset register was not appropriately maintained as assets were not recorded by capturing the required information such as date of acquisition, Goods Received Voucher/Note number, source/supplier, location and identification particulars of each asset (e.g. serial number). |
| | Mzingwane High School | Serial numbers of computers, printers, Fridges, and workshop machines were not recorded in the school asset register |

**Risk/Implication**

Assets may be lost without trace, misappropriated or converted to personal use.

**Recommendation**

The Ministry should request for filling of vacant positions for administrators and that officers in charge of assets should periodically be capacitated.

**Management Response**

**Churchill High School: The officer responsible has challenges in completing assignments on asset registers despite training provided. Further training and monitoring will be provided.**

**Amandas Primary School: The recommendation is taken note of and the school will comply with the regulations.**

**Nerupiri High School: Management will ensure that all assets are recorded in the asset register.**

**Moffat Primary School: Noted. Asset registers will be updated regularly.**

**Roosevelt Girls High: The observation is noted. Management will ensure that periodic review and monitoring of asset registers is done through termly reports. The school will also arrange for staff training on asset management procedures.**

**Mzingwane High School*:* The school will use permanent stickers for marking assets and request for the recruitment of an administration officer which will go a long way in solving the anormal noted.**

**Nyava High School: The Deputy Headmaster has been assigned to periodically check the asset registers.**

**Glenview 1 High School: Continuous asset record updating is in progress and monitoring is taking place.**

**Oriel Boys High School: The observation is acknowledged; the asset register is currently outdated and efforts will be made to address the anomaly.**

**Mucheke High School: Assets mentioned were bought by the School Development Association and they have not been formally donated to the Government such that they will be recorded as School Services Fund assets.**

## 3.2 Ownership of Motor Vehicles

**Finding**

Mzingwane High school purchased a Toyota Dyna AGG 9407 and a Nissan Caravan AGG 0119, on November 23, 2023. However, at the time of audit on October 11, 2024 ownership had not been transferred to the school. The school indicated that this was due to delays by seller in obtaining customs clearance certificates from ZIMRA. Section 103 (4) of the Public Finance Management (Treasury Instructions), 2019, requires Accounting Officers to ensure that vehicles under its control are registered in its name.

**Risk/Implication**

In the event of dispute, the school may not be able to claim ownership if the motor vehicles are not registered in its name.

**Recommendation**

The school management should ensure that ownership of all vehicles purchased with public funds is transferred to the school.

**Management Response**

**The observation is acknowledged. The school is currently working on change of ownership which will be done before end of year.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing audit findings raised in my previous audit report. Out of the eleven (11) findings, one (1) was addressed, one (1) was partly addressed whilst nine (9) were not addressed.

### 4.1 Maintenance of Accounting Records

The issue of maintenance of accounting records remained unresolved and was raised on paragraph (i).

### 4.2 Staff Vacancy Return

The finding was not addressed as the staff vacancy return was not submitted for audit.

### 4.3 Expenditure Control

The issue of expenditure control was not resolved as 54% of the total expenditure incurred was for institutional provisions.

### 4.4 Maintenance of Cash Books

Non-maintenance of Cash Books by schools remained unresolved and was raised on paragraph 2.1.

### 4.5 Accounting Procedures Manual

The finding was not addressed as the manual was not availed for audit.

### 4.6 Finance Committee Meetings

The finding was partially addressed as the Finance Committee meeting was held by only one out of the nineteen schools visited

### 4.7 Authority to Accept Donations

Tafara 2 High School did not avail authority to accept donations received in 2022.

### 4.8 Management of Debtors

The issue of follow up on outstanding debtors was not addressed in 2023.

### 4.9 Asset Registers

Asset Registers were still not being updated. The issue was raised on paragraph 3.1.

### 4.10 Transport Management

Transport management systems in schools remained an issue as log books at five (5) schools visited were not updated.

### 4.11 Maintenance of Security Items Register

The finding was addressed as the schools were now maintaining security items registers.

## VOTE 16.- HIGHER AND TERTIARY EDUCATION, INNOVATION, SCIENCE AND TECHNOLOGY DEVELOPMENT

### APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry is responsible for the oversight, formulation and implementation of policies related to planning, training and development of human capital and the promotion of science, technology and innovation. It also facilitates cooperation in research and development, higher and tertiary education as well as in science and technology at local, regional and international levels.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfers ZWG | Total Budget ZWG | Expenditure ZWG | Net Underspending ZWG |
|---|---|---|---|---|
| 3 549 248 515 | 950 780 506 | 4 500 029 021 | 3 602 174 248 | 897 854 773 |

I have audited the financial statements of the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements do not present fairly, in all material respects, the state of affairs of the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Appropriation Account expenditure**

## Finding

Expenditure in the Appropriation Account was overstated by a net amount of ZWG15 374 955. This was made up of uncleared open items for the financial year under review that were supposed to have been cleared by reversals. The open items remained uncleared at the time of concluding the audit on June 5, 2025.

### Risk/Implication

The Ministry's Appropriation Account was misstated and could mislead users in decision making.

### Recommendation

The open items in the Public Finance Management System (PFMS) should be cleared and the Appropriation Account adjusted so that it presents the correct state of affairs.

**Management Response**

**Observation is noted. Capital Expenditure with total amount of ZWG15 708 746 are still outstanding as Open Items whilst the Ministry is engaging the Projects Office to assist in facilitating the reversal of the Assets.**

**(ii) Statement of Arrear Payments**

**Findings**

The Ministry did not avail for audit examination creditors' ledgers and periodic reports of payments in arrears due to service providers and staff members amounting to ZWG14 155 447 for the period under review. This limited the scope of my audit as I was unable to validate the accuracy of the statement.

In addition, the Ministry did not provide documentation to support how the previous year's payment arrears balance amounting to ZWL$62 779 154 (ZWG137 489) was cleared. This was contrary to the provisions of Section 2 of the Public Finance Management (General) Regulations), 2019 which require records for payment arrears to be maintained. In the absence of supporting documentation, I was unable to verify whether the arrear payments were correctly accounted for.

**Risk/Implication**

The Ministry may not be able to determine the extent of obligations they need to settle.

**Recommendations**

The Ministry should ensure that creditors' ledgers, invoices, periodic reports to the Ministry of Finance, Economic Development and Investment Promotion are availed for audit verification.

Management should provide evidence of how the prior year's arrear payments were cleared.

**Management Response**

**Observation noted.**

**Evaluation of Management Response**

*Management did not respond to the finding on clearance of prior year arrear payments.*

**(iii) Revenue Received**

**Finding**

The Ministry received revenue from surcharges and sale of tender documents amounting to ZWG1 662 873. However, no revenue ledgers were maintained in the Public Financial Management System (PFMS) for the revenue heads. The Ministry highlighted system configuration challenges as hinderance in coming up with the revenue ledgers. Without ledgers, I could not validate the completeness and accuracy of the revenue received disclosed on the statement.

**Risk/Implication**

Absence of ledgers may result in revenue not being properly accounted for.

**Recommendation**

The Ministry should continue to engage the Projects Office about the issue so that revenue ledgers can be activated to record transactions.

**Management Response**

**The observation is noted.**

**(iv) Temporary Deposit Account**

**Finding**

The Temporary Deposit Account had a balance of ZWG5 989 753 as at December 31, 2024. This account was supposed to have been cleared through posting the outstanding amounts to the respective debtors' accounts in the Public Finance Management System as the Debtors' Ledgers were not created due to system challenges.

**Risk/Implication**

The amounts held up in the temporary deposits account may not be properly accounted for.

**Recommendation**

The Ministry should continue to engage the Projects Office on the issue of creation of Debtors' Ledgers and clearing of the Temporary Deposits Account in the PFMS.

**Management Response**

**The observation is noted. The Ministry has since made representation to Treasury to include the cost center at the posting stage. The Ministry will continue to engage the Projects Office on the issue of clearing of the Temporary Deposits Account.**

The following were other issues noted during the audit:

**1 GOVENANCE ISSUES**

**1.1 Re-submission of the Appropriation Account**

**Finding**

The Ministry made its initial submission of the Appropriation Account on March 18, 2025. However, during the audit process, it made further re-submissions of the same account on April 17, 2025, May 14, 2025 and May 28, 2025 in each case withdrawing the previously submitted account. The resubmissions were meant to address audit issues raised. This delayed the audit process as balances in the re-submitted accounts had to be verified for accuracy and in all cases, new issues were being raised. This reflected absence of due care in reporting accounting transactions. Section 28 (6) of the Public Finance Management (Treasury Instructions), 2019 requires every Accounting Officer to satisfy himself as to the correctness and propriety of the accounts.

**Risks/Implication**

Lack of due care in the preparation of financial statements compromises reliability of the same.

**Recommendation**

Management should always ensure that accurate financial statements are prepared as required by Section 28 (6) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**Management did not respond.**

## 1.2 Classification of Expenditure

**Finding**

Expenditure amounting to ZWG25 287 402 was processed from incorrect ledger accounts. I have been raising the same issue in my prior years audit reports and corrective action has not been taken. Section 54 (1) of the Public Finance Management (Treasury Instructions), 2019 requires that all expenditure be classified under the appropriate sub heads and items as shown in the estimates and as directed by Treasury.

**Risk/Implication**

Inaccurate information was reported which could be misleading.

**Recommendation**

Management should ensure that all expenditure is properly classified as provided for in the budget estimates.

**Management Response**

**Your Observation is noted. The misallocation arose when the Finance department requested to fund urgent commitments which may not have been planned for or were not accommodated in the releases provided for the month by Treasury.**

## 1.3 Advances from Statutory Funds

**Findings**

The Ministry received Advances from Retention Funds within the Ministry amounting to ZWG4 311 791 (Industrial Training and Trade Testing Fund - ZWG196 743 and the Vocational and Technical Examinations Fund - ZWG4 115 048) during the year without Treasury approval. This was contrary to the provisions of Section 116 (9) of the Public Finance Management (Treasury Instructions), 2019 which provides that Accounting Officers shall not borrow money from Funds within their Ministries in order to finance Appropriation budgets unless authorised by Treasury in writing.

Furthermore, the Ministry did not disclose Arrangements for Repayment as required by Treasury Circular Number 1 of 2025.

**Risk/Implication**

The Fund may fail to meet its objectives if resources are diverted to augment other activities which are not in line with its mandate.

**Recommendations**

The Ministry should desist from the practice of borrowing financial resources from Funds to enable them to meet their mandate.

The Ministry should ensure that Treasury Authority is obtained in respect of any Loans or Advances from Statutory Funds to fund Appropriation Account activities.

**Management Response**

**Observation noted. At the beginning of the year the Accountant General writes to the Ministry advising of the ceiling of expenditure for the year. Before the borrowings, the Ministry had not yet reached that ceiling and for lack of operational releases from Treasury for the months of September to December 2024 when the Ministry's expenditure is at its peak, the Ministry borrowed from the Funds and submitted the borrowings as part of 2024 returns. The borrowings have almost been paid up.**

## 1.4 Travel and Subsistence Expenditure

**Findings**

Travel and subsistence advances amounting to ZWG734 491 in respect of Foreign Travels issued throughout the year under review had not been acquitted at the time of concluding my audit on May 30, 2025. This was contrary to the provisions of Section 65 (15) of the Public Finance Management (Treasury Instructions), 2019 which requires acquittals to be made within thirty (30) days of return to home station. I could therefore not validate whether the trips were undertaken and whether the amount was a proper charge to public funds.

Furthermore, the Ministry did not recover Outstanding Travel and Subsistence balances amounting to ZWG298 321. These were in respect of advances made and acquittals submitted.

Thirty-four (34) Officers were issued with multiple Travel and Subsistence Advances amounting to US$12 868 and ZWG797 097 for Foreign and Domestic Travels respectively before they had accounted for previous ones. This was contrary to the provisions of Section 65 (19) of the Public Finance Management (Treasury Instructions) 2019 which prohibits the issue of new Travel and Subsistence Advances until prior Advances are fully accounted for.

**Risks/Implications**

Fraudulent Travel and Subsistence Advances may be processed.

Outstanding Travel and Subsistence Advances may not be recovered.

The Ministry may be providing soft loans to staff.

**Recommendations**

Management is encouraged to ensure that acquittal of Travel and Subsistence Advances are done within thirty (30) days upon an Officer's return to his/her home station.

Management should recover all Outstanding Travel and Subsistence Advances owed by its officers by instituting deductions from salary or asking the officials to pay.

Management should ensure that no multiple Travel and Subsistence Advances are issued to

Officers before clearing previous ones

**Management Response**

**Your observation is noted. The majority of those who did not acquit on foreign travel were from the Ministry's agencies namely Zimbabwe National Geospatial and Space Agency and National Biotechnology Authority. Those from Head Office were on sponsored trips and only received away from station allowances. The Ministry will follow up on the outstanding acquittals.**

**All the outstanding beneficiaries of the outstanding amounts have been advised of the Ministry's position to begin deducting the amounts owed from their salaries.**

**Multiple Travel and Subsistence allowances arise mostly during graduation periods where two or more institutions in the same neighbourhood have graduation days on successive days. Or where the officers will be engaged in the same neighbourhood on successive days. For cost saving considerations the officers may not need to break the stride by returning to the workstation before they go back to the same neighbourhood.**

## 1.5 Audit Committee

**Finding**

The Audit Committee did not meet during the financial year under review. There was no evidence that an Audit Committee calendar was in place which could have assisted the Committee in planning meetings. Section 84 (3) (b) of the Public Finance Management Act [*Chapter 22:19*] provides for the Committee to meet at least twice a year. In the absence of the Audit Committee's minutes of meeting I could not therefore determine whether the Audit Committee exercised its oversight role during the period under review.

**Risk/Implication**

The Audit Committee may not be functioning as intended thereby compromising internal controls.

**Recommendation**

The Audit Committee should meet as prescribed by Section 84 (3)(b) of the Public Finance Management Act [*Chapter 22:19*]

**Management Response**

**Your observation is noted. Your recommendation that the Audit Committee meet as prescribed by Section 84(3) (b) of the Public Finance Management [*Chapter 22:19]* will be implemented.**

## 1.6 Budget Committee

**Finding**

I was not provided with documented evidence of the composition of the Ministry's Budget Committee and minutes of the meetings held by the Committee were also not provided for my examination. I was thus unable to determine whether the Budget Committee was properly constituted and that the allocation of financial resources for the Ministry's Programmes and Sub-Programmes had been done transparently.

**Risk/Implication**

Allocation of financial resources may not be transparent.

**Recommendation**

The Ministry should ensure that details of the composition of the Ministry's Budget Committee are provided and minutes of the Committee should be provided to auditors.

**Management Response**

**The observation is noted. The recommendation will be taken on board and minutes of the latest Budget Committee have been provided for your review. The composition of the Budget Committee includes all directors chaired by Chief Director Finance and Administration.**

## 1.7 Non-Submission of Financial Statements

**Finding**

The Ministry is responsible for supervision of the Zimbabwe National Geospatial Space Agency (ZINGSA). During the period under review a total of ZWG28 503 650 was transferred to the entity in the form of Current Grants to cater for Employment Costs and Operations. However, there was no evidence that the institution had prepared and submitted financial statements for audit since its inception in 2019. At the time of concluding my audit on May 23, 2025 financial statements for the year ended December 31, 2020 had been submitted for audit, while those for the financial years from 2021 to 2024 were outstanding.

**Risk/Implication**

In the absence of audited financial statements, the Ministry may not be able to establish whether public resources were properly accounted for.

**Recommendation**

The Ministry should play its oversight role and ensure that financial statements for ZINGSA are prepared and subjected to audit.

**Management Response**

**The observation is noted. ZINGSA has since appointed a Senior Accountant to oversee their Finance Department's operations. The Ministry submitted ZINGSA's first Financial Statements for the 2020 financial year to the Auditor General on 8th May 2025 for auditing. The Ministry will soon submit the 2021 and 2022 Financial Statements to the Auditor General for auditing.**

**Evaluation of Management Response**

*The 2021 and 2022 Financial Statements had not been submitted for audit as at the date of exit meeting, June 2, 2025.*

## 1.8 Budget Utilisation

### Finding

The Ministry had an approved Vote Appropriation budget of ZWG4 500 029 021 and the funding that was received for operations and capital expenditure was ZWG246 926 427 representing 5% of budget, while compensation of employees of ZWG3 355 247 821 was fully funded representing 74%. The budget underutilization was mainly due to non-release of funding by Treasury as a result of lack of liquidity. However, due to this non release of funding, the Ministry had arrear payments of ZWG14 155 447 at year end.

### Risks/Implications

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears, if left unattended, may negatively impact on Government reputation.

### Recommendation

The Ministry should continue lobbying for the release of funding by Treasury on time.

### Management Response

**Management did not respond.**

# 2 REVENUE COLLECTION AND DEBT RECOVERY

## 2.1 Outstanding Disallowances and Departmental Surcharges

### Finding

The returns for Outstanding Disallowances and Departmental Surcharges did not include balances brought forward from prior years amounting to ZWL$33 775 059 and ZWL$4 021 378 respectively. These amounts were supposed to be restated to ZWG balances and brought forward as opening balances. Treasury Circular Number 1 of 2025 required that all assets for the prior year be restated to the United States Dollars (US$) using the rate ruling at December 31, 2023 and then be converted to the Zimbabwe Gold (ZWG) currency using the rate ruling as at April 6, 2024.

### Risk/Implication

The Outstanding Disallowances and the Outstanding Departmental Surcharges returns may be materially misstated and misleading to decision makers.

### Recommendations

The Ministry should continue to engage the Accountant General's Office so that the Debtors Module is activated in the Zimbabwe Gold (ZWG) platform of the Public Financial Management System (PFMS).

The returns should be corrected so that they reflect the true state of affairs.

**Management Response**

**The observation is noted. Your recommendation to continue engaging project office so that the Debtor's module (CMRPD) for outstanding revenue is activated in ZWG platform is accepted. Since the opening balance of ZWL$33 775 059 was carried from the previous year and is being reflected in ZWG at the exchange rate prevailing in April a single translation figure would suffice and this is four months after the beginning of the year. A lot of activity would have taken place on the disallowances. The calculation of the ZWL brought forward to the new year has been provided.**

**Evaluation of Management Response**

*The Ministry did not submit a corrected return hence the issue remains outstanding.*

## 3 PROCUREMENT OF GOODS AND SERVICES

### 3.1 Procurement Procedures

**Finding**

The Ministry procured goods and services amounting to ZWG3 839 354 from various service providers without following proper procurement methods such as the sourcing of three quotations, request for quotations and entering into contracts or Framework Agreements. This was contrary to the provisions of Sections 30 (3), 31 and 34 of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*].

**Risks/Implications**

Value for money may be compromised in the procurement of goods and services.

Procurement of goods and services may not be done transparently.

**Recommendations**

The Ministry should ensure that three quotations are obtained and comparative schedules compiled before any procurement of goods and services is done.

Competitive bidding method should be used in the acquisition of goods and services in the event that the Request for Quotation thresholds are exceeded.

Framework Agreements should be entered into between the Ministry and service providers so that terms of the contract are clearly spelt out.

**Management Response**

**The observation has been noted. The Ministry will in future do competitive bidding in similar circumstances. The Procurement Management Unit (PMU) has already flighted framework agreement tender in the Government Gazette and Zimbabwe newspapers.**

### 3.2 Non-Delivery of Goods

**Finding**

Goods valued at ZWL$122 524 235 (ZWG298 964) acquired during the year ended December 31, 2023 were still to be delivered more than a year after they were purchased. I could not

validate whether the expenditure incurred was a proper charge against public financial resources.

**Risk/Implication**

Public financial resources may have been lost.

**Recommendation**

The Ministry should ensure that all goods and services paid for are delivered.

**Management Response**

**Management did not respond.**

## 4 IMPLEMENTATION OF PROGRAMMES/SERVICE DELIVERY

### 4.1 Government Programmes

**Findings**

The Ministry made commendable efforts during the period under review in areas of innovation, technology and infrastructure development. However, as highlighted in my previous audit report, the challenge of critical shortage of students' accommodation and learning facilities at State Universities remained unresolved. State Universities had total students' enrolment of about 88 889 and 12 574 students (14%), had on campus accommodation reflecting the urgent need for funding in respect of students' accommodation and learning facilities.

Further, I observed that there were no Evaluation reports on Projects being undertaken by the Ministry during the financial year under review.

**Risks/Implications**

The Ministry may fail to fulfill its objectives on Quality Education, Industry, Innovation and Infrastructure.

It may be difficult to determine whether the Projects being undertaken by the Ministry have had the desired impact.

**Recommendations**

Management should lobby for more funding from Treasury for the construction of students' hostels, staff houses and learning infrastructure.

The Ministry should ensure that evaluation reports for completed projects are undertaken to determine whether the projects had the desired impact

**Management Response**

**The observation is noted. The establishment of twelve (12) State Universities with each province hosting at least one university does indirectly address issues of accommodation with the provincial state university being within reach from home for many prospective students. Not all students would prefer on-campus accommodation especially with changing life styles not favoring doubling up in campus accommodation as before. However, the Ministry is on course to complete infrastructure projects at**

**State Universities so as to alleviate the challenges.**

**The observation is noted. The proposed evaluation for last year was hampered by lack of financial resources as the proposed budget could not be funded.**

## 5. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made little progress in addressing prior year audit findings. Out of a total of sixteen (16) issues raised, four (4) issues were addressed, two (2) issues were partially addressed and ten (10) issues were not addressed as indicated below.

### 5.1 Misstatement of the Appropriation Account Expenditure

The issue of misstated Appropriation Account Expenditure was not resolved as raised in paragraph (i).

### 5.2 Transfers to the Tertiary Education and Training Development Fund

The issue was not resolved as the Ministry continued making transfers to retention funds. As reported in paragraph (ii).

### 5.3 Misstatement of Current and Capital Grants

The issue of misstated current and capital grants was addressed during the year.

### 5.4 Sub-Paymaster General's Account Reconciliation

The issue of variances in the Sub-Paymaster General's Account was resolved.

### 5.5 Statement of Payment Arrears

The issue was not addressed as records supporting the Statement of Payment Arrears balances were not maintained and the issue was reported on paragraph (vi).

### 5.6 Variances on Compensation of Employee Balances

The finding was not resolved, as there were variances on Compensation of employees the issue was reported in paragraph (vi).

### 5.7 Unsupported Payment Vouchers

The issue on Unsupported Payment Vouchers was not resolved, there was a recurrence of a similar issue as reported in paragraph (iv).

### 5.8 Outstanding Travelling and Subsistence Advances

The issues on outstanding Travelling and Subsistence advances were not resolved as there were recurrences of similar issues as reported in the paragraph 1.3.

### 5.9 Classification of Expenditure

Misclassification of Expenditure was not resolved as reported in paragraph 1.1.

### 5.10 Non-Submission of the Statement of Reconciliation between the Consolidated Revenue Fund and the Paymaster General's Accounts

Non-submission of the Statement of Reconciliation between the Consolidation Revenue Fund and the Paymaster General's Account was resolved.

### 5.11 Submission of Financial Statements for Audit (ZINGSA)

The issue of non-submission of financial statements for audit by Zimbabwe National Geospatial Space Agency (ZINGSA) remained unresolved as reported in paragraph 1.4.

### 5.12 Risk Management

The issue on Risk Management policy was partially addressed as the Ministry came up with a Draft Risk Management Policy.

### 5.13 Procurement Methods

The issue on Procurement methods was not resolved and there was a recurrence of the same as reported in paragraph 2.1.

### 5.14 Non-Delivery of Goods

The issue on non-delivery of goods (eleven (11) vacuum cleaners) was resolved. However, the issue of non-delivery of food provisions was not resolved as reported in 3.2.

### 5.15 Statement of Public Financial Assets

The issue on non-availability of share certificates was resolved as these were availed during the audit.

### 5.16 Provision of students' and Staff Accommodation and Learning Infrastructure

The issue on shortage of students' accommodation and learning facilities at State Universities still remains critical and unresolved.

## VOTE 16.- HIGHER AND TERTIARY EDUCATION, INNOVATION, SCIENCE AND TECHNOLOGY DEVELOPMENT

### APPROPRIATION ACCOUNT 2023

### Mandate

The Ministry is responsible for the oversight, formulation and implementation of policies related to planning, training and development of human capital and the promotion of science, technology and innovation. It also facilitates cooperation in research and development, higher and tertiary education as well as in science and technology at local, regional and international levels.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWL$ | Unallocated Reserve Transfers<br>ZWL$ | Total Budget<br>ZWL$ | Expenditure<br>ZWL$ | Net Under spending<br>ZWL$ |
|---|---|---|---|---|
| 156 509 466 000 | 481 190 132 407 | 637 699 598 407 | 618 268 053 781 | 19 431 544 626 |

I have audited the financial statements of the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development for the year ended December 31, 2023 and I issued an adverse opinion.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the state of affairs of the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

### Basis for Adverse Opinion

### (i) Open Items

### Finding

The expenditure in the Appropriation Account was overstated by ZWL$1 057 965 719, made up of ZWL$1 231 842 393 for uncleared open items and erroneous reversals of ZWL$173 876 674 made at the beginning of the current year. The errors remained uncorrected.

### Risk/Implication

Misstatement of Appropriation Account.

### Recommendation

The erroneous reversals should be corrected and the Appropriation Account adjusted so that it presents the correct state of affairs.

**Management Response**

**The observation is noted. The reversals worth ZWL$173 876 674 which were done within the audit year have been added to the Appropriation Account to give a new balance of ZWL$1 605 491 373 which we are investigating.**

**(ii) Transfers to the Tertiary Education and Training Development Fund**

**Finding**

The Ministry transferred an amount of ZWL$3 965 000 000 from other current grants to the Tertiary Education and Training Development Fund for the year ended December 31, 2023. The budget estimates had no provision for such transfers as the Fund generated its own revenue. However, the basis for the transfer was not availed for audit. The expenditure reported could therefore not be validated whether it was a proper charge to the Appropriation Account. I raised the same issue in my prior year audit report.

**Risk/Implication**

Funds meant for planned programs could be diverted to meet unapproved expenditure.

**Recommendation**

The Ministry should comply with regulations on the use of public financial resources and should provide the basis for the transfer.

**Management Response**

**The observation is noted. The total budget for Tertiary Education as per the budget estimates is ZWL$43 665 118 000 whilst disclosing only the PSIP as per institution. Compensation for workers and operational budget is inferred as per the budget.**

**Evaluation of Management Response**

*The response did not adequately address the finding. The finding was on transfer of funds when there was no provision in the budget.*

**(iii) Misstatement of Current and Capital Grants**

**Findings**

Current and Capital Grants expenditure recorded in the Public Financial Management System and reported in the Appropriation Account amounted to ZWL$443 873 770 509. The Grant Aided Institutions and colleges confirmed having received a total amount of ZWL$443 366 884 284, leaving a difference of ZWL$506 886 225 that was not reconciled. I could not therefore, validate whether the expenditure disclosed in the Appropriation Account was correct in the absence of reconciliations.

Compensation of Employees in respect of the Zimbabwe National Geospatial Space Agency (ZINGSA) for the month of January 2023 amounting to US$13 200 (ZWL$9 662 400) which the Agency confirmed as having received, was not introduced into the Public Financial Management System resulting in the understatement of Current Grants expenditure.

**Risk/Implication**

Misstatement of current and capital grants expenditure in the Appropriation Account.

**Recommendation**

The Ministry should take measures to correct errors and omissions in expenditure relating to grants.

**Management Response**

**The observation is noted. Institutions submitted revised confirmations of transfers received. Appropriate reversals in the Public Financial Management System were done.**

**Correct entries to include this expenditure have already been posted in the SAP and a copy thereof has been provided for your consideration.**

**Evaluation of Management Response**

*The corrected Appropriation Account was not resubmitted for audit examination.*

**(iv) Sub-Paymaster General's Account Reconciliation**

**Findings**

Total expenditure recorded in the Appropriation Account amounted to ZWL$618 268 053 781 whereas the Sub-Paymaster General's (Sub-PMG) Account reconciliation disclosed total expenditure of ZWL$510 395 049 952, resulting in an unreconciled variance of ZWL$107 873 003 829.

In addition, year-end reconciliation revealed total releases from Treasury of ZWL$489 798 032 929 while the PFMS recorded a total of ZWL$508 579 179 146, resulting in unexplained variance of ZWL$18 781 146 217. These variances, which remained uncorrected and unreconciled resulted in misstatement of the amounts reported on the return.

Furthermore, the Ministry's Sub-Paymaster General's Account Reconciliation Statement had total rejections of ZWL$410 488 992, while a review of the Ministry's Sub-Paymaster General Bank statement revealed rejections of ZWL$255 748 909. I was not provided with an explanation for the variance of ZWL$154 740 083.

The Ministry's Sub-Paymaster General's Account Reconciliation Statement had arithmetic errors. The opening balance, releases from Treasury, deposits from the Salary Service Bureau, rejections and reversed bank charges amounted to ZWL$512 576 512 510 instead of the ZWL$512 647 420 009 reflected on the statement thereby giving an unadjusted variance of ZWL$70 907 499.

The statement had an exchange difference at consolidation of ZWL$76 964 163 which was not explained nor supported.

**Risks/Implications**

Fraud or errors may go undetected if the Statement of the Sub-Paymaster General's Account Reconciliation is not properly prepared and variances investigated.

Misstatement of financial statements.

**Recommendations**

Management should ensure that the variances are investigated and reconciliations done.

The errors noted should be investigated and cleared.

**Management Response**

**The variance of ZWL$107 873 003 829 between the Appropriation Account and the Sub-Paymaster General's Account emanated from unfunded transactions in the system that are in the process of being reversed.**

**The observation in respect of the differences between the Treasury Releases according to the Sub-Paymaster General Account Reconciliation Statement and the Treasury Releases as per the Public Financial Management System (PFMS) is noted.**

**The cumulative amount of ZWL$410 488 992 included an amount of ZWL$154 799 948 which was a converted figure of direct deposits of US$30 253 that was made into the Ministry's NOSTRO account.**

**The errors in calculations are noted. There was a computational error on the excel workbook which then led to the variances. We have however corrected the error.**

**There was wrong use of 'Exchange Difference' instead of 'Reconciliation Difference' as it pertains to the difference between the Sub-PMG bank account and the PFMS balances. Furthermore, the difference also significantly emanated from the computational error. Thus, the actual difference after correcting the error is ZWL$6 056 665 and the issue is currently under investigation.**

**Evaluation of Management Response**

*The amended Sub-Paymaster General Account Reconciliation Statement referred to in the response was not provided.*

**(v) Statement of Payment Arrears**

**Finding**

The Ministry did not avail creditors' ledgers, periodic reports and age analysis of payments to service providers that are in arrears. This limited the scope of my audit as I was unable to verify the accuracy of a total amount of ZWL$1 734 691 780 disclosed on the Statement of Payment Arrears. The outstanding amount could not be validated with certainty.

**Risks/Implications**

The accumulation of arrears compromises the credibility of the budget and the financial statements.

Transparency and accountability may be compromised.

**Recommendation**

The Ministry should avail for verification the creditors' ledgers, invoices, periodic reports to the Ministry of Finance, Economic Development and Investment Promotion and schedule of accounts payable together with age analysis of payments in arrears.

**Management Response**

**The observation is noted. Periodic reports will be prepared by the Ministry in future accounting periods.**

**(vi) Variances on Compensation of Employee Balances**

**Finding**

The Ministry did not reconcile Compensation of Employees expenditure against Salary Service Bureau (SSB) records. The Appropriation Account recorded total expenditure of ZWL$156 383 387 059 while SSB records had ZWL$155 573 443 595 giving a variance of ZWL$809 943 464 which was not reconciled. Treasury Circular B/1/88 dated June 5, 2018 requires Ministries to perform monthly reconciliations of billed amounts by the Salary Service Bureau (SSB) against Compensation of Employees expenditure shown in the PFMS ledgers.

**Risk/Implication**

The compensation of employees reported may be misstated and salaries and allowances may be paid for services not rendered.

**Recommendation**

The Ministry should reconcile the variances and take corrective action.

**Management Response**

**The observation is noted. The Ministry has requested Treasury to release the amount into the SAP system to effect the removal of the imbalances.**

**(vii) Unsupported Payment Vouchers**

**Finding**

The Ministry processed and paid for expenditure amounting to ZWL$413 351 960 without supporting invoices, receipts, delivery notes (DN) and Goods Received Notes (GRN). I therefore could not validate whether the payments made were a proper charge against public funds. Section 59 (2 (c) of the Public Finance Management (Treasury Instructions), 2019 does not allow expenditure to be incurred based on quotations only.

**Risk/Implication**

Fraudulent and dual payments may be processed if vouchers are not adequately supported.

**Recommendation**

The Ministry should ensure that all payment vouchers are adequately supported to validate the payments.

**Management Response**

**The observation is noted.**

**(viii) Outstanding Travelling and Subsistence Advances**

**Finding**

Outstanding travel and subsistence advances amounting to ZWL$455 985 709 were omitted on the Outstanding Travelling and Subsistence advances return resulting in an understatement of outstanding advances by the same amount. In addition, outstanding advances from the prior period amounting to ZWL$48 411 211 were not brought forward, further understating the outstanding advances.

**Risk/Implication**

Misstatement of the Outstanding Travelling and Subsistence Advances.

**Recommendation**

All outstanding travelling and subsistence advances should be disclosed on the Outstanding Travelling and Subsistence Advances return.

**Management Response**

**The amount of ZWL$455 985 709 appears to be amount owed by the state to employees. These are arrears and should be included in the arrears return if the State was not operating on cash basis. The amount will be included in the year 2024 when they were paid.**

**The balance of outstanding T and S amounting to ZWL$48 411 211 has since been acquitted during the first quarter of the year 2024 whilst we were preparing the 2023 financial returns.**

**Evaluation of Management Response**

*The responses do not address the findings on understatement of outstanding travel and subsistence. Further, the Ministry did not provide evidence of the T and S acquittals.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Classification of Expenditure

**Finding**

Expenditure amounting to ZWL$1 537 377 912 was processed from incorrect ledger accounts. Section 54 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all expenditure to be classified under the appropriate sub-heads and items as shown in the estimates and as directed by Treasury. I have previously highlighted this same concern in my audit reports from prior years, but no corrective measures have been implemented.

**Risk/Implication**

Inappropriate decisions maybe made based on inaccurate financial information.

**Recommendation**

The Ministry should ensure that all expenditure is properly classified as provided for in the budget estimates.

**Management Response**

**Three (3) journal vouchers with a total amount of ZWL$210 927 824 were raised to correct the anomalies. Changes to the Appropriation Account have been effected. Supervision on the preparation of ledger accounts will be enhanced.**

**Evaluation of Management Response**

*The Appropriation Account was not adjusted to reflect the corrections made.*

## 1.2 Travel and Subsistence Expenditure

**Findings**

Travelling and Subsistence claims amounting to ZWL$12 621 786 did not have advance application forms. I could therefore not validate whether the amount was a proper charge to public funds. This was attributable to internal control lapses in processing advances.

In addition, the Ministry made double payments amounting to ZWL$4 507 040 in respect of domestic travel and subsistence advances to staff during the period under review. The erroneous payments were not recovered from the individual staff members. The overpayments distorted the correctness of the financial statements.

Travel and subsistence advances amounting to ZWL$361 011 318 issued during the period January 01, 2023 to December 31, 2023 had not been acquitted at the time of concluding my audit on May 27, 2024. This was contrary to the provisions of Section 65 (15) of the Public Finance Management (Treasury Instructions), 2019 which requires acquittals to be made within thirty (30) days of return to home station. I could therefore not validate whether the trips were undertaken and whether the amount was a proper charge to public funds.

**Risks/Implications**

If acquittals are not done it may be difficult to determine whether advances issued were used for the intended purpose.

Officers may be paid travelling and subsistence advances for trips not undertaken.

**Recommendations**

The Ministry should improve controls and management of travelling and subsistence advances to enhance proper accountability on use of public financial resources.

Management should enforce acquittal of travelling and subsistence advances within thirty (30) days upon an officer's return to his or her home station. Deductions should be effected on pay sheet if the advance is not acquitted.

**Management Response**

**The Ministry in some instances accepted acquittals from some officers for which they had not advanced any resources.**

**The observations are noted. The erroneous double payments have been recovered.**

**The Ministry will in future effect the acquittals within the stipulated thirty-day period.**

**The advances made to drivers and personal assistants to Ministry principals for constituency visits will in future be authorized at a senior level given the delicate political issues surrounding the visits.**

**The Ministry will increase supervision on travel and subsistence expenditure and enforce the requirements of the Treasury Instructions.**

**Evaluation of Management Response**

*The responses are acknowledged. However, the first response above does not address the finding raised. Further, there was no evidence produced to confirm that the double payments were recovered.*

### 1.3 Non-Submission of the Statement of Reconciliation between the Consolidated Revenue Fund and the Paymaster General's Accounts

**Finding**

The Ministry did not submit the Statement of Reconciliation between the Consolidated Revenue Fund and the Paymaster General's transactions. The statement reconciles payments made from Consolidated Revenue Fund to the Public Financial Management System balances. The non-submission was contrary to the provisions of Treasury Circular 1 of 2024.

**Risk/Implication**

Errors and omissions may not be detected.

**Recommendation**

The Ministry should prepare and submit for audit the Statement of Reconciliation between the Consolidated Revenue Fund and the Paymaster General's Account.

**Management Response**

**The observation is noted. The Ministry will in future abide by this new requirement.**

### 1.4 Submission of Financial Statements

**Findings**

The Ministry is responsible for supervision of the Zimbabwe National Geospatial Space Agency (ZINGSA). There is no evidence that the institution had its financial statements audited since its inception in the 2019 financial year, notwithstanding the fact that each year grants have been transferred to support the institution's operations.

Furthermore, the Constitution of the Zimbabwe National Geospatial Space Agency Article 21,

paragraph 21.5 requires ZINGSA to appoint its auditors. Section 309 (2)(a) of the Constitution of Zimbabwe Amendment (No.20) Act 2013 requires all institutions and agencies of government to be audited by the Auditor-General.

**Risk/Implication**

The Ministry may not be able to establish whether public resources were properly accounted for in the absence of audited financial statements.

**Recommendations**

The Ministry should play its oversight role and ensure that financial statements for the stated institutions are prepared and subjected to audit.

Provisions of Article 21, paragraph 21.5 regarding audit of the financial statements should be re-visited and reconciled to the provisions of the supreme law.

**Management Response**

**With regard to ZINGSA efforts have been made to put in place organizational structures to abide by the governance issues through appointing a Finance Manager for the organization after the accountant who was manning the organization resigned during the year.**

## 1.5 Risk Management

**Finding**

The Ministry did not have a documented and approved risk management policy and no formal risk assessments were done to cover key processes during the year. Further, the Ministry did not prepare a risk profile report.

Section 162 (1-3) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to carry out risk assessment and submit a risk profile report to Treasury and the Auditor-General.

**Risks/Implications**

Failure to formulate a risk management policy may result in the Ministry not identifying and responding to material risks or threats effectively.

The absence of effective risk management processes may expose the Ministry to numerous risks which could negatively impact on its performance.

**Recommendations**

The Ministry should have an approved risk management policy and register that will guide in mitigating risk exposures.

Risk management processes should be instituted to safeguard government funds and assets.

The Ministry should prepare and submit a risk profile report on an annual basis to Treasury and the Auditor-General by the end of February of each year in line with regulations.

**Management Response**

**The observation has been acknowledged. The Ministry plans to conduct a workshop in mid-October 2024 to develop a risk policy for the organisation.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Procurement Methods

**Findings**

The Ministry acquired goods and services amounting to ZWL$200 971 602 without obtaining three (3) quotations and compiling comparative schedules.

Furthermore, the Ministry acquired goods and services valued at ZWL$1 371 741 465 through the Request for Quotation method instead of the competitive bidding method. Section 10 of the Public Procurement and Disposal of Public Assets (General) Regulations, 2018 provides the required thresholds for methods of procurement.

The Ministry procured goods and services amounting to ZWL$706 054 729 from various service providers without contracts or Framework Agreements entered into by the Ministry and the service providers. Section 11 of the Public Procurement and Disposal of Public Assets (General) Regulations, 2018, requires that there be framework agreements.

**Risks/Implications**

Value for money may be compromised in the procurement of goods and services.

Procurement of goods and services may not be done transparently.

**Recommendations**

The Ministry should seek three (3) quotations and compile comparative schedules before any procurement of goods and services is done in line with regulations.

The Ministry should ensure that the competitive bidding method is used in the acquisition of goods and services in the event that the Request for Quotation thresholds are exceeded.

Framework Agreements should be entered into between the Ministry and service providers so that what is expected between the parties to the contract is clearly spelt out.

**Management Response**

**The audit observation is noted. The Ministry is getting into framework agreements with TISU Media, Growth Point Media and Lancet Clinical Laboratories. With the rest of the suppliers the Ministry commits to comply with the procurement regulations.**

**The Ministry has already floated framework agreement tenders in the Government Gazette and Zimbabwe newspapers to address the problem.**

**Evaluation of Management Response**

*The Ministry's response is acknowledged. However, no evidence was produced to support the progress made in addressing the issues.*

## 2.2 Delivery of Goods

### Findings

Eleven (11) vacuum cleaners valued at ZWL$191 829 acquired from a supplier on August 4, 2021 remained undelivered.

In addition, goods valued at ZWL$123 716 695 acquired during the year were not recorded in the stores register. I could therefore not verify whether the goods had been delivered in the absence of recording and documentary evidence. Further, I could not validate whether the expenditure incurred was a proper charge against public financial resources. Section 107(6)(7) of the Public Finance Management (Treasury Instructions), 2019 requires stock takes to be done at least once every year and random stock checks to be done regularly. There was no evidence that stock takes were carried out during the year.

### Risks/Implications

The Ministry may be deprived of the use of the assets which could affect service delivery.

Public financial resources may have been lost through goods fully paid for that may not be delivered.

Discrepancies in Stores Register may not be noticed and corrected on time.

### Recommendations

The Ministry should follow up on the delivery of assets that have been paid for.

The Ministry should perform regular stock checks and stock takes at the end of the year.

### Management Response

**The vacuum cleaners are still to be delivered. The supplier has been engaged to resolve the issue.**

### Evaluation of Management Response

*Management response is acknowledged, however, the Ministry did not respond to the issue raised on non-recording of goods in the store's registers.*

# 3 MANAGEMENT OF ASSETS

## 3.1 Statement of Public Financial Assets

### Findings

The Ministry did not maintain a register for investments held in Finealt Engineering, Verify Engineering, National Biotechnology Authority of Zimbabwe, Zimbabwe National Geo-Spatial Agency and the Zimbabwe Centre for Higher Performance Computing.

Further, I could not establish the extent of its ownership in Finealt Engineering and Verify Engineering as share certificates were not availed for audit inspection.

**Risk/Implication**

The Ministry's investments in public entities may not be accurately reported in the absence of complete records.

**Recommendation**

The Ministry should maintain a register for Public Financial Assets and share certificates of investments held should be availed for audit verification.

**Management Response**

**The observation is noted. The legal documents showing the manner of incorporation and the latest statements of financial standing of the institutions referred to have been availed.**

**Evaluation of Management Response**

*The documents were not produced for audit examination. The issue of the investment register was not addressed.*

## 4 IMPLEMENTATION OF PROGRAMMES/SERVICE DELIVERY

### 4.1 Provision of Students and Staff Accommodation

**Finding**

The Ministry prioritized the provision of students' and staff accommodation at State Universities and Tertiary Institutions in its annual plans. However, as highlighted in my previous audit report, the challenge of students' accommodation and learning facilities at State Universities remained unresolved. During the period ended December 31, 2023, all State Universities had total students' enrolment of about 88 889 and only 12 574 students (14%), had on campus accommodation reflecting the urgent need for funding in respect of students' accommodation and learning facilities in all State Universities.

**Risks/Implications**

Learning may be affected when students have to travel long distances to college or university and also, they could be staying in unsuitable environments.

Service delivery may be compromised if critical staff are not provided with on campus accommodation.

**Recommendation**

The Ministry should continuously engage Treasury for funding for the construction of students hostels and staff houses.

**Management Response**

**The Ministry has remained focused on the provision of students' accommodation among other capital development projects at all universities. Given the limited fiscal budgetary space to fund these projects the Ministry has begun looking at Public-Private Partnerships as an option to speed up the process of availing student accommodation.**

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make significant progress in addressing prior year audit findings. Out of a total of seventeen (17) issues raised, one (1) issue was addressed, three (3) issues were partially addressed and thirteen (13) issues were not addressed as indicated below:

### 5.1 Sub-Paymaster General Reconciliation

The issue was partially addressed as monthly reconciliations of the Sub-Paymaster General Account were done. However, differences in respect of releases from Treasury as per the reconciliation statement and the General Ledger as per Public Finance Management still persisted as raised in paragraph (iv).

### 5.2 Misstatement of the Appropriation Account Expenditure

There was no improvement during the period under review as there were misstatements to the Appropriation Account expenditure as raised in paragraph (i).

### 5.3 Transfers of Money to Fund Accounts

There was no improvement as there was a recurrence of the issue as noted in paragraph (ii).

### 5.4 Inadequately Supported Payment Vouchers

There was no improvement as the issue recurred as raised in paragraph (viii).

### 5.5 Compensation of Employees

Differences on Compensation on Employee costs between Salary Service Bureau records and the Public Financial Management System recurred as noted in paragraph (vii).

### 5.6 Misstatement of Current Grants

The issue was not addressed as there were differences between transfers reported and those confirmed by grant aided institutions as raised in paragraph (iii).

### 5.7 Irregular Travelling and Subsistence Advances

There was no improvement as some Travelling and Subsistence Advances remained unacquitted and double payments recurred as raised in paragraph (1.2).

### 5.8 Misstatement of Revenue Received

The issue was addressed as misstatements of revenue were corrected.

### 5.9 Classification of Expenditure

The matter was not addressed as there was recurrence of misclassification of expenditure as highlighted in paragraph (1.1).

### 5.10 Statement of Payment Arrears

The issue was not addressed as records supporting the Statement of Payment Arrears balances were not maintained and the issue recurred as highlighted in paragraph (vi).

### 5.11 Accounting for Advances

There was no improvement as the Ministry did not maintain records for advances and it continued issuing irregular advances as raised in paragraph (1.2).

### 5.12 Statement of Receipts and Disbursements

There was no improvement as the Ministry continued depositing money into the sub-Paymaster General's account.

### 5.13 Undelivered Assets

The issue was partially addressed as motor vehicles were delivered but vacuum cleaners still remained undelivered and a similar issue recurred as raised in paragraph (2.2).

### 5.14 Gender Equality and Women Empowerment in Innovation and Science

There was an improvement as there was an increase in the women taking up Science, Technology, Engineering and Mathematics (STEM) subjects.

### 5.15 Gender Mainstreaming and Inclusivity

There was no progress in the area. The number of women in decision making positions at the Ministry's Head Office, Polytechnics, Teachers' Training Colleges, Industrial Training Colleges and Grant Aided Institutions still remained low.

### 5.16 Provision of Students and Staff Accommodation

There was no improvement as there was still a shortage of students and staff accommodation and learning facilities in all institutions of higher learning.

### 5.17 Recording of Assets

There was no progress in the area as some assets were not recorded in the Ministry's assets register during the period.

## AMENITIES FUND 2022

### Objective of the Fund

The objective of the Fund is to collect and administer funds for the purposes of student affairs.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| Item | Amount ZWL$ |
|---|---|
| Income | 4 138 269 745 |
| Expenditure | 3 778 757 609 |
| **Surplus** | **359 512 136** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Non-Current Assets | 239 304 901 | - |
| Current Assets | 1 795 319 381 | - |
| Accumulated Fund | - | 997 621 998 |
| Current Liabilities | - | 1 037 002 284 |
| **Total** | **2 034 624 282** | **2 034 624 282** |

I have audited the financial statements of the Amenities Fund for the year ended December 31, 2022 and I issued a disclaimer of opinion.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the Amenities Fund. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

### (i) Adjustments Made to Prior Year Balances

### Findings

In 2021 the Fund had a closing Accumulated Fund figure of ZWL$652 752 002, but had an opening balance of ZWL$638 109 861 in the 2022 financial statements resulting in an unexplained variance of ZWL$14 642 141. There was no documentary evidence availed to support the variance.

In addition, the Fund could not account for investments worth ZWL$2 759 288 and a suspense balance of ZWL$12 707 699 reported in the 2021 financial statements. There was no evidence or explanations given to show how the balances were cleared. As a result, I could not conclude whether the financial statements were free from material misstatements.

### Risk/Implication

Misstatement of financial statements.

**Recommendation**

Management should investigate all the errors and correct them to ensure the accuracy and fair presentation of the financial statements.

**Management Response**

**Management did not respond.**

**(ii) Consolidated Statement of Cash Flows**

**Findings**

The consolidated cash flow statement had many errors such that its relevance and usefulness was lost. The consolidated statement of comprehensive income had a surplus of ZWL$359 512 136 while amount reported in cash flow statement was ZWL$359 664 672 resulting in a difference of ZWL$152 536.

Depreciation of ZWL$36 359 706 instead of ZWL$36 512 243 was reflected resulting in a variance of ZWL$152 537.

A decrease in inventory figure of ZWL$38 328 158 was disclosed instead of ZWL$38 412 915. An increase in receivables of ZWL$685 501 447 was disclosed instead of ZWL$770 646 405.

An increase in payables of ZWL$525 182 174 was disclosed as ZWL$556 992 001. Property, Plant and Equipment purchase for the year amounting to ZWL$204 209 907 shown in the notes was reported in the cash flow statement as ZWL$175 360 109 resulting in a variance of ZWL$28 849 798.

Furthermore, opening balance of the cash and cash equivalents of ZWL$314 812 130 was different from the closing prior year balance of ZWL$330 046 474, giving a variance of ZWL$15 234 344 that was not reconciled.

Cash flow statements for Bulawayo Polytechnic, Seke Teachers College, Hillside Teachers College, Masvingo Polytechnic had several errors and other unexplained adjustments that affected the correctness of the consolidated Cash Flow Statement.

**Risks/Implications**

Misstatement of statement of cash flows.

Financial resources may be misappropriated without detection.

**Recommendation**

Management should seriously monitor, supervise and check the accountants' work so as to improve accountability and transparency in the management and reporting of public resources.

The errors made should be investigated, traced and corrected.

**Management Response**

**Management did not respond.**

**(iii) Variances between Financial Statements and Pastel Accounting System Balances**

**Finding**

The balances in the Bulawayo Polytechnic, Seke Teachers College, Masvingo Polytechnic, Morgan Zintec College and Hillside Teachers' College financial statements were different from those in the Pastel Accounting System. These variances in the Colleges financial statements were not explained nor reconciled.

**Risks/Implication**

The unexplained variances between balances in the accounting system and what was reported render the financial statements unreliable and materially misstated.

**Recommendation**

The Ministry should ensure that financial statements are produced using system generated records to avoid misstatements and unreliability of the financial statements.

**Management Response**

**Management did not respond.**

**(iv) Limitation of Scope**

**Findings**

Masvingo Teachers' College did not avail for audit examination the Pastel Accounting System ledgers for Income amounting to ZWL$144 815 084, expenditure amounting to ZWL$190 748 846 as well as ledgers for non-current assets and trade payables amounting to ZWL$37 071 876.

Furthermore, Bulawayo and Masvingo Polytechnics could not avail for my audit examination Pastel accounting system ledgers for revenue amounting to ZWL$304 601 565 and ZWL$237 020 969 respectively. Students were not being billed for tuition fees timeously thereby resulting in unavailability of the records in the Pastel Accounting System. This limited the scope of my audit since I could not validate whether account balances in the consolidated financial statements for the Fund were fairly stated.

**Risk/Implication**

Transparency and accountability in management of public resources may be compromised.

Misstatement of the financial statements.

**Recommendations**

The Ministry should ensure that the Accounting Ledgers underlying the financial statements are availed for audit examination.

Management should investigate the non-availability of accounting records, update and correct the financial records.

**Management Response**

**Management did not respond.**

### (v) Inconsistencies In Use of Accounting Policy

#### Findings

There was no consistency in applying the depreciation rates on assets by the tertiary institutions. Depreciation rate for boreholes was 10% at United College of Education whereas Masvingo Polytechnic did not depreciate boreholes. Cell phones depreciation rate for JMN Nkomo Polytechnic was 33.3% whereas United College of Education used 25%. Depreciation rate for Construction Projects at United College of Education was 2% whereas Harare Polytechnic did not depreciate construction projects.

I could therefore, not confirm the accuracy of the depreciation amounts reported in the consolidated financial statements.

Furthermore, notes to the consolidated financial statements revealed that the Fund depreciated projects still under construction by an accumulated amount of ZWL$223 968. This was contrary to good accounting practice which requires an asset under construction to be depreciated in the accounting period in which it is brought into use.

#### Risks/Implications

The consolidated financial statements were materially misstated due to inconsistent use of the accounting policies.

Depreciation of assets under construction results in an overstatement of expenditure.

#### Recommendations

The Ministry should provide proper guidance to officials responsible for preparing financial statements.

The Ministry should train its staff on accounting for assets under construction and should correct the financial statements accordingly.

#### Management Response

**Management did not respond.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Submission of Financial Statements

#### Finding

The 2022 financial statements were submitted for audit on June 25, 2024 contrary to the provisions of Section 35 (6) (b) of the Public Finance Management Act [*Chapter 22:19*] which requires submission of financial statements to be done within sixty days of the end of the financial year to. The submission of the financial statements was therefore delayed by more than one year.

#### Risk/Implication

Transparency and accountability may be compromised.

**Recommendation**

The Ministry should submit the financial statements of the Fund for audit in line with the requirements of the law.

**Management Response**

**Management did not respond.**

## 1.2 Prior Year Suspense Account Balance

**Finding**

The prior year financial statements had a suspense account balance of ZWL$5 219 730. The balance was removed from the financial statements without evidence of how it cleared. Good accounting practice requires that suspense account balances be investigated, traced and cleared.

**Risk/Implication**

Failure to investigate and clear suspense account balances given the extent of anomalies in the financial statements could result in fraud being perpetrated without trace.

**Recommendation**

Management should investigate the disappearance of the suspense account.

**Management Response**

**Management did not respond.**

# 2 REVENUE COLLECTION AND DEBT RECOVERY

## 2.1 Non-Recovery of Debts

There was no evidence of effective recovery of debts by the Fund. During the financial year, total receivables increased by 148% to ZWL$1 291 070 384 from the previous year's balance of ZWL$520 423 979. This was due to the absence of a robust debt recovery policy. Respective institutions exhibited the same trend as shown in the table below:

**Trade Receivables Percentage Increase**

| Institution | Receivables in 2021 (ZWL$) | Receivables in 2022 (ZWL$) | Percentage Increase |
|---|---|---|---|
| Seke Teachers' College | 13 765 645 | 50 750 280 | 350% |
| Morgan Zintec | 2 752 975 | 7 854126 | 280% |
| Bulawayo Polytechnic | 113 023 714 | 341 932 661 | 202% |
| Mutare Polytechnic | 58 652 078 | 143 159 197 | 144% |

**Risk/Implication**

Non-recovery of debts may result in the Fund facing working capital management challenges thereby affecting the operations of the various institutions.

**Recommendations**

Management should come up with a robust debt management and recovery policy.

More effort should be put in recovering outstanding debts.

**Management Response**

**Management did not respond.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Motor Vehicles Valuation

**Findings**

Bulawayo Polytechnic had nineteen (19) running motor vehicles with a historical cost of ZWL$241 590 which had outlived their life spans. Although they had nil net book values, they were still being used to run the business of the institution.

In addition, Seke Teachers College had two Mazda BT50 vehicles acquired in 2018, a Foton Mini bus acquired in 2014 and a Yutong bus acquired in 2013 which had nil book values. Good accounting practice provides for revaluation of assets if they are still in use. Management did not take steps to have the vehicles revalued and disclosed in the financial statements.

**Risks/Implications**

Misstatement of the Property, Plant and Equipment (PPE) in the financial statements was not fairly stated.

Users of financial statements may make decisions based on inaccurate information disclosed.

**Recommendations**

The Ministry should engage the services of a professional valuer to have motor vehicles and other PPE revalued.

The financial statements should be corrected so that the true state of affairs is presented.

**Management Response**

**Management did not respond.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing the prior year findings. All the eleven (11) issues remained unresolved as indicated below:

### 4.1 Disclosure of Notes to Financial Statements

The issue of disclosure notes being at variance with respective institutions' notes to the financial statements remained unresolved.

### 4.2 Adjustments Made to Prior Year Balances

The issue of unexplained adjustments to prior year balances in the current year financial statements was not resolved, it was reported on paragraph (i).

### 4.3 Suspense Account Balances

The suspense account balances remained unresolved as the balance was removed from the financial statements without evidence of how it cleared.

### 4.4 Consolidated Statement of Cash Flows

Consolidated cash flows continued to be inaccurate and misleading as reported on paragraph (iii).

### 4.5 Variances between Reported and System Balances

The issue of variances was not resolved and it was reported on paragraph (iv).

### 4.6 Inconsistencies in Accounting Policy

Accounting policies were inconsistently applied as reported on paragraph (v).

### 4.7 Omission of Income and Expenditure

The issue of omission of income and expenditure balances from the financial statements was not resolved and it was reported on paragraph (i).

### 4.8 Investments

The issue of failure to properly account for investments was not resolved. As reported on paragraph (i), the amount of investments was removed from the financial statements without explanation or supporting documents.

### 4.9 Submission of Financial Statements

Financial statements were submitted late as reported on paragraph 1.1. Therefore, the issue remained unresolved.

### 4.10 Poor Debt Recovery

The issue of poor debt recovery remained unresolved. Audit reported the same on paragraph 2.1.

### 4.11 Property, Plant and Equipment

The issue of failure to revalue assets was not resolved.

## INNOVATION AND COMMERCIALIZATION FUND 2019-2023

### Objectives of the Fund

The objective of the Fund among others is to support the development and commercialisation of innovation in Zimbabwe by funding projects carried out by individuals, the public and private research institutions and companies, thereby inculcating a culture of innovation in Zimbabwe.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the 2023 year:

### Statement of Comprehensive Income

| Item | Amount ZWL$ |
|---|---|
| Income | 31 253 |
| Expenditure | 2 668 |
| **Surplus** | **28 585** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Reserves and Liabilities ZWL$ |
|---|---|---|
| | | |
| Non-Current | 396 727 | - |
| Current | 1993 600 | 4 000 |
| Accumulated Fund | - | 2 386 327 |
| **Total** | **2 390 327** | **2 390 327** |

I have audited the financial statements of the Innovation and Commercialization Fund for the years ended December 31, 2019, 2020, 2021, 2022 and 2023 and I issued a disclaimer of opinion for all the five (5) years.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the Innovation and Commercialization Fund. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

### (i) Limitation of Scope

### Finding

The Ministry did not avail for audit accounting records used for the preparation of the financial statements. The failure to avail accounting records limited the audit scope as I was not able to gather sufficient and appropriate evidence which enables me to express an appropriate audit opinion on the financial statements.

### Risk/Implication

Transparency and accountability in management of public financial resources is compromised.

### Recommendation

The Ministry should timeously avail accounting records underlying the financial statements submitted for audit.

**Management Response**

**The observation is noted. In future, cash book of the Fund will be maintained and bank reconciliations prepared.**

**(ii) Incomplete Financial Statements**

**Finding**

The financial statements for the years 2019, 2020, 2021, 2022 and 2023 were incomplete since they did not have accompanying Statements of Cash Flows. Treasury Circular Number 1 of 2023 requires that a complete set of financial statements should have an accompanying Statement of cash flows. As a result, I could not assess the cash movements in the fund during the years.

**Risk/Implication**

Financial statements may be misstated and hence not useful for assessing the cash position of the Fund.

**Recommendation**

Management should ensure that the Statements of Cash Flows is submitted for audit to enhance accountability in the management of public financial resources.

**Management Response**

**The observation is noted. In future Cash flow statements will be prepare together with other documents.**

**(iii) Unsupported Payment**

**Finding**

The Fund made a payment of ZWL$178 000 and reported it as trade payments during the year ended December 31, 2020. However, there was no payment voucher or supporting documents like receipts or invoices availed for my audit examination. I therefore, could not determine whether the amount paid was a proper charge against public funds.

**Risk/Implication**

Public funds may be misappropriated if expenditure is not supported.

**Recommendation**

The Ministry should ensure that the payment vouchers to support the expenditure are availed for audit examination.

**Management Response**

**The observation is noted, in future, supervision of subordinates will be enhanced.**

### (iv) Property, Plant and Equipment

#### Finding

The Fund disclosed motor vehicles with a total cost of ZWL$155 469 and carrying amount of ZWL$50 668 in the financial statements for the year ended December 31, 2023. However, these motor vehicles were not availed for my physical examination to determine their existence and ownership. I therefore could not establish whether the motor vehicles existed and were being properly accounted for.

#### Risk/Implication

The motor vehicles may not be used for the intended purposes and could be misappropriated.

#### Recommendation

Management should carry out an investigation to determine the whereabouts of the motor vehicles and their status.

#### Management Response

**The observation is noted. The Ministry will look into the matter.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Submission of Financial Statements

#### Finding

Financial statements for the years ended December 31, 2019, 2020, 2021, 2022 and 2023 were submitted late on September 2, 2024 contrary to the provisions of section 35 (6) (b) of the Public Finance Management Act [*Chapter 22:19*] which requires financial statements to be submitted within sixty days of the end of each year. The financial statements were therefore delayed by more than four years, three years, two years, one year and five months respectively.

#### Risk/Implication

Transparency and accountability may be compromised.

#### Recommendation

The Ministry should ensure that the financial statements of the Fund are submitted for audit in line with the requirements of section 35 (6) (b) of the Public Finance Management Act [*Chapter 22:19]*.

#### Management Response

**The observation is noted. In future we will definitely work towards meeting deadlines.**

## 2. REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Non-Recovery of Outstanding Loans and Sundry Debtors

**Finding**

For the third year in succession the Fund failed to recover Loan Disbursements and Sundry Debtors during the financial years 2019, 2020, 2021, 2022 and 2023. This was contrary to the provisions of Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019 which provides that officers responsible for collecting debts shall take adequate steps to collect any sums due to Government and shall on no account a debt become extinguished through lapse of time. The table below refers:

**Schedule of Outstanding Loan Disbursements**

| Details | 2019 ZWL$ | 2020 ZWL$ | 2021 ZWL$ | 2022 ZWL$ | 2023 ZWL$ |
|---|---|---|---|---|---|
| Outstanding Loan Disbursements | 281 030 | 306 426 | 334 481 | 365 474 | 396 727 |
| Outstanding Sundry Debtors | 4 600 | 4 600 | 4 600 | 4 600 | 4 600 |
| **Total** | **285 630** | **311 026** | **339 081** | **370 074** | **401 327** |

**Risk/Implication**

The Loan Disbursements and Sundry Debtors may not be recovered.

**Recommendation**

The Ministry should ensure that Loan Disbursements and Sundry Debtors are recovered without further delays.

**Management Response**

**The observation is noted. Management ~~i~~s preparing a Realisation Account which will bring finality to all outstanding debtors.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

There was no progress made to address all the five (5) findings raised in my prior year audit report as stated below:

### 3.1 Limitation of Scope

The Ministry did not avail for audit examination accounting records used in the preparation of the financial statements submitted for audit. I reported the same issue on paragraph (i).

### 3.2 Incomplete Financial Statements

Financial statements submitted for audit were incomplete as reported on paragraph (ii).

### 3.3 Property, Plant and Equipment

Motor vehicles disclosed in the financial statements submitted for audit were not availed for my physical examination as reported on paragraph (iv).

### 3.4 Recovery of Outstanding Loans and Sundry Debtors

The failure to recover Loans disbursed and sundry debtors remained unresolved. I raised a similar issue on paragraph 2.1.

### 3.5 Submission of Financial Statements

The issue of financial statements that were submitted for audit late was not resolved. I reported the same finding in paragraph 1.1.

## NATIONAL EDUCATION AND TRAINING FUND 2022 AND 2023

### Objective of the Fund

The objective of the Fund is to enable eligible Zimbabwean students to access Tertiary Education, by providing them with grants and interest-bearing loans.

Below is a summary of the Statement of Comprehensive Income and the Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| Item | Amount ZWL$ |
|---|---|
| Income | 20 611 426 |
| Expenditure | 3 563 441 |
| **Surplus** | **17 047 985** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Non-Current Assets | 48 | - |
| Current Assets | 101 213 524 | - |
| Accumulated Fund | - | 94 409 498 |
| Current Liabilities | - | 6 804 074 |
| **Total** | **101 213 572** | **101 213 572** |

I have audited the financial statements of the National Education and Training Fund for the years ended December 31, 2022 and 2023 and I issued an adverse opinion for both years.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the National Education and Training Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Adverse Opinion

**(i) Creditors Ledgers**

**Finding**

The Fund did not provide supporting ledgers in respect of the creditors amounting to ZWL$6 804 074 disclosed in the financial statements. Section 35(6) (a) of the Public Finance Management Act [*Chapter 22:19*] requires Accounting Officers to keep proper records of account. I could therefore, not analyse or validate whether the outstanding amount was accurate.

**Risk/Implication**

Accountability for public funds may be compromised in the absence of individual ledgers for creditors.

**Recommendation**

The Fund should ensure that individual creditors' ledgers are maintained to enhance accountability.

**Management Response**

**The observation is noted. In future creditors' ledgers will be maintained.**

**(ii) Investments**

**Findings**

Interest earned amounting to ZWL$2 057 327 (2022: ZWL$3 363 022) for the month of December was not accounted for in the financial statements. Therefore, the Fund's Investment Income and Accounts Receivables were understated by the same amount.

The statement of financial position for the year ended December 31, 2023 disclosed an investment balance of ZWL$43 689 891**.** However, according to the bank statements, the Fund had a money market placement on December 04, 2023 valued at $45 510 563, resulting in an understatement of ZWL$1 820 672 which was not explained.

**Risk/Implication**

The financial statements were misstated and may mislead users.

**Recommendation**

The financial statements should be adjusted to present the true state of affairs.

**Management Response**

**The observation is noted. The adjustments will be done and presented for audit.**

**Evaluation of Management Response**

*No corrected financial statements were submitted at the time of concluding the audit.*

**(iii) Revenue**

**Finding**

During the 2022 financial year, revenue was overstated by ZWL$1 112 872, as a result of reimbursement of funds previously advanced to the Appropriation Account incorrectly treated as revenue. There was no evidence that maintenance of books of accounts and the subsequent preparation of financial statements was adequately supervised.

**Risk/Implication**

The financial statements were misstated and may mislead users thereof.

**Recommendations**

Management should ensure accounting staff is supervised and financial records reviewed for accuracy.

The financial statements should be corrected and submitted for audit.

**Management Response**

**The observation is noted. The financial statements will be corrected and submitted for audit in three weeks' time.**

**Evaluation of Management Response**

*Corrected financial statements were not submitted at the time of concluding the audit on June 6, 2025.*

**(iv) Property, Plant and Equipment**

**Finding**

Motor vehicles with an original cost of ZWL$80 000 were carried in the financial statements at nil value as they had been fully depreciated. However, these assets were still usable and the Fund was deriving economic benefits from their use. Good accounting practice requires assets to be revalued if economic benefits are still being derived from their use. No revaluation was done thereby understating the value of the reported assets.

**Risk/Implication**

Property, plant and equipment may be misstated.

**Recommendation**

Management should revalue the motor vehicles which were fully depreciated but are still economically useful.

**Management Response**

**Management did not respond.**

**(v) Statement of Cash Flows**

**Findings**

The statement of cash flows had many errors which had not been adjusted. The balance of surplus income over expenditure of ZWL$17 047 985 (2022: ZWL$7 966 371) was understated by an amount of ZWL$2 057 327 (2022: ZWL$1 963 194) being interest earned omitted from the financial records. Interest on investments received amounting to ZWL$20 665 425 (2022: ZWL$10 518 135) was disclosed as ZWL$20 611 426 (2022: ZWL$8 688 463), thus understating it by ZWL$54 000 (2022: ZWL$1 829 672). Also, withholding tax paid amounting to ZWL$3 091 714 (2022: ZWL$1 556 370) was not disclosed in the statement of cash flows. Therefore, I could not rely on the statement of cash flows submitted for audit as a correct record of cash and cash equivalents.

**Risk/Implication**

The statement of cash flows was misstated and therefore misleading to users thereof.

**Recommendations**

Management should review financial statements for accuracy before submission for audit.

The financial statements should be corrected.

**Management Response**

**The observation is noted. The financial statements will be corrected and submitted for audit.**

**Evaluation of Management Response**

*Corrected financial statements were not submitted at the time of concluding the audit on June 6, 2025.*

**(vi) Financial Statements Imbalance**

**Finding**

The financial statements had an imbalance amounting to ZWL$1 881 709, dating as far back as December 2021. There was no evidence that the Fund made efforts to investigate and clear the imbalance. An imbalance in the financial statements reduces the credibility of the same. Good accounting practices require that imbalances in the financial statement are investigated and cleared within a reasonable time.

**Risk/Implication**

The financial statements may be misstated.

**Recommendation**

Management should ensure that the imbalance is investigated and cleared.

**Management Response**

**Management did not respond.**

**(vii) Accounts Payable**

**Finding**

The Fund had long outstanding accounts payables owed to Tertiary Education institutions for Cadetship and Equatorial Guinea students amounting to ZWL$6 804 073. The Fund had a cash balance of ZWL$53 627 700 (2022: ZWL$454 099 139) as at December 31, 2023 which could have been utilised to settle accounts payable. This deprived the institutions of the much-needed resources to operate effectively.

**Risk/Implication**

Non-servicing of amounts owing to creditors has a negative impact on the image of the Fund as it may face challenges in accessing services from institutions on credit.

**Recommendation**

Creditors should be paid timeously to maintain good reputation with suppliers and to enable the institution to operate effectively.

**Management Response**

**Observation noted. Colleges were not forthcoming with students' lists, the reason being that most of the students had finished way back and could not be accessed for acquittals.**

**Evaluation of Management Response**

*The response does not address the finding. The Fund should pay off the outstanding amount since it was already determined.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Loan Recoveries

**Finding**

The Fund did not make concerted efforts to recover outstanding loans amounting to $2 014 224 granted to scholarship students, dating back as far as December 2020. There was no evidence that a robust debt collection system existed to enable recovery of outstanding loans. This was contrary to the provisions of Section 49 (2) of Public Finance Management (Treasury Instructions), 2019 which requires adequate steps to be taken to collect any sums due to the Government.

**Risk/Implication**

The loan amounts have lost value due to lapse of time and may not be recovered if no concerted effort is made.

**Recommendation**

Management should ensure that all outstanding amounts are recovered.

**Management Response**

**The observation noted. The beneficiaries are no longer traceable and we applied to Treasury for the debts to be written off.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing prior year audit findings. Of the seven (7) audit findings raised in my previous audit report, one (1) finding was addressed, and six (6) findings were not addressed as indicated below:

### 2.1 Accounting Records

The finding was not resolved, creditors' ledgers were not availed as reported in paragraph (i).

### 2.2 Imbalance on the Statement of Financial Position

The issue of an imbalance on the Statement of Financial Position was not addressed, as reported in paragraph (vi).

### 2.3 Misstatement of Income

The issue of misstated income was not addressed and has been reported in paragraph (iii).

### 2.4 Bank Reconciliations

The finding was addressed as bank reconciliations were done.

### 2.5 Outstanding Accounts Payable

The finding was not addressed. The accounts payables balance of ZWL$6 804 073 remained

outstanding as reported in paragraph (vii).

## 2.6 Loan Recoveries

The issue was not addressed as loans granted to scholarship students remained outstanding. I reported on the issue in paragraph 1.1.

## 2.7 Sundry Debtors

The finding was not addressed. Sundry debtors amounting to ZWL$2 014 224 reported in the 2021 financial year remained outstanding.

## TERTIARY EDUCATION AND TRAINING DEVELOPMENT FUND 2020 AND 2021

### Objective of the Fund

The objectives of the Fund are to collect and administer fees for the purposes of supplementing the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development's budget (both capital and recurrent), for the development and maintenance of services, programmes and activities at tertiary institutions.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year 2021:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 820 965 750 |
| Expenditure | 995 604 726 |
| **Surplus** | **825 361 024** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 159 145 276 | - |
| Current | 1 156 490 873 | 434 786 310 |
| Accumulated Fund | - | 880 849 839 |
| **Total** | **1 315 636 149** | **1 315 636 149** |

I have audited the financial statements of the Tertiary Education and Training Development Fund for the years ended December 31, 2020 and 2021 and I issued a disclaimer of opinion for both years.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the Tertiary Education and Training Development Fund. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

### (i) Disclosure Notes to Financial Statements

### Finding

The amounts disclosed in the notes to the consolidated financial statements were extracted from the tertiary institutions' individual statement of comprehensive income and statement of financial position instead of taking from the notes to the financial statements of each tertiary institution where more details are provided. The details that explain the basis behind reported amounts were not reflected in the notes to the consolidated financial statements. This made it difficult to validate the accuracy and completeness of the amounts in the consolidated financial statements.

### Risk/Implication

The consolidated financial statements may be misstated and hence not informative.

**Recommendation**

Management should ensure that notes to the consolidated financial statements are extracted from the notes on individual tertiary institution financial statements.

**Management Response**

**The finding is noted. The Fund will resubmit the corrected notes to the financial statements by end of September 2024.**

**Evaluation of Management Response**

*As at the time of concluding my audit, the corrected notes had not been submitted for audit.*

**(ii) Consolidated Statement of Cash Flows**

**Findings**

The 2021 consolidated statement of cash flows had many errors such that its relevance and usefulness was lost. There were adjustments made to prior year account balances for depreciation, suspense, assets, receivables and payables of ZWL$29 168, ZWL$1 020, ZWL$19 320, ZWL$2 170 645 and ZWL$96 276 respectively. No details were provided on the nature of the adjustments. The accuracy of cash and cash equivalents balances disclosed in the consolidated statement of cash flows could not therefore, be confirmed in the absence of details of the adjustments.

There was a variance of ZWL$1 237 005 594 between the cash and cash equivalents balance of ZWL$1 575 660 837 as per the statement of cash flows and an amount of ZWL$338 655 243 disclosed in the statement of financial position.

The consolidated statement of cash flows for 2020 had a variance of ZWL$5 639 282 between cash and cash equivalents of ZWL$52 222 327 reflected in the statement of cash flows and an amount of ZWL$46 583 045 disclosed in the statement of financial position. Furthermore, an unexplained suspense figure of ZWL$1 698 057 was included as cash flow from operating activities. There was no evidence that the staff responsible were capacitated to enable preparation of accurate consolidated financial statements.

**Risk/Implication**

The financial statements were misstated.

**Recommendation**

The Ministry should train its staff in preparation of consolidated statements of cash flow and resubmit corrected statements.

**Management Response**

**The observation is noted. Management will submit a new set of Statement of Cash Flows.**

### (iii) Imbalance on the Statement of Financial Position

#### Findings

The statement of financial position for the year ended December 31, 2021 had a total of ZWL$1 287 827 282 in respect of accumulated fund and current liabilities while the total assets amounted to ZWL$1 315 636 149 resulting in an imbalance of ZWL$27 808 867 which was not investigated and corrected. This resulted in the statement of financial position not balancing by the same amount.

In addition, the statement of financial position for 2020 had an imbalance of ZWL$19 613 934 as a result of differences between total for accumulated fund and current liabilities of ZWL$152 698 369 against the total assets of ZWL$172 312 303. The variance was not investigated and corrected.

#### Risks/Implications

Reliability and understandability of the financial statements may be compromised.

Errors or omissions may not be detected.

#### Recommendation

The Ministry should investigate the imbalances and take corrective action.

#### Management Response

**Investigations are in progress on the imbalance of ZWL$27 808 867.**

#### Evaluation of Management Response

*The management response is acknowledged. However, the Ministry did not respond to the issue of ZWL$19 613 934 variance.*

### (iv) Suspense Account

#### Findings

The 2021 consolidated statement of financial position did not disclose a suspense account balance for Harare Polytechnic of ZWL$61 205 524 (2020: ZWL$9 751 102). In addition, the Ministry did not show how the suspense account balance of ZWL$808 889 disclosed in the previous year's Notes to the consolidated financial statements was cleared.

The suspense account balances were not investigated and cleared as per the provisions of Section 52 (3) of the Public Finance Management (Treasury Instructions), 2019 which requires such amounts to be cleared without delay. As a result, the financial statements were not fairly stated.

#### Risk/Implication

Incorrect decisions may be made based on misstated financial statements.

**Recommendation**

The Ministry should investigate the suspense account balances and make the necessary adjustments to clear them.

**Management Response**

**The finding is noted. The notes on the suspense account will be provided.**

**Evaluation of Management Response**

*Management response is noted. However, the issue of suspense account balances investigations and clearance was not responded to.*

**(v) Accumulated Fund Balances**

**Finding**

The Accumulated Fund balance in the Statement of Financial Position for the year ended December 31, 2021 of ZWL$880 849 839 differed with the balance in the supporting notes of ZWL$83 297 681 resulting in a variance of ZWL$797 552 158 (2020; ZWL$6 373 010). The Ministry added Accumulated Fund balances of tertiary institutions instead of deriving the balance from adding the consolidated surplus for the year to the prior year Accumulated Fund balance.

**Risks/Implications**

Inaccurate financial data can result in management decisions that could adversely affect the Fund's financial health and strategic direction.

Misstatement of the financial statements.

**Recommendation**

The Ministry should calculate the Accumulated Fund by adding surplus for the year to the opening Accumulated Fund in the consolidated statement of comprehensive income.

**Management Response**

**The finding is noted. Corrective action will be taken.**

**(vi) Trade Receivables**

**Finding**

The consolidated trade receivables balance of ZWL$740 201 963 was overstated by an amount of ZWL$3 822 452. This overstatement arose from erroneous recording of retained earnings as trade receivables by Gweru Polytechnic.

**Risk/Implication**

Trade receivables may be overstated thereby distorting financial statements and misleading users.

**Recommendation**

Trade receivables reported should be adjusted to reflect the correct position.

**Management Response**

**The finding is noted. Corrective action has been taken.**

**Evaluation of Management Response**

*There was no evidence to show that corrective action was taken to address the finding.*

**(vii) Property, Plant and Equipment**

**Findings**

The 2021 consolidated statement of cash flows disclosed acquisition of land and buildings valued at ZWL$1 797 208. However, the acquisition was not reflected in the statement of financial position as well as notes to property, plant and equipment as an increase in non-current assets.

There was an unreconciled variance of ZWL$477 294 between the Property, Plant and Equipment balances of ZWL$152 809 104 disclosed in the consolidated statement of financial position and the total value of ZWL$153 286 400 reflected in the notes. Differences in the 2021 opening balances and the 2020 closing balances contributed to the misstatements.

The Property, Plant and Equipment value of ZWL$40 605 300 disclosed in the 2020 financial year consolidated statement of financial position was different from the amount reflected in the notes of ZWL$15 497 335 by a variance of ZWL$25 107 965. I therefore, could not place reliance on the balances reported.

Motor vehicles with an original total cost of ZWL$124 920 for Belvedere Technical Teachers' College (ZWL$43 120) and Harare Polytechnic (ZWL$81 800) were carried in the financial statements at nil value as they had been fully depreciated. However, these assets were still usable and the colleges were deriving economic benefits from their use. Good accounting practice requires assets to be revalued if economic benefits are still being derived from their use. No revaluation was done thereby understating the value of the reported assets.

The consolidated financial statements for the year ended December 31, 2020 disclosed a negative carrying amount of ZWL$4 917 for cell phones. This indicated that cell phones had been over depreciated contrary to good accounting practice.

**Risk/Implication**

Property, Plant and Equipment may be misstated.

**Recommendations**

The misstatements in the financial statements should be corrected.

The Ministry should consider revaluing its motor vehicles which are fully depreciated but still economically useful.

**Management Response**

**The observation is noted. The revalued documents have been provided.**

**Evaluation of Management Response**

*The Ministry did not adjust the financial statements to reflect the effect of revaluations. Further, the Ministry did not respond to the rest of the issues raised in the finding.*

**(viii) Accounting for Biological Assets**

**Findings**

Biological assets were understated by ZWL$1 658 863 (2020: ZWL$1 177 727). These were in respect of Mutare Teachers' College which were not omitted in both the colleges and consolidated statement of financial position. The college made a disclosure in its notes to the financial statements that it had such assets valued at US$15 266 (equivalent to ZWL$1 658 863). Generally accepted accounting practice require biological assets to be reported on the face of the statement of financial position.

Furthermore, there was no consistence in disclosure of biological assets by tertiary institutions. Mutare Polytechnic and Mutare Teachers College disclosed biological assets in the Tertiary Education and Training Development Fund financial statements. Other institutions such as J.M Nkomo and Masvingo Polytechnic disclosed biological assets of ZWL$1 182 846 and ZWL$1 154 136 respectively in the Amenities Fund financial statements for 2020 and 2021 There was no evidence indicating that the tertiary institutions had been given proper guidance by the Ministry on accounting for biological assets.

**Risk/Implication**

Biological assets disclosed in the financial statements maybe misstated.

**Recommendation**

The Ministry should provide guidance on whether biological assets should be accounted for through the Tertiary or Amenities Fund and appropriate disclosures should be made.

**Management Response**

**The observation has been noted. The Ministry will provide the documents.**

**Evaluation of Management Response**

*The management response is noted. However, it does not clearly address the issue of understatement of biological assets in the submitted financial statements. In addition, the issue of the guidance on accounting for biological assets by the institutions was not responded to.*

### (ix) Accounting for Construction Projects

#### Finding

The Ministry depreciated the Fund's assets under construction. An opening accumulated depreciation of ZWL$169 166 (2020: ZWL$117 324) and depreciation for the year of ZWL$59 581 (2020: ZWL$45 653) was disclosed in the financial statements. Generally accepted accounting practice does not allow an asset under construction to be depreciated until the accounting period in which it is brought to use. There was no evidence of training of staff on accounting for assets under construction.

#### Risk/Implication

Depreciating assets not yet in service may understate the asset value on the statement of financial position and lead to inflated expenses on the income statement.

#### Recommendation

The Ministry should train the staff in accounting for construction projects and the incorrect depreciation of construction projects should be corrected.

#### Management Response

**The observation is noted.**

#### Evaluation Management Response

*Management response is noted. However, the course of action to address the finding was not indicated.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Submission of Financial Statements

#### Finding

Financial statements for the years ended December 31, 2020 and 2021 were submitted on March 27, 2023. Section 35 (6) (b) of the Public Finance Management Act [*Chapter 22:19*] requires financial statements to be submitted within sixty days of the end of each year. The financial statements were therefore delayed by more than two years and more than one year respectively.

#### Risks/Implications

The usefulness of the financial statements may be rendered irrelevant due to late submission.

Transparency and accountability may be compromised.

#### Recommendation

The Ministry should ensure that the financial statements of the Fund are submitted for audit in line with regulations.

**Management Response**

**The finding is noted. The Ministry will comply with submission timelines in future.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Recovery of Debts

**Finding**

The Fund had accounts receivable worth ZWL$740 201 963 (2020: ZWL$69 337 381) as at December 31, 2021. There was no evidence that adequate steps were taken to recover the outstanding debts contrary to Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019. This issue was also raised in the prior year audit.

**Risk/Implication**

The Fund may experience working capital challenges which affects operations.

**Recommendation**

Management should put more effort in recovering outstanding debts.

**Management Response**

**The observation is noted. More effort will be put to recover amounts owed in future.**

## 3 PROCUREMENT OF GOODS AND SERVICES

### 3.1 Settlement of Creditors

**Finding**

As highlighted in the prior year audit, there were delays in settlement of debts by the Fund. The Fund had cash and cash equivalents of ZWL$338 655 243 (2020: ZWL$46 583 045) which could have been used to settle creditors of ZWL$268 569 127 (2020: ZWL$64 447 987) that were outstanding.

**Risk/Implication**

There may be reputational risk and the Fund may face challenges in accessing goods and services on credit in future.

**Recommendation**

Management should ensure that creditors are paid timeously to maintain good reputation with service providers.

**Management Response**

**The observation is noted. The Ministry commits to honor servicing of debts timeously.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing findings raised in my previous audit report. Out of the twelve (12) findings raised, only one (1) finding was addressed as indicated below:

### 4.1 Absence of Chart of Accounts

The issue was addressed as the Ministry adopted the Government chart of accounts

### 4.2 Unsupported Figures

Supporting documents to the 2019 take-on balances were still to be availed for audit.

### 4.3 Imbalance on the Statement of Financial Position

The Imbalance of ZWL$2 676 668 on the statement of financial position recurred and was reported on paragraph (iii).

### 4.4 Consolidated Financial Statements Compared with Underlying Records

The issue of the net variance of ZWL$2 517 014 between the consolidated financial statement figures and the total of individual financial statement figures remained unresolved.

### 4.5 Consolidated Statement of Cash Flows

The consolidated statement of cash flows for the year ended December 31, 2019 was not prepared, the issue remained outstanding.

### 4.6 Variances between Pastel Accounting Ledger Balances and Financial Statements

The net variance of $5 624 096 between balances in the individual financial statements and the pastel accounting ledgers for property, plant and equipment, inventory, debtors, creditors, revenue, other income and various expense items was not reconciled.

### 4.7 Unvouched Expenditure

The supporting documents for the expenditure of ZWL$1 477 653 in the financial statements for Bulawayo Polytechnic was not availed, hence the issue remained outstanding.

### 4.8 Accounting for Revenue

Corrective action was not taken on the incorrect accounting treatment of accrued fees of ZWL$1 240 883 erroneously included in revenue for Mutare Polytechnic.

### 4.9 Property, Plant and Equipment

The revaluation of assets at Mutare Polytechnic were not carried out and hence the value of vehicles remained understated. The issue recurred as observed in paragraph (vii).

### 4.10 Depreciation Expense

The issue remained outstanding as no action was taken to correct the understatement of depreciation expense.

### 4.11 Accounts Receivable

Corrective action was not taken on an amount of ZWL$61 605 that was omitted from the Accounts Receivable.

### 4.12 Recovery of Debts and Non-servicing of Outstanding Creditors

The Fund did not improve its recovery of debts and payment of outstanding creditors as raised in paragraphs 2.1 and 3.1.

## VOTE 17.- WOMEN AFFAIRS, COMMUNITY, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

### APPROPRIATION ACCOUNT 2024

### Mandate of the Ministry

The mandate of the Ministry of Women Affairs, Community, Small and Medium Enterprises Development is to promote women empowerment, gender equality and equity, community and cooperative development as well as promote small and medium enterprises development.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under spending<br><br>ZWG |
|---|---|---|---|---|
| 312 705 382 | 103 961 100 | 416 666 482 | 259 108 916 | 157 557 566 |

I have audited the Appropriation Account for the Ministry of Women Affairs, Community, Small and Medium Enterprises Development for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of Ministry of Women Affairs, Community, Small and Medium Enterprises Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

#### Finding

The total budget for the Ministry was ZWG 416 666 482 while funding provided amounted to ZWG 257 929 697 resulting in a budget utilization of 62% of the voted funds. However, the Ministry had arrear payments of ZWG 24 463 724 that could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted/planned programs of the Ministry.

#### Risk/Implication

The Ministry may fail to achieve its objectives due to inadequate funding.

#### Recommendation

The Ministry should continue lobbying for funding from the Ministry of Finance, Economic Development and Investment Promotion.

**Management Response**

**Management did not respond.**

## 1.2 Risk Management Policy and Annual Assessments

**Finding**

As highlighted in my previous report, the Ministry did not carry out risk assessments as well as provide the risk profile report for audit. This was attributed to the absence of an approved risk management policy document. Provisions of Section162 (1) and (3) of the Public Finance Management (Treasury Instructions), 2019 require Accounting Officers to carry out risk assessment and also to submit a copy of the risk profile report to the Auditor-General annually.

**Risk/Implication**

The lack of a formal risk assessment process and approved policy document exposes the Ministry to potential financial losses and reputational damage.

**Recommendation**

The Ministry should develop and approve a risk management policy document that provides clear guidance on conducting risk assessments. This will enable the Ministry to proactively identify and mitigate risks, ensuring better financial management and accountability.

**Management Response**

**A draft Risk Management Policy was drafted in 2024 and submitted to the Ministry of Finance, Economic Development and Investment Promotion for validation and approval.**

**A workshop for risk champions was affected by lack of resources but once trained, the Ministry would be able to prepare an enterprise risk register which is a critical tool when assessing risk.**

## 1.3 Audit Committee

**Finding**

The Audit Committee consisted of three (3) executive members, two (2) of whom were directly responsible for implementing programs which compromised its independence and effectiveness. This arrangement created a self-review threat, contravening good corporate governance principles. Furthermore, the Committee did not meet during the financial year ended December 31, 2024, to review internal controls and address control environment issues, violating Section 84(3)(b) of the Public Finance Management Act [*Chapter 22:19*], which requires at least two meetings per year.

**Risk/Implication**

The Audit Committee's ineffectiveness may lead to inadequate oversight, allowing internal control weaknesses and governance issues to go unaddressed.

**Recommendations**

The Ministry should appoint members who are not directly involved with Internal Audit function.

The Audit Committee should adhere to the requirements of the Public Finance Management Act [*Chapter 22:19*], so that there is regular monitoring and evaluation of internal controls, risks and compliance as well as governance issues.

**Management Response**

**The observation was noted and the Ministry will appoint a majority of non-executive members to the Audit Committee. The appointments will be guided by the recent cabinet approved guidelines on the appointment of members to the Audit Committee.**

### 1.4 Payment Arrears

**Finding**

Payment arrears increased by 89% from ZWG 2 750 051 in the prior year to ZWG 24 463 724 in the current year, with no evidence of timely settlement, potentially incurring unnecessary penalties.

**Risks/Implications**

The accumulation of arrears if left unattended, erodes the budget of the subsequent year and negatively impacts on service delivery and reputation.

The Ministry may be sued or penalized for late payments.

**Recommendation**

Management should prioritise payments to critical and long outstanding suppliers so as to avoid disrupting essential services.

**Management Response**

**The sharp increase in Payment Arrears in 2024 was as a result of failure by the Accountant General Department to provide actual cash support for already committed expenditure. The funding had been released in the system, resulting in the processing of payment documents by the Ministry which were later reversed due to the unavailability of actual cash support.**

**To solve the problem, in 2025 the Ministry prioritised the clearance of 2024 arrears in compliance with Treasury Circular No 2 of 2025. The Ministry, in the first two budget committee meetings committed to clear the 2024 debts by mid-2025.**

### 1.5 Ministry Outputs and Outcomes

**Finding**

The annual report was not availed for audit as management indicated that it was still in draft form. In addition, quarterly monitoring and evaluation reports were not availed for my examination. Section 32 (3) (a) of the Public Finance Management Act [*Chapter 22:19*], provides that the annual report produced shall contain a report on the activities, outputs and outcomes of the Ministry. Therefore, I was not able to confirm if the Ministry was able to meet its set targets as set out in the annual operational plan.

**Risk/Implementation**

It may not be possible to evaluate the performance of the Ministry as well as identify areas for improvement.

**Recommendations**

The Ministry should ensure that regular monitoring and evaluation (M&E) activities is done.

The annual report from M&E should be prepared and availed for audit.

**Management Response**

**Due to financial constraints, the Ministry was unable to produce all four quarterly Monitoring and Evaluation (M&E) reports for the 2024 financial year. However, the Ministry ensured partial compliance through the following efforts:**

- **First and Second quarter reports were consolidated into a half year performance report, which was subsequently presented to Cabinet by the Honourable Minister.**
- **The third quarter report could not be produced due to continued funding challenges.**
- **The Annual Monitoring and Evaluation Report was in draft form at the time of the audit but has since been finalised.**

## 3 GENDER ISSUES

### 3.1 Gender Policy Document

**Finding**

As highlighted in my previous report, the Ministry is mandated to spear head the crafting of the National Gender Policy to be used in the social and economic spheres of the society. Currently, the country is using a revised National Gender Policy (2017).

**Risk/Implication**

The lack of an updated gender policy may perpetuate existing gender inequalities that hinder social and economic progress.

**Recommendation**

The Ministry should expedite the crafting of the National Gender Policy since line ministries and other stakeholders look forward to the Ministry for guidance on issues related to gender.

**Management Response**

**The Ministry wishes to inform you that the review process for the National Gender Policy was finalised and a draft policy is now in place. The draft National Gender Policy was considered by Cabinet and the Ministry is attending to Cabinet inputs made in during its second sitting in February and March 2025.**

## 4 INVESTMENTS

### 4.1 Investment in Zimbabwe Women Microfinance Bank (ZWMB)

**Finding**

The Ministry, as the sole shareholder, has continued to annually invest in the Zimbabwe Women Microfinance Bank (ZWMB), with the investment disclosed as Equity and Investment Fund Shares in the Appropriation Account, notwithstanding the Bank's history of annual losses and failure to declare dividends since its inception seven (7) years ago. During the 2024 financial period the Ministry invested approximately US$1 929 371 broken down as ZWL4 500 000 000, ZWG11 033 000 and US$950 000. It is against this background that audit was concerned that the Ministry has continued to invest in the Bank without realising any return on its investment.

**Risk/Implication**

The Ministry may fail to achieve its goals if they do not properly monitor their investment.

**Recommendation**

The Ministry should monitor the status and performance of their investments.

**Management Response**

**The Ministry takes note of the observation and is working towards addressing the losses being faced by the Bank. Currently, the Ministry is closely working together with the Bank to monitor financial performance and governance through regular reviews of the Bank financial performance and appointment of a competent Board to oversee the operations of the Bank in line with the Public Entities Corporate Governance Act. The Ministry believes that a capable and competent Board is key to resuscitating the Bank.**

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing prior year audit findings. Out of three (3) issues raised, only one (1) was addressed as indicated below:

### 5.1 Risk Assessment

The Ministry did not address the finding and the issue was raised again on paragraph 1.1.

### 5.2 Losses and Damages

The finding was addressed as boards of inquiry were convened.

### 5.3 Gender Issues

At the time of audit, the Gender Policy was not yet in place.

## SMALL AND MEDIUM ENTERPRISES REVOLVING FUND 2022 AND 2023

### Objective of the Fund

The fund was established for the purpose of providing interest bearing loans to micro, small and medium enterprises to make a meaningful contribution to economic growth and development.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year ended December 31, 2023:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 5 371 312 500 |
| Expenditure | 844 817 |
| **Surplus** | **5 370 467 683** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | **-** | 7 875 695 880 |
| Current | 7 876 609 819 | 913 939 |
| **Totals** | **7 876 609 819** | **7 876 609 819** |

I have audited the financial statements of the Small and Medium Enterprises Revolving Fund for the years ended December 31, 2022 and 2023 and I issued an unmodified opinion for both years.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Small and Medium Enterprises Revolving Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Sustainability of Services

### Findings

The audit noted factors indicating material uncertainty on the Fund's ability to continue providing services. Loans made to Small and Medium Enterprises Development Corporation (SMEDCO) in prior periods have not been repaid. The debtors' balance as at December 31, 2023 stood at ZWL$7 876 609 819 (2022: ZWL$2 505 297 319).

Furthermore, the bank account for the Fund has been in overdraft for more than two years as no deposits were being made into the account. The overdraft has been increasing annually as account service fees have been accumulating over the years, without being paid. The bank balance stood at a negative ZWL$913 939 as at the end of the period under review.

**Risks/Implications**

The Fund's assets may be overstated with debtors that are unlikely to be recovered thereby misleading users of financial statements.

The negative balance may continue to grow due to ongoing fees and charges, potentially leading to closure of the account and subsequent disruption of operations.

**Recommendation**

The Accounting Officer should make an assessment of the Fund's ability to continue providing services and liaise with Treasury accordingly.

**Management Response**

**The Fund is managing the debt from SMEDCO and the interest thereof is recognised, meaning that the objective of the fund is met, only the arrangement need to be sorted out. A schedule of loans made by SMEDCO to beneficiaries was availed for audit.**

**The overdraft is noted, the Ministry is hoping that after the amendment of the Fund's constitution Treasury will provide funds and the arrangement with SMEDCO will be stopped. The grants to SMEDCO may be treated as Equity and Investment Fund Shares instead of Lending. With this the Fund will continue as a going concern.**

## 2. REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Long Outstanding Debtors

**Finding**

Outstanding loans to SMEDCO increased by 214% from ZWL$2 505 297 319 in 2022 to ZWL$7 876 609 819 in 2023. Efforts made to recover the outstanding debt were not successful. There was no evidence that the Ministry was monitoring the debt collection strategies being implemented by SMEDCO to assess their effectiveness.

**Risk/Implication**

Objectives of the Fund may not be met if long outstanding debtors are not recovered on time.

**Recommendation**

The Accounting Officer should put in place mechanisms that enable regular checks and monitoring of the parastatal as well as implementing effective debt collection procedures.

**Management Response**

**The amount of ZWL$7 876 609 819 was arrived at using the MOU and as such management was in the process of converting the debt into equity and the Ministry was monitoring the debt as evidenced by minutes and letters written to SMEDCO in regard of dealing with the amount.**

## 2.2 Confirmation of Debtors

### Finding

The Fund disclosed a debtor's balance of ZWL$7 876 609 819, while SMEDCO indicated that the cumulative balance of ZWL$7 824 571 322, resulting in a variance of ZWL$52 038 497.

### Risk/Implication

The financial statements could be misstated.

### Recommendation

The Ministry should reconcile the differences to ensure that correct debtors are disclosed and fully accounted for so as to enhance the accuracy and reliability of the financial information.

### Management Response

**Management acknowledges the discrepancy noted in the confirmed debt amount. The Ministry is currently in the process of reconciling the two figures. A formal communication has been sent to SMEDCO to clarify the differences and ascertain the correct amount.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make any progress in addressing audit findings raised in my previous audit report. Out of the two (2) findings, non was addressed as indicated below:

## 3.1 Long Outstanding Debtors

The finding was not addressed as there were no recoveries made on long outstanding debtors, as indicated paragraph 2.1.

## 3.3 Closed Bank Account

The finding was not resolved as the bank account was still not functional.

**WOMEN DEVELOPMENT FUND 2023**

**Objectives of the Fund**

The Fund was established to provide interest bearing loans to women's groups for developmental projects such as bakeries, uniform making, crafts, agro-based projects, mining, herbal gardens, trading and training and enterprise programs.

Below is a summary of the Statement of Comprehensive Income and the Statement of Financial Position for the year ended December 31, 2023.

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 379 126 575 |
| Expenditure | 170 857 358 |
| **Surplus** | **1 208 269 217** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 82 324 364 | 17 578 006 |
| Investment in Associate | 325 760 | - |
| Accumulated Fund | - | 1 472 698 226 |
| Current | 1 433 734 639 | 26 108 531 |
| **Total** | **1 516 384 763** | **1 516 384 763** |

I have audited the financial statements of the Women's Development Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

**Opinion**

In my opinion, the financial statements present fairly in all material respects, the financial position of the Women's Development as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 ASSET MANAGEMENT

### 1.1 Recording Assets in Register

**Finding**

The Fund had three (3) filing cabinets and seven (7) laptops valued at ZWL$78 269 982 which were purchased in 2023 and were not recorded in the asset register. This contravened Section 100 (1) of Public Finance Management (Treasury instructions) 2019.

**Risk/Implication**

Assets may be misappropriated and lost without trace if not properly accounted for.

**Recommendation**

The Fund should record all assets in the asset register in compliance with regulations.

**Management Response**

**The anomaly will be rectified to make sure that all assets are recorded in the Fund asset register as soon as goods are delivered to ensure accountability and transparency.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Advances to the Ministry

**Finding**

The Fund procured assets on behalf of the Ministry amounting to ZWL$ 28 370 308 without approval from Treasury. Section 116 (9) of the Public Finance Management (Treasury instructions), 2019 prohibits Accounting Officers from borrowing money from the Fund to finance Appropriation budgets unless authorized by Treasury.

**Risk/Implication**

Using funds without Treasury approval may indicate lack of transparency and accountability in the use of public funds and this may cause misappropriation of funds.

**Recommendation**

The Ministry should seek approval from Treasury to use money from the Fund in compliance with regulations.

**Management Response**

**The observation is noted, going forward the Ministry will seek Treasury approval and comply with relevant standards.**

### 2.2 Payment Voucher not in File

**Finding**

During the audit, it was noted that a payment voucher of ZWL 2 562 004 paid on August 10, 2024 to Mactricy project as working capital, was not available for review. The absence of physical voucher raises concerns about adequacy of internal controls.

**Risk/Implication**

The absence of physical voucher raises concerns about adequacy of internal controls.

**Recommendation**

Management should strengthen internal controls over financial transactions to prevent similar incidents in the future.

**Management Response**

**The observation is noted. The Fund is in the process of locating the payment voucher and the payment voucher will be provided.**

## 3 REVENUE COLLECTION AND DEBT RECOVERY

### 3.1 Accounts Receivables

**Finding**

Audit observed that a total of ZWL$10 440 753 from a sample of 7 accounts receivables has not been repaid as at December 31, 2023. The lending criteria states that loan repayments start after 3 months' grace period. The following projects had not paid their monthly repayments by December 31, 2023. No evidence of debts follow ups was received during the audit. This contravenes section 42 (4) Public Finance Management, (Treasury instructions) 2019, which states that it is the duty of receivers of revenue to supervise and enforce punctual collection of public moneys according to set agreements and regulations.

**Risk/Implication**

Failure to collect loans on time may lead to loss of public funds resulting in the Fund failing to fund other projects in need.

**Recommendation**

The management should monitor, follow up and collect the repayments as required by regulations.

**Management Response**

**The observation is noted. Action is being taken for those group beneficiaries. Management have engaged the Program Management Department and the Program Development Officer in respective programs to make follow ups. Some of the repayments are being made but beneficiaries are using individual names instead of group names**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made progress in addressing audit findings raised in my previous audit report. Out of four (4) findings, two (2) were addressed and two (2) were not addressed as indicated below:

### 4.1 Investment in Associate

An amount of ZWL$325 760 was disclosed in the financial statements as return on investment**.** There was also no evidence that dividends had been received from the investment over the years. The Fund had not made any assessment to evaluate the status of the investment.

### 4.2 Advances to the Ministry

The Fund procured assets on behalf of the Ministry without approval from Treasury.

### 4.3 Loans Written-Off

There were no loans which were written-off in the financial year of 2023.

### 4.4 Unsupported Journal Entries

The Fund did not have any unsupported journals for the year of 2023.

## ZIMBABWE COMMUNITY DEVELOPMENT FUND 2021, 2022 AND 2023

### Objective of the Fund

The Fund was established to provide grants and/or interest-bearing loans to community groups for infrastructural development and working capital.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 2 008 405 087 |
| Expenditure | 398 721 443 |
| **Surplus** | **1 609 683 644** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 129 020 037 | - |
| Accumulated Fund | | 1 853 416 158 |
| Current | 1 781 636 156 | 57 240 035 |
| **Total** | **1 910 656 193** | **1 910 656 193** |

I have audited the financial statements of the Zimbabwe Community Development Fund for the years ending December 31, 2021 to 2023 and I issued a qualified opinion for all the three (3) years.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Community Development Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Inadequately Supported Loans

### Finding

The statement of cash flows had an increase in outstanding loans of ZWL$27 985 570 which lacked supporting documents. Further, there was no evidence that reconciliations were performed to ascertain the origins of the figure. As a result, I could not ascertain the accuracy of the outstanding loans disclosed in the financial statements.

### Risk/Implication

The financial statements could be misstated.

### Recommendation

Management should reconcile and address the misstatement.

**Management Response**

**The Ministry takes note of the observation and is working towards addressing the imbalance. The Ministry will continue to ensure that debtors and creditors reconciliations are timely done and regularly reviewed to ensure accuracy of amounts in the financial statements.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Accounting Procedures Manual

**Finding**

The Fund was operating without an approved Accounting Procedures Manual. The Accounting Officer, appointed a management committee in October 2022 whose responsibilities amongst others was to develop an accounting and administrative procedures manual.

**Risk/Implication**

Inconsistencies on treatment of transactions.

**Recommendation**

The Ministry should finalise the development of the Accounting Procedures Manual.

**Management Response**

**The Ministry has a draft Accounting Procedures Manual which is under consideration and awaiting approval.**

### 1.2 Accounting System

**Finding**

The Fund has been operating on a manual accounting system as migration to the Public Finance Management System was not done contrary to Section 119 (1) of the Public Finance Management (Treasury Instruction), 2019 which requires all transactions relating to Funds to be accounted for through the PFMS.

**Risk/Implication**

A manual accounting system is prone to human errors which may affect the accuracy of financial statements.

**Recommendation**

Management should continuously engage Ministry of Finance, Economic Development and Investment Promotion to get authorization for the adoption of an accounting system that will ensure the accuracy of accounting records and improve reliability of financial information.

**Management Response**

**The observation is noted. Efforts were made in 2023 and 2024 financial year requesting Treasury to configure all Funds on the PFMS platform.**

**The Ministry will make an effort to procure an independent accounting package upon authorization from the Accountant General.**

### 1.3 Maintenance of Records

**Finding**

The Fund did not reference or serially number its payment vouchers from February to December 2023. This was in violation of section 119(2)(a)(iv) of the Public Finance Management (Treasury Instructions), 2019 which requires all transactions recorded in the cash book to include an EFT number.

**Risks/Implications**

Unnumbered payment vouchers may be easily lost or misplaced making it challenging to track.

Vouchers can be easily altered or forged, making it easier for individuals to commit fraudulent activities.

**Recommendation**

Management should ensure that payment vouchers are numbered on preparation.

**Management Response**

**The observation is noted. The Ministry will make sure that all payment vouchers are serialised or referenced by assigning other staff members to help the responsible officer.**

## 2 MANAGEMENT OF ASSETS

### 2.1 Asset Register

**Finding**

The asset register had no record of assets procured during the year under review with a total value of ZWL$127 709 616. Further to this, prior year assets reported in the financial statements were not recorded in the asset register except for motor vehicles and laptops.

**Risk/Implication**

Assets may be lost without trace if not properly accounted for.

**Recommendation**

Management should make sure that all assets are recorded in the asset register and ledgers to ensure accountability.

**Management Response**

**The Ministry recorded all assets in the master asset register but did not transfer or record them in the Zimbabwe Community Development Fund asset register. The anomaly will be rectified.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR FINDINGS

The Fund made progress in addressing audit findings raised in my previous audit report. All the two (2) findings were addressed as indicated below: -

### 3.1 Suspense Account

The issue was resolved as the liabilities were identified as loan repayments which were allocated to their correct ledger accounts.

### 3.2 Interest Recognition

The finding was addressed as interest income was recognised in the period it was earned.

## VOTE 18. - HOME AFFAIRS AND CULTURAL HERITAGE

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry is responsible for promoting a secure and conducive environment through maintenance of law and order, migration management, timely registration and issuance of secure identification documents, regulation of gaming board and entertainment activities and provision of forensic science services.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under Spending<br><br>ZWG |
|---|---|---|---|---|
| 5 907 278 192 | 1 997 659 466 | 7 904 937 658 | 6 372 818 478 | 1 532 119 180 |

I have audited the financial statements for the Ministry of Home Affairs and Cultural Heritage for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respects, the state of affairs of the Ministry of Home Affairs and Cultural Heritage as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Variance Between the Appropriation and the Sub-Paymaster General's Accounts**

### Finding

The Sub-Paymaster General's Account had payments amounting to ZWG655 011 815 while the total expenditure reported in the submitted Appropriation Account was ZWG6 372 818 478 resulting in an unreconciled variance of ZWG5 717 806 663.

### Risk/Implication

Misstatement of the Appropriation Account.

### Recommendation

The Ministry should investigate the variances and take corrective action.

### Management Response

**The observation is noted. Reconciliation between the Sub-PMG's and Appropriation Accounts is underway. The Statement of Reconciliation between the Sub-Paymaster General's and the Appropriation Accounts was done and submitted, but there is need to redo them because Appropriation is being reworked.**

### (ii) Unallocated Reserve Transfers

#### Finding

The Ministry reported a total of ZWG1 997 659 466 as Unallocated Reserve transfers in the Appropriation Account while records from Treasury had ZWG1 632 970 520 resulting in an unreconciled variance of ZWG364 688 946.

#### Risk/Implication

Financial statements could be misstated if reconciliations are not done.

#### Recommendation

The Ministry should engage Treasury to establish source of the variance so that correct amounts are accounted for and reported.

#### Management Response

**The observation is noted. Treasury was engaged but the correct amounts have not yet been availed. They have promised to assist the Ministry with documentation pertaining to the figure of unallocated reserves transfers.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

#### Findings

An analysis of the Ministry's total budget and funding provided by the Treasury revealed that out of the total budget of ZWG7 904 937 658, operations and capital expenditure was funded ZWG1 672 767 445 representing 21%, while compensation of employees was funded to the tune of ZWG4 700 051 033 representing 60% giving a budget utilisation of 81%. The budget underutilisation was mainly due to non-release of funding by Treasury as a result of low revenue inflows. However, at year end, the Ministry owed ZWG714 545 096 to service providers and suppliers. Part of the Payment Arrears amounting to ZWG173 932 455 (US$6 741 960) (24%) related to outstanding Mobile Registration Allowances for civil servants who participated in the mobile registration exercise for the 2023 general election.

#### Risk/Implication

Inadequate funding compromised the Ministry's ability to deliver on its mandate effectively.

#### Recommendation

There is need to continuously engage Treasury so that the budgeted amount is released and funded to enable implementation of programs.

#### Management Response

**The observation is noted. The Ministry will continuously engage Treasury so that all outstanding payments are cleared.**

## 1.2 Submission of the Appropriation Account and Other Statutory Returns

### Findings

The financial statements were submitted late for audit on May 30, 2025. This was way after the Statutory deadline of January 31 and February 28, 2025. This was contrary to the provisions of Section 35(6) (b) (i) of the Public Finance Management Act [*Chapter 22:19*].

Furthermore, the Ministry resubmitted the appropriation account on June 17, 2025. This delayed the audit process as balances in the re-submitted account had to be verified for accuracy. The resubmission was done to address audit issues raised. This reflected absence of due care in reporting accounting transactions.

### Risk/Implication

The non-submission of financial statements on a timely basis may compromise transparency and accountability by those charged with governance.

### Recommendation

The Ministry should ensure that its financial statements are submitted for audit within the stipulated statutory deadline.

### Management Response

**The observation is noted. In future the Ministry will submit financial reports on time. There is also need to increase review levels in the Ministry's Finance Section. All the financial statements were prepared by one officer who was overwhelmed as all the financial statements require ample time to prepare.**

## 1.3 Zimbabwe Republic Police (ZRP) Hatcliffe Housing Project

### Finding

As reported in the prior year audit report, ZRP engaged funding institutions to provide loans for funding servicing of residential stands for ZRP Hatcliffe Housing project. The engagement of the funding institutions was done without Treasury authority and the issue was not regularised. This was in contravention of Section 65 (1) of the Public Finance Management Act [*Chapter 22:19*].

### Risk/Implication

The State may end up being responsible for unbudgeted financial obligations in the event of failure by the ZRP to honour the agreement with the third parties.

### Recommendation

The Ministry should seek condonation on the issue of the breach of Section 65 (1) of the Public Finance Management Act [*Chapter 22:19*].

### Management Response

**Management did not respond.**

### 1.4 Travelling and Subsistence Advances and Disallowances

#### Finding

Advances amounting to ZWG1 081 039 were issued as far back as November 2024 and were said to be still awaiting submission of claim forms by the respective individuals. As at the date of concluding this audit, the advances had not been acquitted. The delay in acquittal of the advances was contrary to section 65 (15) of the Public Finance Management (Treasury Instructions), 2019.

#### Risk/Implication

There may be financial prejudice to the State if monies advanced are not accounted for through acquittals.

#### Recommendation

The Ministry should recover outstanding Travelling and Subsistence Allowances timeously by effecting deductions on the pay sheets as required by Treasury Instructions in order to safeguard public resources.

#### Management Response

**Management did not respond.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Visas and Permits

#### Finding

The Ministry's Department of Immigration Plumtree Border Post collected a total of ZWG1 650 040 being administrative fees for visas and permits. The fees were deposited into a local bank account. There was no evidence that all the collections were transferred to the Ministry's Sub-Exchequer Account for subsequent transfer to the Consolidated Revenue Fund. The Ministry indicated that it had no direct access to the bank account as signatories to the account were Ministry of Finance, Economic Development and Investment Promotion officials. The issue was raised in previous audit reports and no corrective action was taken to address the anomaly.

#### Risk/Implication

The revenue received may not be properly accounted for and reported amounts may be misstated due to errors and omissions.

#### Recommendation

The Ministry should ensure that a new account for the Plumtree Border Post has been opened whilst ensuring that the old one has been audited and closed.

#### Management Response

**Management did not respond.**

## 3 PROCUREMENT OF GOODS AND SERVICES

### 3.1 Non-Delivery of Motor Vehicles

**Finding**

In my report for the year ended December 31, 2022, I noted that the Ministry entered into a contract for the supply of thirty-five (35) vehicles. The contractor only supplied eleven (11) vehicles leaving a balance of twenty-four (24). In its response the Ministry had indicated that it had met the supplier on March 1, 2024 and made recalculations which resulted in only two (2) vehicles being outstanding. However, at the time of concluding the audit, more than a year later, the two vehicles had not been delivered.

**Risk/Implication**

There is risk of loss of public funds due to non-delivery of the vehicles.

**Recommendation**

The Ministry should make concerted effort to recover the non-delivered vehicles.

**Management Response**

**Management did not respond.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing the audit findings raised in my previous audit report. Out of the fifteen (15) issues raised, three (3) were addressed, two (2) were partially addressed and ten (10) were not addressed as indicated below:

### 4.1 Variance Between the Appropriation Account and Sub-Paymaster General Account

The variance of ZWG5 355 245 332 between the Sub-Paymaster General Account and the Appropriation Account was not addressed, the issue was reported on paragraph (i).

### 4.2 Main Exchequer Reconciliation

The issue of variance between sub-exchequer and consolidated revenue fund was not addressed.

### 4.3 Computerised Master Assets Register

The finding was not addressed as Ministry's assets were not yet captured in the PFMS system.

### 4.4 Citizenship and Immigration Board

The issue was partially addressed as the Ministry identified the areas of the Immigration Act [*Chapter 4:02*] which need alignment to the Constitution.

### 4.5 Creation of a Special Purpose Vehicle (SPV) for ZRP Hatcliffe Housing Project

The issue had not yet been addressed as ZRP Hatcliffe Housing Project office did not have records/information which show authority for the ZRP to contract CABS/Old Mutual. The issue was raised in 1.3.

### 4.6 Boards of Inquiry

The Boards of Inquiry were not convened and cleared.

### 4.7 Border Management System

The finding was addressed as the Online Border Management System (OBMS) equipment had been deployed to the border stations across the country.

### 4.8 Direct Payments

The finding on direct payments had not been addressed and it recurred during the current year. The matter was raised on paragraph (iii).

### 4.9 Non-Delivery of Motor Vehicles

The finding was not addressed as the two (2) vehicles had not been supplied at the time of concluding the 2024 audit in May 2025. The matter was raised on paragraph 3.1.

### 4.10 Use of the Pre-Loaded Purchase Card (OK Mart Card)

The Ministry discharged the officer who abused the OK Mart card and nothing was recovered.

### 4.11 Visas and Permits

The Department of Migration Management continued to deposit administrative fees in an account that was not managed by the Ministry. The matter was again raised on paragraph 2.1.

### 4.12 Contract Management - Delivery of Assets

The observation was addressed as Radio Solution company fulfilled their contract obligations and supplied the assets.

### 4.13 Annual Procurement Plan

The Ministry did not upload the Annual Procurement Plan in the PFMS.

### 4.14 Travelling and Subsistence Advances and Disallowances

The Ministry partially addressed the recovering of outstanding advances. The advances were still not being recovered in time as indicated on paragraph 1.4.

### 4.15 Unallocated Reserve Transfers

The finding was not addressed as Unallocated Reserve Transfers were still not supported with Treasury release letters.

## VOTE 19.- JUSTICE, LEGAL AND PARLIAMENTARY AFFAIRS

## APPROPRIATION ACCOUNT 2024

### Mandate of the Ministry

The Ministry is responsible for the delivery of justice throughout the country and upholding the Constitution of Zimbabwe, as well as rehabilitation of offenders through maintenance of Legal Services to the state, reviewing and reforming the laws of Zimbabwe, providing legal research and formulation of legal policies.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br><br>ZWG | Unallocated Reserves<br><br>ZWG | Total Allocated<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 1 619 620 426 | 1 184 783 562 | 2 804 403 988 | 1 987 776 004 | 816 627 984 |
| **Constitutional and Statutory Appropriations** | | | | |
| 3 471 193 | 2 150 152 | 5 621 345 | 5 304 861 | 316 484 |

I have audited the financial statements of the Ministry of Justice, Legal and Parliamentary Affairs for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Justice, Legal and Parliamentary Affairs as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Understatement of Appropriation Account Expenditure

### Findings

The Master of High Court collected revenue amounting to ZWG44 273 713 and US$5 580 567 in respect of deceased estates fees and utilised ZWG24 807 493 and US$665 007 without Parliamentary approval. The money was spent outside the PFM system and was not disclosed in the Appropriation Account. This was caused by absence of regulations and guidelines on the collection and use of the collected fees as required by Section 132 (2) (c) of the Administration of Estates Act [Chapter 6:01]. I raised the same issue in my prior year audit report.

### Risks/Implications

Retention and use of funds without Parliamentary authority may result in unauthorised expenditure.

The Appropriation Account was misstated due to non-inclusion of the expenditure.

**Recommendations**

The Master of the High Court should follow laid down procedures in accounting and utilising public funds to avoid violating budgetary processes.

The Ministry should ensure that regulations and guidelines relating to accounting and reporting for the retained monies are put in place in line with the Public Finance Management Act *[Chapter 22:19]* and the Administration of Estates Act *[Chapter 6:01].*

In the absence of regulations on fees collected as required by the Administration of Estates Act *[Chapter 6:01,* the Master of the High Court should surrender the revenue collected from deceased estates to the Consolidated Revenue Fund in compliance with section 16 (2) of the Public Finance Management Act [*Chapter 22:19*].

**Management Response**

**This has since been regularized by the enactment of the Administration of Estates Amendment Act in November 2024 which established a Statutory Fund under section 4F.**

**Evaluation of Management Response**

*The expenditure incurred before the enactment of the Administration of Estates Amendment Act in November 2024 outside the Public Financial Management System was not disclosed in the Appropriation Account.*

**(ii) Misstatement of Compensation of Employees**

**Finding**

Compensation of employees' expenditure amounting to ZWL$175 164 106 929 for the period January to April 2024 was converted to ZWG70 101 417 using incorrect rate of 2498.7242 instead of the spot rate. However, if spot rates as guided by Treasury were used the result would have been ZWG132 947 495. Therefore, there was a variance of ZWG62 846 078 resulting in the misstatement of compensation of employees.

**Risk/ Implication**

The Compensation of employee's expenditure in the Appropriation Account was misstated.

**Recommendation**

The Ministry should use conversion rates prescribed in Treasury Circular Number 1 of 2025 to avoid misstatement of account balances.

**Management Response**

**The observation is noted, the Ministry used the rate of 2498.7242 to convert compensation of employees' cost because salaries were paid directly to SSB by Treasury. The Ministry did not have access to the bank statement for us to know the transaction dates for compensation of employees' expenditure.**

### (iii) Receipts and Disbursements

#### Findings

The Statement of Receipts and Disbursements submitted for audit had an opening balance of ZWG10 085 937, collections of ZWG672 768 400, total payments and adjustments to the Exchequer and other accounts of ZWG678 183 538 and these amounts should have given a closing balance of ZWG4 670 800. However, the closing balance disclosed on the Statement was ZWG305 485 671 resulting in an unexplained variance of ZWG300 814 871. Therefore, I could not place reliance on the closing balance disclosed on the Statement of Receipts and Disbursements.

Furthermore, the return had an incorrect opening balance of ZWG10 085 937 instead of the prior year closing balance of ZWG328 097 resulting in a variance of ZWG9 757 840. There were no explanations provided for the adjustments.

The Statement of receipts and disbursements submitted for audit disclosed transfers to the Exchequer amounting to ZWG496 189 680 whereas the underlying records in the PFMS had transfers amounting to ZWG29 258 579 resulting in an unreconciled variance of ZWG466 931 101.

#### Risk/Implication

Misstatement of Receipts and Disbursements.

#### Recommendation

The Ministry should correct the Statement of Receipts and Disbursements return and reconcile the variances noted.

#### Management Response

**The variance of ZWG300 814 871 was caused by the use of the multi-currency which is now affecting the presentation of receipts and disbursement template resulting in no link between the opening balance and other columns. The variance of ZWG466 931 101 was caused by transfer of funds which are still work in progress.**

**Legal Aid Directorate and the Courts Fund held by the Attorney General`s Office retain funds. Imbalances are emanating from different exchange rates.**

#### Evaluation of Management Response

*Findings on transfers to other accounts and imbalances on the Statement were not addressed as the variances were not reconciled.*

### (iv) Sub-Paymaster General Account Reconciliations

#### Finding

The Appropriation Account had total expenditure amounting to ZWG1 993 080 865 whereas the Sub-Paymaster General's Account (Sub-PMG) disclosed expenditure amounting to ZWG1 954 277 094, resulting in a variance of ZWG38 803 771 that was not reconciled. The Appropriation Account expenditure was converted to ZWG using spot rates while the expenditure in Sub-PMG reconciliation was converted using a rate of 2 498.7242. This contributed to the variance of ZWG38 803 771.

**Risk/Implication**

Failure to use prescribed rates in the preparation of the Appropriation Account and the Sub-PMG resulted in misstatement of the account balances disclosed.

**Recommendation**

The Ministry should use conversion rates prescribed in Treasury Circular Number 1 of 2025 to avoid misstatement of account balances.

**Management Response**

**We used the Reserve Bank and SSB rate of 2498.7242 to convert all transactions in disclosed in Sub PMG from ZWL to ZWG instead of the spot rates because it enabled us to reconcile the Ministry's Sub PMG balance and the closing bank balance without leaving a variance.**

**(v) Annual Closure Certificate**

**Finding**

The Annual Closure Certificate showed that the Ministry had open and un-cleared transactions in the Receipting Cashbook General Ledger amounting to ZWG503 126 092. Treasury Circular Number 1 of 2025, requires all open items in the system to be cleared before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment. I could not therefore, validate with certainty the accuracy and completeness of the revenue received reported amounting to ZWG738 022 337.

**Risk/Implication**

The revenue received reported in the Statement of Revenue Received could be misstated**.**

**Recommendation**

Management should clear all outstanding open transactions in general ledgers to ensure completeness and alignment of financial statements.

**Management Response**

**Treasury delayed configuration of the Sales and Distribution Module in the SAP system as it was configured on the 31st of December 2024. The Ministry then organized for a training workshop for its members to train on the module which then inputted all 2024 revenues into the system. The clearing of open items is still work in progress.**

Below are other issues noted during audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Findings**

Treasury released ZWG2 268 821 652 (81%) from the total budget of ZWG2 810 025 333. The Ministry was funded ZWG1 993 080 865 (70%) of the budgeted amount. From the budgeted amount, ZWG536 784 507(19%) was used for operations and capital expenditure while ZWG1 456 296 358 (51%) went towards compensation of employees. Treasury was not able

to provide adequate funding to support the payments and other budgeted or planned programmes. As a result, the Ministry had arrear payments due to suppliers of ZWG447 824 466, US$920 286 and EUR 39 483 as at December 31, 2024.

**Risks/Implications**

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears, if left unattended, may negatively impacts on Government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury.

**Management Response**

**Management did not respond.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Non-delivery of ICT Equipment

**Findings**

The Ministry acquired Information and Communication Equipment (ICT) for Deeds and Companies Office valued at US$322 830. According to the contract of agreement signed on April 30, 2024, the ICT Equipment was supposed to be delivered 6 to 8 weeks after the signing of the contract. At the conclusion of the audit, 40 desktops valued at US$42 200 remained undelivered despite follow ups made by the Ministry. Payment for the laptops was done on October 30, 2024.

Furthermore, there was no evidence that clause GCC19.1 of the contract, which empowers the Ministry to deduct 0.5% to 10% of the contract price for each week of delivery delay was enforced.

**Risks/Implications**

The supplier may fail to deliver the outstanding ICT Equipment leading to loss of public funds.

The Ministry is deprived the use of the equipment in executing Government business.

**Recommendations**

The Ministry should vigorously make a follow-up on the delivery of the outstanding ICT Equipment.

Provisions of relevant clauses in the contract of agreement should be enforced to prevent loss of public funds.

**Management Response**

**The Ministry has been in engagement with the supplier and several letters were written with regards to the complete delivery of 120 desktops. The supplier delivered the 80 desktops in batches as a result of vigorous follow up. The Ministry is in the process of**

**writing the final demand letter to the supplier of which failure to deliver by May 15, 2025, the case will be handed to the legal department to institute legal proceeds.**

**Evaluation of Management Response**

*At the date of the exit meeting, June 9, 2025, the remaining desktops were still to be delivered and the Ministry was still to institute legal proceedings against the supplier.*

## 3 REVENUE COLLECTION AND DEBT RECOVERY

### 3.1 Sub-Exchequer Account Reconciliation Statement

**Finding**

The Sub-Exchequer Account reconciliation showed that total transfers to the Main Exchequer Account were ZWG545 445 609 whereas the underlying records in the Public Financial Management System had an amount of ZWG29 307 329, resulting in an unreconciled variance of ZWG516 138 280.

**Risk /Implication**

The Exchequer Account could be misstated.

**Recommendation**

The Ministry should ensure that all revenue transactions have been reconciled.

**Management Response**

**The difference between the Ministry's Sub-Exchequer Reconciliation Account and the Main Exchequer Account emanated from the Treasury that did not introduce journal vouchers for all transfers to the Main Exchequer.**

**Evaluation of Management Response**

*Evidence of engagement with the Ministry of Finance to introduce the Journal Vouchers was not provided.*

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing prior year audit findings. Out of a total of twelve (12) issues raised, eight (8) were addressed four (4) were not addressed as indicated below:

### 4.1 Misstatement of Compensation of Employees

The issue of monthly reconciliations was resolved. However, the Ministry used the wrong conversion rate when converting compensation of employees cost from ZWL to ZWG for the current year as highlighted in paragraph (iv).

### 4.2 Statement of Revenue Received

The issues of supporting information not availed and overstatement of the return have been addressed.

### 4.3 Misstatement of Statement of Receipts and Disbursements

The issue of unexplained variances was not resolved and the issue recurred during the year under review as highlighted in paragraph (i).

### 4.4 Statement of Payment Arrears

The Ministry did not avail creditors' ledgers, invoices, periodic reports and age analysis of payments in arrears. The issue was resolved.

### 4.5 Gifts, Legacies and Donations

The issue of donations received without Treasury concurrence was not resolved as some donations were still not recorded.

### 4.6 Risk Management

The Ministry did not address the issue of not having a documented and approved risk management policy.

### 4.7 Accounting for Assets

The issue regarding assets not properly accounted for was resolved.

### 4.8 Losses, Thefts and Damages

The issue was resolved boards of inquiries for damaged and missing assets had been conducted.

### 4.9 Non-delivery of Motor Vehicles

The issue was resolved as all the vehicles were delivered.

### 4.10 Unauthorised Retention of Moneys

The issue of retention and utilization of collected fees without approval was not addressed.

### 4.11 Investments

The issue of investments disclosure was resolved.

### 4.12 Sub-Exchequer Account Reconciliation Statement

Sub-Exchequer Account Reconciliation variance was not resolved. The issue has been raised again during the current year in paragraph 3.1.

## LEGAL AID FUND 2021 - 2023

### Objective of the Fund

The Fund was established to provide legal aid to persons who are eligible for such aid in connection with any criminal, civil or other related matter and to do all things necessary to promote the provision of legal aid.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year 2023:

### Statement of Comprehensive Income

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 10 713 923 |
| Expenditure | 1 632 397 |
| **Surplus** | **9 081 526** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Current Assets | 11 445 358 | - |
| Accumulated Fund | - | 11 309 275 |
| Bank Overdraft | - | 136 083 |
| **Total** | **11 445 358** | **11 445 358** |

I have audited the financial statements of the Legal Aid Fund for the years ended December 31, 2021 to 2023 and I issued a qualified opinion for all the three (3) years.

### Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Legal Aid Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Accounting Ledgers

### Findings

The Fund did not maintain accounting ledgers to support amounts presented in the financial statements for revenue and expenditure. This was in contravention of Section 35(6) of the Public Finance Management Act [*Chapter 22:19*] which requires every Accounting Officer to keep proper records of accounts. In the absence of ledgers, I therefore, could not verify the completeness and accuracy of the revenue and expenditure figures disclosed in the financial statements.

In addition, the revenue amount reported in the financial statement was at variance with the sub-collector's schedules as indicated below;

| Description | 2023 | 2022 | 2021 |
|---|---|---|---|
| | ZWL$ | ZWL$ | ZWL$ |
| Revenue as per financial statements | 10 713 923 | 2 258 845 | 383 407 |
| Revenue as per Sub-collector's Schedule | 10 983 190 | 2 629 910 | 365 140 |
| Variance | **269 267** | **371 065** | **18 267** |

**Risk/Implication**

Without adequate accounting records to support the reported amounts, the financial statements could be materially misstated.

**Recommendations**

Management should monitor work of the Fund accountants to ensure that the requisite ledger accounts are maintained in compliance with regulations.

Management should ensure that there are checks and balances in the preparation of the financial statements of the Fund.

**Management Response**

**The observation is noted. Management is in the process of reconciling monthly revenue and expenditure for the stated period, Bank reconciliations for each month are also being prepared to ascertain and authenticate the transactions reported in the financial statements.**

**(ii) Transfer to Treasury**

**Finding**

An amount of ZWL$554 192 was transferred to Treasury during the year under review. This was contrary to Section 14(4) (a-c) of the Legal Aid Act [*Chapter 7:*16] which requires the Fund to meet any fees and expenses arising from the engagement of legal practitioners, costs and expenses incurred in the provision of legal aid. I was not provided with competent authority for the transfer and it was not clear whether the funds were going to be refunded or not. Therefore, the expenditure for the Fund was misstated.

**Risk/implication**

Service delivery may be compromised if funds are not used for the intended purpose.

**Recommendations**

Resources should be used to meet objectives of the Fund, that of assisting the citizens in need of legal aid.

Management should engage Treasury regarding the transfers to ensure that objectives of the Fund are fulfilled.

**Management Response**

**The observation is noted. The Ministry is going to engage Treasury.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Accounting System

**Finding**

The Fund maintained records and prepared financial statements manually instead of using the Public Financial Management System (PFMS). I raised this issue in my prior years' audit reports and management has not taken action to address the issue. Section 119(1) of the Public Finance Management (Treasury Instructions), 2019, which requires financial management transactions to be accounted for through the PFMS.

**Risk/Implication**

The use of a manual system to record transactions may compromise the credibility of the financial records as the manual systems are prone to errors.

**Recommendation**

Management should ensure that financial transactions are accounted for through the PFMS.

**Management Response**

**The observation is noted. Management is going to engage Treasury on the issue of the System Application Product in data processing (SAP) or any Accounting Package.**

### 1.2 Accounting Officer's Instructions

**Finding**

As reported in my previous audit reports, the Fund continued to operate without an Accounting Officer's Instructions/Procedures Manual to provide guidance on operations, maintenance of accounting records and preparation of financial statements. There was no evidence provided to show that efforts were being made to address the issue.

**Risk/Implication**

Public resources may not be properly accounted for in the absence of an Accounting Officer's Instructions/Procedures Manual.

**Recommendation**

Management should consider coming up with an Accounting Officer's Instructions/Procedures Manual to guide the operations of the Fund.

**Management Response**

**The observation is noted. The Ministry will initiate the process of coming up with an Accounting Officer's Instructions.**

## 1.3 Submission of Financial Statements

### Findings

The 2021, 2022 and 2023 financial statements were initially submitted for audit on May 3, 2024 contrary to Section 35 (6) (b) of the Public Finance Management Act [*Chapter 22:*19] which requires financial statements to be submitted within sixty (60) days of the end of each year. Another set was re-submitted in September 2024 after making adjustments to address errors noted by auditors. The financial statements were delayed by more than two years. The table below refers:

**Delayed submission of financial statements for audit**

| Financial Year | Expected Date of Submission | Original Submission Date | Re-Submission Dates | Duration of Delay |
|---|---|---|---|---|
| | | | | |
| 2021 | March 31, 2022 | May 3, 2024 | September 09 and 25, 2024 | 2 years, 3 months and 3 days |
| 2022 | March 31, 2023 | May 3, 2024 | September 09 and 25, 2024 | 1 year, 3 months and 3 days |
| 2023 | March 31, 2024 | May 3, 2024 | September 09 and 25, 2024 | 3 months and 3 days |

This reflected absence of due care in reporting accounting transactions. Section 28 (6) of the Public Finance Management (Treasury Instructions), 2019 requires every Accounting Officer to satisfy himself as to the correctness and propriety of the accounts.

### Risk/Implication

Audit findings and recommendations may be rendered irrelevant due to the late submission of the financial statements.

### Recommendation

The Ministry should ensure that the financial statements of the Fund are submitted for audit in line with the requirements.

### Management Response

**The observation is noted. We will observe the statutory requirements.**

## 1.4 Bank Reconciliation Statements

### Finding

Monthly bank reconciliation statements for the financial years December 31, 2021, 2022 and 2023 were not reviewed by the Head of Office or any other delegated official. Section 47 (3) of the Public Finance Management (Treasury Instructions), 2019 requires Heads of Offices or delegated officers to satisfy themselves that bank reconciliations were done and certify that by signing and dating the relevant documents.

**Risk/Implication**

Fraud transactions or errors may go undetected.

**Recommendation**

The Ministry should ensure that monthly bank reconciliation statements are checked by the Head of Office or any other official delegated to do so.

**Management Response**

**The observation is noted. Management will rectify the issue.**

## 1.5 Bank Overdraft

### Findings

The Fund's two bank accounts with the Reserve bank of Zimbabwe were overdrawn by a total amount of ZWL$136 083 as at December 31, 2023. The overdraft arose as a result of bank charges levied on the accounts. This was contrary to the provisions of Section 63 (5) of the Public Finance Management (Treasury Instructions), 2019 which requires that official bank accounts should not be overdrawn. This was caused by lack of Accounting Officer's Instructions on how the Fund should be operated.

Also, the Fund maintained three bank accounts during the period ended December 31, 2023 although it was mainly dormant. As a result, a total amount of ZWL$1 078 205 was paid as bank charges. No payments were made towards provision of legal aid as required by Section 14 (4)(a)(b) and (c) of the Legal Aid Act [*Chapter 7:*16] which provides that the Fund shall be applied to meeting any fees and expenses arising from the engagement of legal practitioners, costs and expenses incurred in the provision of legal aid. Therefore, I could not ascertain whether the Fund achieved its objectives during the year.

**Risk/Implication**

The Fund may not be able to achieve its objectives.

**Recommendation**

Management should manage public resources prudently and ensure that expenditure through bank charges is reduced through scaling down the number of bank accounts.

**Management Response**

**The observation is noted. We are going to engage Treasury so that we agree on which account to close as to minimize bank charges.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The 2021, 2022, 2023 financial years were audited concurrently hence prior year issues relate to the 2020 financial year. Out of the four (4) findings raised during the 2020 financial year, two (2) findings were addressed and the other two (2) issues remained unresolved as indicated below:

### 2.1 Employment of Contract Staff

The issue was addressed. The Fund stopped employing contract staff without authority from the Public Service Commission and Treasury.

### 2.2 Payment of Legal Fees

The issue was not addressed. The Fund could not engage private legal representatives since it could not afford to meet the costs. Law Officers in the Legal Aid Directorate represented all people who could not afford legal representation.

### 2.3 Accounting Officer's Instructions Manual/Minister's Directives

The issue was not addressed. The Fund continued operating without the Accounting Officer's Instructions or Minister's Directives as noted in paragraph 1.2.

### 2.4 Statement of Cash Flows

The Indirect method was used in the preparation of the Statements of Cash Flows for the financial years 2021, 2022 and 2023.

## GUARDIAN'S FUND 2023

### Objective of the Fund

The purpose of the Fund is to provide for the custody and control of moneys due to minors, mentally disordered or defective persons whose whereabouts are unknown in terms of section fifty-two, sixty-two, eighty-one, ninety-three and ninety-four of the Administration of Estates Act [*Chapter 6:01*].

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| Item | Amount (ZWL$) |
|---|---|
| Income | 600 315 411 |
| Expenditure | 458 897 833 |
| **Surplus** | **141 417 578** |

**Statement of Financial Position**

| Item | Assets (ZWL$) | Liabilities (ZWL$) |
|---|---|---|
| Non-Current Assets | 5 610 308 109 | - |
| Current | 472 348 830 | 608 258 953 |
| General Fund | - | 2 142 829 609 |
| Other Comprehensive Income | - | 3 331 568 377 |
| **Total** | **6 082 656 939** | **6 082 656 939** |

I have audited the financial statements of the Guardian's Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Guardian's Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Risk Management Policy

### Finding

The Fund did not have a risk management policy to assist management in mitigating potential risks that may hamper its operation. No risk assessments were carried out during the year under review. Section 162(1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to carry out risk assessment of their operations on an annual basis and take deliberate steps to identify, quantify, assess and come up with mitigation measures for the risks identified.

**Risk/Implication**

Without a risk management policy, the Fund is susceptible to numerous risks like fraud which could negatively impact on its performance.

**Recommendations**

The Accounting officer should expedite the development and approval of a risk management policy to guide in mitigating risks associated with the nature of its operations.

Risk assessments should be carried out regularly and timeously in order to identify and take preventative measures on potential risks.

**Management Response**

**The observation is noted. The Fund has an Investment Committee which is responsible for risk assessment. The Fund is in transition and this has affected developing and implementing strategy as this should be informed by the changes in the new Act. As soon as the entity is established as an autonomous Office, strategy formulation and all policy issues will be addressed including the Guardian's Fund risk policy.**

**Evaluation of Management Response**

*Terms of reference of the Investment Committee did not cover assessment of the overall risks that may hamper the Fund and there was no evidence of risk assessment carried out during the year under review.*

## 2 INVESTMENTS

### 2.1 Investment Strategy

**Finding**

The Fund made investments with one of the financial institutions amounting to US$930 554 and ZWL$2 617 124 687 respectively without investment advisors' recommendations. Section 106 (2) of the Administration of Estates Act [*Chapter 6:01*] requires the Fund to have two (2) investment advisors to help the Master in investment matters. Therefore, I could not establish whether the investments made during the year under review were the most economic ones.

**Risk/Implication**

Making investments without requisite investment recommendations may result in uneconomic returns on investments.

**Recommendation**

Administrators of the Fund should make use of investment advisors to avoid loss of funds due to uneconomic investment decisions.

**Management Response**

**The observation is noted. To effectively manage investment strategy and mitigate risks, management has established an Investment Committee approved by the Secretary. Before any investment is made the committee assess on the most economic and low**

**risk investment. The new Act also deals with the issue of independent advisors and the responsibility lies with the board through an Investment Committee.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made progress in addressing prior year audit findings. Out of a total of three (3) issues raised, two were addressed and one remained outstanding as indicated below:

### 3.1 Ownership of Investment Property

The issue was resolved. Title deeds and proof of ownership of the investment property are now in place.

### 3.2 Accounting Policy for Valuation of Investment Property

The issue was addressed. The Accounting policy on investment is now in place.

### 3.3 Investment Strategy

The issue of investments made in the Commercial Bank of Zimbabwe without evidence of risk assessment has remained unresolved and has been reported on paragraph 2.1.

## VOTE 20.- INFORMATION, PUBLICITY AND BROADCASTING SERVICES

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry is responsible for disseminating information locally and globally to uphold and promote Zimbabwe's founding values, identity, and interests worldwide.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br><br>ZWG | Unallocated Reserve<br><br>ZWG | Total<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 183 834 285 | 25 395 180 | 209 229 465 | 151 612 949 | 57 616 516 |

I have audited the financial statements of the Ministry of Information, Publicity and Broadcasting Services for the year ended December 31, 2024, and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Information, Publicity, and Broadcasting Services for the year ended December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

#### Finding

Out of the total budget of ZWG209 229 465, the Ministry was funded to the tune of ZWG151 612 949 being 72%. The funding received towards operations and capital expenditure of ZWG127 761 518 constituted 61% while that for compensation of employees of ZWG23 851 431 constituted 11%. However, at the year-end, the Ministry had arrear payments of ZWG65 205 415. Treasury was not able to provide adequate funding to support the payments and other budgeted or planned programmes.

#### Risks/Implications

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears, if left unattended, negatively impacts on Government reputation.

#### Recommendation

The Ministry should continue lobbying for the release of funding by the Treasury.

**Management Response**

**The observation is noted. The Ministry had engaged the Ministry of Finance, Economic Development and Investment Promotion in 2024 but the support was not adequate to address all Ministry's requirements. In addition, at year end the Ministry reversed payments amounting to ZWG44 763 877 as Treasury cited cash flow challenges.**

## 1.2 Audit Committee

**Finding**

There was no evidence that the Audit Committee held any meeting during the period under review. This was contrary to Section 84 (3) (b) of the Public Finance Management Act [*Chapter 22.19*], which states that an Audit Committee shall meet at least twice a year. Without frequent oversight from the Audit Committee, there may be insufficient review of the financial statements, internal controls, and accounting practices.

**Risk/Implication**

Oversight role may be compromised.

**Recommendation**

The Ministry should liaise with the Audit Committee Chair so that meetings are held as prescribed by the Public Finance Management Act [*Chapter 22:19*].

**Management Response**

**The observation is noted. The Ministry is currently seized with the matter and is intending to review the Committee in order to strengthen it. The Ministry will also follow laid down procedures as enunciated under Section 84 (3) (b) of the Public Finance Management Act [*Chapter 22:19*].**

# 2 PROCUREMENT OF GOODS AND SERVICES

## 2.1 Tender Evaluation

**Finding**

The evaluation of two (2) tenders MIPBS03/24 and MIPBS04/24 was conducted by the members of the Procurement Management Unit (PMU), excluding members of the Procurement Evaluation Committee (PEC), contrary to Section 4 of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*], which states that all procuring entities and all other persons concerned in the implementation of this Act shall ensure that procurement is effected transparently. Further inquiry from the PMU revealed that PMU members were conducting the evaluations independently, as evaluation committee members had not yet been issued passwords to access the electronic Government Procurement System.

**Risk/Implication**

Without the members of the Procurement Evaluation Committee, the evaluation of tenders and the awarding of contracts may be compromised.

**Recommendation**

The Ministry should make follow-ups with the Procurement Regulatory Authority of Zimbabwe so that all PEC members are provided with passwords to access the electronic Government Procurement System to enhance transparency in the procurement system.

**Management Response**

**The observation is noted. The Ministry will make a follow-up with the regulator to speed up the creation of passwords for other members so that the Ministry fully complies with the regulation. The Ministry will make sure that the process is completed by the end of the second quarter of 2025.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Non-Delivery of Vehicles

**Finding**

The Ministry had not yet resolved the issue of non-delivery of seven (7) Toyota Double Cab vehicles that were purchased at a cost of ZWL$32 862 108 in 2020.

**Risk/Implication**

There could be wasteful expenditure if the vehicles are not delivered.

**Recommendation**

The Ministry should continue following-up the case until it is finalised.

**Management Response**

**The observation is noted. The issue was referred to the Office of the Attorney General for an institution of civil proceedings against Solution Motors (Pvt) Ltd. The Office of the Attorney General referred the matter for arbitration in terms of the contract of sale. The Director for Solution Motors indicated that he was out of the country so he could not be served with the Arbitration papers for arbitration to commence.**

## 4. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing audit findings raised in my previous audit report. Out of the four (4) findings raised one (1) was addressed, one (1) was partially addressed and two (2) were not addressed as indicated below:

### 4.1 Variances on Expenditure Amounts

The variance of ZWL$8 061 629 had been partially reconciled, however there was still a balance of ZWL$3 611 629.

### 4.2 Tendering of Security Services

The Ministry continued to use Manifest Security Services for security services instead of engaging a new supplier as the previous contract had expired.

### 4.3 Procurement of Laptops, Cell phones, Printers, and Board Room Chairs

The Ministry had resolved to get the assets that were equivalent to the amount that had been paid. Only eight (8) laptops were delivered.

### 4.4 Non-Delivery of Vehicles

The issue of non-delivery of seven (7) vehicles had not been addressed as indicated on paragraph 3.1.

## VOTE 21.- YOUTH EMPOWERMENT, DEVELOPMENT AND VOCATIONAL TRAINING

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry is mandated to develop, promote and implement policies and programmes for youth empowerment to achieve sustainable and equitable development.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br><br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Allocated<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 392 653 065 | - | 392 653 065 | 288 208 730 | 104 444 335 |

I have audited the financial statements of the Ministry of Youth Empowerment, Development and Vocational Training for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Youth Empowerment, Development and Vocational Training as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilisation

### Finding

The Ministry had an approved budget of ZWG392 653 065 and the funding that was received for operations and capital expenditure was ZWG114 399 370 representing 29%, while compensation of employees received ZWG152 536 894 (39%). The budget underutilization was mainly due to non-release of funding by Treasury as a result of lack of liquidity. As a result, due to lack of funding the Ministry owed ZWG44 554 157 to service providers.

### Risk/Implication

Inadequate funding compromised the Ministry's ability to deliver its mandate effectively.

### Recommendation

The Ministry should continue to lobby Treasury to provide funding for its operations.

**Management Response**

**The Ministry has been lobbying for funding and will continue to engage Treasury.**

## 1.2 Fuel Management

**Finding**

The Ministry paid ZWG4 476 181 for fuel procured during the year under review. However, the payment vouchers did not reflect the quantity purchased, and delivery notes were not properly linked to the payment vouchers. I could not therefore, reconcile the amount of fuel paid to the quantities recorded in the fuel register.

**Risk/ Implication**

Without documentation, fuel purchased may be misappropriated.

**Recommendation**

The Ministry should ensure that fuel procurement and recordings are done properly to enhance accountability.

**Management Response**

**The supplier issued one (1) monthly invoice as per Ministry's allocated provision, However, releases from Treasury could not allow the payment of the total invoice at once therefore, more than one payment run was processed. A reconciliation sheet has been availed for audit inspection.**

**Evaluation of Management Response**

*Management response is acknowledged. However, the reconciliation was not submitted for audit examination.*

## 1.3 Statement of Payment Arrears

**Finding**

As at December 31, 2024, the Ministry had arrear payments due to various suppliers and service providers totaling ZWG44 554 157, with some invoices dating back to March 2024. There was no evidence that these liabilities were periodically reported to Treasury for funding to facilitate clearance.

**Risk/Implication**

If the payment arrears are not monitored, they will continue accumulating and may erode the current year's budget.

**Recommendations**

Regular engagements should be done with the Ministry of Finance Development and Investment Promotion in order to get funding to clear the obligations.

**Management Response**

**Management acknowledges the observation. The Ministry prepared the Statement of Payment Arrears and availed the Statement for audit.**

**Evaluation of Management Response**

*The management response did not address the finding.*

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Recovery of Debt

**Findings**

As previously reported, the Ministry did not have effective strategies to manage debt. During the year under review outstanding revenue increased by over 100% from ZWG48 126 (2023) to ZWG4 997 686. In 2024 the Ministry trained 6 000 students in various disciplines each paying tuition fees of US$257, translating to revenue totaling US$1 542 000. Out of this potential revenue the Ministry only collected US$272 202.

In addition, the Ministry did not recover from eleven (11) officers overpaid skills retention allowances of ZWG119 339. The amount remained as outstanding advances, despite the officers being within the Ministry. Section 49(2) of the Public Finance Management (Treasury Instructions), 2019 requires officers responsible for collecting debts to take adequate steps to collect any sums due to Government.

**Risk/ Implication**

Financial losses due to non-recovery of debts.

**Recommendations**

The Ministry should come up with effective strategies to recover all Outstanding revenue.

Management should regularly monitor outstanding debts and put in place robust mechanisms for quick recovery.

**Management Response**

**The observation is acknowledged. The Ministry is employing a number of strategies to deal with the challenge of outstanding debts, one is that of improving accounting personnel manning levels at Vocational Training Centres and the promotion of Provincial Chief Accountants in 2025 who are expected to strengthen management oversight regarding Prudential Financial management in Provinces.**

### 2.2 Revenue Receipts

**Finding**

The Statement of Revenue Received submitted for audit had revenue received for tuition and rent amounting to ZWG271 203. However, receipts and sub-collectors schedules were not

availed for audit to support the balance of revenue disclosed on the statement.

**Risk/ Implication**

Revenue may be misstated if it is not supported by receipts.

**Recommendation**

The Ministry should ensure that all revenue received is supported by receipts.

**Management Response**

**The receipting process in the SAP was not undertaken due to configuration challenges, However, manual receipts have been prepared.**

**Evaluation of Management Response**

*The management response is noted. However, the manual receipts were not availed for audit.*

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing audit findings raised in my previous audit report. Out of six (6) findings, three (3) were addressed and three (3) were partially addressed as indicated below:

### 3.1 Unsupported Expenditure

The finding was addressed as the supporting payment vouchers were submitted.

### 3.2 Delivery of Motor Vehicles

The issue of ten (10) undelivered motor vehicles was partially addressed as four (4) vehicles were delivered and six (6) vehicles were not delivered.

### 3.3 Maintenance of Asset Records

The finding was partially addressed as the Master Asset Register in place, separate assets for the two (2) Ministries.

### 3.4 Unallocated Reserve Transfers

The Ministry addressed the issue of Unallocated Reserve worth ZWL$2 703 462 784 which were not supported by release letters from Treasury.

### 3.5 Risk Management and Assessment

The issue of risk management was partially addressed as the Ministry now has a draft risk management policy, however, no formal risk assessments were performed in 2024.

### 3.6 Public Financial Assets

Details regarding the nature of the investment, number and class of shares in Mutoko Royal Fruits and Veggies was submitted.

## YOUTH DEVELOPMENT AND EMPLOYMENT CREATION FUND 2020

### Objective of the Fund

The purpose of the Fund is to mobilise resources for on-lending to youth business, projects and youths intending to start income generating projects and businesses and to finance programmes related to youth training so as to empower youth and create employment for them.

Below is a summary of the Statement of Comprehensive Income and the Statement of Financial Position for the year:

### Statement of Comprehensive Income

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 70 381 049 |
| Expenditure | 56 416 978 |
| **Surplus** | **13 964 071** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 3 303 117 | - |
| Current | 18 182 479 | 2 810 474 |
| Accumulated Fund | - | 18 675 122 |
| **Total** | **21 485 596** | **21 485 596** |

I have audited the financial statements of the Youth Empowerment, Development and Vocational Training for the year ended December 31, 2020 and I issued a disclaimer of opinion.

### Disclaimer of Opinion

I do not express an opinion on the financial statements of the Youth Development and Employment Creation Fund, because of the significance of the matters described in the Basis for Disclaimer of opinion section of my report. I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

### (i) Variances on Account Balances

### Finding

The balances on individual financial statements submitted by Vocational Training Centres were at variance with the disclosed account balances on the consolidated financial statements. As a result, I was unable to ascertain the accuracy and completeness of the consolidated financial statements.

### Risk/ Implication

The figures disclosed in the financial statements are materially misstated.

### Recommendation

The Fund Officials should ensure that the consolidated financial statements are prepared from

complete and accurate accounting records.

**Management Response**

**The observation has been noted. The necessary adjustments have been made.**

**Evaluation of Management Response**

*The adjusted financial statements were not submitted.*

**ii) Biological Assets**

**Finding**

The value of livestock of ZWL$1 643 282 disclosed in the financial statements were not supported with valuation certificates and livestock returns showing additions, sales, deaths and balances on hand of the biological assets. Further, biological assets from Chaminuka and Mount View Vocational Training Centres were not included in the figure disclosed in the financial statements, resulting in understatement of the stock balances.

**Risk/ Implication**

The balance for livestock in the financial statements may be materially misstated.

**Recommendation**

Management should ensure that livestock of the Fund from all the stations is disclosed in the financial statements and is valued at the end of each year.

**Management Response**

**The observation is noted. Chaminuka Vocational Training Centre submitted the valuation certificates and the values have been incorporated in the Consolidated Financial Statements for 2020. The Fund is currently awaiting the valuation certificates for Mount View Training Centre and will resubmit adjusted financial statements.**

**Evaluation of Management Response**

*The adjusted financial statements were not submitted for audit.*

**(iii) Submission of Financial Information by Vocational Training Centres**

**Findings**

All forty-six (46) Vocational Training Centres did not submit bank certificates in support of reported amounts. As a result, I was unable to ascertain the accuracy and completeness of the cash and cash equivalent amount of ZWL$7 804 063 disclosed in the consolidated financial statements.

Twenty-seven (27) out of forty-six (46) Vocational Training Centres submitted financial statements which did not disclose the values of non-current assets. On the other hand, financial statements submitted for consolidation by all the forty-six (46) Vocational Training Centres did not disclose depreciation amounts charged on the Non-Current Assets.

Thirty-two (32) Centres out of 46 Vocational Training Centres did not submit their individual ledgers to support balances for consolidation of the financial statements at Head Office. As a result, the scope of my audit was limited to those centres that had submitted individual ledger cards.

The 2019 financial statements had outstanding loans of ZWL$506 138 and non-performing loans owed by Allied Bank were ZWL$213 106. The financial statements for 2020 disclosed zero balances for loans outstanding. There was no evidence to show how the 2019 loans were cleared from the Statement of Financial Position.

As a result, of the anomalies described above, I could not place reliance on the balances disclosed in the financial statements.

**Risks/ Implications**

Inaccurate or incomplete reporting cash at bank due to lack of bank certificates.

The financial statements are materially misstated.

**Recommendations**

The Fund should ensure that bank certificates are submitted for audit.

Management should ensure that depreciation on non-current assets is disclosed in the financial statements.

The Fund should ensure that the consolidated financial statements are prepared from complete and accurate accounting records.

**Management Response**

**The observation is noted, the matter will be addressed in the financial statements to be submitted.**

**Evaluation of Management Response**

*The adjusted financial statements were not submitted for audit.*

**(iv) Statement of Cash Flows**

**Findings**

The 2020 consolidated cash flow statement had errors, rendering it not useful to users. Property, Plant and Equipment purchases for the year of ZWL$1 626 415 were disclosed in the cash flow statement as ZWL$1 440 513, the cash and cash equivalent reported in the Statement of Cash Flow was ZWL$7 270 721 while the Statement of Financial Position disclosed ZWL$7 804 63 giving a variance of ZWL$533 342.

Further, non-Current assets amounting to ZWL$268 322 acquired by the following Vocational Training Centres: Mvuma ZWL$57 691, Umguza ZWL$163 198, Lobengula ZWL$2 238 and Kaguvi ZWL$45 194 respectively, were not disclosed as acquisition of assets in the Statement of Cashflows. Therefore, the cash and cash equivalent balance was not accurately stated.

**Risk/ Implication**

The Statement of Cash Flows will be misstated if acquisition of non-current assets are not disclosed.

**Recommendation**

Management should ensure that acquisition of non-current assets are disclosed under investing activities in the Statement of Cash Flows for all Vocational Training Centres before consolidation.

**Management Response**

**The observation is noted. The necessary adjustments were made and the financial statements will be resubmitted for audit.**

**Evaluation of Management Response**

*The adjusted financial statements were not submitted for audit.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Accounting Package

**Finding**

The Fund maintained its accounting records manually instead of the recommended Public Financial Management System (PFMS) used by Government to record transactions in the cashbook, journals and the ledgers or an alternative accounting package which is robust. Section 13 (2) of the Public Finance Management (Treasury Instruction), 2019 requires that all Statutory and other funds shall use PFMS unless authorized by Treasury to run independent systems.

**Risk/Implication**

The manual accounting system is susceptible to human errors and manipulation, which may compromise the credibility of the financial statements.

**Recommendation**

The Fund should use the PFMS to record transactions in compliance with regulations.

**Management Response**

**The observation is noted. Utilizing the Public Financial Management System poses challenges due to issues of connectivity as some of the Vocational Training Centres are located in the remote parts of the country. The Fund is in the process of engaging Sage Pastel for purposes of acquiring the accounting package for the Vocational Training Centres.**

**Evaluation of Management Response**

*Management response has been noted. However, management intends to acquire Sage Pastel which is not compatible with SAP.*

## 1.2 Submission of Financial Statements

### Findings

The financial statements for Youth Development and Employment Creation Fund for the year ended December 31, 2020 were submitted for audit on January 2, 2025. The Fund continued to operate notwithstanding failure to submit the financial statements. Section 35 (3) of the Public Finance Management Act [*Chapter. 22:19*] requires that annual financial statements be submitted for audit within three (3) months after the end of each financial year.

The Fund resubmitted three (3) sets of different financial statements for the year ended December 31, 2020, after making adjustments following errors noted by auditors. This was a reflection of lack of due care in reporting accounting transactions.

### Risk/Implication

Non-checking of financial statements before submission for audit compromises the integrity of financial statements.

### Recommendation

The Fund should always ensure that accurate financial statements are prepared. Checks should be done by a senior official to ensure correctness of the financial statements produced.

### Management Response

**Management did not respond.**

# 2 REVENUE COLLECTION AND DEBT RECOVERY

## 2.1 Revenue- Biological Assets

### Finding

The revenue in the financial statements did not disclose gain or loss on fair valuation of livestock at the end of the year. According to IAS 41- Agriculture, increase in the fair value of livestock between two (2) reporting periods should be reported in the statement of comprehensive income.

### Risk/ Implication

Amount of revenue disclosed in the financial statements may be misstated.

### Recommendation

Management should ensure that gain or loss on fair value valuation of livestock at the end of the period is recognized in the financial statements.

### Management Response

**Management did not respond.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make much progress in addressing audit findings raised in my previous audit report. Out of seven (7) findings raised, the Fund managed to resolve one (1) and six (6) remained outstanding as indicated below:

### 3.1 Accumulated Fund

The Accumulated Fund balance disclosed in the 2019 financial statements of ZWL$4 711 051 that was understated by ZWL$1 286 867 in remained uncorrected.

### 3.2 Accounting Records from Vocational Training Centres

The issue was not resolved as no adjustments were made to the financial statements and during the current year's audit some Vocational Training Centres did not submit financial statements and has been raised on paragraph (i).

### 3.3 Biological Assets

Kaguvi and Magamba are still to submit livestock certificates and no prior year adjustments were made in the financial statements.

### 3.4 Management of Debtors

The issue was not addressed as the individual stations were yet to submit their supporting ledgers and has been included on paragraph (vii).

### 3.5 Accounting System

The Fund used manual records to prepare financial statements. The issue has not been resolved and has been included on the paragraph 1.1.

### 3.6 Maintenance of Accounting Records

The Fund resubmitted five (5) sets of different financial statements. The issue was not resolved, the Fund continue to resubmit different sets of financial statements, and has been included on paragraph 1.2.

### 3.7 Outstanding Loans

Management did not institute effective recovery action on loans issued to youths that have remained stagnant at ZWL$506 138 over the years. The loans were struck off the Statement of Financial Position without any supporting journals or returns.

## VOTE 22.- ENERGY AND POWER DEVELOPMENT

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry is responsible for providing adequate and sustainable energy supply through formulating and implementing effective policies and regulatory frameworks.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under Spending<br><br>ZWG |
|---|---|---|---|---|
| 135 340 730 | 155 093 497 | 290 434 227 | 101 118 465 | 189 315 762 |

I have audited the financial statements for the Ministry of Energy and Power Development for the financial year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Energy and Power Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

#### Finding

The total budget allocation for the Ministry was ZWG290 434 227 while cash support from Treasury amounted to ZWG101 118 465. This resulted in a budget utilisation of 30% on operations and capital expenditure and 5% on compensation of employees. However, the Ministry had arrear payments of ZWG13 301 295 that could not be settled. Further, the Ministry reversed in the PFMS payment vouchers for goods and services with a total value of ZWG129 882 674. Treasury was not able to provide adequate funding to settle the arrear payments and implement other budgeted/ planned programs of the Ministry.

#### Risks /Implications

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears if left unattended to, negatively impacts on Government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury to enable implementation of programmes and settlement of arrear payments.

**Management Response**

**The observation is noted. The Ministry has only been receiving the budget releases without the necessary cash support as evidenced by the end of the year reversals amounting to ZWG129 882 674.**

## 1.2 Risk Assessment

**Finding**

The Ministry did not perform risk assessments in 2024 contrary to Section 162 of Public Finance Management (Treasury Instruction), 2019 which requires Accounting Officers to conduct risk assessment annually. Consequently, potential risks and mitigatory measures were not identified. There was no evidence that officers were trained on how to perform risk assessments.

**Risk/Implication**

Unidentified risks may cause unexpected interruptions, delays, or failures in processes, impacting on service delivery.

**Recommendation**

Management should ensure that staff are capacitated to perform risk assessments.

**Management Response**

**The observation is noted. The Ministry is planning to conduct a workshop on Risk Management to capacitate management and staff members. In 2024, the Ministry planned to conduct the training however, due to financial constraints the workshop could not be conducted.**

## 1.3 Direct Payments

**Finding**

According to the direct payment schedule from Treasury a total of US$7 189 866 was paid to service providers on behalf of the Ministry in 2024. The Ministry indicated that it did not submit any request for direct payment to Treasury and was not aware of any service provider which was paid on its behalf. There was no evidence of any correspondence from Treasury to the Ministry to enable validation of the expenditure.

**Risk/Implication**

Public funds may be paid for services not rendered.

**Recommendation**

Management should engage Treasury to ensure that the direct payments are accounted for under the correct Ministry.

**Management Response**

**The observation is noted. However, dialogue with Treasury indicated that there was no direct payment processed on behalf of the Ministry for 2024.The Ministry has written to the Ministry of Finance, Economic Development and Investment Promotion for a written response and is awaiting feedback.**

**Evaluation of Management Response**

*The management response is acknowledged. The Ministry submitted the copy of correspondence to Treasury dated May 8, 2025. At the time of concluding the audit on May 30, 2025 the Ministry had not shared the response from Treasury.*

## 1.4 Audit Committee

**Findings**

The Audit Committee met twice in 2024 instead of four times for the purpose of reviewing internal controls and addressing the control environment at the Ministry. The Audit Committees Framework Guidelines require the Committee to meet at least once in every quarter. In addition, the Committee did not meet with the external auditor to deliberate on unresolved recommendations and control weaknesses.

The Audit Committee operated without a documented Terms of Reference, outlining roles, responsibilities, and expectations. Section 49 (11) of the Public Finance Management (Treasury Instructions), 2019, requires the development of written Terms of Reference.

Further, the Ministry did not pay Audit Committee members sitting allowances and retainer fees of ZWG132 606 dating back to July 01, 2023. Treasury Circular minute dated August 28, 2023 requires Ministries to pay retainers fees and sitting allowances to Audit Committee members as part of the compensation for work done.

**Risks/Implications**

The Audit Committee may be ineffective due to irregular meetings and absence of Terms of Reference.

Non-payment of fees may impact on the Audit Committee's service delivery.

**Recommendations**

Management should ensure that the Audit Committee meets quarterly in compliance with the regulations and should prioritise payment of outstanding fees.

The Ministry should also ensure that Terms of Reference for the audit committee are put in place.

**Management Response**

**The observation is noted. The Audit Committee met twice during the period under review. However, efforts were made to ensure that the Committee meets once every quarter in line with the approved calendar but due to other business commitments this could not be done.**

**The requirement to develop formal Terms of Reference (TOR) is noted. The TOR will be availed as soon as they are approved by the Accounting Officer.**

**The claim forms for the payment of meetings were submitted on November 24, 2024 and were affected by non-availability of funding. The acquittals have since been processed in the current year and are awaiting funding from Treasury.**

## 1.5 Contingent Liabilities

**Findings**

There was an unreconciled variance of US$22 309 613 between the 2023 loan interest balance of US$342 799 218 and the 2024 opening balance of US$320 489 605. The issue of the difference between the opening balance and the previous year's closing balance was also highlighted in my 2023 report. Section 35(6)(a) of the Public Finance Management Act, requires proper accounting records to be maintained at all times.

Additionally, the Ministry did not provide evidence to enable audit to substantiate the accuracy of the repayments of US$155 610 574 disclosed in the Statement of Contingent Liabilities, thereby limiting the scope of the audit.

**Risks/Implications**

Contingent liabilities may be misstated in the absence of evidence supporting documents and explanatory notes.

The Government may make decisions based on incorrect and unverified figures.

**Recommendations**

The reconciliation of the 2023 closing balance and 2024 opening balance should be availed together with the documents that support the changes made.

Management should review the accounting records to ensure that correct figures are disclosed in the financial statements.

**Management Response**

**The audit observation is noted. The 2023 closing and 2024 opening balances were different due to the initial submission of unaudited figures by ZESA Holding Pvt Ltd. ZESA Holdings Pvt Ltd later submitted audited figures which were different from the initial submission. The reconciled figures which will include prior year adjustments and evidence of repayments by ZESA Holding Pvt Ltd were availed for audit.**

**Evaluation of Management Response**

*The Ministry submitted a request dated May 8, 2025 to ZESA Holdings Pvt Ltd, seeking for an explanation of the variance between the closing and opening loan interest balance. The adjustments and the response from ZESA Holdings Pvt Ltd were not submitted for audit. There is need for the Ministry to maintain independent records for validation of balances at year end.*

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing prior year audit findings. Out of seven (7) findings four (4) were addressed, one (1) was partially addressed, whilst two (2) were not addressed as indicated below.

### 2.1 Direct Payments

The issue of direct payments not being processed on PFMS was resolved in 2024. According to correspondence from Treasury dated June 13, 2024 the direct payments of US$ 5 million were not for the Ministry.

### 2.2 Contingent Liabilities

The Ministry partially addressed the of issue of the different closing and opening balances for the Contingent Liabilities by engaging ZESA holdings to provide explanations for the variances. The issue was raised on paragraph 1.6.

### 2.3 Uncleared Balances in the PFMS Ledger

The uncleared balances in the general ledgers were cleared.

### 2.4 Variation on Scope of Work

The issue of change of the scope of work for the construction services was resolved in 2024.

### 2.5 Expenditure not Adequately Supported

The Ministry addressed the issue of inadequately supporting expenditure incurred.

### 2.6 Audit Committee

The Audit Committee did not effectively perform its oversight role in the current year as indicated on Paragraph 1.5.

### 2.7 Public Financial Assets

The Statement of Public Financial Asset submitted for audit had loans valued at US$117 326 488 which were advanced to the Zimbabwe Power Company (ZPC) and Zimbabwe Electricity Transmission and Distribution Company (ZETDC) and had not been recovered.

## VOTE 23.- INFORMATION COMMUNICATION TECHNOLOGY, POSTAL AND COURIER SERVICES

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Information Communication Technology, Postal and Courier Services is to develop a knowledge-based society with widespread connectivity by exploiting the potential of information communication technologies for sustainable social-economic development.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfers ZWG | Total Allocated ZWG | Expenditure ZWG | Net Under spending ZWG |
|---|---|---|---|---|
| 278 366 304 | 27 465 301 | 305 831 605 | 161 828 016 | 144 003 589 |

I have audited the financial statements of the Ministry of Information Communication Technology, Postal and Courier Services for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Information Communication Technology, Postal and Courier Services as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

#### Finding

The Ministry had an approved budget of ZWG305 831 605 and the funding that was received for operations and capital expenditure was ZWG144 105 696 representing 47%, while compensation of employees of ZWG14 721 427 was fully funded representing 5%. The budget under utilisation was mainly due to non-release of funding by Treasury as a result of lack of liquidity. Furthermore, the Ministry at year end owed ZWG73 374 866 to service providers and suppliers.

#### Risk/Implication

Inadequate funding compromised the Ministry's ability to deliver its mandate effectively.

#### Recommendation

The Ministry should continuously engage with Treasury to provide funding for its operations.

**Management Response**

**The observation is noted. Low budget utilisation, was due to limited budget support from Treasury during the period under audit. The Ministry made several efforts to secure funding, as evidenced by the requests for budget support to Treasury. The persistent cash flow constraints limited full execution of the approved budget.**

## 1.2 Statement of Payment Arrears

**Finding**

The Ministry submitted for audit the Statement of Payment Arrears with a balance of ZWG73 374 866 showing all invoices received from suppliers that were due for payment as at December 31, 2024. There was no evidence that these liabilities were being periodically reported to Treasury for funding to facilitate clearance. This was contrary to Section 22 (2) of the Public Finance Management (General) Regulations, 2019.

**Risk/Implication**

If the payment arrears are not monitored, they will continue accumulating thereby eroding subsequent year's budget.

**Recommendation**

The Ministry should continuously engage with Treasury for the clearance of the arrear payments.

**Management Response**

**The reported arrears largely stem from unavoidable, contractual obligations, mainly to SAP-related service providers essential for the Public Finance Management System (PFMS) and digital governance. Settlement efforts were hampered by non-release of funding by Treasury. The Ministry is continuously engaging Treasury for budget support. The requests for Budget Support and Release from Treasury were availed to auditors.**

# 2. MANAGEMENT OF ASSETS

## 2.1 Boards of Inquiry

**Finding**

The Ministry did not conduct boards of inquiry for Isuzu KDB Teg AFU 7661 and Toyota Land Cruiser AGH 4783 that were involved in accidents on November 26, 2024 and March 09, 2024 respectively. My examination of invoices and job cards for vehicle repairs and maintenance revealed that there was extensive work done on AFM 8141 suggesting severe damage consistent with accident involvement. No Board of Inquiry or any report was produced to audit indicating that some action was being taken. Section 103(15) of the Public Finance Management (Treasury Instruction), 2019 states that upon receipt of the written reports the Transport Officer shall ensure that, a Board of Inquiry convening order is issued within 14 working days.

**Risk/Implication**

The Ministry may fail to recover repair costs from the negligent party.

**Recommendation**

The Ministry should expedite the convening of the Boards of Inquiry in compliance with regulations.

**Management Response**

**The Ministry notes the audit observation. A Board of Inquiry for the Toyota Land Cruiser (AGH 4783) has been initiated and is scheduled to be conducted on June 17, 2025.**

**Further, the issue of the Isuzu Double Cab (AFU 7661) which was involved in a road traffic accident was reported. Arrangements are underway for CMED to conduct the Board of Inquiry, as the driver involved was hired from their pool.**

**A preliminary inquiry is also underway to establish the circumstances leading to the extensive repairs of the Datsun Go+ (AFM 8141) so as to institute a formal Board of Inquiry.**

## 3 PROCUREMENT OF GOODS AND SERVICES

### 3.1 Maintenance of Fuel Records

**Findings**

Responding to my audit 2023 audit finding on 14 000litres missing fuel coupons, the ministry indicated that an investigation will be carried out and a report issued. The report of the investigation was not availed for audit. The missing fuel coupons have not yet been accounted for.

Further, for the current year, there were variances of 2 775 and 785 litres for petrol and diesel respectively between the number of fuel coupons on hand and the quantities recorded in the register. No reconciliations were carried out to determine the source and account for the variances. The register that was produced had numerous cancellations which could not be followed.

**Risk/Implication**

Failure to maintain accurate fuel records may result in fraud taking place without trace.

**Recommendations**

Management should investigate and provide the report on the missing fuel coupons.

Management should perform regular reconciliations between physical quantities and fuel coupon balances in the register.

The Ministry should put in place controls on the management of fuel coupons.

**Management Response**

**The observation is noted. Extensive investigation is being done to determine the circumstances surrounding the unaccounted for fuel and corrective action will be instituted. In future, regular monthly reconciliations will be performed to prevent similar discrepancies.**

## 4. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made progress in addressing audit findings raised in my previous audit report. Out of five (5) findings, two (2) were addressed, two (2) were partially addressed and one (1) was not addressed as indicated below:

### 4.1 Unrecorded Fuel coupons

The issue of 14 000 missing fuel raised in 2023 remained unresolved and has been raised again on paragraph 3.1.

### 4.2 Audit Committee

The finding was addressed as the Audit Committee is now in place.

### 4.3 Internal Audit Function

The issue was resolved as the annual Audit Plan was availed for audit inspection.

### 4.4 Statement of Payment Arrears

The finding on payment arrears was not resolved and has been reported on paragraph 1.3.

### 4.5 Non-Delivery of Vehicles

The issue was partially resolved. A total of 11 out of 13 motor vehicles were delivered and two (2) motor vehicles remained undelivered.

## VOTE 23.- INFORMATION COMMUNICATION TECHNOLOGY, POSTAL AND COURIER SERVICES

## APPROPRIATION ACCOUNT 2023

### Mandate

The mandate of the Ministry of Information Communication Technology, Postal and Courier Services is to develop a knowledge-based society with widespread connectivity by exploiting the potential of information communication technologies for sustainable social-economic development.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWL$ | Unallocated Reserve Transfers<br>ZWL$ | Total Budget<br>ZWL$ | Expenditure<br>ZWL$ | Net Underspending<br>ZWL$ |
|---|---|---|---|---|
| 17 386 696 000 | 16 376 285 402 | 33 762 981 402 | 29 106 974 792 | 4 656 006 610 |

I have audited the financial statements of the Ministry of Information Communication Technology, Postal and Courier Services for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly the state of affairs of the Ministry of Information Communication Technology, Postal and Courier Services as at December 31, 2023, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Fuel Coupons

#### Findings

The Ministry received fuel coupons worth 11 120 litres of diesel and 17 220 litres of petrol. However, only 7 120 liters of diesel and 7 220 litres of petrol were recorded in the fuel register. The variances of 4 000 litres of diesel and 10 000 litres of petrol were unaccounted for at the time of concluding my audit in June 2024. There was no evidence of regular review of the fuel register by senior officers in the administration unit. This was contrary to the provisions of Section 104(1) of the Public Finance Management (Treasury Instruction), 2019.

Further, fuel coupons were issued in a non-sequential order and there were instances of negative stock balances of up to 2 040 litres of petrol in the fuel register.

#### Risk/Implication

There is a risk of misappropriation, misuse and/or theft of fuel coupons if the recording of fuel coupons is not done properly.

**Recommendations**

Records for fuel coupons should be maintained accurately, monthly reconciliations between records and physical balances should be done, and the records reviewed by appropriate personnel at regular intervals.

The 14 000 litres of fuel coupons not accounted for should be investigated and appropriate action taken as necessary.

**Management Response**

**The Ministry takes the issue of unrecorded fuel coupons seriously and has initiated a thorough investigation to determine the circumstances surrounding this matter. Management is now conducting a comprehensive review of fuel management processes to ensure that all fuel coupons are properly accounted for and that records are accurate and up-to-date. Once the investigation is complete, management will provide a detailed report and implement necessary measures to prevent similar discrepancies in future.**

## 1.2 Audit Committee

**Finding**

There was no evidence in the form of minutes that the audit committee met to discharge its mandate. This was contrary to provisions of Section 84 (3) (b) of the Public Finance Management Act [*Chapter 22:19*] which require Audit Committees to meet at least twice each financial year.

**Risk/Implication**

The oversight function may be compromised.

**Recommendation**

The Ministry should ensure that the Audit Committee meets to discharge its duties.

**Management Response**

**The previous Audit Committee did not sit after the retirement of the then Chief Internal Auditor in December 2022. The Ministry has since rectified that anomaly. The Ministry now has an officially appointed Audit Committee in place.**

## 1.3 Submission of Annual Report

**Finding**

The Ministry did not submit for audit its Annual Report for the financial year under review. This was contrary to Sections 32 (3) of the Public Finance Management Act [*Chapter 22:19*] which provides that non-financial information such as activities, outputs and outcomes be submitted together with the financial statements. I was not able to assess and evaluate the Ministry's performance during the 2023 financial year.

**Risk/Implication**

It may not be possible to assess and evaluate the operations of the Ministry in the absence of an Annual Report.

**Recommendation**

The Ministry should prepare its Annual Report in line with the regulations.

**Management Response**

**The Ministry acknowledges the oversight regarding the submission of the Annual Report for the year under review. Management has engaged the Accountant General's Office for guidance and a template to ensure compliance with the required format. They indicated that Treasury circular number 1 of 2024 is the one that provides templates for annual returns, which when put together forms annual reports. While the Ministry has been preparing Quarterly Reports, which are submitted to Parliament, the Ministry`s understanding is that the 4th Quarter Report, which contains cumulative figures, may suffice as an Annual Report.**

**Evaluation of Management Response**

*An annual report outlines organization`s performance, progress and achievements (activities, outputs, outcomes) over the past year, hence annual returns are not the annual report.*

### 1.4 Internal Audit Function

**Finding**

The Internal Audit Unit did not prepare an Annual Audit Plan nor conduct any audits on the Appropriation Account during the year under review. There was no evidence that internal controls were reviewed during the year.

**Risk/Implication**

Weaknesses in the internal control system of the Ministry may not be identified and corrected.

**Recommendation**

The Internal Audit Unit should prepare Annual Audit Plans.

**Management Response**

**The Acting Chief Auditor did not leave a copy when he left the Ministry. Management has contacted the former officer but no satisfactory answer was given. The Ministry has since put in place a Work Plan for the year 2024.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Statement of Payment Arrears

**Finding**

The Ministry owed suppliers and service providers a total amount of US$8 275 162, equivalent to ZWL$50 517 571 237 as of December 31, 2023. This represented expenditure incurred but not funded at the close of the 2023 financial year. The expenditure incurred but not paid for exceeded the allocated budget of ZWL$33 762 981 402 and has a negative effect on the following year`s budget.

**Risk/Implication**

Service delivery may be impaired due to late payment of suppliers.

There is reputational risk as the Ministry could be sued.

**Recommendation**

The Ministry should conduct regular meetings with Treasury to discuss its funding needs and address potential delays.

**Management Response**

**The Ministry acknowledges the outstanding payments arrears of US$8 275 162 (ZWL$50 517 571 237). The Ministry understands the risks associated with incurring expenditures outside budgetary approvals and the potential impact on the Ministry`s 2024 financial year programs and activities. The Statement of Payments Arrears primarily consists of unavoidable SAP-related payments, which are crucial for maintaining Government-wide PFMS services. The major service providers, TelOne, Africom, and Dexel, account for a significant portion of the arrears. Despite our efforts to lobby for additional resources, the Ministry faces challenges in securing adequate funding to meet these unavoidable SAP-related costs.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Delivery of Motor Vehicles

**Finding**

In my 2021 audit report, I observed that 13 motor vehicles procured for ZWL$84 475 750 equivalent to US$345 585 had not been delivered. At the time of concluding my audit, on May 06, 2024, the Ministry had received eight (8) vehicles and five (5) 4X4 Diesel Single cab vehicles valued at ZWL$38 014 350.

**Risks/Implications**

Public resources could go to waste if procured vehicles are not delivered.

Service delivery may be negatively impacted due to non-availability of the procured vehicles.

**Recommendations**

The Ministry should consider taking legal action against the suppliers to avoid financial loss.

Regular follow-ups of undelivered items should be made.

**Management Response**

**The Ministry is aware of the delay in the delivery of the five (5) motor vehicles procured valued at ZWL$38 014 350. The supplier stated in their letter dated February 12, 2024 that the vehicles are expected to arrive in the country by end of May 2024. Management will continue to follow up with the supplier to ensure timely delivery to avoid any potential financial loss. The Ministry appreciates your recommendation to consider legal action if necessary and will explore this option if the vehicles are not delivered as promised.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make much progress in addressing audit findings raised in my previous audit report. Out of the three (3) findings, one (1) was addressed and two (2) were not addressed as indicated below:

### 4.1 Unreconciled Year-End Balances

The finding was not addressed as the variance between the Sub-Paymaster General expenditure and Appropriation Account expenditure recurred in the period under review.

### 4.2 Reconciliation Between the Main Paymaster General Account and the Sub-Paymaster General's Account

The Ministry addressed the finding as the reconciliation statement was submitted.

### 4.3 Submission of Annual Report

The finding was not addressed. This recurred in the period under review, as the Ministry failed to submit the 2023 Annual Report. Paragraph 4.1.

## VOTE 24.- NATIONAL HOUSING AND SOCIAL AMENITIES

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry's mandate is to provide and facilitate the delivery of affordable and decent housing to the nation.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Underspending<br>ZWG |
|---|---|---|---|---|
| 530 319 332 | 935 536 696 | 1 465 856 028 | 1 018 904 716 | 446 951 312 |

I have audited the financial statements of the Ministry of National Housing and Social Amenities for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of National Housing and Social Amenities as at December 31, 2024 in accordance with the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Revenue Received**

### Finding

The Ministry manually receipted revenue amounting to ZWG18 464 912 and was captured on excel spreadsheet. outside the Public Financial Management System (PFMS). The manually receipted revenue was not uploaded onto the PFMS as required by Section 43 (2) of the Public Finance Management (Treasury Instructions), 2019. As a result, I could not verify the accuracy and completeness of the revenue received amount as the excel spreadsheets may be easily manipulated.

Section 13 (2) of the Public Finance Management (Treasury Instructions), 2019 requires Statutory and other funds to use the same accounting package unless authorised by Treasury to run independent systems instead of using the PFMS, used by Government.

### Risks/Implications

The statement of revenue received may not reflect all the transactions which occurred during the year.

Errors and fraud may go undetected.

**Recommendation**

Management should ensure that all the revenue has been accounted for using the Public Finance Management System (PFMS) as required by regulations.

**Management Response**

**The Ministry liaised verbally with Ministry of Finance, Economic Development and Investment Promotion's Project Section on capturing revenue on SAP. The Projects Office had not completed configurations in 2024. The configurations were completed this year 2025 and migration from ZWL$ to ZWG was implemented. The Accounts section staff is awaiting training on the new platform**.

**(ii) Sub-Paymaster General (Sub-PMG)'s Account Reconciliations**

**Finding**

The Appropriation Account submitted for audit had total expenditure of ZWG1 018 904 716 whilst the Sub-Paymaster General's Account (Sub-PMG) had total expenditure of ZWG77 083 354 resulting in a variance of ZWG941 821 362. The Ministry had not reconciled the variance at the time of concluding the audit on June 10, 2025. In the absence of a reconciliation, the accuracy of the financial information disclosed in the Appropriation Account could not be validated.

**Risks/Implications**

Failure to perform reconciliations may result in misstatement of the financial statements.

Errors and omissions may go undetected if reconciliations are not being done.

**Recommendation**

Management should ensure that reconciliations of the Sub-PMG Account are done.

**Management Response**

**Management did not respond.**

**(iii) Open Items**

**Finding**

The SAP Payments cashbook showed that there were open items amounting to ZWG871 170 359. Open items or uncleared entries distorts budgetary control as they represent unconfirmed or unresolved expenditures. These open items make it difficult to track actual expenditure against allocated funds. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of financial information.

**Risks/Implications**

The Appropriation Account could be materially misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared annually before preparation of bank reconciliations, annual returns and financial statements to ensure completeness and alignment of the financial information disclosed in the Appropriation Account.

**Management Response**

**The Ministry has cleared some of the items. Open items are as a result of a variety of reasons, some of which are direct payments by Treasury and these form the bulk of open items. Clearing such items is a joint effort by both the Ministry and Treasury. The Ministry now awaits the other leg of the transactions which must be introduced by Treasury then the items can be cleared.**

Below are other issues noted during audit:

## 1 GOVERNANCE ISSUES

### 1.1 Illegal Occupation of Government Pool Properties

**Findings**

The supporting documents for the statement of outstanding revenue showed that there were non-civil servants and retired civil servants that were occupying government pool properties. The National Housing and Social Amenities Housing Allocation Policy, states that Government Pool Properties are reserved for serving civil servants. No explanation was provided as to why the non-civil servants were occupying the pool properties.

Furthermore, these tenants are owing the Ministry US$31 941 according to the return submitted. There was no strategy on how the Ministry will recover the outstanding revenue when non-civil servants are residing in the premises.

**Risks/Implications**

Deserving civil servants are being disadvantaged of their opportunities to reside in Government Pool Properties.

The Ministry may fail to recover outstanding revenue.

**Recommendation**

The Ministry should make sure that occupants of Government Pool Property are serving civil servants as required by the National Housing and Social Amenities Housing Allocation Policy. This would make it easier to recover outstanding rentals from Salary Services Bureau or the employee's terminal benefits.

**Management Response**

**Management did not respond.**

### 1.2 Risk Management Policy

**Finding**

The Ministry did not have a documented and approved risk management policy to assist management in mitigating against potential risk that may hamper its operations. No risk assessments were carried out during the year under review. A risk management policy would

help the Ministry to mitigate risks and assist the entity to achieve its mandate.

**Risks/Implications**

Without a clearly documented and approved risk management policy, the Ministry is susceptible to numerous risks like fraud which could negatively impact on its performance.

**Recommendations**

The Accounting Officer should put in place a Risk Management Policy to guide the Ministry in its operations.

Risk assessments should be carried out regularly and timeously in order to identify and take preventative measures on potential risks.

**Management Response**

**Management did not respond.**

## 2 MANAGEMENT OF ASSETS

### 2.1 Board of Inquiry

**Finding**

A Board of inquiry or investigations into the case of possible misappropriation of 60 bags of cement, wooden boards and steel and 120 litres of fuel against a Site foreman had not been held as at May 29, 2025 despite the report having been made on November 18, 2024. Section 109 (3) of the Public Finance Management (Treasury Instructions) 2019 requires the Accounting Officer to institute an enquiry into any deficiency, damage or destruction reported to them.

**Risk/Implication**

Total loss of state property if it takes too long to investigate the case.

**Recommendation**

The Accounting Officer should appoint a Board of Inquiry into the allegation as required by the Public Finance Management (Treasury Instruction), 2019.

**Management Response**

**The Board of Inquiry was conducted.**

***Evaluation of Management Response***

*The management response is appreciated. However, only the appointment of the Board of Inquiry committee was done and the investigation had not been done.*

## 3 COMPENSATION OF EMPLOYEES

### 3.1 Segregation of Duties

**Findings**

The Harare Provincial Office is being manned by one administration officer who is responsible for collecting fuel coupons from Head office, recording in the Fuel Coupons register and issuing out.

Furthermore, a total of 1660 litres of fuel coupons were not signed for and serial numbers for these coupons were not entered in the register.

**Risk/Implication**

Coupons could be misappropriated.

**Recommendation**

Management should make sure that the above duties are segregated.

**Management Response**

**Management did not respond.**

## 4 PROCUREMENT OF GOODS AND SERVICES

### 4.1 Payment Arrears

**Finding**

The Ministry had outstanding payment arrears amounting to ZWG74 443 805 for the year ending December 31, 2024 in respect of casual worker salaries and other various creditors. There was no evidence submitted for audit to show that efforts were made to clear outstanding payments.

Section 97(1) of the Public Finance Management (Treasury Instructions), 2019 states that it is the responsibility of Accounting Officers to ensure that payments are made in a timely manner in order to avoid unnecessary expenditure in terms of penalties.

**Risks/Implications**

The Ministry may be sued or penalized for late payments.

There may be reputational risk and denial of service provision by suppliers in the future.

**Recommendation**

Management should perform an age analysis and make arrangements for the clearance of the liabilities.

**Management Response**

**The Ministry has paid some of the outstanding obligations while some are awaiting cash funding by Treasury.**

## 5 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry made some progress in addressing audit findings raised in my previous audit report. Out of the six (6) findings raised, three (3) were addressed and three (3) were not addressed as indicated below:

### 5.1 Open items

The issue was not addressed and has been included on paragraph (iii).

### 5.2 Revenue Received

The issue remained unresolved and has been included on paragraph (i).

### 5.3 Risk Management Policy

The Risk Management Policy has not yet been signed. This has been included on paragraph 1.2.

### 5.4 Revenue Received Return

The issue was resolved as the corrected return was submitted.

### 5.5 Outstanding Revenue

The issue was resolved as the corrected return was submitted.

### 5.6 Expenditure

The payment vouchers were corrected and attached with supporting vouchers.

## CIVIL SERVICE HOUSING LOAN FUND 2023

### Objective of the Fund

The Fund was established to provide funding for Civil Servants towards land purchase, construction or completion of house extensions, house purchase and mortgage relief of first house.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 5 235 299 889 |
| Expenditure | 8 529 648 |
| **Surplus** | **5 226 770 241** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 4 925 621 245 | - |
| Accumulated Fund | - | 5 987 705 039 |
| Current Assets | 1 066 559 582 | 4 475 788 |
| **Total** | **5 992 180 827** | **5 992 180 827** |

I have audited the financial statements for the Civil Service Housing Loan Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Civil Service Housing Loan Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Recovery of Claims

#### Finding

The outstanding loan amounts for terminations and deceased were being recovered through terminal benefits instead of the insurance cover. A total of ZWL$229 549 was recovered from terminal benefits during the year under review. No claims were processed from the Insurer to recover outstanding balances yet contributions were being made to the Insurance policy. Section 6.1 and 8.1 of the Insurance policy require the insurer to pay the Policyholder the full balance of indebtedness when the insured is dismissed or dies due to any cause.

#### Risk /Implication

There may be wasteful expenditure if claims are not being made from the Insurance Company.

**Recommendation**

The Fund should submit claims to the Insurance Company for the deceased and dismissed beneficiaries.

**Management Response**

**The observation is noted. The standard procedure in case of death or discharge is to claim the outstanding balance directly from the insurance company and not from terminal benefits. The Fund is currently reviewing these instances to ensure that claims are promptly submitted to the insurance company.**

## 1.2 Utilization of Funds

**Findings**

On January 06, 2023, an amount of ZWL$6 783 576 was deposited into the Sub-Exchequer Account as it had not been utilized by year end. Section 3(d) of the Constitution of the Civil Service Housing Loan Fund requires funds that are not immediately required for purposes of the Fund to be invested.

Further, the Fund had a closing bank balance of ZWL$960 113 646 as at December 31, 2023. At the time of concluding my audit on August 31, 2024, the funds had not been disbursed or invested. The Fund indicated that some Ministries did not provide a list of beneficiaries to enable disbursement of housing loans.

**Risks/Implications**

Service delivery may be compromised when funds availed are not used to benefit the intended beneficiaries.

The funds could lose value due to lapse of time.

**Recommendation**

Management should make sure that all funds not immediately required are invested in compliance with the regulations.

**Management Response**

**The observation is noted. Efforts will in future be made to invest funds not immediately required.**

# 2 MANAGEMENT OF ASSETS

## 2.1 Disclosure of Assets

**Finding**

Three (3) printers valued at US$1 638 and five (5) desktops worth US$5 275 were not included in the financial statements. As a result, I could not confirm the completeness and accuracy of the assets figure disclosed in the financial statements.

**Risk/ Implication**

The financial statements may be misstated if all assets are not disclosed.

**Recommendation**

Management should ensure that all assets are disclosed in the financial statements.

**Management Response**

**The observation is noted. However, the clause 4 of the constitution of the Civil Service Housing Loan Fund reads; That the assets of the Fund shall consists of i) Cash resources and Financial investments, ii) Loans issued to clients. As a result, assets procured using the Fund were expensed as is the case with Appropriation.**

**Evaluation of Management Response**

*Clause 4 of the constitution of the Civil Service Housing Loan Fund was selectively being applied since some Property, Plant and Equipment such as Laptops were included in the financial statements.*

## 3 REVENUE COLLECTION AND DEBT RECOVERY

### 3.1 Uncleared Deposits

**Finding**

The financial statements showed 'Uncleared deposits' amounting to ZWL$2 338 822. There was no evidence that efforts were made to clear the deposits as some of the uncleared deposits date back to 2020. Section 52 (4) of the Public Finance Management (Treasury Instructions), 2019 requires that unclaimed money above six (6) months, be paid into revenue.

**Risk/Implication**

Failure to have a system to identify all direct deposits may result in fraud being perpetrated without trace.

**Recommendation**

All uncleared deposits should be investigated and cleared.

**Management Response**

**The observation is noted. The Fund is making frantic effort to ensure that all amounts are identified and recognized through engaging the Ministry of Finance, Economic Development and Investment Promotion's Senior Officers housing loans section, the pension department and the Salaries Service Bureau (SSB).**

### 3.4 Revenue and Debtors

**Finding**

The database for debtors was maintained on a Excel Spreadsheet and was not updated. Debtors running balances in the ledgers were not reflected on the database. Therefore, I could not confirm the completeness and accuracy of the revenue and debtors' figures disclosed in the financial statements.

**Risks/Implications**

Failure to update database for debtors may result in inaccurate financial information.

Data may be manipulated if processed and stored on Microsoft Excel without the appropriate controls.

**Recommendations**

The Fund should ensure that there is proper record maintenance. The database for debtors should be updated regularly.

Management should ensure that an approved Accounting Software Package is used for the database for the debtors to ensure data integrity.

**Management Response**

**The data for the debtors is now up to date and ready for inspection.**

**Evaluation of Management Response**

*Management Response is acknowledged, however, the database for debtors was only updated on the sampled entries while some entries were not updated.*

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made some progress in addressing audit findings raised in my previous audit report. Out of three (3) issues raised, one (1) was addressed, one (1) was partially addressed and one (1) was not addressed as indicated below:

### 4.1 Uncleared Deposits

The Fund managed to identify sources of some of the deposits. However, the Ministry had not transferred the deposits back to the respective accounts. This was raised again on paragraph 3.1.

### 4.2 Service Delivery

The issue of minimal disbursements was not addressed.

### 4.3 Management of Assets

The asset register is now being maintained.

## HOUSING AND GUARANTEE FUND 2023

### Objective of the Fund

The objective of the Fund is to give guarantees in respect of loans made by Building Societies and Finance Houses to approved applicants for the purchase or construction of dwellings; making loans for approved housing schemes; and acquiring and disposing of properties in terms of the Housing and Building Act [Chapter 22:07].

Below is a summary of the Statement of Comprehensive Income and the Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **ZWL$** |
|---|---|
| Income | 218 464 980 |
| Expenditure | 7 940 712 |
| **Surplus** | **210 524 268** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 9 445 161 | — |
| Capital Reserve | — | 2 934 047 |
| Accumulated Fund | — | 224 574 302 |
| Current | 254 743 991 | 36 680 803 |
| | | |
| **Total** | **264 189 152** | **264 189 152** |

I have audited the financial statements of the Housing and Guarantee Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all, material respects the financial position of the Housing and Guarantee Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other Statutory Instruments.

### Basis for Qualified Opinion

### (i) Valuation of Rented Properties

#### Finding

The Fund has been operating without a revaluation policy to guide the reassessment of the value of properties, which is necessary to ensure that financial statements accurately reflect their current fair value. Properties were last revalued in 2010. As a result, the assets disclosed in the financial statements of ZWL$1 844 939 were misstated and I could not ascertain the accuracy of the value of the investment property disclosed in the absence of a revaluation report.

**Risk/ Implication**

The absence of a revaluation policy may result in inaccurate property values being disclosed thereby misstating the financial statements.

**Recommendation**

A policy on revaluation of property should be put in place in order to place realistic values of the Fund's properties. Correct property values will aid in coming up with realistic rentals.

**Management Response**

**The observation is noted. The revaluation of rented properties will be included in the policy that is being worked out by the Ministry. The properties were last valued in 2010 using United States Dollars but the values were affected by the currency conversions in 2019.**

**(ii) Property, Plant and Equipment**

**Finding**

The Fund sold three (3) houses for a total value of ZWL$208 652 168 and the proceeds were disclosed in the statement of comprehensive Income. However, there was no movement in the value of assets in the statement of financial position. I therefore, could not confirm the accuracy of the figures disclosed for property, plant and equipment. Section 100 (1) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to promptly and accurately record all assets.

**Risk/Implication**

Misstatement of financial statements.

**Recommendation**

The financial statements should be adjusted to reflect the actual values of the properties of the Fund.

**Management Response**

**Management did not respond.**

**(iii) Other Receivables**

**Findings**

Rental income for the Fund amounting to ZWL$15 994 332 was collected through the Point of Sale (POS) machines that belong to the National Housing Fund (NHF) and the Parent Ministry. While the Fund receipted this amount, the cash remained in the bank accounts of the NHF and the Ministry. As at May 23, 2025, the cash had not been transferred to the Fund and was recorded as Other Receivables. As a result, I was unable to ascertain how the receipts were handled, given that they were issued without cash being received.

Further, no supporting documentation was provided for the rental due but not received amounting to ZWL$1 064 965. I therefore, could not establish and validate the accuracy of

the amounts making up the other receivables figure in the financial statements. Section (1) of the Public Finance Management (Treasury Instructions), 2019 stipulates that Accounting Officers should ensure that all payments made are appropriately authorised, all transactions are accurate and complete and there is adequate supporting documentation. 53

**Risks/Implications**

The financial statements may be misstated.

Errors, fraud and omissions may go undetected if reconciliations are not done.

**Recommendations**

Management should ensure that all collections made are deposited into the relevant Fund's bank account to ensure transparency and accountability.

Reconciliations of receipts on a daily basis should be done as this will enable correction of errors and mispostings on time.

**Management Response**

**The observation is noted. The Ministry intends to correct the receivables by making transfers of misallocated amounts to the Fund. The misallocations were as a result of amounts receipted but swiped using wrong machines.**

**(iv) Management of Properties**

**Finding**

I noted that financial statements had three (3) properties in Harare that had been sold. Of these houses, two (2) were sold in 2016 and one (1) in 2021. Although the tenants paid for the houses in full, they had not received their title deeds. As a result, the financial statements could be overstated.

**Risks/Implications**

The financial statements could be misstated.

The tenants are deprived of their right to ownership of the properties.

If title deeds are not processed for sold houses, service delivery may be compromised.

**Recommendation**

Management should ensure that title deeds for the sold houses are processed, as this will improve service delivery.

**Management Response**

**The observation has been acknowledged. It should be noted that the title deed processing for Housing and Guarantee Fund properties will be addressed under the One Stop Title Processing Programme. Additionally, properties that have received title deeds will be removed from the property register.**

**(v) Revaluation Surplus/Loss**

**Finding**

The Fund revalued three houses that were being sold during the year under review. No disclosure was made on the revaluation surplus/loss that may have arisen from the revaluation exercise. I therefore, could not determine the completeness of the financial statements submitted for audit.

**Risk/Implication**

The financial statements could be misstated.

**Recommendation**

The Fund should disclose the revaluation surplus/loss in the financial statements to enhance accountability.

**Management Response**

**Management did not respond.**

## 1 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund made some progress in addressing prior year audit findings. Out of three (3) findings raised, two (2) were addressed and one (1) was not addressed as indicated below:

### 1.1 Statement of Cash Flows

The matter on increase of other receivables which was different from the prior year figures, was addressed.

### 1.2 Trade and Other Payables

The issue was addressed as corrected financial statements were submitted.

### 1.3 Valuation of Rented Properties

The issue is still outstanding and has been included in the report under Paragraph (i).

## VOTE 25.- VETERANS OF THE LIBERATION STRUGGLE AFFAIRS

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Veterans of the Liberation Struggle Affairs is to register and document bonafide Veterans of the Liberation Struggle, Heroes and War Victims, institute measures to accurately record, document and preserve the history of the Liberation Struggle, exhume and repatriate remains of Veterans, institute measures to economically empower and improve the livelihoods of Veterans of the Liberation Struggle and Heroes Dependants, administer funerals of Veterans of the Liberation Struggle other than National Heroes and maintain internal and external liaison channels to do with Veterans of the Liberation Struggle.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserves<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Overspending<br><br>ZWG |
|---|---|---|---|---|
| 333 214 761 | - | 333 214 761 | 156 684 198 | (177 083 699) |
| **Constitutional and Statutory Appropriation** | | | | |
| 75 120 192 | - | 75 120 192 | 5 000 000 | 70 120 192 |

I have audited the financial statements for the Ministry of Veterans of the Liberation Struggle Affairs for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respects, the financial position of the Ministry of Veterans of the Liberation Struggle Affairs as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Reconciliation of the Appropriation Account Expenditure

### Finding

The Appropriation Account had total expenditure of ZWG149 462 762, whereas payments processed through the Sub-Paymaster Generals (PMG), including direct payments, as per the reconciliation statement, amounted to ZWG159 213 626. This resulted in an unreconciled variance of ZWG9 750 864. In the absence of a reconciliation, I was not able to validate the accuracy of the financial information disclosed in the Appropriation Account.

### Risk/ Implication

The Appropriation Account may be misstated.

**Recommendation**

Management should investigate the variance noted and take corrective action.

**Management Response**

**The observation regarding the variance of ZWG9 750 864 is noted. The discrepancy has been rectified, and the transactions previously processed outside the Public Finance Management System (PFMS) have been included in the Appropriation Account.**

**Evaluation of the Management Response**

*The review of the resubmitted Appropriation Account showed a restated total expenditure of ZWG161 684 198. However, this adjustment resulted in a variance of ZWG2 470 572.*

**(ii) Reconciliation of Compensation of Employees**

**Finding**

Total employment costs paid as per the PFMS report amounted to ZWG924 792 541 while the SSB wage bill had ZWG896 855 003 resulting in a variance of ZWL27 937 538. Further, the Ministry did not perform reconciliation of the March salary bill from Salary Service Bureau (SSB) against payments made in the Public Finance Management System (PFMS). The accuracy of the expenditure reported in the Appropriation Account could not be validated in the absence of the breakdown or make-up of the variance.

**Risk/Implication**

Without reconciliations, fraudulent transactions may be processed without detection. Compensation of employees may be misstated.

**Recommendation**

Monthly reconciliations should be carried out so that errors are detected and corrected timeously and that records are complete and accurate.

**Management Response**

**The observation is noted. The variance of ZWG27 937 538 in employment costs arose due to distortions between the Ministry of Defence and Ministry of The Veterans of the Liberation Struggle Affairs' wage bills following the transition to a standalone Ministry. Efforts are underway to rectify these anomalies and ensure accurate financial reporting.**

Below are other issues noted during the audit:

**1 GOVERNANCE ISSUES**

**1.1 Budget Utilisation**

**Finding**

The total budget for the Ministry was ZWG408 334 953 while funding provided amounted to ZWG161 684 198 resulting in a budget utilization of 39% of the voted funds. The Ministry had arrear payments of ZWG153 057 846 that could not be settled. Treasury was not able to

provide adequate funding to support the payments and other budgeted/planned programs of the Ministry.

**Risk/Implication**

The Ministry may fail to achieve its objectives due to inadequate funding.

**Recommendation**

The Ministry should continue lobbying for funding from the Ministry of Finance and Economic Development.

**Management Response**

**The observation is noted. Out of budget of ZWG408 334 953 the Ministry received funding of ZWG29 700 753 which was not sufficient to honor the Ministries obligations. Treasury did not provide adequate funding making it difficult for the Ministry to achieve its targets.**

## 2.2 Risk Management Policy and Annual Assessments

**Finding**

The Ministry did not have a documented and approved risk management policy and no formal risk assessments were done to cover key processes during the year under review. This was in contravention of Section 162 (1) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

The absence of effective risk management processes may expose the Ministry to numerous risks, which could negatively impact on its performance.

**Recommendation**

The Ministry should have an approved risk management policy and register that will guide in mitigating risk exposures. Risk assessments should be performed to safeguard government funds and assets.

**Management Response**

**The observation is noted. The Ministry has a draft Risk Management Policy currently under consideration. Notably, some departments have maintained risk registers. Moving forward, the Ministry will finalize the policy, develop comprehensive risk registers, and establish an implementation plan.**

## 2.3 Audit Committee

**Finding**

The Ministry did not have an audit committee during the year for the purposes of reviewing internal controls and addressing the control environment at the Ministry. This was in contravention of Section 84 (1) of the Public Finance Management Act [*Chapter 22:19*].

**Risk/Implication**

This may compromise the Ministry's ability to review and assess internal controls to identify and mitigate risks.

**Recommendation**

The Ministry should adhere to the requirements of the regulations.

**Management Response**

**The observation is noted. The Ministry was established in September 2023 and, during this period, it was in the process of setting up systems, including filling key management posts. However, changes in top management necessitated restarting the appointment process for the audit committee. Despite this challenge, the Ministry successfully established the audit committee in the first quarter of 2025.**

## 2.4 Disaster Recovery Plan

**Finding**

I noted that the Ministry did not have a Disaster Recovery Plan (DRP) to enable it to continue offering critical services in the event of disruptions. This was contrary to Section 157(2)(a) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Without any backup services data and assets may be lost in the event of a disaster.

**Recommendation**

The Ministry should come up with a Disaster Recovery Plan to enable continuity of services in the event of a disaster.

**Management Response**

**The observation is noted. The Ministry plans to develop a Disaster Recovery Plan in 2025, with a target to have it in place by the end of 2026.**

# 3. PROCUREMENT OF GOODS AND SERVICES

## 3.1 Fuel Usage

**Finding**

The Ministry issued additional fuel to its members above the stipulated limits based on the authority issued from their previous Ministry. As a result, 58 820 litres of fuel worth ZWG2 932 480 in excess of the limits was issued to members.

**Risk/ Implication**

Fuel may be misused.

**Recommendation**

The Ministry should regularize fuel allocations to conform with the prescribed limits.

**Management Response.**

**The Ministry previously relied on a circular issued by the Accounting Officer for Defence and War Veterans to authorize additional fuel for operational purposes. Following the elevation to a Ministry, the existing circular remained in effect until the new Accounting Officer instructed the use of the Public Service Commission (PSC) circular for fuel allocations, thereby realigning with the circular in January 2025.**

## 3.2 Recording of Fuel

**Finding**

The Ministry maintains a fuel register for recording fuel received and issued out in terms of Section 104(1) of the Public Finance Management (Treasury Instructions), 2019. However, there was no evidence of whether the 10 150 litres of fuel worth ZWG631 479, that was purchased on March 8 and November 28, 2024 was received and recorded in the register.

**Risk/Implication**

Fuel purchased may not be properly accounted for.

**Recommendation**

The Ministry should investigate the anomaly and take corrective action.

**Management Response**

**The fuel requested on November 28, 2024 was not received. The fuel processed on December 31, 2024, was collected on January 3, 2025. Due to reduced fuel allocations by the Treasury in November 2024, the Ministry did not procure Condition of Service fuel for November and December 2024.**

**Initially, the Ministry procured 23 960 litres of diesel and petrol, but Petrotrade advised that the Treasury had reduced the allocation to 17 960 litres for January 2025.**

**Evaluation of the Management Response**

*At the time of concluding the audit in May 31, 2025 on completion of the audit, outstanding balances for prepaid March 8 and November 28, 2024 purchases had not been collected.*

## VETERANS OF THE LIBERATION STRUGGLE AFFAIRS FUND 2023

### Objective of the Fund

The Fund was established for the purpose of rendering financial assistance to War Veterans and their dependents in terms of the Veterans of the Liberation Struggle Act [*Chapter 17:12*]. The assistance may be in the form of loans or grants to finance income generating projects, funeral expenses, manpower development and physical, mental or social rehabilitation of war veterans.

Below is a summary of the Statement of Comprehensive Income and the Statement of Financial Position for the year 2023:

### Statement of Comprehensive Income

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 17 619 702 970 |
| Expenditure | 28 342 303 425 |
| **Deficit** | **10 722 600 455** |

### Statement of Financial Position

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non- Current | 441 231 503 | 600 000 000 |
| Accumulated Fund | - | (9 555 808 244) |
| Current | 2 325 077 024 | 11 722 116 751 |
| **Total** | **2 766 308 527** | **2 766 308 527** |

I have audited the financial statements of Veterans of the Liberation Struggle Affairs Fund for the year ending December 31, 2023 and l issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of Veterans of the Liberation Struggle Affairs Fund as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the Veterans of the Liberation Struggle Act [*Chapter 17:12*], the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Depreciation Policy and Asset Valuation

### Findings

The Fund's Property, Plant, and Equipment (PPE) assets were not subject to a depreciation policy, Furthermore the accuracy and dependability of the financial reporting were compromised when the financial statements reported values for Motor Vehicles of ZWL$555 000 (ZWL$555 000:2022), while Office Equipment increased to ZWL$440 390 335 (ZWL$970 187:2022) without evidence to providing evidence to support valuation basis. Land and Buildings remained at ZWL$30 000 (ZWL$30 000:2022). The absence of a clear policy on depreciation and valuation of assets compromises the accuracy and reliability of the financial statements.

Furthermore, as at December 31, 2023. There was no documentary evidence to establish how the assets were valued.

**Risk/Implication**

Property, plant and equipment may be misstated in the absence of valuation and depreciation polices.

**Recommendations**

The Fund management should come up with a policy on management of assets for approval by Treasury.

A Professional valuers should be engaged where necessary on valuation of. Land and Buildings.

**Management Response**

**The observation is acknowledged. The Ministry is in the process of recording and revaluing assets under its purview. Ministry of Local Government and Public Works will be engaged for valuation of the Matabeleland North Provincial Offices. The notes to our financial statements have a summarised breakdown of assets at cost. The Fund does not have accounting policies. However, the Ministry is also transitioning to International Public Sector Accounting Standards (IPSAS) under the guidance of Treasury. Accounting policies for Fund Account shall be in line with Zimbabwe Financial Reporting Manual.**

Below are other issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Standard Operating Procedures Manual

**Finding**

There was no standard operating procedures manual for the Fund giving guidance on the accounting and administration activities of the fund. The field visits to six provinces namely Mashonaland East, West and Central, Midlands, Bulawayo and Matabeleland South, in November 2024 revealed that there was no uniform approach in the day to day running of the Fund. This was contrary to the provisions of section 50 of the Public Finance Management Act [*Chapter 22:19*] which states that every public entity shall adhere to and implement the principles of sound corporate governance policies, procedures and practices.

**Risk/Implication**

Without Standard Operating Procedures Manual, staff may perform tasks differently, leading to errors, varied outcomes and poor quality of work.

**Recommendation**

The Fund should develop a standard operating procedures manual to standardize operations.

**Management Response**

**The observation is noted. The Ministry is the process of establishing Standard Operating Procedures for all activities under its purview. Management`s expectations are to complete the exercise during the current year.**

## 1.2 Education Assistance

**Findings**

Reconciliations between the fees payment reports and the register for application for educational assistance maintained at were not performed during the period under review contrary to the directive from head office dated October 11, 2023. An examination of the register against the fees payment reports revealed that at the Mashonaland East Provincial Offices a total amount of ZWL$13 531 145 and ZWG$2 698 was paid for twenty (20) students and ZWL$6 342 643 was paid for (9) students at Bindura Provincial Office who were not appearing in the provincial registers. I was therefore not satisfied that educational fees were paid to the intended beneficiaries.

The total payments of ZWL$30 025 316 on the Head Office Payments could not be reconcile with the Bulawayo Provincial Office schedule as some beneficiaries appearing on the Head Office schedule were not on the Provincial Office schedule.

Section 53 (1) of the Public Finance Management (Treasury Instructions). 2019 requires the Ministry to ensure that all payments made are appropriately authorised, accurate, complete and adequately supported. Contrary to this provision Bulawayo Province only availed for audit verification 26 out of 194 (13%) application forms for university and 17 out of 94 (18%) forms for secondary school beneficiaries. I was unable to obtain reasonable assurance as to whether the transactions recorded were adequately supported by application forms.

The Midlands Province did not avail application forms for beneficiaries of educational assistance to support excel schedules submitted to Head Office I was unable to obtain reasonable assurance as to whether the transactions recorded were adequately supported by application forms. This was contrary to the provisions of Section 53 (1) of the Public Finance Management (Treasury Instructions), 2019.

**Risks/Implications**

Resources for the benefit of War Veterans children may be misused and fraudulent activities may go unnoticed.

Loss of service to beneficiaries, which may lead to, reduced education and skills development. Inaccurate and unreconciled figures distort fair presentation of financial statements.

**Recommendations**

The Ministry should authorise provincial offices to process payment of school fees within their respective localities to prevent distortions in the accounting of social benefits.

Regular reconciliations should be performed for payment of school fees between Head Office and Provincial Centres. Section 53(1) of the Public Finance Management (Treasury Instructions) should be adhered to.

**Management Response**

**The observations have been noted.**

- **Reconciliations of paid batches have now been done starting term 2024.**
- **The Ministry has revised the process flow of application for education benefits. All applications and batching are now done at provincial offices. Head Office is no longer initiating batching.**
- **Corrective measures will be taken to correct the anomaly.**
- **The Ministry has engaged Treasury so that an accounting package for the fund is availed. The Ministry is in the process of coming up with Standard Operating Procedures to guide staff on process flows and the requisite documents required at each stage.**
- **The anomaly has been corrected. All provinces are now keeping copies of applications submitted to Head Office. However, Head Office is in possession of these application forms and are ready for audit inspection.**

## 1.3 Medical Expenses

**Findings**

During my audit of the Matabeleland South Province, I noted that health payments amounting to ZWL$14 372 095.45 for various beneficiaries at Gwanda Provincial Hospital had no attachments. The controls designed by management require applicants for health assistance to provide a copy of the war vet card/ confirmation receipt, National ID and for other beneficiaries a marriage certificate and or a birth certificate for children below 18 years. However, these required documents were not attached to 76 applications as required.

The Fund incurred medical expenditures amounting to ZWL$3 004 278 for individuals or spouses whose names could not be verified in the war veterans register for Mashonaland West Province. This was non-compliance with the fund's eligibility criteria and agreed procedures.

**Risk/Implication**

In the absence of required documentation for processing payments, bogus beneficiaries may be rewarded by the Fund.

**Recommendations**

All requirements for payments should be attached to the vouchers before releasing funds, to prevent unauthorized transactions and reduce the risk of fraud and errors.

Beneficiaries should be verified against the War Veterans register before medical assistance is provided. In addition, a robust verification process should be implemented to prevent similar occurrences.

**Management Response**

**The observation is acknowledged. Checks and balances shall be implemented to ensure**

**compliance with laid down procedures and guidelines. Furthermore, an investigation shall be launched to establish the true nature of the stated beneficiaries whose applications did not have sufficient supporting documents in Matabeleland and Mashonaland West provinces. Our staff at Provincial Offices have been instructed to ensure they keep sufficient paper trail pertaining to all transactions.**

## 1.4 Internal Controls

### Findings

The accounting records were not being properly maintained at the Mashonaland West Provincial Office. This was evidenced by the absence of the Cash Book and monthly bank reconciliations for the entire year under review that were not prepared. The anomaly could be attributed to the failure by the Ministry to fill vacant position of the Provincial Accountant for more than ten years, which led to the appointment of an official who is not conversant with accounting duties to assume the position.

I noted activities that were carried out by the two (2) officers at the Matabeleland South Provincial Office resulting in lack of segregation of duties. The Field Officer was responsible for all the accounting functions, which are manual as well as being one of the signatories to the provincial bank account. The Provincial Office has not officer with an accounting background. Section 95 (7) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to ensure segregation of duties.

### Risk/Implication

Without effective Internal controls in the processing of accounting transactions errors and misstatements may go undetected.

### Recommendation

The Accounting Officer should engage with the Public Service Commission to get authorization to hire officers with an accounting background as a way to strengthen controls at Provincial Offices.

### Management Response

**The Fund has engaged the Public Service Commission and expects to fill the existing vacant posts in key areas including in accounts. In the meantime, the current staff manning the Provincial Office are going to be trained on how to properly maintain financial records including bank reconciliations.**

## 1.5 Administration Expenditure

### Finding

The Fund did not provide a breakdown of the administration expenditure amounting to ZWL$4 140 867 926 which was presented in the financial statements for the period ended December 31, 2023. I could not ascertain what constitute the administration expenses and whether the expenses were a proper charge to the Fund.

**Risk/Implication**

The administrative expenditure could be used to balance off the financial statements in the observance of the double entry system.

**Recommendation**

The Fund should adhere to the provisions of Section 44 (1)(a)(i) (c) of the Public Finance Management Act [*Chapter 22:19*] in ensuring that transparent systems of accounting are established.

**Management Response**

**The Veterans of the Liberation Struggle Fund is administered in terms of the Veterans of the Liberation Struggle Act [*Chapter 17:12*]. Through section 18, the Fund may make payments for the remuneration and allowances of Board members as well as costs of establishing and maintaining the Fund.**

**Further, costs directly associated with the Ministry's clients were also met from the Fund. These costs include activities to do with economic empowerment of veterans and their dependents, participation of veterans in national events such as Independence Day Celebrations, Heroes Day and Defence Forces Day commemorations, public meetings of Veterans with Ministry staff, etc. Expenditure of an administrative nature is available for inspection.**

**Evaluation of Management Response**

*Good accounting practice require that a breakdown of the amount be shown under notes supported by the respective ledgers.*

## 1.6 Accounts Payable

**Finding**

Accounts payable reported in the financial statements for the year ended December 31, 2023 amounted to ZWL$11 722 116 751 and prior year amount was ZWL$423 735 559 giving a percentage increase of 2 666%. The Fund management did not submit the age analysis of the trade payables and they also failed to furnish evidence of the measures taken to clear outstanding creditors. This was contrary to the provisions of section 50 of the Public Finance Management Act [*Chapter 22:19*] which states that every public entity shall adhere to and implement the principles of sound corporate governance policies, procedures and practices.

**Risk/Implication**

The Fund beneficiaries may be expelled from schools or colleges if the bills of service providers remain outstanding.

**Recommendation**

The Fund should clear outstanding trade payables in compliance with the provisions of section 50 of the Public Finance Management Act [*Chapter 22:19*].

**Management Response**

**The observation is noted. The increase in payables is attributable to inflation during the period under review. Trade payables relate to education benefits for second and third terms of 2023 which were unpaid as at December 2023. Outstanding 2022 fees (Payables) were paid during the year as evidenced in the cashbooks.**

## 1.7 Monitoring and Evaluation

**Finding**

The Fund management did not visit schools and colleges, which enrolled the beneficiaries of the War Veterans Fund in Mashonaland East Province, to establish the authenticity of the student records held at the Provincial Office against the actual number of students enrolled in a particular school. The Provincial Office cited ~~a~~ lack of financial resources as the challenge.

**Risks/Implications**

In the absence of monitoring controls through follow-ups and other means, the fund may pay fees for bogus students.

Payments for fees may be made to non-existing school to the prejudice of bona fide beneficiaries.

**Recommendations**

The Fund should conduct field visits to schools and colleges within the province to establish a correct database for Fund beneficiaries.

The Fund should strengthen internal controls in adherence with section 162 (2) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**The Ministry has since decentralised and we have established offices at District level. District Field Officers are mandated to authenticate existence and registration of schools/colleges with the Ministry of Primary and Secondary Education at District level. District Field Officers also monitor existence and attendance of beneficiaries at education institutions. Provincial Field Officers do checks. The Finance and Administration Department at Head Office will also carry spot checks at District Offices to ensure compliance. The Ministry shall continue to ensure that its monitoring and evaluation techniques deliver value to bona fide Veterans of the Liberation Struggle.**

## 1.8 Service Delivery

**Finding**

The Zvimba and Chegutu Districts were not adequately providing service to Fund Beneficiaries in their respective communities due to the unavailability of operational offices for the District Field Officers. I could not establish whether the Fund's objectives for decentralization was efficiently achieved.

**Risk/Implication**

In the absence of District Offices, the decentralization agenda may be compromised.

**Recommendation**

The Provincial Office through Head office should advocate for the establishment of District Offices in Zvimba and Chegutu for effective and efficient service delivery in rural communities.

**Management Response**

**The Ministry has encountered challenges in securing suitable office space in some Districts. However, effort is underway to secure suitable office space in all districts. Temporary shelter has been organised and services are being provided in all Districts.**

## 2. MANAGEMENT OF ASSETS

### 2.1 Inadequate Asset Records

**Finding**

The Fund did not maintain a comprehensive master asset register for assets held at Head Office, Provincial Offices, and District Centres, contravening Section 100(1) of the Public Finance Management (Treasury Instructions), 2019. This non-compliance raises concerns about the Fund's management of asset.

**Risk/Implication**

In the absence of a Master asset register, assets may be lost, stolen or converted for personal gain without trace.

**Recommendation**

The Fund should record all assets acquired in the asset register in compliance with Sections 100 (1) of the Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**The observation is acknowledged. The Ministry is in the process of recording and revaluing assets under its purview. The Ministry of Local Government and Public Works will be engaged for valuation of the Matabeleland North Provincial Offices. The notes to our financial statements have a summarised breakdown of assets at cost. The Fund does not have accounting policies. However, as a ministry we are also transitioning to International Public Sector Accounting Standards (IPSAS) under the guidance of Treasury. Accounting policies for Fund accounts shall be in line with Zimbabwe Financial Reporting Manual.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Ministry did not make progress in addressing prior year findings. Out of the nine (9) findings, one (1) was partially addressed and eight (8) were not addressed as follows:

### 3.1 Maintenance of Accounting Records

The finding was not addressed as fund officials failed to submit documentary evidence to substantiate items of Property, Plant and Equipment and Trade Payables.

### 3.2 Supervision of Work

There was no evidence that supervisory controls were implemented in the processing of the financial transactions hence the finding remained uncleared.

### 3.3 Cash and Cash Equivalents

Although the issue was raised again as presented in paragraph 1.10, there was an improvement in the submission of certificates of balances and bank statements by Provincial Offices.

### 3.4 Government Grant

The finding was not addressed at the conclusion of current audit.

### 3.5 Use of Manual System by the Fund

The finding was not addressed as the manual system is still being used for the accounting of fund events and activities.

### 3.6 Accounting Officers Instructions/Procedures Manual

The finding was not addressed and was raised again in paragraph 1.1.

### 3.7 Management of Biological Assets

The issue remained outstanding although a follow up was made during the current audit.

### 3.8 Valuation of Assets

The issue remained unresolved and raised again in paragraph 2.1.

### 3.9 Record Keeping

The finding was not addressed although a follow up was made during

## WAR VETERANS FUND 2021 AND 2022

### Objective of the Fund

The Fund was established for the purpose of rendering financial assistance to War Veterans and their dependents in terms of the War Veterans Act [*Chapter 11:15*]. The assistance may be in the form of loans or grants to finance income generating projects, funeral expenses, manpower development and physical, mental or social rehabilitation of war veterans.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL $** |
|---|---|
| Income | 4 614 463 264 |
| Expenditure | 3 554 287 848 |
| **Surplus** | **1 060 175 416** |

**Statement of Financial Position**

| **Item** | **Assets ZWL $** | **Liabilities ZWL $** |
|---|---|---|
| Accumulated Fund | 1 811 355 | 1 166 792 231 |
| Current | 1 588 716 435 | 423 735 559 |
| **Total** | **1 590 527 790** | **1 590 527 790** |

I have audited the financial statements of the War Veterans Fund for the years ended December 31, 2021 and 2022 and l issued a qualified opinion for both years.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respects, the financial position of the War Veterans Fund as at December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Maintenance of Accounting Records**

**Findings**

The Fund did not submit ledgers or schedules for non-current assets and Trade payables amounting to ZWL$1 811 355 and ZWL$423 735 559 respectively to support the figures in the Statement of Financial Position. This was contrary to the provisions of Section 35 (6) (a) of the Public Finance Management Act [*Chapter 22:19*] which states that every Accounting Officer of a Ministry should keep or cause to be kept proper records of account. I was therefore, not able to confirm the accuracy and completeness of the account balances in the financial statements.

Further, vouchers for various payments amounting to ZWL$151 459 346 were not availed for audit inspection. As a result, I was not able to validate the accuracy and completeness of the expenditure incurred.

**Risks/Implications**

Errors may not be detected timeously if adequate records are not maintained.

Failure to avail payment vouchers may result in fraudulent transactions.

**Recommendations**

The Fund should keep proper records of account supporting financial statements balances as required by the Public Finance Management Act [*Chapter 22:19*].

The payment vouchers should be availed for audit inspection.

**Management Response**

**The amount of Trade Payables of ZWL$423 308 649 indicate the true and fair value of creditors as at 31 December 2022. Some parents cleared outstanding fees payments to allow continuous study of their children when the Fund did not pay in time hence the changes in the value of creditors. The Fund has a policy of paying service providers and not parents. A schedule of 2022 educational fees and medical bills paid in 2023 is available for inspection. This is the amount of payables as at December 31, 2022.**
**Management has developed a system of filing administrative expenses of the Fund, where all payment vouchers are retained by the Accounts department until they have been audited. Effort is being made to submit all the outstanding vouchers to audit for inspection.**

**Evaluation of Management Response**

*Although the Trade Payables figure was adjusted, management still failed to submit schedules or any other documentation supporting the existence of the figure presented in the Statement of Financial Position.*

**(ii) Valuation of Assets**

**Finding**

The Fund presented its assets in the financial statements on a historical cost basis without considering the effects of depreciation and impairment. The asset register had no date of purchase, cost and accumulated depreciation and the book value of the assets. Section 119(2)(c) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers or officers delegated to ensure that full and proper accounts are kept.

**Risk/Implication**

Financial statements may be misstated.

**Recommendations**

Management should present its financial statements in accordance with set criteria in order to allow decisions to be made basing on accurate information.

An asset register should be put in place with all relevant information.

**Management Response**

**The observation is noted. Efforts are underway to revalue the assets and to update asset registers.**

**Evaluation of Management Response**

*Management response is noted. However, the response did not address the issue raised as it did not include concerns regarding the movement and net carrying amount of the assets.*

### (iii) Cash and Cash Equivalents

**Finding**

The Fund decentralized to provincial offices bank accounts for payments of medical and funeral benefits. However, the Fund did not avail for audit inspection certificates of bank balances from the Provincial offices. Therefore, I could not ascertain the accuracy of the balance of Cash and Cash Equivalents relating to the provinces amounting to ZWL$15 301 557.

**Risk/Implication**

The figure disclosed in the financial statements may be misstated.

**Recommendation**

Account balances that appear in the financial statements should be properly supported so as to enhance their reliability.

**Management Response**

**Management did not respond.**

## 1 PROGRESS IN ADRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing audit findings raised in my previous audit report. Out of the five (5) issues raised, none were addressed as indicated below:

### 1.1 Use of Manual Accounting System by the Fund

The Fund kept on using the manual accounting system.

### 1.2 Accounting Officers Instructions/Procedures Manual

The issue of the Accounting Officers Instructions/procedures manual was not resolved.

### 1.3 Management of Biological Assets

The contract agreements for the purchase of cattle from Mswelangubo Farm were not availed for audit.

### 1.4 Valuation of Assets

The Fund presented its assets in the financial statements on a historical cost basis. The issue was raised on paragraph (ii).

### 1.5 Record Keeping

The financial statements were prepared from the manual cashbook as the Fund did not have general ledger accounts.

## VOTE 26.- TOURISM AND HOSPITALITY INDUSTRY

## APPROPRIATION ACCOUNT 2024

### Mandate

The Ministry is responsible for facilitating the development and promotion of universally accessible and sustainable tourism policies, products and services that promotes socio-economic growth.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under Spending<br><br>ZWG |
|---|---|---|---|---|
| 121 802 563 | - | 121 802 563 | 81 152 917 | 40 649 646 |

I have audited the financial statements for the Ministry of Tourism and Hospitality Industry for the financial year ended December 31, 2024 and l issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly the state of affairs of the Ministry of Tourism and Hospitality Industry as at December 31, 2024, in accordance with the Public Finance Management Act *[Chapter 22:19]* and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Unreconciled Expenditure

### Finding

There were unreconciled variances between the Sub-Paymaster General's Account Sub-PMG) total payments of ZWG71 535 749, Public Financial Management System (PFMS) expenditure of ZWG81 152 921 and the Appropriation Account reported expenditure of ZWG81 152 917.The three (3) expenditure balances should be the same under normal circumstances and when there are differences a reconciliation should be provided. As a result of the unreconciled variances, I could not ascertain the accuracy and reliability of the expenditure figure disclosed in the financial statements.

### Risk/Implication

The total expenditure reported in the financial statements could be misstated.

### Recommendation

The Ministry should investigate and correct the variances in order to ensure that accurate expenditure is disclosed.

**Management Response**

**The observation is noted. The variance between the Sub-PMG and the PFMS expenditure was mainly due to salaries of ZWG 7 327 081 and payments made with the assistance of Treasury of ZWG1 503 935 which did not go through the bank. A reconciliation has now been submitted for audit. Further investigations are underway to resolve the outstanding variance of ZWG 222 554.**

**Evaluation of Management Response**

*The management response is acknowledged. However, the supporting documents for the payment of salaries and payments made with the assistance of Treasury was not availed for audit.*

**(ii) Cash Book Reconciliations**

**Finding**

There were unreconciled payments between the PFMS cash book and the bank account of ZWL$1 155 626 381 for January 2024 to April 5, 2024 and ZWG 7 770 752 for April 2024 to December 2024. These unreconciled transactions represent payments that had been processed in the PFMS but had not been funded or reversed as at December 31, 2024. Treasury circular reference E/46/314 dated January 8, 2025 requires Ministries to reverse all the 2024 transactions not funded by December 31, 2024.

**Risk/Implication**

The Appropriation Account expenditure disclosed could be inaccurate as the unfunded amounts may be reflected as expenditure in the PFM System.

**Recommendation**

The Ministry should investigate the unreconciled balances.

**Management Response**

**The observation is acknowledged. The unreconciled figures were as a result of salaries which were not captured by the Ministry of Finance, Economic Development and Investment Promotion. The salaries processed by the Ministry remain in the cashbook awaiting the remaining entry from the Ministry of Finance, Economic Development and Investment Promotion to clear.**

**(iii) Uncleared Balance-Goods and Invoice Receipts Control Account**

**Finding**

There was an uncleared balance of ZWL$47 571 845 in the PFMS Goods Receipts (GR) and Invoice Receipts (IR) Control Account for January 2024 to April 2024. The balance represents the difference between the value of invoiced goods and the value of goods received. Under normal circumstances the invoice and the value of goods received should be the same and when there is a variance, this should be investigated and corrected. As a result of the uncleared balance, I could not ascertain whether all the goods and services paid for were received and that the corresponding expenditure was properly accounted for and disclosed.

**Risk/Implication**

Expenditure disclosed in the financial statements may be misstated.

**Recommendation**

The Ministry should investigate the balance and corrective action be taken.

**Management Response**

**The observation is noted; The Ministry is working to clear all the open items in the PFMS. Currently the Ministry has cleared transactions from April to December 2024 amounting to ZWG81 184.**

**(iv) Public Financial Assets**

**Finding**

The Ministry did not submit for audit, supporting documents such as a share certificate, contract agreement or any relevant document for the investment valued at ZWG50 041 505 disclosed on the Statement of Public Financial Assets. The investment was made in Musi-O-Tunya Development Company. As a result, I could not ascertain the accuracy, completeness and reliability of the investment disclosed on the submitted return.

**Risk/Implication**

In the absence of a share certificate or other investment document, the reported investments may be misstated.

**Recommendation**

The Ministry should avail for audit the supporting documents for the investment made.

**Management Response**

**The observation is noted. Mosi-O- Tunya Development company is not listed on the stock exchange therefore, an internal valuation was carried out.**

**Evaluation of Management Response**

*The management response is acknowledged. However, the internal investment valuation report and other relevant supporting documents for investment were not availed for audit.*

**(v) Statement of Payment Arrears**

**Finding**

The Ministry did not maintain individual creditors ledgers as source documents to support liabilities of US$386 267 and ZWG1 028 239 disclosed on the Statement of Payments Arrears. Section 35(6)(a) of the Public Finance Management (Treasury Instructions) 2019 requires proper record keeping. of accounts. Therefore, the arrear payments disclosed could not be validated with source documents and could be inaccurate.

**Risk/Implication**

The Statement of Payments Arrears may be incorrect.

**Recommendation**

The Ministry should ensure that individual creditors ledgers are maintained to enhance accuracy of the statement of payment arrears**.**

**Management Response**

**The observation is noted. The Ministry has commenced implementation of the audit recommendation.**

**(vi) Receipts and Disbursements and Statement of Revenue Received**

**Finding**

The Statement of Receipts and Disbursements submitted for audit had collections amounting to ZWG239 445. The documents such as receipts in support of the amount were not availed for audit to enable me to validate the accuracy of the collections disclosed. On the other hand, the Statement of Revenue Received had a nil balance. There is a possibility that the collections may include revenue receipts. I could therefore, not also confirm the accuracy of the Revenue Received Return.

**Risk/Implication**

Revenue received may be understated.

**Recommendation**

The Ministry should avail supporting documents for the collections for the year under review and disclose the revenue in the Statement of Revenue Received.

**Management Response**

**The observation is noted. The Ministry will avail the bank statements.**

**Evaluation of Management Response**

*The bank statements supporting the collection of the revenue disclosed on the statement of receipts and disbursements was not availed at the time of concluding the audit on May 20, 2025.*

**(vii) Compensation of Employees Reconciliations**

**Finding**

There was a variance of ZWG1 838 872 between the PFMS compensation of employee's ledger balance of ZWG11 019 016 and the Salary Services Bureau (SSB) balance of ZWG9 180 144. There was no evidence that monthly reconciliations were performed between the SSB figures and the PFMS figures as required by Treasury Circular B/1/88 June 5, 2018. As a result, I could not validate the accuracy of expenditure on employment costs disclosed in the financial statements.

**Risks/Implications**

The employment costs reported for the year under review may be materially misstated.

Improper payments may not be detected if monthly reconciliations are not done.

**Recommendation**

Management should ensure that employment costs billed by SSB are reconciled monthly against expenditure figures shown in the PFMS ledgers and any variances investigated.

**Management Response**

**The observation is noted. The Ministry is currently investigating the variance of ZWG1 838 872.**

Below are other issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilisation

The total budget allocation for the Ministry was ZWG121 802 563 while funding provided amounted to ZWG 64 620 587 resulting in a budget utilisation of 53% of the voted funds. However, the Ministry had arrear payments of ZWG1 028 239 and US$386 267 that could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programs of the Ministry.

**Risks /Implications**

The Ministry may not achieve its mandate due to limited funding.

The accumulation of arrears if left unattended negatively impacts on Government reputation.

**Recommendation**

The Ministry should continue lobbying for the release of funding by Treasury.

**Management Response**

**The observation is noted. As already been highlighted on the financial statements failure to utilize the budget was as a result of non-release of funds by Treasury.**

### 1.2 Risk Management Policy

**Finding**

The Ministry did not have a Risk Management Policy and an appointed Risk Management Committee in place to assist in the identification and mitigation of possible risks. The Ministry indicated that they had not received risk management training from the coordinating department at Ministry of Finance, Economic Development and Investment Promotion to

facilitate development of the relevant Policy. Section 162 (2) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to put in place a mechanism to mitigate identified risks.

**Risk/Implication**

The Ministry may fail to identify, assess, and mitigate potential threats, leaving it exposed to operational, financial, legal, and reputational risks.

**Recommendations**

The Ministry should make arrangements for its staff to be capacitated in risk management and development of Risk Management Policy.

The Accounting Officer should appoint a Risk Management Committee to assist in the identification and mitigation of possible risks.

**Management Response**

**The Ministry experienced delays in drafting its Risk Management Policy in 2024 as it was awaiting training from the Ministry of Finance, Economic Development and Investment Promotion Central Internal Audit Unit. The Ministry received the risk management training in March 2025 and has since developed its Risk Management Policy. A Risk Management Committee will be appointed in line with the guidelines outlined in the National Risk Framework.**

**Evaluation of Management Response**

*The management response is acknowledged however; the approved risk management policy was not availed for audit.*

### 1.3 Disaster Recovery Plan

**Finding**

The Ministry did not have in place a Disaster Recovery Plan which includes policies, processes, and procedures to recover data and ensure business continuity in the event of a disaster. Section 44 (1) (a) (1) of the Public Finance Management Act [*Chapter 22:19*] requires effective risk management mechanisms to be put in place.

**Risk/Implication**

Should a disaster occur, the Ministry may lose data and fail to continue providing services.

**Recommendation**

Management should prioritise the development of a Disaster Recovery Plan.

**Management Response**

**The observation is noted. The Ministry does not have a Disaster Recovery Plan in place. However, a draft Information Communication Technology policy which is still to be**

**adopted has a Disaster Recovery Plan which is spelt out as a policy statement. A detailed Disaster Recovery Procedures Manual is yet to be crafted.**

### 1.4 Travelling and Subsistence Allowances Acquittal

#### Findings

There were seven (7) officers who were advanced travel and subsistence allowances amounting to ZWG513 574 before acquittal of the previously issued advances. This was contrary to Section 65 (19) of the Public Finance Management (Treasury Instructions), 2019. There was no evidence of follow-ups of previously uncleared advances.

Further, four (4) officers who were issued advances amounting to ZWG61 252 between July and September 2024 did not provide the evidence of travel as T& S acquittal forms were not completed. At the time of concluding the audit in May 2025 the Ministry shared T&S forms indicating part deductions of the advances. The Ministry did not provide an explanation of why the business trips were not undertaken. Section 65 (14) of the Public Finance Management (Treasury Instructions), 2019 requires that when a member is issued an advance and fails to travel, the advance be repaid to the Consolidated Revenue Fund in full.

#### Risks/Implications

Issuing of multiple advances to officers may result in non-recovery of previously uncleared advances.

Expenditure may be incurred for business travel not undertaken.

#### Recommendations

Management should follow-up on outstanding travelling and subsistence and ensure that previously issued advances are cleared before new advances are processed.

The Ministry should ensure that full repayments is made by any member who fail to undertake a business trip for which an advance would have been issued.

#### Management Response

**The observation is acknowledged. In future the Ministry will comply with the audit recommendation.**

## 2. MANAGEMENT OF ASSETS

### 2.1 Assets Register

#### Findings

Out of the sixty (60) laptops purchased and recorded in assets register in 2024, twenty-one (21) laptops were not brought for physical inspection by the custodians in March 2025. In addition, audit noted that six (6) laptops physically existed but were not recorded in the assets register. Section 100 (1) of the Public Finance Management (Treasury Instructions), 2019, requires Accounting Officers to accurately record all assets in the registers. There was no evidence of review of the assets register and investigation of the anomalies. I could therefore, not conclude that the assets were being properly accounted for.

The Ministry did not capture its assets in the Public Financial Management System (PFMS) Master Assets Register for the year under review. Therefore, the PFMS asset register was incomplete.

Furthermore, the Ministry's assets were not recorded according to asset classification in the assets register, making it difficult to locate specific assets. The assets were recorded in the assets register in accordance to the date of acquisition.

**Risks/Implications**

Assets may be misappropriated and converted to personal use.

Accountability of assets may be compromised due to misclassification.

**Recommendations**

The Ministry should review, update the assets register and investigate anomalies.

The Ministry should avail for physical inspection the twenty- one (21) laptops which were not availed for audit.

Management should ensure that all assets are recorded timeously in the PFMS Master Assets Register and in accordance to the classification determined by the Accountant General.

**Management Response**

**The observation is noted. The details of the laptops which were not recorded in the master assets register have now been captured.**

**The twenty-one (21) laptops could not be physically verified as the custodians were not physically present during the audit period. The laptops have now been availed for physical inspection.**

**The Asset register was reviewed and the Ministry will keep updating it in future. The Master asset register was compiled according to Zimbabwe Financial Reporting Manual (2023). However, management will also capture the information in the Master Asset Register according to Section 100(3) of the Public Finance Management (Treasury Instruction), 2019.**

**Evaluation of Management Response**

*The management response is noted. However, two (2) out of the twenty-one (21) laptops remained unaccounted for as the custodians were said to have transferred from the Ministry and had not handed over the laptops***.**

## 3. IMPLEMENTATION OF PROGRAMMES

### 3.1 Performance Reporting

**Finding**

Audit noted that twelve (12) achievements reported in the Ministry's Annual Report differed from those reported in the Accounting Officer's performance report. There was no evidence that the achievements recorded in the two (2) reports were reconciled. Section 83 of the Public Finance Management Act [*Chapter 22:19*] requires the Accounting Officer to prepare an

annual report. As a result, of the difference in achievements reported, I could not place reliance on the annual report submitted for audit.

**Risk / Implication**

The reliability of the reports is compromised due to inconsistent reporting of achievements.

**Recommendation**

Management should put in place a mechanism that ensures consistent reporting.

**Management Response**

**The observation is noted. The discrepancies arose due to the difference in time the reports were produced. When the Annual report was compiled, some outcomes and outputs achieved like Tourism Receipts and Tourism Arrivals were still being compiled, the figures became available in Mid-January 2025. This lag was due to the time the Department of Immigration takes to consolidate the entry statistics at all entry ports.**

**Going forward the Ministry will consider aligning finalizing of the Annual Report with the availability of data for key performance indicators.**

## VOTE 27- SPORT, RECREATION, ARTS AND CULTURE

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Ministry of Sport, Recreation, Arts and Culture is to promote Sport, Arts and Recreation by ensuring equitable participation, sustainable development and empowerment for all Zimbabwean citizens.

Below is a summary of funds allocated and spent during the year:

| Voted Funds<br><br>ZWG | Unallocated Reserve Transfers<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under Spending<br><br>ZWG |
|---|---|---|---|---|
| 204 677 149 | - | 204 677 149 | 147 116 938 | 57 560 211 |

I have audited the financial statements for the Ministry of Sport, Recreation, Arts and Culture for the year ended December 31, 2024, and I issued an unmodified Opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Sport, Recreation, Arts and Culture for the year ended December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilization

#### Finding

The total budget allocation for the Ministry was ZWG204 677 149 while funding provided amounted to ZWG147 116 938 resulting in a budget utilisation of 72% of the voted funds. However, the Ministry had arrear payments of ZWG28 119 233 which could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programmes of the Ministry.

#### Risks/Implications

The Ministry may fail to achieve its planned activities due to lack of budget support.

The Ministry may be sued for failure to pay service providers.

#### Recommendation

Management should continue lobbying for adequate funding from Treasury to facilitate achievement of plans and clearance of debts.

**Management Response**

**Management did not respond.**

## 1.2 Risk Management Policy

**Finding**

The Ministry was yet to come up with a Risk Management Policy a year after it started its operations. Section 162 (1) and (3) of the Public Finance Management (Treasury Instructions), 2019 requires the Accounting Officer to carry out a risk assessment and submit a copy of the risk profile report to the Auditor- General annually. Management did not state the reasons for not coming up with the Risk Management Policy.

**Risk/Implication**

Absence of a Risk Management Policy makes it difficult for management to identify, assess, and respond to business risk of the Ministry.

**Recommendation**

A Risk Management Policy should be put in place to mitigate the business risk of the Ministry.

**Management Response**

**A draft risk management policy was developed during 2023 and it is yet to be approved. The Ministry expect to have an approved risk management policy before the end of 2025.**

## 1.3 Disaster Recovery/ Business Continuity Plan

**Finding**

The Ministry did not have a Disaster Recovery Plan to enable it to continue offering critical services in the event of a system disruption. Section 44 (1) (a) (i) of the Public Finance Management Act [*Chapter 22:19],* requires an Accounting Authority for a public entity to establish and maintain an effective and transparent system of financial and risk management and internal control.

**Risk/Implication**

Data can be lost without recovery in the event of an unforeseen tragedy.

**Recommendation**

The Ministry should come up with a Disaster Recovery Plan to enable continuity of services in the event of a disaster.

**Management Response**

**The observation is noted. The modalities to put an offsite disaster recovery plan are underway, but temporarily the organisation is using hard drives and flash drives to keep data offline.**

## 1.4 Information Technology (IT) Governance

### Finding

The Ministry does not have an IT policy, IT strategic committee, IT strategic plan that supports business requirements and an active IT steering committee to advise management on IT initiatives and to ensure that the IT department is in harmony with the Ministry's mission and objectives. Section 62 (1) and (2) of the Public Finance Management(Treasury Instruction ), 2019 requires an accounting authority for a public entity to maintain effective, efficient and transparent systems of financial and risk management and internal controls.

### Risk/Implication

Absence of IT policy, IT strategic committee and strategic plan may lead to inefficient IT management and service interruptions.

### Recommendation

The Ministry should appoint an IT Strategic and Steering Committee that would develop IT policy and strategic documents for the Ministry.

### Management Response

**The observation is noted. The Ministry is still in the process of recruiting IT personnel from which the strategic and steering committees will be instituted. The Ministry is currently using the IT policy and strategic plan from the previous Ministry before dissolution. However, we are in the midst of crafting a new IT policy and strategic plan for the Ministry of Sports, Recreation, Arts and Culture.**

## 1.5 Security and Cleaning Services

### Finding

The Ministry paid monthly obligations amounting to ZWG15 910 709 towards security and cleaning services to various companies. However, no contracts were availed for audit inspection. As a result, I could not ascertain the legality of the engagements and the financial commitment. According to management, the financial obligations to these companies were as a result of past engagements with the Ministry of Local Government and National Housing.

### Risk/Implication

The Ministry could incur financial loss if it continues to pay service providers without contracts.

### Recommendation

The Ministry should obtain and verify all contracts relating to the inherited obligations from other Ministries so as to acquaint itself on its expected deliverables and the terms and conditions binding both parties.

### Management Response

**Duly noted the Ministry has already started the process of auditing the current activities to be carried out by the current security, cleaning and maintenance service providers**

**at its facilities and will be going through a competitive bidding process so as to appoint the capable service providers of these and put contractual agreements in place**.

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Outstanding Revenue

#### Finding

From my analysis of the statement of outstanding revenue for the year ended December 31, 2024, I noted that the Ministry collected only rentals of ZWG28 403 out of rental arrears of ZWG10 577 000 which is less than one percent of the outstanding rentals. Section 49(2) of the Public Finance Management (Treasury Instructions), 2019, obligates the receivers of revenue to put in place measure to collect dues to the Government. There was no evidence of regular follow-ups on outstanding debts. The contributory factor for non-recovery was the absence of debt management policy.

#### Risks/ Implications

The Ministry may fail to recover the entire outstanding amount thereby prejudicing the Government of the much-needed funds.

Government operations may be greatly affected because of shortage of funds.

#### Recommendation

The Ministry should come up with the debt management policy which includes active recovery of the funds owing for the services offered.

#### Management Response

**Management did not respond.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Transfer of Assets

#### Finding

Section 102 (4) of the Public Finance Management (Treasury Instructions), 2019 requires that any transfer of assets from one department or station to another be accompanied by an issue voucher. The Ministry official confirmed receipt of assets handover notice; however, assets were not physically handed over to the personnel responsible. As a result, some of the assets on the transfer list could not be identified.

In addition, the Ministry's vehicle inventory shows that they have 30 vehicles under their ownership, I however noted that these were not included in the transfer list and as a result I could not affirm whether assets including vehicles were in existence. I also noted that the registration books were still under the Ministry of Youth, Sports, Recreation, Arts and Culture.

#### Risk / Implication

The Ministry may lose assets due to theft.

**Recommendation**

The Ministry should adhere to Section 102 (4) of Public Finance Management (Treasury Instructions) 2019 which requires that any transfer of assets from one department or station to another be accompanied by an issue voucher upon a granted authority by the Accounting Officer of the transferring department.

**Management Response**

**No handover and takeover was done.**

### 3.2 Non-Delivery of Motor Vehicles

**Finding**

The Ministry bought seventeen (17) Nissan Navara Pick-up trucks at a cost of ZWG393 171 724 for operational use before the demerger in 2023 and only seven (7) of them were delivered in 2023. By the time this audit was carried out, the balance of ten (10) vehicles had not been delivered. Six of the ten (10) vehicles yet to be delivered belong to the Ministry of Sport, Recreation, Arts and Culture and the other four (4) belong to Ministry of Youth Empowerment, Development and Vocational Training. Failure by the Ministry to effectively administer its contract violated Section 79 (1) of the Public Finance Management (Treasury Instructions), 2019 which requires the procuring entity to ensure that they keep their procurement contracts and provide the necessary resources for the implementation of the contract.

**Risk/ Implication**

The Ministry may lose funds due to breach of contract.

**Recommendation**

Management should follow up with the supplier to ensure timeous delivery of the procured vehicles.

**Management Response**

**The Ministry has engaged and continues to engage the supplier regarding the outstanding six (6) vehicles. The supplier has committed to honouring this and has also issued the Ministry with a commitment letter to this effect in support.**

### 3.3 Laptops

**Finding**

The Ministry procured 15 laptops for ZWG910 043 which were allocated to users in 2023. I noted during my verification that these assets were not appearing on both the handover notice and the Ministry's ICT receiving register. According to the officials these laptops were received and issued by the former ministry before the dissolution.

**Risk / Implication**

The Ministry may lose assets due to misappropriation.

**Recommendation**

The Ministry should adhere to Section 102 (4) of Public Finance Management (Treasury Instructions) 2019 which requires that any transfer of assets from one department or station to another be accompanied by an issue voucher.

**Management Response**

**No handover was done and the laptops still belong to the Ministry of Youth although under our custody**.

## VOTE 28.- SKILLS AUDIT AND DEVELOPMENT

## APPROPRIATION ACCOUNT 2024

### Mandate of the Ministry

The Ministry's mandate is to catalyse the transition and transformation of Zimbabwe to an Upper Middle-Income Economy by 2030 by identifying the requisite Skills and Competencies and develop policies and programmes to optimally develop these skills.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfer ZWG | Total Budget ZWG | Expenditure ZWG | Net Under spending ZWG |
|---|---|---|---|---|
| 64 671 268 | 78 301 392 | 142 972 660 | 55 578 038 | 87 394 622 |

I have audited the financial statements of the Ministry of Skills Audit and Development for the year ended December 31, 2024 and I issued an unmodified opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Ministry of Skills Audit and Development as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit.

## 1 GOVERNANCE ISSUES

### 1.1 Statement of Payment Arrears

As at December 31, 2024, the Ministry had arrear payments due to various suppliers and service providers totaling ZWG3 460 687, with some invoices dating back to May 2024. As at April 8, 2025, the arrear payments had been reduced to ZWG1 125 366. There was no evidence that these liabilities were periodically reported to Treasury for funding to facilitate clearance.

**Risk/Implication**

Arrear payments have the effect of consuming the current budget thereby affecting operations of the Ministry.

**Recommendation**

The Ministry should continuously engage Treasury so that the outstanding balances are settled.

**Management Response**

**The Ministry reversed all documents processed in the year 2024, which did not receive cash support from Treasury. The arrears accumulated due to delayed payments for goods and services that had already been supplied to the Ministry. The Ministry is**

**actively engaging Treasury to ensure that arrear payments are avoided in the future as they affect current operations.**

## 1.2 Open Items

### Finding

The Ministry had open items amounting to ZWG24 912 110 in the Public Finance Management System (Cash Book) that were not cleared. The open items comprised of salaries that were paid directly on behalf of the Ministry. This amount was included as expenditure in the Ministry's Appropriation Account and awaits Treasury to clear the amounts.

### Risk/Implication

Unresolved open items can create uncertainties in cashflow management.

### Recommendation

The Ministry should engage Treasury and clear all open items in the system.

### Management Response

**The open items are in respect of direct payments made by Treasury on behalf of the Ministry. The clearance of these items requires an input from Treasury, which is necessary for the Ministry to complete the process. The Ministry remains committed to comply with the requirements of Treasury Circular Number 1 of 2025 and will engage with Treasury to ensure the timely resolution of these open items.**

## 1.3 Budget Utilisation

### Finding

An analysis of the Ministry's total budget, budget releases, and funding provided by the Treasury revealed that out of the total budget of ZWG142 972 660, operations and capital expenditure funded ZWG48 693 330 representing 34% while compensation of employees was fully funded at ZWG6 884 708 representing 5% giving a budget utilisation of 39%. The budget underutilisation was mainly due to non-release of funding by Treasury as a result of lack of liquidity. However, due to this non release of funding the Ministry at year end owed ZWG3 460 687 to service providers and suppliers.

### Risk/Implication

Inadequate funding compromised the Ministry's ability to deliver its mandate effectively.

### Recommendation

The Ministry should continually engage Treasury to provide funding for its operations.

### Management Response

**Treasury did not release budget as guided by the cash flows that the Ministry submitted at the beginning of the year. The budget releases were increased towards the end of the year but these were not followed by cash support. This led to reversals amounting to ZWG22 541 081.90. This non funding by Treasury impacted negatively on the Ministry's**

**operations and the relationship with its suppliers. The suppliers are now reluctant to provide goods and services upfront as they are owed ZWG3 460 687.**

**The Ministry has paid almost half of the arrears using the 2025 budget. Arrears are therefore affecting operations for 2025. The Ministry will continue to engage Treasury to secure adequate funding for the Ministry's operations.**

### 1.4 Fuel Issuance

#### Finding

The Public Service Circular dated August 3, 2022 ref: D/165 gives the Accounting Officer the discretion to determine the other grades/levels that can be allocated fuel. However, I noted that a blanket allocation of fuel which was said to be for operations was being issued to every member in the Ministry. Fuel for operations cannot be given as a blanket issue but on a need basis in the course of carrying out Government business.

#### Risks/Implications

Inefficient usage of fuel.

Misappropriation of fuel.

#### Recommendation

The Accounting Officer should revisit the approved allocations to correct the anomaly of blanket allocation of operations fuel to every member. Operations fuel should be allocated whenever need arises.

#### Management Response

**When the Ministry was established, it did not have any tools of trade including vehicles and therefore Officers were allocated fuel to enable them to perform their duties. The Ministry will implement the recommendations of the Auditor-General as the situation has now greatly improved.**

### 1.5 Travel and Subsistence Ledger Cards and Register

#### Finding

The Ministry incurred ZWG5 986 156 in Traveling and Subsistence expenses during the 2024 financial year. However, my review of Travel and Subsistence records revealed that the ledger cards and registers were not updated. This affects the Ministry's ability to effectively track amounts advanced to officers for travel, settlements and follow up on outstanding advances. Section 64 (5) of the Public Finance Management (Treasury Instructions), 2019 requires that efficient controls and accounting records be maintained in respect of all advances made.

#### Risk/Implication

Without updated records it becomes difficulty in tracking and recovering outstanding advances.

#### Recommendation

The Ministry should ensure that travel and subsistence ledger cards and register are updated.

**Management Response**

**The Ministry was maintaining a travel and subsistence register since there were no cash advances. The recommendation is noted and the Ministry is updating the ledgers and now maintains registers for both cash advances and claims.**

### 1.6 Risk Management and Assessment

**Finding**

The Ministry had a draft risk management policy in place and no formal risk assessments were carried out to cover key business processes in the year under review. The Ministry used its internal audit department to carry out risk assessment of key operation processes. However, risk assessment must not be carried out by one department but, should include all departments within the Ministry. Section 162 (2) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to carry out a risk assessment of their entity's operations on an annual basis.

**Risk/Implication**

Failure to carry out formal risk assessments may expose the Ministry to numerous risks which could negatively impact on its performance.

**Recommendation**

The Ministry should perform and document risk assessments on an annual basis to safeguard Government funds and assets.

**Management Response**

**The Ministry has a draft Risk assessment policy. The draft is still being validated at the same time when Ministry departments are being established and furthermore engagements with new staff remains work in progress. The internal Audit department carried out a risk assessment to cover key processes that were being done by the Ministry.**

## 2 MANAGEMENT OF ASSETS

### 2.1 Computerised Asset Register

**Finding**

The Ministry did not capture assets in the Public Finance Management System (PFMS). During the year under review, the Ministry acquired assets amounting to ZWG25 884 683 and also received donations in the form of assets valued at ZWG1 324 480. These assets were only recorded in the manual Master Assets register. Section 100 (1) and (2) of the Public Finance Management (Treasury Instruction), 2019 requires the Accounting Officers to ensure that all public assets under their control be captured immediately on the PFMS.

**Risk/Implication**

Assets may be exposed to misappropriation.

**Recommendation**

Management should ensure that all assets are captured in the PFM system in compliance with Public Finance Management (Treasury Instructions), 2019.

**Management Response**

**The assets need to be uploaded on the PFMS system using excel worksheets. The Administrator received training from Treasury recently. The worksheets are ready and the Ministry is now working with the PFMS team to have assets uploaded on the system.**

## VOTE 29.- JUDICIAL SERVICE COMMISSION

## APPROPRIATION ACCOUNT 2024

### Mandate

The Commission has a constitutional mandate to promote and facilitate the independence and accountability of the judiciary and the efficient and effective administration of justice in Zimbabwe.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under Spending<br><br>ZWG |
|---|---|---|---|---|
| 411 711 991 | 265 712 611 | 677 424 602 | 630 287 256 | 47 137 346 |
| **Constitutional and Statutory Appropriation** | | | | |
| 50 581 088 | - | 50 581 088 | 61 852 936 | (11 271 848) |

I have audited the financial statements for the Judicial Service Commission for the year ended December 31, 2024, and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Judicial Service Commission as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUE

### 1.1 Budget Utilisation

#### Finding

The Commission got from Treasury funding amounting to ZWG630 287 256 for Vote Appropriation which constituted 93% of the total budget. Funding towards operations and capital expenditure was 62% of the budget while 31% was for compensation of employees. However, at year end the Commission had outstanding payment arrears of ZWG281 834 765 due to suppliers. The arrears if left unattended, impacts on the budget of the subsequent year.

#### Risk/Implication

Negative impact on service delivery as suppliers may be unwilling to do business.

#### Recommendation

There is need to continuously engage Treasury to mitigate the risk of future payment arrears.

**Management Response**

**Management acknowledges the outstanding payment arrears. The primary reason for this balance was attributed to various payment runs that were reversed due to non-funding from Treasury. To mitigate the risk of future payment arrears and ensure timely funding, the Commission is committed to continuously engaging with Treasury for the full release and funding of our budgeted amounts before the end of each financial year to enhance our operational capacity and prevent service delivery disruptions.**

## 2. MANAGEMENT OF ASSETS

### 2.1 Disposal of Motor Vehicles

**Finding**

The Commission got Treasury Concurrence in September 2023 to dispose fourteen (14) condemned motor vehicles valued at US$9 100, through a Public Auction by CMED. The vehicles were said to have been sent to CMED for a public auction together with the registration books. The report on disposal and how the proceeds from the sale were accounted for was not availed for audit review.

**Risk/Implication**

There is risk of loss of revenue.

**Recommendation**

The Commission should document the auction process including notification dates, results of auction, revenue collected and disclose how the revenue was accounted for.

**Management Response**

**The Commission engaged CMED for the disposal of the vehicles. CMED further engaged KM auctions for the disposal. To date eight (8) vehicles have been disposed. A total of $3 370 was realised.**

**Evaluation of Management Response**

*The Commission did not provide evidence of how the proceeds were accounted for.*

### 2.2 Non-registration of Motor Vehicles

**Finding**

The Commission had 67 motor vehicles purchased during the year which were not registered with the Central Vehicle Registry. This was contrary to Section 103 (4) of the Public Finance Management (Treasury Instructions), 2019. Funding challenges were cited as cause for the delay in the registration process.

**Risks/Implications**

The Commission may incur fines and penalties for non-registration.

It may be difficult to track and manage unregistered motor vehicles.

**Recommendation**

The Commission should make every effort to have the vehicles registered.

**Management Response**

**The vehicles are in the process of being registered.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Commission partially made progress in addressing prior year findings. Out of two (2) findings raised, one (1) was addressed and the other one remained outstanding as shown below:

### 3.1 Variance in Treasury Releases between Annual Report and Financial Statements

The issue of inconsistent information in the report, was not addressed.

### 3.2 Computerised Master Assets Register

The audit finding was addressed as assets were captured in the computerised Master Assets Register.

## COURTS ADMINISTRATION FUND 2021 AND 2022

### Objective of the Fund

The Fund was established for the purpose of providing resources for the purpose of enhancing the effective and efficient administration of justice.

Below is a summary of the Statement of Comprehensive Income and a Statement of Financial Position for the year 2022:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Revenue | 1 595 240 656 |
| Expenditure | 1 524 520 591 |
| **Surplus** | **70 720 065** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-Current | 193 708 279 | - |
| Current | 5 780 857 | - |
| Accumulated Fund | - | 199 489 136 |
| **Total** | **199 489 136** | **199 489 136** |

I have audited the financial statements of the Courts Administration Fund for the years ended December 31, 2021 and 2022 and I issued an unmodified opinion for both years.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Courts Administration Fund as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Witness Expenses

### Finding

From a sample of thirteen (13) courts visited, it was noted that witnesses were only reimbursed transport allowances even though they qualified for other allowances which included detention and meals. This was contrary to the Accounting Officer's Instructions which require that they be paid other allowances. These allowances were meant to encourage them to attend court sessions willingly without over-burdening them with costs, to facilitate justice delivery. However, audit noted that some witnesses, for example at Headlands, had to sleep at bus terminuses so as to attend the weekly circuit court.

### Risk/Implication

This could negatively affect service delivery as witnesses may fail to present themselves in

courts due to economic hardships thereby affecting case clearance rate and justice delivery.

**Recommendation**

Witnesses should be reimbursed all the expenses including detention and meals they incur when they attend court sessions. The Commission should consider other reimbursement methods such as mobile money transfer facilities.

**Management Response**

**Management acknowledges that witnesses have been reimbursed transport allowances only, despite their eligibility for additional allowances, including detention and meals. Management recognizes the importance of ensuring that witnesses are adequately compensated for their expenses, particularly given the challenging economic environment. The limitation on providing full reimbursement can be attributed to several factors including Zimbabwe's Banking Restrictions.**

**The on-going shortage of local currency has made it difficult to provide adequate cash allowances. This has resulted in prioritizing transport reimbursements as they are deemed essential for witnesses to attend court sessions.**

**Existing policies regarding witness allowances may not have been updated to reflect the current economic realities. This has inadvertently led to the under-compensation of witnesses for necessary expenses incurred while attending court.**

**Evaluation of Management Response**

*The Commission did not indicate the steps they are taking to address the anomaly of under-reimbursements to witnesses.*

## 1.2 Accounting for Funds

**Finding**

It was noted that the transactions of the Fund were accounted for using PASTEL system accounting package. Section 119 (1) of the Public Finance Management (Treasury Instructions), 2019, requires transactions to be accounted for through the PFMS unless the Accountant-General has authorized the use of an independent package. There was no authority produced for use of the PASTEL package.

**Risk/Implication**

Unapproved accounting packages may lack integration capabilities causing compatibility issues and decreased efficiency.

**Recommendation**

Management should comply with the requirements of Treasury Instructions or obtain authority for use of the PASTEL system.

**Management Response**

**The observation is noted. The transactions of the Fund have been recorded using the PASTEL accounting package, which according to the said regulations, should only be**

**used if authorized by the Accountant-General.**

**The Commission remains committed to complying with all Treasury requirements and will take necessary steps to ensure that the Fund's accounting practices align with statutory regulations.**

### 1.3 Submission of Financial Statements

**Finding**

The Commission submitted the 2022 Financial Statements for audit on February 16, 2024. This was contrary to the requirements of Section 49 of Public Finance Management Act [*Chapter 22:19*] which requires financial statements to be submitted for audit by February 28 of the subsequent year. The financial statements were therefore delayed by more than one year.

**Risks / Implications**

Fraud and errors may not be detected on time.

Transparency and accountability maybe compromised.

**Recommendation**

The Council should submit financial statements within the stipulated time in line with the regulations.

**Management Response**

**Management did not respond.**

### 1.4 Misallocation of Expenditure

**Finding**

Total expenditure of ZWL$ 3 334 531 in 2021 was misallocated into various ledgers. This was contrary to Section 54 of the Public Finance Management (Treasury Instructions), 2019 which requires that expenditure to be classified under the appropriate sub-heads/items. This could be attributed to laxity in supervisory controls.

**Risk/Implication**

Misallocations can result in the distortion of account balances and production of financial statements which are not properly supported by correct ledger balances.

**Recommendation**

Management should regularly supervise the accounting and recording process to ensure correct classification of expenditure.

**Management Response**

**The observation is noted. There was insufficient oversight of junior staff responsible for recording and classifying expenditures due to COVID 19 pandemic. The pandemic**

**posed extraordinary challenges to in the Fund's operations necessitating rapid changes in the workflow and supervision practices.**

### 1.5 Temporary Deposits (TDs)

**Finding**

Payment vouchers amounting to ZWL$642 703 for various expenses for the 2021 Appropriation Account were paid from the Temporary Deposits Account (TDs). This was contrary to Section 52(1) (a - b) of the Public Finance Management (Treasury Instructions), 2019 which states that moneys credited in the TDs are held temporarily pending payment to a specific person or organisation.

**Risk/implication**

The Fund will not be able to meet its financial obligations.

**Recommendations**

The Commission should ensure that funds from the TDs account are used for the intended purpose.

**Management response**

**Management did not respond.**

## 2. REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Revenue Retention

**Finding**

The Fund continued to retain without authority, 50% of the revenue collected which was supposed to go to Treasury. The letter from Treasury dated March 24, 2015 only allowed Judicial Service Commission to retain 50% of the revenue collected by the Fund up to December 31, 2015.

**Risk/Implication**

Unfair revenue distribution to justice delivery departments.

**Recommendation**

The Commission should comply with the Treasury directive to deposit into the exchequer 50% of the revenue that the Fund is retaining.

**Management Response**

**Management did not respond.**

## 3. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not make progress in addressing one issue that was raised in my previous audit report. One (1) finding that was raised was not addressed.

### 3.1 Revenue Sharing According to the National Prosecuting Authority Act

The Fund was still collecting and retaining 50% of revenue without Treasury Authority and there was no progress in addressing the issue as reported on paragraph 2.1.

## VOTE 30.- PUBLIC SERVICE COMMISSION

## APPROPRIATION ACCOUNT 2024

### Mandate of the Commission

The mandate of the Public Service Commission is to facilitate the delivery of responsive services and promote economic growth and development through enhanced policy, institutional and operational capacity of the Public Service and its relevant partners.

Below is a summary of funds allocated and spent during the year**:**

| Original Budget<br>ZWG | Unallocated Reserve Transfers/Warrants<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Underspending<br>ZWG |
|---|---|---|---|---|
| 2 145 575 137 | 232 116 427 | 2 377 691 564 | 1 089 681 224 | 1 288 010 340 |
| **Constitutional and Statutory Appropriation** | | | | |
| 6 868 892 522 | 4 311 231 982 | 11 180 124 504 | 10 134 199 743 | 1 045 924 761 |

I have audited the financial statements of the Public Service Commission for the year ended December 31, 2024 and I issued a qualified Opinion.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the Public Service Commission as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Open Items

### Finding

The Commission did not clear open items in the PFMS revenue and expenditure ledgers. Open items with a value of ZWG13 443 064 that remained uncleared represent revenue collected but not yet receipted in the system. Expenditure items with a value of ZWG8 721 237 343 also remained uncleared in the PFMS. Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of annual returns and financial statements to ensure completeness. I could not therefore, place reliance on the revenue and expenditure reported in the financial statements.

### Risk/Implication

Revenue and expenditure may not be accurately recognised.

**Recommendation**

Management should ensure that all uncleared items on the Revenue and Expenditure SAP ledgers are cleared.

**Management Response**

**The observation is acknowledged. The increase in uncleared open items was primarily due to technical challenges within the SAP system which delayed reconciliations and clearing processes. The transition from client 500 to client 600 introduced system challenges. On January 09, 2025, the Public Service Commission wrote to the Ministry of Finance, Economic Development and Investment Promotion requesting assistance to resolve these issues.**

**The Commission is actively working with the Ministry of Finance, Economic Development and Investment Promotion and SAP support teams to address the problems and clear all outstanding items. Management remains committed to fully complying with Treasury Circular No. 1 of 2025 and enhancing the accuracy of financial reporting.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Audit Committee

**Finding**

The Audit Committee comprised of four (4) members who were employees of the Commission with the exception of the chairperson who was not an employee of the Commission. Section 84(3) of the Public Finance Management Act [*Chapter 22:19*] requires an Audit Committee to consist of at least three (3) persons and that the majority shall not be persons employed in that Ministry, except with the approval of the appropriate Minister. The approval to vary the provisions of the Public Finance Management Act was not availed to audit.

**Risk/ Implication**

The Audit Committee's oversight role could be ineffective due to its compromised composition.

**Recommendation**

The Commission should ensure that the Audit Committee complies with the regulations.

**Management Response**

**The observation is acknowledged. During the year under review, the Audit Committee in place was not properly constituted in compliance with the regulations.**

**The composition of the committee was deliberated by the principals leading to the proposal to re-constitute the Audit Committee in compliance with the regulations. Efforts are underway, with potential nominations having been identified. Once the administrative processes are completed the Office of the Auditor-General will be furnished with the copy of the revised Audit Committee.**

## 1.2 Budget Utilisation

### Finding

The Commission had an approved budget of ZWG2 377 691 564 and the funding that was received for operations and capital expenditure was ZWG226 045 156 representing 10% of budget, while compensation of employees of ZWG863 636 068 constituted 36%. The budget underutilization was mainly due to non-release of funding by Treasury as a result of lack of liquidity. However, due to this non release of funding the Commission at year end owed ZWG1 902 051 835 and US$102 949 302 to service providers and suppliers.

### Risk/Implication

Inadequate funding compromised the Ministry's ability to deliver its mandate effectively.

### Recommendation

The Ministry should continue to engage with Treasury to provide funding for its operations.

### Management Response

**The Budget underutilization was mainly due to non-release of funding by Treasury as a result of lack of liquidity. A lot of documents were reversed at the end of 2024 because of lack of cash support from Treasury.**

## 1.3 Arrear Payments

### Finding

The Commission had outstanding payment arrears amounting to US$102 949 302 and ZWG1 902 051 835 respectively as at December 31, 2024. There was no evidence that these liabilities were periodically reported to Treasury for funding to facilitate clearance. This was contrary to Section 22 (2) of the Public Finance Management (General) Regulations, 2019.

### Risk/Implication

If the payment arrears are not monitored and reported, they will continue accumulating resulting in the erosion of the current year’s budget.

### Recommendation

Regular engagements should be done with the Ministry of Finance and Economic Development and Investment Promotion to get funding to clear the obligations.

### Management Response

**The audit observation is acknowledged. On April 1, 2025, the Commission sent the detailed arrears schedule to the Ministry of Finance and Economic Development and Investment Promotion, formally notifying them of the outstanding payment arrears and the need for funding to facilitate clearance.**

## 2 REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Recovery of Debts

**Finding**

As previously reported, the Commission has not been effective in the management of debt. During the year under review Outstanding Revenue increased by more than 100% from ZWG520 719 in 2023 to ZWG37 308 907. Outstanding Surcharges increased by over 100% from ZWG852 510 in 2023 to ZWG3 006 198 and Outstanding Disallowances increased by 6.55% from ZWG2 432 495 in 2023 to ZWG2 591 823. Section 49(2) of the Public Finance Management (Treasury Instructions), 2019 requires Officers responsible for collecting debts to take adequate steps to collect any sums due to the Government on the due date.

**Risk/Implication**

The absence of effective strategies, to recover debts may result in loss of funds due to lapse of time.

**Recommendation**

The Ministry should ensure that the outstanding debts are regularly monitored and robust mechanisms are put in place to ensure quick recovery.

**Management Response**

**Management acknowledges the observation. The Commission has developed various strategies to manage and recover the debts. These include the following:**

- **A working relationship with banks in which funds paid to pensioners are recalled in cases where the funds have not been utilised.**
- **A working relationship with the Registrar General (RG)'s Office in which deceased Pensioners are detected and removed from the Pension payroll.**
- **Resuscitation of the dormant account facility in which banks periodically flag individual accounts for Pensioners which are inactive.**
- **Pension awareness campaigns are periodically carried out to raise awareness of Government pension procedures and steps that should be taken in the event of the death of a pensioner,**
- **Rolling out biometric system to provinces and districts and completion of life certificates and**
- **Engagement of Chiefs throughout the country to help in identifying deaths of pensioners.**

### 2.2 Revenue Receipted Outside the System

**Finding**

The Commission manually receipted revenue from Bus fares and commission from the Pension Department instead of issuing electronically generated receipts from the PFMS. The Revenue generated from Bus fares and commissions during 2024 was ZWG1 384 095 and ZWG28 874 712 respectively. Section 43 (1) of the Public Finance Management (Treasury

Instructions), 2019 states that the preferred method of acknowledging receipt of funds is through electronic receipts.

**Risk/ Implication**

Manually receipting revenue may result failure to fully account for all revenue collected.

**Recommendation**

The Public Service Commission should ensure that all the revenue received is processed through the PFMS system.

**Management Response**

**Management acknowledges the observation. Following a change of currency from ZWL to ZWG in April 2024, there was a long period of system down time as Treasury was creating new client 600. This affected receipting in the system up to the year end of 2024, however the SAP system is now up and running and all receipts done outside the system are being introduced into the system.**

## 2.3 Approval of Rates or Tariffs

**Finding**

The Commission did not submit approved revenue rates or tariffs for the fees it charges for its services under the various revenue heads. As a result, I was not able to ascertain the completeness and accuracy of the fees charged per each revenue head. Section 42 (13) of the Public Finance Management Act [*Chapter 22:19*] requires any new rates, scales or tariffs to be referred to Treasury for approval before they are brought into operation.

**Risks/ Implications**

Absence of a clear, approved fee structure, may result in inconsistent application of charges for services offered.

Revenue may be lost due to use of incorrect tariffs/rates.

**Recommendation**

The Commission should avail the approved rates for audit.

**Management Response**

**The observation is noted. The Commission will in future seek Treasury approval before any new rates are brought into operation.**

# 3 MANAGEMENT OF ASSETS

## 3.1 Losses and Damages to Government Property

**Finding**

The Commission submitted a Statement of Losses and Damages to Government Property with a nil balance, however, the register for Losses and Damages to Government property had a record of forty-six (46) accident damaged vehicles and a stolen laptop. Boards of Inquiry for

some accidents were concluded in March 2024. Treasury authority was still to be granted to write off or recover the costs from the responsible party. Section 12 of the Public Finance Management Act [*Chapter 22:19*] requires the statement to contain a summary of the number of incidents involved and amounts recovered or written-off, grouped under appropriate classifications.

**Risk/ Implication**

Misappropriation of assets if losses and damages to state property are not accounted for.

**Recommendation**

The Commission should ensure that all losses and damages to state property are accounted for on the Statement of Losses and Damages to Government Property.

**Management Response**

**The observation is noted. Although the Commission's register had a record of forty-six (46) vehicles damaged through accidents and a stolen laptop, recovery of the cost replacement of the property concerned or write off had been communicated with Treasury. The Commission awaits Treasury review and approval on the amounts to be recovered or written off. The damaged assets and a stolen laptop as detailed in the register will be included in the next return with the requisite valuation of the loss or damage and write off authority reference.**

## 4. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Commission made progress in addressing audit findings raised in my previous audit report. All the six (6) findings were addressed as indicated below:

### 4.1 Lease Agreements

The Commission has now availed valid Lease Agreements that supports rental payments for its office.

### 4.2 Missing Returns

The Commission managed to submit all the returns.

### 4.3 Revenue Received

The issue was resolved as the revenue from Training Centres and SSB advertisements were disclosed on the return.

### 4.4 Revenue Receipts

The Commission managed to reconcile the difference between the amount of income receipted in the Sub-Exchequer Account and the Statement of Receipts and Disbursements.

### 4.5 Unallocated Reserves

The issue was resolved, the supporting documents were availed for audit inspection.

### 4.6 Compensation of Employees

The issue was resolved as the reconciliations were provided.

## CIVIL SERVICE TRAINING LOAN FUND 2023

### Objective of the Fund

The main purpose of the Fund is to provide loans at interest rates up to a maximum determined from time to time by the Secretary to the Public Service Commission with the approval of the Ministry of Finance, to enable Civil Servants and Officers of Parliament to obtain such qualifications as may be prescribed by the Public Service Commission.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year.

**Statement of Comprehensive Income**

| Item | Amount ZWL$ |
|---|---|
| Income | 2 465 548 |
| Expenditure | 785 212 |
| **Surplus** | **1 680 336** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Non-current | - | - |
| Current | 136 468 138 | 9 007 213 |
| Accumulated Fund | - | 127 460 925 |
| **Total** | **136 468 138** | **136 468 138** |

I have audited the financial statements of the Civil Service Training Loan Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Civil Service Training Loan Fund as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below is an issue noted during the audit:

## 1 REVENUE COLLECTION AND DEBT RECOVERY

### 1.1 Interest Income

#### Finding

As highlighted in my previous reports, the Fund uses a software package, which was not configured to separate interest from principal on loans issued. The interest was calculated using excel spreadsheet which is susceptible to errors and information manipulation.

#### Risk/Implication

Interest income may be misstated in the financial statements.

#### Recommendation

Management should make use of a system that separates interest from the principal amount.

**Management Response**

**Management acknowledges the observation. Management is looking into the issue to find a way of having an amortisation schedule at minimum cost.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund did not address one (1) finding that was raised in my previous audit report as indicated below:

### 2.1 Interest Income

The Fund did not address the issue of a computerised system that can be used to calculate and apportion interest earned on training loans disbursed. The issue has been included on paragraph 1.1.

## GOVERNMENT MUTUAL EMPLOYEES SAVINGS FUND 2022

### Objective of the Fund

The purpose of the Fund is to receive monthly contributions from members as a form of savings and to provide financial assistance to members in the form of loans or similar instruments.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year 2022.

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 978 505 943 |
| Expenditure | 61 689 754 |
| **Surplus/(Deficit)** | **916 816 189** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-current | 969 599 554 | 3 586 305 782 |
| Current | 3 629 325 082 | 39 578 281 |
| Accumulated Fund | - | 973 040 573 |
| **Total** | **4 598 924 636** | **4 598 924 636** |

I have audited the financial statements of the Government Employees Mutual Savings Fund for the year ended December 31, 2022 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Government Employees Mutual Savings Fund as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Supporting Documents for Long and Short-Term Loans

#### Finding

The balances for Long-Term Loans of ZWL$191 899 554 and Short-Term Loans of ZWL$549 063 590 disclosed in the Statement of Financial Position were not supported by debtor's ledgers nor an age analysis. As a result, I was not able to verify the accuracy and completeness of the total figures for Long and Short-Term Loans disclosed in the Statement of Financial Position.

#### Risk/Implication

The Accounts Receivables balance disclosed in the financial statements may be misstated.

#### Recommendation

The management of the Fund should ensure that Accounts Receivable balances are supported by debtor's ledgers and an age analysis generated from the system.

**Management Response**

**The schedule of receivables is typically generated by the National Building Society, as they are the custodian of the Fund`s accounts. Despite management request, the National Building Society did not furnish the Fund with the system generated receivable schedules for the period under audit.**

**(ii) Interest Income**

**Finding**

The accuracy and completeness of Interest Income of ZWL$823 854 658 disclosed in the Statement of Comprehensive Income could not be ascertained. The reported figure of 10% Interest on Loans of ZWL$153 743 832 which forms part of the Interest Income, was not supported by loan amortization schedules and individual statements for loans issued. The figure was based solely on the National Building Society's bank statements and schedules.

**Risk/Implication**

The balance of interest income will be misstated in the financial statements.

**Recommendation**

The management of the GEMS Fund should establish an independent system to assist with calculations, ensuring that the interest balance reported in the financial statements is supported by amortization schedules and individual loan statements

**Management Response**

**The Fund does not have a package that can generate loan interest schedules and individual loan statements. The current system limitations have made it a challenge to generate these schedules and statements. The amount of ZWL$153 743 832 disclosed in the financial statements was provided by the National Building Society Bank as per the availed schedules.**

**(iii) Provision for Doubtful Debts**

**Finding**

The Fund did not have a formal policy for identifying and accounting for doubtful debts in respect of outstanding loans amounting to ZWL$20 676 574 with some loans dating back to 2020. Consequently, no provision for doubtful debts was disclosed in the financial statements. The Fund's financial statements may not accurately reflect the true value of its loan portfolio, potentially leading to an overstatement of assets and earnings.

**Risk/Implication**

The absence of a documented policy on providing for doubtful debts results in overstatement of receivables thereby misleading users.

**Recommendation**

The Fund's management should put in place a policy on doubtful debts.

**Management Response**

**Currently, all outstanding amounts are deducted from salaries at SSB. For those who terminated employment, the Fund will recover these amounts from their terminal benefits at Pension Office. However, management is considering having formal estimate for recognising and providing doubtful debts**.

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Maintenance of Accounting Records

**Finding**

The Fund used an Excel Spreadsheet for recording and reporting of financial information instead of the Public Financial Management System (PFMS). Section 119 (1) of the Public Finance Management (Treasury Instructions), 2019 requires all financial management transactions relating to Funds to be accounted for through the PFMS, unless the Accountant General has authorised the Fund to operate an independent accounting package.

**Risk/Implication**

Recording of transactions on Excel Spreadsheets is susceptible to manipulation that can lead to errors and omissions.

**Recommendation**

The Fund should use the PFMS to record transactions in compliance with regulations.

**Management Response**

**The procurement of an effective system has been done by the Pension Fund. The GEMS Fund will ride on the same accounting package purchased by the Pension Fund.**

### 1.2 Disbursements of Loans

**Findings**

During the year under review, the Fund disbursed loans amounting to ZWL$534 804 619 against loan applications of ZWL$665 485 096. However, the Fund invested ZWL$2 080 778 366 which was a significant amount as compared to loan applications and loans approved and disbursed. Paragraph 4 of the Fund's Constitution states that the objective of the Fund is to provide financial assistance to members in the form of loans or similar instruments.

A substantial amount of the member contributions went towards investments. Audit analysis of the loan application process revealed that it takes from six (6) months to more than one (1) year, for one to access the funds, potentially discouraging members.

**Risk/Implication**

Having large sums of funds invested does not further the mandate of the Fund which is to provide financial assistance to members in the form of loans or similar instruments.

**Recommendations**

The Fund should bring awareness to contributing members for them to apply for the loans.

The Fund should simplify the application process and reduce processing time so that members benefit from the Fund.

**Management Response**

**For the period under consideration, total employee Treasury contributions and loan repayments received amounted to ZWL$4 506 275 913 against loan demands of ZWL$665 485 096. Therefore, it was prudent for the Fund to invest excess funds which is in line with the Fund's Constitution. Furthermore, the Commission had directed that excess funds be invested in order to grow the Fund thereby generating wealth that benefits members upon retirement.**

**Evaluation of Management Response**

*The management response is acknowledged. However, the response did not address the finding on why the Fund invested money instead of issuing loans to its subscribing members so that they benefit as they contribute rather than upon retirement given that this is a Mutual and not a Pension Fund.*

## 1.3 Investments Management Agreement

**Finding**

Management did not avail for examination investment management agreements between GEMS Fund with its asset managers. Section 53 (16) of the Public Finance Management (Treasury Instructions), 2019 requires Accounting Officers to ensure that all contracts are in writing and expressed in appropriate terms.

**Risk/ Implication**

It will be difficult to monitor or enforce performance in the absence of valid investment management agreements.

**Recommendation**

The Fund should have documented contracts with its asset managers to enhance monitoring and enforcement of performance.

**Management Response**

**The GEMS Fund and the Pension Management Fund utilises the same institutional infrastructure. As a result, GEMS Fund utilized the existing Service Level Agreement (SLA) of Pension Management Fund that had already been signed. Thus, GEMS Fund leveraged on the establishment agreement to avoid the time and costs associated with creating a new SLA. Leveraging on the established SLA not only conserved resources but also provided a solid foundation for ongoing operations, enhancing the overall efficiency and effectiveness of the Fund's management activities.**

**Evaluation of Management Response**

*Management response is noted. However, the Fund needs to have its name added to the existing Service Level Agreements that are relied upon.*

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

Out of the two (2) audit findings raised in the previous year, the Fund managed to address one (1) audit finding and did not address the other one (1) as indicated below:

### 2.1 Management Fees

The issue was addressed. The Fund is now being charged 1% by NBS Bank as management fees instead of 2.5%.

### 2.2 Resubmission of Financial Statements

The issue was not addressed, the Fund continued to make several corrections to the financial statements and resubmissions.

## SKILLS ATTRACTION, RETENTION AND DEVELOPMENT FUND 2023

### Objective of the Fund

The main purpose of the Fund is to attract, retain and develop capacities and competences of skilled and experienced professionals in the public service.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year 2023.

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 174 401 037 |
| Expenditure | 1 121 807 397 |
| **Surplus** | **52 593 640** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Non-current | 115 369 419 | - |
| Current | 2 901 890 | 4 551 |
| Accumulated Fund | - | 118 266 758 |
| **Total** | **118 271 309** | **118 271 309** |

I have audited the financial statements of Skills Attraction, Retention and Development Fund for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Skills Attraction, Retention and Development Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### Disclosure of Investments

### Finding

The Fund's financial statements submitted for audit disclosed an investment balance of ZWL$115 369 419 as at December 31, 2023. However, I could not verify the completeness and accuracy of this balance due to inadequate supporting ledgers and disclosure notes. Specifically, the note and supporting ledgers had no details of previous year's closing balance, capitalised interest, additional investments and disinvestment.

### Risk/Implication

The balance of Investments disclosed in the financial statements could be misstated.

### Recommendations

Management should ensure that Investment balance disclosed in the financial statements takes into account the movement from the previous year's balance, the investment and

disinvestment done during the year and the amount of interest that was capitalised during the year.

Management should establish and maintain robust financial reporting processes that ensure the accuracy and completeness of the Fund's financial statements.

**Management Response**

**Management acknowledges the observation. The omission of the Note on the previous year's investment balance is deeply regretted. The 2023 opening Investment amount of ZWL$65 695 315 is being corrected and will reflect in the financial statements to be re-submitted.**

**Evaluation of Management Response**

*Management response has been noted. However, the resubmitted financial statements were not corrected.*

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Disbursements of Skills Retention Allowances

**Finding**

Skills retention allowances amounting to ZWL$1 121 735 598 were paid from the Commission Appropriation Account instead of the Fund. This was contrary to Section 10(b) of the Fund's Constitution. The establishment of the Fund would not be necessary if skills retention allowances are paid from the Appropriation Account.

**Risk/ Implication**

Non-use of the Fund for payment of skills retentions allowances may compromise its ability to meet its objectives and account for financial resources.

**Recommendation**

Management should ensure that all disbursements are made from the Fund as required by the Constitution.

**Management Response**

**Management acknowledges the observation. Skills Attraction, Retention and Development Fund, used the observed disbursement model as a temporary measure. After internal deliberations on the issue were done, a decision was made to revert to the use of the Fund's bank account to disburse the allowances in line with the Constitution of the Fund.**

## 2 MANAGEMENT OF ASSETS

### 2.1 Motor Vehicle Revaluation

**Finding**

As highlighted in my previous reports, the Fund's three (3) motor vehicles have a nil carrying

amount since December 31, 2016. Upon carrying out a physical inspection of the motor vehicles, audit noted that the motor vehicles were still in use by the Commission's staff. There was no evidence that the Fund was carrying out regular revaluations.

**Risk/Implication**

Failure to carry out revaluations would result in the understatement of the carrying amount of motor vehicles.

**Recommendation**

The Commission should revalue motor vehicles regularly to fairly present their carrying amount in the financial statements.

**Management Response**

**Management acknowledges the observation. The Public Service Commission had programmed to carry out the revaluation of all its assets. Most provinces were done but Harare Province is yet to be visited. The province should have its assets revalued in the last quarter of the year 2024. The motor vehicles of the Skills Attraction, Retention and Development Fund, which is based in Harare, will be taken on board.**

**As soon as the exercise is completed abridged 2023 Financial Statements of the Fund will be produced and submitted to External Audit.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Fund managed to address one (1) audit finding and did not address two (2) audit findings that were raised in my previous audit report as indicated below:

### 3.1 Cash Management

The Fund had an overdraft of ZWL$57 521 at Agribank due to bank charges that had accumulated in the dormant account. The bank charges have been paid and the bank account was closed on May 31, 2023.

### 3.2 Money Held in Liquidated ZABG Account

An amount of $39 875 locked up in the liquidated Zimbabwe Allied Banking Group was still to be recovered.

### 3.3 Motor Vehicle Revaluation

The Fund did not revalue its three (3) motor vehicles and the issue has been included in paragraph 2.1.

## PUBLIC SERVICE PENSION MANAGEMENT FUND 2019, 2020, 2021 and 2022

### Objective of the Fund

The purpose of the Fund is to manage employer and employee contributions pending the establishment of the State Pension Fund.

Below is a summary of the Statement of Comprehensive Income and Statement of Financial Position for the year ended December 31, 2022:

**Statement of Comprehensive Income**

| Item | Restated Amount ZWL$ | Historical Amount ZWL$ |
|---|---|---|
| Income | 111 138 674 687 | 72 639 656 658 |
| Expenditure | 52 867 131 396 | 571 253 390 |
| **Surplus** | **58 271 543 291** | **72 068 403 268** |

**Statement of Financial Position**

| Item | Assets ZWL$ | Liabilities ZWL$ |
|---|---|---|
| Non-current | 83 150 329 031 | 3 312 176 076 000 |
| Current | 15 016 052 836 | 66 167 320 |
| Accumulated Fund/(Deficit) | - | (3 214 075 861 453) |
| **Total** | **98 166 381 867** | **98 166 381 867** |

I have audited the financial statements of the Public Service Pension Management Fund for the years ended December 31, 2019 to 2022 and I issued an unmodified opinion for the year 2019 and a qualified opinion for the years 2020 to 2022.

### Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Public Service Pension Management Fund as at December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with the Public Finance Management Act [*Chapter 22:19*] and other Statutory Instruments.

### Basis for Qualified Opinion

### Actuarial Valuation of Pension Liabilities

### Finding

The Fund last carried out an Actuarial Valuation exercise in February 2012. The Actuarial Valuation exercise did not cover uniformed forces and their beneficiaries and also excluded some members who left the Public Service but whose benefits had not yet been paid. An actuarial valuation report is required to assess the Fund's liabilities and funding status. As a result, the Fund's actuarial liabilities of ZWL$3 312 176 076 000 (2021: ZWL$525 943 440 000) disclosed in the financial statements were understated.

The amounts do not reflect the estimate of the pension’s actuarial liabilities as at December 31, 2022 as valuations should be performed at least every three (3) years. Further the valuation is supposed to be performed at least every three (3) years to facilitate having an accurate estimate of the liability determined and reported.

**Risks/ Implications**

The balance of retirement benefit liabilities disclosed in the financial statements could be misstated.

The Fund may fail to pay retirement benefits when they fall due.

**Recommendation**

The Fund should carry out actuarial valuations so that the amount of retirement benefit liabilities is determined.

**Management Response**

**The Public Service Pension Management Fund wishes to clarify that, before the enactment of the State Service Pension Act, the feasibility study value from 2012 would serve as the foundation for managing the liabilities. However, due to the Fund's growth, an official actuarial valuation has been allocated in the 2025 budget.**

**The 2025 procurement plan included a proposal to conduct a comprehensive actuarial valuation. The Pension Fund's current state and sustainability would be confirmed by this evaluation of its financial health, taking into account both its assets and liabilities. The final draft Request for Proposal (RFP) for the actuarial valuation is intended by the second quarter of 2025.**

**The Fund is dedicated to fulfilling all legal requirements to ensure a reliable assessment of pension liabilities.**

**Report on Going Concern**

**Material uncertainty related to going concern**

The Fund had a net defined benefit liability position of ZWL$3 214 069 818 266 as at December 31, 2022 as indicated on Note 11. In addition, pension receivables increased by 1 424% from ZWL$753 817 044 in 2021 to ZWL$11 491 846 807 in 2022. There were no mechanisms in place to recover the amounts. The continual increase in pension receivables will result in loss of revenue as they become irrecoverable due to lapse of time. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Fund's ability to continue operating as a going concern. However, my opinion is not modified in respect of this matter.

Below are other issues noted during the audit;

## 1. GOVERNANCE ISSUES

### 1.1 Supporting Documents for Investments

**Finding**

The Fund paid ZWL$2 227 340 377 for the purchase of fourteen (14) shares in Kuvimba Mining House (Private) Limited through Chimukamafunga. While a dividend of ZWL$58,9 million was received, there were no supporting documents such as share certificates to confirm the nature, value and ownership of the investment.

**Risk/Implication**

The value of shares could be misstated in the financial statements.

**Recommendation**

The Fund should ensure that the nominal value of the shares is recorded on the face of the share certificate.

**Management Response**

**In accordance with the Act, the share certificate clearly indicate that the shares have no nominal or par value denomination. This aligns with the transitional provisions outlined in Section 304, which state that "share certificates issued for shares without par value do not need to display the par value."**

**Evaluation of Management Response**

*Management response is noted. The share certificate without the nominal or par value was not submitted for audit.*

## 1.2 Actuarial Liabilities

**Findings**

The financial statements showed an actuarial valuation of liabilities of ZWL$3,3 trillion while net plan assets were ZWL$98.2 billion resulting in a shortfall of ZWL$3,2 trillion. The Fund's liabilities outweigh its assets by a significant margin, this places the Fund's ability to meet its future pension obligations at risk.

Contributions made to date from the Ministry of Finance, Economic Development and Investment Promotion of ZWL$70.4 million after the formation of the Fund, do not match the retirement benefits to be covered.

**Risk/Implication**

The Fund will fail to meet the retirement benefit liability obligations.

**Recommendation**

The Fund should engage Treasury to have more capital injection to cover the gap between actuarial liabilities and the plan assets.

**Management Response**

**The audit observation is noted. Treasury acknowledged that a fully funded pension plan will take the place of the Pay as you go in line with Section 142 of the 2021 National Budget Statement and this fully funded pension plan requires an equivalent of US$4.8 billion to cover the pension liability according to 2012 actuarial valuation report. The Government's goal is to gradually enable the Fund achieve its objective of advancing and safeguarding pension contributions and pensioners' rights.**

**Accordingly, Treasury pledged to finance the Fund to cover both the Actuarial Liabilities and capital injections to cater for members who had contributed prior to the establishment of the Fund by bringing in other assets. Treasury indicated that it is in**

**the process of identifying assets to be ceded to the Fund.**

### 1.3 Internal Audit Reports

**Finding**

There was no evidence that the Internal Audit had reviewed the internal processes of the Fund during the year under review. Section 161 (1) of the Public Finance Management (Treasury Instructions), 2019, requires the Accounting Officer to ensure that internal audits are carried out.

**Risk/ Implication**

A weak internal control environment may prevail that will lead to fraud and errors.

**Recommendation**

The Fund management should ensure that an Internal Audit reviews the Fund's internal controls during the year.

**Management Response**

**The observation is noted. For the year under review, the internal audit was unable to carry out the audit of the Pension Management Fund Account due to the fact that the Auditor-General was working on the same audit at the time when Internal Audit wanted to audit the Fund.**

## 2. REVENUE COLLECTION AND DEBT RECOVERY

### 2.1 Pension Receivables

**Finding**

Pension contribution returns submitted for audit, showed that pension receivables increased by over 100% from ZWL$753 817 044 in 2021 to ZWL$11 491 846 807 in 2022. There was no evidence that steps were being taken to recover the outstanding pension. Section 49 (2) of the Public Finance Management (Treasury Instructions), 2019 requires that revenue should be collected timely.

**Risks/Implication**s

Delays in recovering outstanding debts may result in the outstanding amounts being irrecoverable.

The Fund will be deprived of the much-needed financial resources.

**Recommendation**

Management should come up with effective strategies to expedite the recovery of pension receivables.

**Management Response**

**The increase in pension contribution receivables is largely attributed to unpaid employer contributions largely from the Central Government and Parastatals.**

**The forthcoming signing of the State Services Act represents a pivotal development. This legislation is expected to empower the Fund to pursue unpaid contributions more effectively, providing a legal framework for enforcing compliance and enhancing the Fund's ability to collect outstanding amounts from employers.**

**Efforts to address unpaid contributions have been made to engage Treasury and relevant Parastatals. Visiting Treasury Offices have facilitated discussions and negotiations regarding the funding of the employer contributions.**

## 2.2 Rental Income

### Finding

The lease agreement requires rentals to be paid in advance on or before the first day of each month. I noted that Smartvest and Datvest had outstanding rental payments of ZWL$11 496 809 (US$16 800) and ZWL$5 166 721 (US$7 550) respectively. The Asset Managers unilaterally suspended interest payments and allowed tenants to pay rent without advance payments, without obtaining prior approval from the Fund's management.

### Risks/ Implications

The Fund may incur financial losses if interest is not charged on outstanding rental payments.

Delays in payment of rentals may result in opportunity costs.

### Recommendation

The Fund should ensure that all rentals are collected on time and interest should be charged on all outstanding rentals.

### Management Response

**According to the lease agreements, rental income will be collected in advance and interest should be charged for overdue payments. However, due to constrained market conditions, the Asset Managers devised and implemented strategies in the Public Service Pension Fund's best interest to maintain high tenancy retention rates. As a result, interest payments on overdue rentals were suspended.**

**Audit was provided documents showing that the outstanding rentals were fully settled. In addition, the unpaid rent for Smart Villas Unit 6 whose occupant passed away were settled.**

### Evaluation of Management Response

*Management response has been noted. However, there was no evidence to indicate that Datvest Asset Managers paid the outstanding rentals.*

# 3. MANAGEMENT OF ASSETS

## 3.1 Procurement of Mandara Clusters

### Findings

In 2020 the Fund purchased eighteen (18) residential stands for ZWL$98 932 650 using a Special Purpose Vehicle called Mandara Clusters (Private) Limited. At the time of concluding

the audit on May 20, 2025 the properties were still registered in the name of Mandara Clusters (Private) Limited instead of Public Service Pension Management Fund.

The Fund had initially paid the transfer fees of ZWL$2 500 000 on May 29, 2020 to the conveyancer and stamp duty costs amounting to ZWL$386 700 on August 24, 2020. Currently, the Fund is trying to transfer the assets to its name from Mandara Clusters Private Limited. The Fund is going to pay the transfer costs again to the conveyancer and for stamp duty.

**Risk/Implication**

Failure to register the properties in the name of the Fund, compromises the ownership claim.

**Recommendation**

Management should take immediate action to transfer the properties to the Fund's name and ensure that adequate controls are in place to safeguard the assets.

**Management Response**

**The Public Service Pension Fund, through Hove Legal Practitioners, has lodged all necessary documents with the Zimbabwe Revenue Authority (ZIMRA) as required. The Public Service Pension Fund is currently completing the additional steps needed to ensure that the title deeds are issued in the name of Public Service Pension Fund in due course.**

**Evaluation of Management Response**

*Management response is appreciated. However, the audit concern is on the time it has taken to transfer ownership of the properties.*

### 3.2 Title Deeds

**Finding**

The Fund purchased four (4) investment properties at Sanganayi on January 31, 2022; 20 Utopia investment properties purchased on February 27, 2022; two (2) Sanganayi Investment Properties purchased on March 30, 2022 and one (1) Marondera Investment Property purchased on November 11, 2022 had no title deeds at the time of concluding the audit on May 21, 2025.

**Risk/ Implication**

The Fund may lose ownership of the investment properties in the absence of title deeds.

**Recommendation**

The Fund should ensure that title deeds for investment properties are processed in time in order for the Fund to claim ownership.

**Management Response**

**Management acknowledges the observation. However, title deeds for Sanganayi and Utopia Properties were given to auditors, proving the Public Service Pension Fund's ownership of the properties.**

**For Marondera, according to Section 7.5.4 of the Joint Venture Agreement, it was agreed that the transfer of Marondera Property would take place after the completion of phase one of the project. Having completed the first phase of the project in November 2024, the lawyers have started working on the transfer of the property.**

**Evaluation of Management Response**

*Management response is noted. However, the title deeds submitted bear no evidence such as Pension Fund's name as transferee of the title to the property. There is no evidence that the Public Service Pension Fund is the owner of the properties as the names appearing are that of the Asset Managers.*

## ZIMBABWE CIVIL SERVICE FUNERAL ASSISTANCE FUND 2023

### Objective of the Fund

The Fund was established for the purpose of rendering funeral assistance as part of the Funeral expenses of deceased civil servants with running contracts of employment in the Public Service with the exception of those covered by State Service (Disability Benefits) Act [*Chapter 16:05*] and members of the Uniformed Forces.

Below is a summary of Statement of Comprehensive Income and Statement of Financial Position for the year 2023:

**Statement of Comprehensive Income**

| **Item** | **Amount ZWL$** |
|---|---|
| Income | 1 565 805 049 |
| Expenditure | 1 002 466 544 |
| **Surplus** | **563 338 505** |

**Statement of Financial Position**

| **Item** | **Assets ZWL$** | **Liabilities ZWL$** |
|---|---|---|
| Accumulated Fund | | 565 342 534 |
| Current | 574 459 603 | 9 117 069 |
| Total | **574 459 603** | **574 459 603** |

I have audited the financial statements of Zimbabwe Civil Service Funeral Assistance Fund for the year ended December 31, 2023 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Civil Service Funeral Assistance Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Accounting Package

#### Finding

As reported in my previous report, the Fund maintained its accounting records manually instead of the recommended Public Financial Management System (PFMS). Section 13 (2) of the Public Finance Management (Treasury Instruction), 2019 requires all Statutory and other Funds to use PFMS unless authorized by Treasury to run independent systems.

#### Risk/Implication

Manual recording of transactions can lead to errors and omissions, and the integrity of data might be compromised.

**Recommendation**

The Fund should use the PFMS to record transactions in compliance with regulations.

**Management response**

**The observation has been noted. Management is looking into the issue on how best Public Financial Management System (PFMS) can accommodate these once-off payments for funeral assistance claims.**

### 1.2 Disbursement of Funeral Assistance

**Finding**

The Accounts Payables figure of ZWL$9 117 069 comprises of claims by beneficiaries that were rejected by the banks due to invalid bank details. There was no evidence provided to show that management made follow up even with the originating Ministry in order to settle applications made as far back as November 2020.

**Risk/Implication**

The funeral assistance will not reach the recipients on time due to delay in processing claims.

**Recommendations**

The Commission should ensure that bank statements are requested for processing payments so that the officials capture correct details.

Management should follow up with the originating Ministry to get alternative contact details of family members.

**Management Response**

**Management acknowledges the observation. The amount of ZWL$9 117 069 referred to, originated from disbursements processed to beneficiaries which were rejected by the bank as a result of invalid banking details. Some of the e-wallets accounts furnished by beneficiaries had maximum transactional limits allowed by the mobile money service providers that were far below the equivalent amount of US$500 being paid as funeral assistance.**

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

From the two (2) audit findings raised in my previous audit report the Fund made progress in addressing one (1) finding and did not address the other finding as indicated below:

### 2.1 Accounting Package

The Fund continued to operate without an accounting package, the issue has been raised in paragraph 1.1.

### 2.2 Reconciliation of Funeral Assistance Claim Payments

The Fund managed to carry out monthly reconciliations of the bank statements against funeral assistance claims paid to beneficiaries.

## VOTE 31.- NATIONAL COUNCIL OF CHIEFS

## APPROPRIATION ACCOUNT 2024

### Mandate

The National Council of Chiefs' mandate is to capacitate Traditional Leadership institutions to effectively drive rural development as well as promoting and preserving cultural values of their communities.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 60 004 415 | 70 326 422 | 130 330 837 | 36 120 882 | 93 601 043 |
| **Constitutional and Statutory Appropriations** | | | | |
| 316 460 926 | 449 161 688 | 765 622 614 | 467 838 443 | 297 784 171 |

I have audited the financial statements of the National Council of Chiefs for the year ended December 31, 2024 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the National Council of Chiefs as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

**(i) Open Items**

### Finding

The PFMS Sub-Paymaster General Transfers and Cash Book showed that there were open items of ZWG11 102 417 and ZWG271 223 293 respectively. This was contrary to Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of annual returns and financial statements to ensure completeness and alignment. As a result, I was unable to ascertain the accuracy of the expenditure disclosed in the Appropriation Account.

### Risks/Implications

The Appropriation Account could be misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared in compliance with the regulations.

**Management Response**

**The Open items include Chiefs and Headman allowances and payments processed outside the system. The Council is awaiting Treasury to input the other leg of the accounts to enable clearing and payments which were processed outside the system will be cleared before end of the audit.**

**Evaluation of the Management Response**

*The payments processed outside the system had not been cleared as at June 12, 2025.*

**(ii) Expenditure Variances**

**Finding**s

Total expenditure for compensation of employees as per the submitted Appropriation Account amounted to ZWG467 838 443 whilst the schedule from Salary Service Bureau (SSB) had ZWG435 769 285 leaving a variance of ZWG32 069 158. No evidence was produced to show that reconciliations were performed to clear the variance as required by Treasury Circular (Ref B/1/88) dated June 5, 2018.

Furthermore, there was a variance between the Sub-Paymaster General's Account Sub-PMG) total payments of ZWG33 978 439 and the Appropriation Account reported expenditure of ZWG35 249 883 leaving a variance of ZWG1 271 439. The expenditure balances should be the same under normal circumstances and when there are differences a reconciliation should be provided. As a result of the unreconciled variance, I could not ascertain the accuracy and reliability of the expenditure figure disclosed in the financial statements.

**Risk/Implication**

Misstatement of expenditure reported in the financial statements.

**Recommendation**

The Ministry should investigate and correct the variances to ensure that accurate expenditure is disclosed.

**Management Response**

**The observation is noted. The Salary Service Bureau converted the expenditure using the rate 2 498.72 while National Chiefs Council converted using different RBZ spot rates as required by Treasury Circular Number 1 of 2025 hence the difference. The expenditure variance was as a result of the interbank rates used to convert the ZWL$ expenditure to ZWG currency for the months of January to April 5, 2024.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

**Finding**

An analysis of the total budget and funding provided revealed that the Council received and utilized 52% of the voted funds. Despite that the budget provided in the Estimates of Expenditure was available, the Council could not pay for all of its obligations of ZWG5 778 455 due to lack of cash support. Treasury was not able to provide adequate funding to support the payments and other budgeted or planned programmes.

**Risk/Implication**

Objectives of the Council may not be achieved.

**Recommendation**

The Council should lobby for budget support from Treasury.

**Management Response**

**The National Chiefs Council saving of 42% was not utilised as a result of non-release of funds by Treasury which even at year end resulted in expenditure being reversed.**

### 1.2 Outstanding Temporary Deposits

**Finding**

The statement of outstanding temporary deposits submitted for audit had a total of ZWG98 172 of which ZWG89 444 was held for more than six months. There was no evidence that the Council was monitoring the temporary deposits register to ensure that they are cleared. This contravened Section 52 (4) of the Public Finance Management (Treasury Instructions), 2019.

**Risk/Implication**

Funds may lose value if they are held in temporary deposits for too long and this would affect service delivery.

**Recommendation**

The Council should regularly monitor all temporary deposits and all amounts that remained unclaimed for a period of more than six (6) months should be deposited into revenue in compliance with regulations.

**Management Response**

**The observation is noted. The affected Provinces and Districts have been advised to transfer all Temporary deposits which are more than six months into the Sub-Exchequer Account.**

### 1.3 Strategic Plan

**Finding**

The Council submitted for audit a strategic plan which expired in 2023. A strategic plan would enable the Council to come up with annual plans with clear goals, objectives and strategies to guide the Council's activities. I could not therefore, determine whether the Council's activities were effectively implemented.

**Risk/Implication**

The absence of a strategic plan could lead to potential misalignment of resources, inefficient operations and inability to achieve key objectives.

**Recommendation**

The Council should ensure that an updated strategic plan is in place.

**Management Response**

**The National Council of Chiefs 2024 Strategic Plan document was not reviewed as per your observation due to budgetary constraints and commitments by the National Council of Chiefs members.**

### 1.4 Alignment of the Traditional Leaders Act

**Findings**

The Traditional Leaders Act [*Chapter 29:17*] was not aligned to the provisions of Section 283 (b) of the Constitution of Zimbabwe as it is silent on the creation and resuscitation of chieftainships. This affected the resuscitation and approval of some chieftainships.

**Risks/Implications**

Disputes over chieftainships might lead to tensions and divisions within communities.

Unresolved issues may undermine the legitimacy and authority of traditional leaders.

**Recommendation**

The Council should conduct a thorough review of the Traditional Leaders Act to ensure alignment with constitutional provisions.

**Management Response**

**The Council should satisfy the following policy requirements before recommending resuscitation of a Chieftainship. The requirements are that the Council should:**

- **Establish that the chieftainship existed and there is archival evidence to that effect,**
- **That the said land in question is still available for resuscitation and**
- **That the concerned chieftainship has been consulted.**

**Evaluation on Management Response**

*Management response is acknowledged. The response did not adequately address the identified misalignment between the Traditional Leaders Act* [*Chapter 29:17*] *and Section 283*

*(b) of the Constitution of Zimbabwe.*

## 2 COMPENSATION OF EMPLOYEES

### 2.1 Vacant Positions for Chieftainship and Headman

**Findings**

An examination of the database for Chiefs and Headman indicated that numerous vacant chieftainship posts existed. Chiefs' vacancies significantly impacted the appointments of Headmen and village heads in their respective provinces.

Furthermore, the timeframe for filling chief vacancies in some provinces had exceeded two years. Section 3(2)(b) of the Traditional Leaders Act [*Chapter 29:17*] requires the appointment of chiefs within two years of the office becoming vacant.

**Risks/Implications**

Prolonged chieftainship vacancies might create gaps in leadership, negatively impacting community governance and decision-making.

The Council's service delivery may be compromised.

**Recommendation**

Management should facilitate the filling of vacant posts to ensure the Council's service delivery is not compromised.

**Management Response**

**According to the general regulations immediately after the death of a Chief, the Council processes the appointment of chief or headman within 2 years, to facilitate mourning and subsequent appointment process. Where there are more than 2 years, the reason for the delay maybe due to succession disputes at selection level and at provincial assembly level.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Assets Register

**Findings**

The Master Asset Register was not up to date, and there was no evidence of reviews by a senior officer in the form of signatures to ensure its completeness. Important details, such as acquisition dates and values for individual assets, were not captured in the register. As a result, the departmental asset certificate had nine (9) laptops while the master asset register had eight (8) laptops. I could not validate the completeness of the Departmental Assets Certificate submitted for audit.

Additionally, inventory lists for all offices within the department were not maintained contrary to Section 100 (4) of the Public Finance Management (Treasury Instructions), 2019.

**Risks/ Implications**

Failure to properly account for assets and not maintaining updated asset registers might result in misappropriation of assets.

Lack of accurate inventory lists might hinder effective resource allocation and asset management within the department.

**Recommendations**

Management should update the master asset register by capturing all the important details about each individual asset in order to enhance accountability.

The Council should update the master asset register, inventory lists and conduct reviews of the register to ensure completeness.

**Management Response**

**The Master Asset Register will be updated to reflect important details mentioned and to be checked by the responsible Deputy Director Administration. The inventory lists were properly maintained and the changes only occurred during the current year in order to accommodate the new director. The temporary arrangement on movement of assets will be regularized by end of June 2025.**

**The discrepancy on departmental asset certificate of one laptop is noted. The missing laptop is being followed up with the officer who resigned. He advised that he will surrender the asset in August when he comes.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Council did not make progress in addressing findings raised in my previous audit report. Out of the three (3) findings raised, two (2) were not addressed and one (1) was partially addressed as indicated below:

### 4.1 Open Items

The issue was not addressed and has been raised on paragraph (i).

### 4.2 Compensation of Employee Variances

The issue remained unresolved and has been included on paragraph (iii).

### 4.3 Unallocated Reserve Transfers

The issue was partially resolved and has been included on paragraph 1.2.

## VOTE 31.- NATIONAL COUNCIL OF CHIEFS

## APPROPRIATION ACCOUNT 2023

### Mandate

The National Council of Chiefs' mandate is to capacitate Traditional Leadership institutions to effectively drive rural development as well as promoting and preserving cultural values of their communities.

Below is a summary of what was allocated and spent during the year:

| Original Budget<br>ZWL$ | Unallocated Reserve Transfers<br>ZWL$ | Total Budget<br>ZWL$ | Expenditure<br>ZWL$ | Net Underspending<br>ZWL$ |
|---|---|---|---|---|
| 4 150 000 000 | 32 701 461 975 | 36 851 461 975 | 33 472 939 055 | 3 378 522 920 |
| **Constitutional and Statutory Appropriations** | | | | |
| 5 195 160 000 | 110 619 586 880 | 115 814 746 880 | 100 804 990 118 | 15 009 756 762 |

I have audited the financial statements of the National Council of Chiefs for the year ended December 31, 2023 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the state of affairs of the National Council of Chiefs as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Open Items

### Finding

The expenditure ledgers showed that there were open items amounting to ZWL$124 211 695 068 in the Public Financial Management System (PFMS). This was contrary to Treasury Circular No. 1 of 2025 requires Accounting Officers to clear all open items in the system before preparation of annual returns and financial statements to ensure completeness and alignment. As a result, I was unable to ascertain the accuracy of the expenditure disclosed in the Appropriation Account.

### Risks/Implications

The Appropriation Account could be misstated.

Ineffective budgetary control may arise due to the open items.

**Recommendation**

All open items should be cleared annually before preparation of bank reconciliations, annual returns and financial statements.

**Management Response**

**The audit observation has been noted and the clearing of the open items is now work in progress put in place by Management. The open items left are for allowances paid on PFMS and finally paid in American dollars (US$) thereby resulting in need of an additional budget to match the amount initially on PFMS as a result of interbank rates at the time when the payment was finally paid. The remaining open items need an extra budget amounting to ZWL$37 767 603 288.**

**(ii) Compensation of Employees variances**

**Finding**

The Salary Services Bureau (SSB) record for compensation of employee costs had total expenditure of ZWL$45 887 499 266 whilst the Ministry's PFMS ledgers and Appropriation Account had total expenditure of ZWL$100 895 651 409 resulting in a variance of ZWL$55 008 152 143 that could not be reconciled. No evidence was produced to show that monthly reconciliations were being performed as required by Treasury Circular (Ref B/1/88) dated June 5, 2018.

**Risk/Implication**

In the absence of a reconciliation of the two figures, the financial statements could be materially misstated.

**Recommendation**

The Council should carry out monthly reconciliations as required by Treasury Circular B/1/88. Management should investigate the variance and take appropriate action.

**Management Response**

**The observation has been noted. The reconciliations are now being done.**

Below are other issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Unallocated Reserves (UR) Transfers

**Finding**

The Appropriation Account disclosed Unallocated Reserves (UR) transfers amounting to ZWL$32 701 461 975. The Ministry of Finance UR transfers schedule showed that an amount of ZWL$32 671 480 432 was transferred to the Council. Therefore, there was a variance of ZWL$29 981 543 that was not reconciled. Section 35(6)(a) of the Public Finance Management Act *[Chapter 22:19]* requires that the Accounting Officer keep or cause to be kept proper records of account.

**Risk/Implication**

Financial Statements could be misstated.

**Recommendation**

Management should ensure that the Unallocated Reserves transfers figure disclosed in the Appropriation Account is reconciled to the Ministry of Finance's Unallocated Reserve transfer schedule.

**Management Response**

**The observation has been noted. Ministry of Finance UR schedule did not capture one of the URs which it effected on the PFMS on compensation of employees [Funeral Expenses] amounting to ZWL30 000 000. Treasury has been engaged and will be availing the Unallocated Reserve letter.**

**Therefore, if the above is effected the Ministry of Finance and the National Council of Chiefs Unallocated Reserves will have a variance of $18 457.**

**Evaluation of Management Response**

*The explanation is noted. However, as at the end of my audit on July 08, 2024, the letter from the Ministry of Finance had not been availed for audit.*

## 2 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Council made some progress in addressing audit findings raised in my previous audit report. Out of the six (6) findings, three (3) were addressed and three (3) were not addressed as indicated below:

### 2.1 Sub-Paymaster General (Sub-PMG)'s Account Reconciliation

The issue was not resolved and has been raised on paragraph (i).

### 2.2 Supporting Documents

The issue was addressed as the documents in question were reversed at year end after failing to secure cash to complete the payment process.

### 2.3 Outstanding Returns

The issue was addressed and all 2023 returns were submitted for audit.

### 2.4 Risk Management

The issue is still outstanding. However, a draft policy was availed for audit.

### 2.5 Fuel Reconciliations

The issue was not addressed and is being followed up.

### 2.6 Outstanding Advances

The issue was addressed as the advances in question were covered.

## VOTE 32. - ZIMBABWE HUMAN RIGHTS COMMISSION

## APPROPRIATION ACCOUNT 2024

### Mandate

The Zimbabwe Human Rights Commission (ZHRC) is a national human rights institution which was established under Section 252 of the Constitution of Zimbabwe No. 20 of 2013. It is an independent Commission whose main mandate is to protect, promote and enforce human rights.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Under spending<br><br>ZWG |
|---|---|---|---|---|
| 63 277 882 | 9 887 413 | 73 165 295 | 47 061 958 | 26 103 337 |

I have audited the financial statements of the Zimbabwe Human Rights Commission for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly in all material respects, the state of affairs of the Zimbabwe Human Rights Commission as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilisation

### Findings

The Commission's total budget and funding provided revealed that the Commission received and utilized 63% of the voted funds. However, despite that the budget provided in the Estimates of Expenditure was available, the Commission could not pay for all of its obligations due to no releases. It had arrear payments of ZWG2 621 278. Treasury was not able to provide adequate funding to support the payments and other budgeted or planned programs.

### Risk/Implication

Set objectives of the Commission may not be achieved.

### Recommendation

The Commission should lobby for the release of funding by Treasury.

### Management Response

**The observation is noted. As already been highlighted on the financial statements failure to utilize the budget was as a result of non-releases by Treasury.**

## 1.2 Fuel Management

### Findings

During the period September 07, 2023 extending to October 31, 2024, the Commission lost 21 800 litres of diesel and 3 400 litres of petrol valued at ZWG650 122 through fraudulent activities attributed to a number of control weaknesses within the fuel management system. This was according to the special investigation report issued by the Central Internal Audit Unit dated March 19, 2025.

The loss was attributed to lack of segregation of duties as the administration officer responsible for fuel had sole access of custody to the safe key as well as the spare keys. Supervisory checks on the work of the Administration officer were found to be lacking as fuel was being issued haphazardly without following serial number sequences. Fuel coupons' serial numbers were sometimes skipped and duplicated. Records were altered in the fuel register through pasting. Vehicle log books were not being reconciled to the fuel issued. Section 104(1) of the Public Finance Management (Treasury Instructions), 2019.

### Risk/Implication

Program objectives and service delivery may be compromised if fuel is misappropriated.

### Recommendation

The Commission's management should strengthen controls around fuel management in order to safeguard state resources. Those found responsible for the misappropriation should be asked to make good the loss.

### Management Response

**Internal controls around fuel management have been enhanced and are now in place to help detect and prevent fraudulent activities in the fuel management. The Commission has strengthened its internal control systems through segregation of duties in the administration of fuel. The Director Finance and Administration is now responsible for writing letters to Petrotrade for the collections of fuel and the Deputy Director Administration is now responsible for the collection of fuel coupons.**

**Documents for bulk fuel collected are now handed over to Director Finance and Administration for recording. The Director Finance and Administration retains the coupons for safe keeping if it is not for immediate issuance and hands over to the Administration officer fuel for current operations. Periodic Supervisory checks are being done and enhanced filing of all fuel requisitions, receipts and logbooks is now in place.**

## 1.3 Procurement of laptops

### Finding

Zimbabwe Human Rights Commission purchased thirty-nine (39) laptops from Elite Collections on December 18, 2023 and eighteen (18) laptops worth ZWG797 483 (US$ 30 912) had not been delivered at the time of concluding the audit. Numerous follow-ups made by the Zimbabwe Human Rights Commission, revealed that the company has ceased operations rendering the recovery of laptops doubtful. This was contrary to the provisions of Section 67(19) of the Public Finance Management (Treasury Instructions), 2019, which require

conditions of the contract to be complied with. This issue was also raised in my 2023 Audit Report.

**Risk/Implication**

The value of 24 laptops not delivered may not be recovered.

**Recommendation**

The Zimbabwe Human Rights Commission should seek the service of the Attorney General in order to recover the cost of the 24 undelivered laptops**.**

**Management Response**

**The Commission received a court order to attach property from Elite Collections. However, when the Commission's lawyers wanted to deliver the court order, the company had changed its business address and name to E-Collections. Fortunately, the Lawyers identified the new location but could not proceed to serve the court order because of differences in the names of the company. The Commission instructed its lawyers to visit the Deeds Office to verify the credentials of the directors of the new company to ascertain whether it is the same company. Once this is established, a court order can then be served.**

## 1.4 Travelling and Subsistence Allowances

**Finding**

The Commission advanced Travelling and Subsistence allowances in June 2024 amounting to ZWG226 604 and in July 2024 amounting to ZWG92 718 for workshops on development of Procedures Manual and SAP training on Sales and Distribution Model respectively. By December 31, 2024 the workshops had not been conducted and the amounts remained outstanding as at that date. The workshops were still to be conducted by the time I concluded the audit on April 04, 2025 contrary to Section 65(15) of the Public Finance Management (Treasury Instructions), 2019. Lack of proper planning on when the workshops were to be conducted resulted in the indefinite postponement of the workshops.

**Risk/Implication**

Failure to acquit Travelling and Subsistence advances within the stipulated timeframe may result in financial prejudice to the state.

**Recommendation**

The Commission should recover the outstanding advances and reissue once the dates for the workshops are established.

**Management Response**

**The observation is noted. The activities could not be undertaken due to continued changes in the Commission`s calendar of events. However, the activities have been scheduled for 14 to 18 April 2025 for SD training and 22 to 26 April 2025 for development of procedure manuals.**

**Evaluation of Management Response**

*At the time of concluding the audit on May 23, 2025, travelling and subsistence allowances amounting to ZWG226 604 were still outstanding.*

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Commission made progress in addressing audit findings raised in my previous audit report. Out of the two findings one was addressed while the other was not addressed as indicated below.

### 2.1 Management of assets

18 Laptops procured from Elite Collections were not delivered at the time of concluding the 2024 audit May 13, 2025.

### 2.2 Implementation of Program Based Budgeting

The issue was addressed and the performance evaluation reports were availed for audit inspection.

## VOTE 34.- NATIONAL PROSECUTING AUTHORITY

## APPROPRIATION ACCOUNT 2024

### Mandate

The National Prosecuting Authority (NPA) is responsible for instituting and undertaking criminal prosecutions on behalf of the State, promoting a just and fair system for all persons approaching the courts and upholding the rights of the arrested and detained persons as provided for by the Constitution.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWG | Unallocated Reserve Transfers<br>ZWG | Total Budget<br>ZWG | Expenditure<br>ZWG | Net Underspending<br>ZWG |
|---|---|---|---|---|
| 147 645 201 | 33 747 329 | 181 392 530 | 167 107 569 | 14 284 961 |
| **Constitutional and Statutory Appropriation** | | | | |
| 543 989 | 683 413 | 1 227 402 | 1 227 392 | 10 |

I have audited the financial statements of the National Prosecuting Authority for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly in all material respects, the state of affairs of the National Prosecuting Authority as at December 31, 2024, in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilisation

The Authority had a total budget allocation of ZWG181 392 530 while Treasury provided funding amounting to ZWG162 578 217 for operations and compensation of employees. The funding provided resulted in a budget utilisation of 46% on operations and capital expenditure and 44% on compensation of employees of the voted funds. However, Treasury was not able to provide adequate funding to settle the arrear payments of ZWG19 004 927 and implementation of other budgeted/ planned programs of the Authority.

### Risks /Implications

Mandate of the Authority may not be achieved.

The accumulation of arrears if left unattended, negatively impacts on the Authority’s reputation.

Loss of credit suppliers.

**Recommendation**

The Authority should continue lobbying for the release and funding by Treasury to enable clearance of arrear payments and implementation of programs.

**Management Response**

**The Authority will continue to lobby for the release of funding by Treasury to enable clearance of arrear payments and implementation of programs.**

## 1.2 Appropriation Account Expenditure

**Finding**

There was an unreconciled variance of ZWG510 628 between the expenditure of ZWG168 334 961 disclosed on the Appropriation Account and the Sub-Paymaster General (Sub-PMG) Account reconciliation statement expenditure of ZWG168 845 589. Furthermore, there was an unreconciled difference of ZWG21 395 between the expenditure disclosed on the Appropriation Account and PFMS funds management report.

**Risk/Implication**

The Appropriation Account could be misstated.

**Recommendation**

Management should investigate and reconcile the variances.

**Management Response**

**The variance of ZWG510 628 was partly due to direct payments which had not been included in the Sub-PMG reconciliation statement. Further investigations will be done to address the remaining variance.**

## 1.3 Payment of Board and Committee Fees

**Findings**

According to a Corporate Governance Unit minute dated June 7, 2024, the Authority was classified under category level 8 for payment of Board and Committee fees. However, the Authority paid the 2024 second-quarter Board retainer fees using category 12 rates instead of category 8 rates as advised by the Corporate Governance Unit (CGU). This resulted in an overpayment of retainer fees by US$2 970.

Further, a review of payment records for the year under review revealed that two (2) executive board members collectively received ZWG138 794 in board sitting allowances. The Authority did not avail for audit examination the CGU approval and Treasury concurrence on payment of board sitting allowances to executive board members. Therefore, I could not ascertain whether the payment of the board sitting allowances was a proper charge to the public funds.

**Risk/Implication**

The Board members may continue to be overpaid unauthorized retainer fees and sitting allowances.

**Recommendations**

Management should comply with the CGU classification and to pay retainer fees based on category 8.

In addition, the Authority should avail for audit the CGU approval and Treasury concurrence to pay sitting allowances to the executive board members.

The Authority should recover the excess retainer fees and unauthorized sitting allowances paid to Board members.

**Management Response**

**The observation has been noted. The second quarter board retainer fees were paid using level 12 rates as guided by the Board after consultation with CGU. Direction to use category 8 was given later, of which the matter has not been finalized to date.**

**The issue of payment of sitting allowances to executive board members has been referred to the CGU since the Authority's Board Structure is unique.**

**Evaluation of Management Response**

*The management response is noted. However, the evidence of the consultations with the CGU and guidance to pay retainer fees based on level 12 category was not availed to audit.*

## 1.4 Board Sub-Committees

**Findings**

A review of the minutes of the Audit Committee meetings revealed that one senior official held dual roles as a member and the secretary of the Audit Committee. Audit Committee framework of 2017 requires the head of Internal Audit to be appointed as the secretariat of the Committee.

Further, the same senior official was an ex-officio member of all the six (6) Board Committees, namely the Human Resource and Administration, Audit and Risk, Asset Management and Recovery, Legal, Finance, Information Communication Technology and Corporate Committees. Section 111 of the Public Entities Corporate Governance Act [*Chapter 10:31*] requires a clear separation of leadership responsibilities within a public entity.

**Risks/Implications**

The independence and effectiveness of the Audit Committee may be compromised.

The senior official may be overwhelmed with responsibilities resulting in inefficiencies in the discharge of official duties.

**Recommendations**

The appointment of the secretary and members of the Audit Committee should be made in compliance with regulations.

The Board should comply with guidelines on membership of sub-committees to ensure a balance of responsibilities.

**Management Response**

**The observation is noted. A non-executive director chairs the Audit committee. The Internal Audit manager assist the Audit Committee by providing assurance on internal controls, risk management and governance processes. Technically the Internal Audit manager is part of the Committee. Further guidance will be sought from the Audit Committee Chairperson.**

**The Acting Accounting Officer sits in the Board Committees not as an executive member but as a secretary with no voting powers. His duties are espoused in Section 137 (f) (ii) first schedule of the Public Corporate Governance Act [*Chapter 10:31*] and are strictly limited to that.**

### 1.5 Monthly Fuel Allocations

**Finding**

In 2023, I reported that the Authority increased fuel allocated to fifty-six (56) officers in managerial positions by 120 litres per month without Public Service Commission (PSC) authority and Treasury concurrence. The issue recurred in 2024 as the Authority continued issuing unauthorised extra fuel coupons to management. The Authority indicated that the fuel allocation was reviewed at the discretion of the Accounting Officer following an increase in supervision visits to circuit courts.

**Risk/Implication**

Varying fuel allocations without PSC approval and Treasury concurrence may result in overriding of controls and an improper charge against public funds.

**Recommendations**

Management should in addition to the Accounting Officer ‘s approval, seek Treasury concurrence to vary the authorized fuel allocations.

The Authority should consider allocations for operations to be based on assignments allocated and distance to be covered.

**Management Response**

**The observation is noted. The Authority submitted a request for Treasury concurrence. There is slow progress in addressing the matter. Continuous engagements are being done through regular follow-ups.**

## 2 IMPLEMENTATION OF GOVERNMENT PROGRAMMES/SERVICE DELIVERY

### 2.1 Monitoring and Evaluation Reports

**Finding**

The Authority did not have monitoring and evaluation reports of the programme activities which were undertaken in 2024. The Authority indicated that this was due to staff shortage. Consequently, I could not validate whether reported achievements were effectively evaluated and measured. Treasury circular No. 6 of 2019: Implementation of Results Based Budgeting requires entities to track the systematic performance information under each programme.

**Risk/Implication**

The Authority may lose track of its planned targets, resulting in failure to achieve programme outcomes.

**Recommendation**

Management should expedite the appointment of an officer to handle the monitoring and evaluation activities.

**Management Response**

**The observation is noted. The Authority received Treasury concurrence on April 2, 2025 to recruit management and staff. The Treasury concurrence accommodates the establishment of the Monitoring and Evaluation department.**

## 3 GENDER ISSUES

### 3.1 Gender Policy

**Findings**

The Authority did not have a gender policy document to support gender-responsive budgeting, institutionalization of gender equality and equity in programs, and the development of a gender implementation strategy. This was contrary to Section 17 of the Constitution of Zimbabwe (No. 20) Act, 2013.

In addition, the Authority did not have a well-defined gender structure or a dedicated committee in place to oversee and coordinate gender-related activities. The Authority's gender focal person primarily focused on sexual harassment issues and not on gender mainstreaming.

**Risk/Implication**

The Authority may not identify, implement and monitor gender responsive programmes.

**Recommendation**

The Authority should establish structures that promote the implementation of gender issues initiatives.

**Management Response**

**The observation is noted. The Authority is in the process of staff recruitment including establishment of the Gender department.**

## 4 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Authority did not make significant progress in addressing audit findings raised in my previous report. Out of the eight (8) findings, six (6) were partially addressed whilst two (2) were not addressed as indicated below.

### 4.1 Supporting Documents for Procurement of Motor Vehicles

The issue of non-submission of the supporting documents was partially addressed. The

Authority submitted correspondence relating to the procurement of the motor vehicles however, the contract document was not availed for audit.

### 4.2 Reconciliation of the Consolidated Revenue Fund and Sub-Paymaster General's Account Transactions

The reconciliations were partially performed, however in 2024 there were PFMS general ledgers which had uncleared balances.

### 4.3 Filling of Key Vacant Positions

The issue of vacant positions was partially addressed. The Authority now has a new approved organisation structure and Treasury concurrence to fill in critical vacant positions was obtained.

### 4.4 Salary in Kind – Monthly Fuel Allocation

The issue of excess fuel allocation was partially resolved. The Authority submitted the request for Treasury concurrence the issue was raised on paragraph 1.5.

### 4.5 Information Technology (IT) Risk Management

The absence of Risk Management policy was partially addressed as a draft policy is now in place.

### 4.6 Outstanding Revenue

The Authority did not submit the revised Outstanding Revenue return for audit. The issue remained unresolved.

### 4.7 Departmental Surcharges

The corrected Departmental Surcharges return was not submitted. The issue remained unresolved.

### 4.8 Assets Register

The issue of asset register was partially addressed. Assets were recorded in the manual asset register. However, the Authority is yet to maintain a PFMS asset register.

## VOTE 35. - ZIMBABWE ANTI-CORRUPTION COMMISSION

## APPROPRIATION ACCOUNT 2022

### Mandate of the Commission

The Commission's mandate is to combat corruption, theft, abuse of power, and other improprieties in Zimbabwe through investigation, public education, prevention, and cause prosecution after thorough investigation. The Commission is further mandated to make recommendations to the Government and other persons on the measures to enhance integrity and accountability and prevent improper conduct in the public and private sector.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br><br>ZWL$ | Unallocated Reserve<br><br>ZWL$ | Total Budget<br><br>ZWL$ | Expenditure<br><br>ZWL$ | Net Underspending<br><br>ZWL$ |
|---|---|---|---|---|
| 913 713 000 | 1 036 420 529 | 1 950 133 529 | 1 879 669 033 | 70 464 496 |

I have audited the financial statements for Zimbabwe Anti-Corruption Commission for the year ended December 31, 2022 and I issued a qualified opinion.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the state of affairs of the Zimbabwe Anti-Corruption Commission as at December 31, 2022 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

### Basis for Qualified Opinion

### (i) Receipting of Funds

#### Finding

The Commission received a total of ZWL$24 386 369 deposited into its sub-exchequer account for various reasons by internal and external clients during the year ended December 31, 2022. However, the deposits were not receipted in the PFMS system or manual receipt books. The Commission employees were not trained on the Sales and Distribution (SD) module on receipting of funds.

#### Risks/ Implications

Misstatement of financial information may occur.

Misappropriation of funds could occur.

#### Recommendation

Management should receipt all funds received in the PFMS.

**Management Response**

**The Commission's employees were not trained on the SD module for receipting funds**. **Treasury has now started rolling out SD training.**

**Evaluation of Management Response**

*Although employees were not trained on the SD module, receipting could have been done manually.*

**(ii) Compensation of Employees**

**Finding**

There was a variance of ZWL$12 377 842 between the amounts in the PFMS of ZWL$171 733 008 and the amount on the wage bills of ZWL$159 355 166. The variance was caused by exchange rate losses for USD based compensation of employees. The variance remained outstanding and was not cleared in the PFMS. This was contrary to Treasury Circular number 1 of 2023-Submission of Appropriation Accounts for the year ended December 31, 2022.

**Risk/Implication**

Compensation of employment costs may be misstated as a result of variances between the wage bill and the general ledger.

**Recommendation**

Management should investigate and reconcile the variance.

**Management Response**

**The Salary Services Bureau provides a single wage bill that has two distinct components, namely, the United States Dollar denominated and the ZWL$ denominated. The Finance Team disintegrates the two (2) on a separate sheet that is attached to the payment vouchers. The amounts in the PFMS and the actual wage bills that Finance uses differ because of timing exchange rates. The wage bills are sent to MDAs around the 10th of each month, yet Treasury makes direct payment to SSB on or around the 25th of same month. Resultantly there are timing differences as the exchange rate fluctuates between the two dates. The Commission has engaged Treasury to assist in clearing the amounts.**

**Evaluation of Management Response**

*Commission management should reconcile the variance due to exchange rate differences to account for the compensation of employees disclosed.*

## VOTE 36.- ZIMBABWE ELECTORAL COMMISSION

## APPROPRIATION ACCOUNT 2024

### Mandate

The Zimbabwe Electoral Commission was established in terms of Section 238 of the Constitution of Zimbabwe; which is responsible for the management and administration of Zimbabwe's electoral processes.

Below is a summary of what was allocated and spent during the year:

| Original Budget<br><br>ZWG | Unallocated Reserve Transfers<br><br>ZWG | Total Budget<br><br>ZWG | Expenditure<br><br>ZWG | Net Underspending<br><br>ZWG |
|---|---|---|---|---|
| 177 705 137 | - | 177 705 137 | 161 419 932 | 16 285 206 |

I have audited the financial statements for the Zimbabwe Electoral Commission for the year ended December 31, 2024, and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Zimbabwe Electoral Commission as at December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

Below are issues noted during the audit;

## 1. GOVERNANCE ISSUES

### 1.1. Outstanding Payables

#### Finding

The Commission had a budget allocation of ZWG177.7 million against budget release of ZWG161.4 million. As a result, there were substantial payables totalling USD$2.6 million and ZWG 18.9 million as at December 31, 2024. Some of the payables dates back over a year. In addition, several vehicles are operating without having been serviced.

#### Risks/Implications

Service disruptions due to unpaid bills.

Potential Penalties and damaged supplier ties may increase costs.

#### Recommendations

Actively engage the Ministry for full funding.

Prioritize and settle overdue payables urgently.

**Management Response**

**Management notes the observation. It should however be noted that despite frequent engagements, the release and funding of the Commission solely rests with the Treasury.**

## 2. PROCUREMENT OF GOODS AND SERVICES

### 2.1. Delivery of Office Provisions

**Finding**

The Commission was yet to receive all the goods they paid for on November 16, 2023 amounting to ZWL1 029 034.

**Risk/Implication**

Financial loss due to non-delivery of office provisions

**Recommendation**

The Commission should follow-up delivery of office provisions from the supplier and recover the outstanding amount from the first supplier.

**Management Response**

**The Company which failed to deliver the goods went into liquidation making it difficult for immediate recovery of the amount in question. In this regard, a legal recourse will be sought.**

## 3. MANAGEMENT OF ASSETS

### 3.1. Master Asset Register

The Commission's master asset registers had inadequate information. For instance, the master asset register omitted critical information for several assets, including date of acquisition, date and location of receipt, name of the receipting officer, goods received voucher/note number, source/supplier and date and authority for disposal or transfer to another department. This was contrary to the provisions of section 100(1) of the Public Financial Management (Treasury Instructions), 2019, which requires such information to be recorded.

**Risk/Implication**

Missing assets may not be detected on time.

**Recommendation**

The Commission should rectify this anomaly by recording all mandatory field details.

**Management Response**

**Management notes the observation. It should however be noted that updating of the Master Asset register is an ongoing process especially as we transit to the IPSAS.**

### 3.2 Fuel

**Finding**

The Commission's internal controls over fuel management were weak in that, petrol and diesel shortages were noted (80 and 720 litres) and no evidence of reconciliations to establish the cause was produced. This discrepancy contravenes established Zimbabwe Electoral Commission internal policies for fuel management and the principles of the Public Finance Management Act [*Chapter 22:19*], specifically Section 6 (1) (c) which mandates the Commission to exercise a general direction and control over public resources. This raises concerns about the safeguarding of these assets and the accuracy of inventory management practices.

**Risk/Implication**

Financial loss.

**Recommendation**

Management should consider to strengthen controls over issuance of fuel.

**Management Response**

**The department has been reconstituted to strengthen the internal controls. Further reconciliations are being carried out to establish the cause of variance.**

### 3.3 Board of Inquiry

**Finding**

The Commission's Finance and Administration Manual does not include the timelines within which an investigation into losses, damages and thefts of state property should be conducted. As a result, the Commission had not constituted Boards of Inquiries for accident-damaged and stolen assets during the 2024. There were 10 motor vehicles damaged and 39 solar lights that were stolen during the year. This is contrary to the provisions of Section 12 of the Public Finance Management Act [*Chapter 22:19*] which requires boards to be conducted within fourteen (14) days.

**Risk/Implication**

Loss of funds due to inability to initiate recoveries on time.

**Recommendation**

The Commission should conduct boards of inquiry for the damaged and lost assets so that recoveries can be made.

**Management Response**

**The Commission will improve in the management of boards of inquiry to mitigate financial losses.**

### 3.4 Fire Suppression Systems

**Finding**

The Commission's risk management arrangements regarding fire safety were inadequate. The fire extinguishers in their various sites were not serviced. This was contrary to Local Authorities By-laws on the safety of buildings.

**Risk/Implication**

Loss of properties and life in the event of fire.

**Recommendation**

The commission should consider servicing and installation of fire extinguishers.

**Management Response**

**The observation is noted and management will continue to lobby for adequate budgetary support from Treasury for the safety of properties.**

## VOTE 36.- ZIMBABWE ELECTORAL COMMISSION

## APPROPRIATION ACCOUNT 2023

### Mandate

Zimbabwe Electoral Commission is constitutionally mandated to conduct and supervise elections, register voters, delimit constituencies, wards and other electoral boundaries, conduct and supervise voter education, accredit observers, develop expertise in the use of technology in regard to electoral processes, promote co-operation between the Government, political parties and civil society during election period and ensure that gender is mainstreamed into electoral processes.

Below is a summary of funds allocated and spent during the year:

| Original Budget<br>ZWL$ | Unallocated Reserve Transfers<br>ZWL$ | Total Budget<br>ZWL$ | Expenditure<br>ZWL$ | Net Underspending<br>ZWL$ |
|---|---|---|---|---|
| 101 648 031 000 | 795 015 570 820 | 896 663 601 802 | 664 824 449 790 | 231 839 152 012 |

I have audited the financial statements for the Zimbabwe Electoral Commission for the year ended December 31, 2023, and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Zimbabwe Electoral Commission as at December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*]*,* and other relevant Statutory Instruments.

Below are issues noted during the audit;

## 1 REVENUE COLLECTION AND DEBT RECOVERY

### 1.1 Travelling and Subsistence

### Finding

The staff debtors' ledger had members of staff that were taking more than 30 days to acquit their travel and subsistence allowances. Management attributed the non-acquittal to a shortage of staff due to deployments during election periods. Section 65(15) of the Public Finance Management (Treasury Instructions), 2019 requires travel advances to be acquitted within 30 working days of return to home station.

### Risk/Implication

Funds may be misappropriated.

### Recommendation

Management should enforce compliance with the requirements of regulations.

**Management Response**

**Measures have been put in place to enforce compliance with the requirements of Public Finance Management (Treasury Instructions), 2019.**

## 2 PROCUREMENT OF GOODS AND SERVICES

### 2.1 Declaration of Interests by Procurement Evaluation Team

**Finding**

There was no evidence to support that members of the Evaluation Committee were declaring their interests when evaluating bids, contrary to Section 71 (2) (d) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*].

**Risk/Implication**

Irregular purchases may go undetected.

**Recommendation**

Members of the Procurement Committee should always declare their interest during the evaluation process.

**Management Response**

**Management will enforce declaration of interests in any particular procurement in compliance with section 71 (2) d of the PPDPA Act. In this case the interpretation was misconstrued to be a once off declaration.**

## 3 MANAGEMENT OF ASSETS

### 3.1 Disposal of Accessories

**Finding**

The Commission disposed of accessories such as gas cylinders, tubes and bulbs that were kept at the main warehouse for US$4 700. This disposal was done without the authority or recommendation of a Disposal Committee. This action constituted a departure from the provisions of Section 91 of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*], which requires a procuring entity to establish a Disposal Committee to recommend the best method for disposing of unserviceable, obsolete, or surplus public assets.

**Risk/Implication**

The Commission could suffer financial loss.

**Recommendation**

All assets' disposals should be done in line with regulations.

**Management Response**

**The observation is noted. Section 91 of the Public Procurement and Disposal of Public**

**Assets Act [*Chapter 22:23]* has been complied with as per the shared documents.**

**Evaluation of Management Response**

*The shared document initiated by the Director Administration dated April 3, 2023 had no recommendations by the Disposal Committee Members under the appropriate section.*

## 3.2 Fuel Management

**Finding**

The Commission did not perform monthly fuel reconciliations to compare fuel purchased against fuel consumed. The Commission in this regard maintained multiple fuel registers without a master record. The Commission subsequently requested its Provincial Offices to compile some retrospective fuel acquittals and reconciliations dating back to January 2023. The acquittals were hard copy extracts some of which were not validated by the supervisor. Such action could be attributed to lack of supervisory controls. As a result, I could not confirm the accuracy and completeness of the Commission's fuel consumption data.

**Risk/Implication**

Misappropriation of fuel stocks and errors may go undetected.

**Recommendations**

Supervisory controls should be strengthened over fuel management.

Reconciliations should be carried on fuel registers.

**Management Response**

**The observation is noted. Fuel reconciliations will be performed. Internal control measures have been put in place to enhance supervision and accountability in the handling of fuel.**

## VOTE 37.- ZIMBABWE GENDER COMMISSION

## APPROPRIATION ACCOUNT 2024

### Mandate

The mandate of the Commission is to promote gender equality and equity as well as addressing the gap between policy and legislation and lived realities of women, men, girls and boys.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve Transfers ZWG | Total Budget ZWG | Expenditure ZWG | Net Underspending ZWG |
|---|---|---|---|---|
| 72 919 261 | 17 041 712 | 89 960 973 | 80 431 393 | 9 529 580 |

I have audited the financial statements for the Zimbabwe Gender Commission for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the state of affairs of the Zimbabwe Gender Commission as at December 31, 2024 in accordance with Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1. GOVERNANCE ISSUES

### 1.1 Budget Utilisation

### Findings

The Commission received from Treasury funding amounting to ZWG80 431 393 which constituted 89% of the total budget. Funding that went towards operations and capital expenditure was 73% of the budget while 16% went towards compensation of employees. However, at year end the Commission had outstanding payment arrears of ZWG5 934 722 due to suppliers. There was no evidence that the payments had been settled at the time of concluding my audit on April 28, 2025.

I further noted that, part of the outstanding payments amounting to ZWG445 183 (16% of the total ZWG payment arrears) were for domestic travel expenses and US$25 149 (20% of the total US$ payment arrears) for foreign travel expenses owed to staff members. The payments date back as far as January 2024 and remained outstanding at the time of concluding my audit on April 28, 2025.

### Risks/Implications

The arrears if not paid, impacts on the budget of the subsequent year.

Negative impact on service delivery as suppliers may be unwilling to do business with the Commission.

**Recommendation**

There is need to continuously engage Treasury for timely release of the budgeted amount.

**Management Response**

**The observation is noted. Please take note that the accumulation of arrears was occasioned by lack of budget support from Treasury, especially during the 4th quarter of 2024. Some transactions that had been processed at the end of the year had to be reversed as Treasury did not fund them. The Commission has so far processed ZWG3 120 828 and ZWG392 189 towards office rentals and domestic allowances respectively, using the 2025 budget**.

## 2 MANAGEMENT OF ASSETS

### 2.1 Motor Vehicles

**Finding**

The Commission received from the Ministry of Finance four (4) vehicles that were forfeited to the State by Zimbabwe Revenue Authority between April 2019 and July 2021. The vehicles have not been registered for more than 5 years. Section 103 (4) of Public Finance Management (Treasury Instructions), 2019, requires Accounting Officers to ensure that all Ministry/ Commission vehicles (including donated vehicles) have been registered under the Ministry/ Commission.

**Risk/Implication**

Ownership of the vehicles can be questionable if they remain in the original owner's name and this can create administrative complications.

**Recommendation**

The Commission should comply with the regulation by ensuring that the vehicles are properly registered.

**Management Response**

**The Commission is now working on registering the vehicles after Treasury disbursed funds for their registration in March 2025.**

### 2.2 Donations

**Findings**

The Commission received donations worth US$2 298 without Treasury authority contrary to Section 112 (1) of the Public Finance Management (Treasury Instructions), 2019 which states that Treasury shall direct whether gifts or donations shall be accepted or not. Treasury Authority was only sought on February 24, 2025 when donations had been received in 2024.

Furthermore, the donations were not recorded in the temporary assets register pending Treasury Authority.

**Risks/Implications**

Unauthorised donations which have a charge against the Consolidated Revenue Fund may be received by the Commission.

Assets received may be exposed to theft and misappropriation if not recorded.

**Recommendation**

The Commission should obtain Treasury Authority for all donations received before they are put into use.

**Management Response**

**The Commission sought Treasury Concurrence for the items and will make a follow up with Treasury for authority.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Commission made some progress in addressing issues raised in the previous audit report. Out of two (2) issues raised, the Commission managed to implement one (1) finding and one (1) was not addressed as outlined below:

### 3.1 Expenditure not Adequately Supported

The issue of payments vouchers not adequately supported was addressed.

### 3.2 Board of Inquiry

The Commission did not recover monies from an Officer who was involved in an accident, with vehicle registration ZG01, as recommended by the Board of Inquiry.

## VOTE 38.- ZIMBABWE LAND COMMISSION

## APPROPRIATION ACCOUNT 2024

### Mandate

The Commission's mandate is to carry out land audit, farm inspections, resolve disputes and make recommendations to Government on appropriate land tenure systems.

Below is a summary of funds allocated and spent during the year:

| Original Budget ZWG | Unallocated Reserve ZWG | Total Budget ZWG | Expenditure ZWG | Net Under Spending ZWG |
|---|---|---|---|---|
| 79 529 855 | 5 838 054 | 85 367 909 | 58 517 727 | 26 850 182 |

I have audited the Appropriation Account of the Zimbabwe Land Commission for the year ended December 31, 2024 and I issued an unmodified opinion.

### Opinion

In my opinion, the financial statements present fairly in all material respects, the state of affairs of the Zimbabwe Land Commission for the year ended December 31, 2024 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Budget Utilization

#### Finding

The total budget allocation for the Commission was ZWG85 367 909 while funding provided amounted to ZWG58 517 727 for operations resulting in a budget utilisation of 69% of the voted funds. However, the Commission had arrear payments of ZWG36 237 577 that could not be settled. Treasury was not able to provide adequate funding to support the payments and other budgeted/ planned programs of the Commission.

#### Risk/Implication

Not releasing funding as per budgeted amounts might negatively affect service delivery.

#### Recommendation

Management should liaise with Treasury to ensure that total budgeted funds are released timeously to meet the expenditure of the Commission.

#### Management Response

**The observation is noted. The Commission will continue to liaise with Treasury on funding of committed expenditures in the current year so as to avoid carrying over of**

**debts to the next financial year. However, with the introduction and migration to accrual basis, such issues will be systematically solved.**

## 1.2 Disaster Recovery/ Business Continuity Plan

### Finding

The Commission had no Disaster Recovery Plan to enable it to continue offering critical services in the event of a system disruption and to survive a disastrous interruption of services. Section 44 (1) (a) (i) of the Public Finance Management Act [*Chapter 22:19*], requires an Accounting Authority for a public entity to establish and maintain an effective and transparent system of financial and risk management and internal control.

### Risk/Implication

Data can be lost without recovery in the event of an unforeseen tragedy.

### Recommendation

The Commission should come up with a Disaster Recovery Plan to enable continuity of services in the event of a disaster.

### Management Response

**The observation is noted. A Risk Management and Disaster Recovery Plan workshop was conducted in October 2024 to produce Risk Registers and Disaster Recovery Plan. However, the Disaster Recovery Plan output could not be completed within the training programme resulting in postponement of production of the Disaster Recovery Plan to 2025. In this regard, the Disaster Recovery Plan would be produced by December 31, 2025.**

# 2 MANAGEMENT OF ASSETS

## 2.1 Maintenance of Asset Register

### Finding

The Commission did not upload assets on the Public Financial Management System (PFMS) asset register during the year under review in contravention of Section 100 (1) and (5) of the Public Finance Management (Treasury Instructions), 2019 which requires the director responsible for administration to ensure that the manual asset registers are reconciled regularly with the respective ministry's asset control account maintained on the PFMS. This was caused by lack of training of the administration personnel on how to capture the assets.

### Risk/Implication

The existence, ownership and accountability of state property may be compromised.

### Recommendation

The Commission should train personnel in the use of PFMS so that assets are uploaded on the System.

**Management Response**

**In the year 2024, the Commission reached out to the Ministry of Finance, Economic Development, and Investment Promotion, requesting the training on the SAP Asset Management Module. The Projects Office verbally conveyed that it was not ready to conduct training for the SAP Asset Management Module, citing ongoing alignment with IPSAS requirements. In 2025, the Commission intends to follow up with the Treasury regarding the availability of training for the SAP Asset Management Module. This initiative aims to implement the audit recommendations, as stipulated in the Treasury Instructions.**

## 3 PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Commission managed to address four out of five issues that were raised in my 2023 audit report as outlined below.

### 3.1 Risk Management Policy

The Commission now has a draft Risk Management Policy. A Workshop on risk management was done in the 2nd quarter of 2024.

### 3.2 Disaster Recovery/ Business Continuity Plan

The Commission was working on Disaster Recovery /Business Continuity Plan. Workshop was conducted in October 2024 with a Consultant facilitating the workshop but there was no Disaster Recovery Plan that was drafted.

### 3.3 Land Disputes and Complaints Resolution

The issue of land disputes was resolved.

### 3.4 Institutional Gender Policy

The Gender Policy was still work in progress. It was a chapter in the Human Resources Policy.

### 3.5 Gender Committee

The Commission managed to hold gender mainstreaming training on June 28, 2024 for the Gender Committee with facilitators from PSC Academy. The Gender Committee had three meetings in 2024.

## VOTE 39.- ZIMBABWE MEDIA COMMISSION

## APPROPRIATION ACCOUNT 2022-2023

### Mandate

The mandate of the Commission is to promote freedom of expression and equitable access of information. The Commission is also mandated to promote media development and contribute to the training of media practitioners.

Below is a summary of funds allocated and spent during the year 2023:

| Voted Funds<br><br>ZWL$ | Unallocated Reserve<br><br>ZWL$ | Total Allocated<br><br>ZWL$ | Expenditure<br><br>ZWL$ | Net Under spending<br><br>ZWL$ |
|---|---|---|---|---|
| 2 616 446 000 | 5 292 426 825 | 7 908 872 825 | 7 004 001 499 | 904 871 236 |

I have audited the financial statements of the Zimbabwe Media Commission for the year ended December 31, 2023 and I issued an unmodified opinion for both years.

### Opinion

In my opinion, the financial statements present fairly in all material respects, the state of affairs of the Zimbabwe Media Commission for the year ended December 31, 2023 in accordance with the Public Finance Management Act [*Chapter 22:19*] and other relevant Statutory Instruments.

Below are issues noted during the audit:

## 1 GOVERNANCE ISSUES

### 1.1 Supporting Documentation

#### Finding

There were no supporting vouchers for the acquisition of some non-financial assets amounting to ZWL$2.3 million. Section 69 (1) of Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] requires the procuring entity to keep separate records for each procurement for easy reference.

#### Risk/ Implication

The expenses may be misstated, or unauthorized expenses may be incurred.

#### Recommendation

Management should locate the missing vouchers and submit them for audit.

#### Management Response

**The Commission is trying to locate the missing vouchers. The missing vouchers were requested by the Procurement Unit when the Procurement Regulatory Authority of**

**Zimbabwe (PRAZ) were carrying out their audit, however, when the files were returned, these vouchers had been pulled out. The Procurement Unit is making some follow ups of the missing vouchers.**

## 1.2 Contract Management

### Finding

The Commission entered into contract for the procurement of seven (7) Toyota Hilux GD 6 and two (2) Fortuner for a total price of ZWL$205.5 million. The agreed delivery period was eight (8) weeks. At the time of audit, six (6) motor vehicles were not yet delivered.

### Risk/Implication

Financial loss as the vehicles might not be supplied or vehicles of different specifications might be delivered.

### Recommendation

Management should make follow ups with supplier in order to receive outstanding vehicles.

### Management Response

**The outstanding vehicles are yet to be delivered by the supplier (Earlgrey). The supplier has already submitted the Bills of Entry of the outstanding vehicles which are awaiting duty payment. The delay in the delivery was due to flooding of a Toyota vehicle plant in South Africa, where the supplier had intended to procure from. This then forced the supplier to look somewhere else for the vehicles. The supplier also indicated that, they received foreign currency allocation in small batches and it took time to fund one vehicle as the company had other customers whom they were supposed to supply the same vehicles.**

## 1.3 Risk Management and Internal Controls

### Findings

The Commission did not maintain a robust internal control systems to assist in providing direction, prevent losses and ensure effective performance. For instance, the Commission lost 77 335 litres worth ZWL$575.5 million of fuel due to fraud committed by the Commission's employee. This was contrary to Section 44 (1)(a) (i) of the Public Finance Management Act [*Chapter 22:19*] which requires Accounting Officers to maintain effective, efficient and transparent systems of financial and risk management and internal controls.

In addition, a fraud of ZWL$51.4 million was also perpetrated by staff through manipulation and falsification of records between the accounting packages.

### Risk/ Implication

Financial loss due to misappropriation of financial resources.

### Recommendations

Management should implement a robust internal control environment and ensure adherence thereof.

Management should investigate and recover the misappropriated funds.

**Management Response**

**The issue is noted and management has instituted the following changes:**

**Appointment of the Internal Audit manager to regularly review compliance to laid internal control systems and best practice. Separated collection, receiving and custody of fuel within the Administration unit. Introduced the use of requisition forms for fuel and office provisions; Inspection of registers for fuel and other inventory items on a regular basis to reduce the chances of fuel losses. The security guards are now inspecting all deliveries and appending their signatures or stamp as evidence. The issue was also picked by both the Accounts and Internal Audit Section and was reported to the Commercial Crimes Division and the matter is under investigation.**

### 1.4 Segregation of Duties

**Finding**

There was no segregation of duties in the receipting and issuance of fuel as at times one officer could receive and issue fuel due to staffing challenges in the Administration Unit. These functions are ordinarily supposed to be performed by different officers.

**Risk/Implication**

Fraud and error may go undetected.

**Recommendation**

Management should segregate incompatible duties.

**Management Response**

**The issue is noted and management has instituted the following changes to address the identified issue:**

**Separated collection, receiving and custody of fuel within the Administration unit; Introduced the use of requisition forms for fuel and office provisions. Inspection of registers for fuel and other inventory items on a regular basis was introduced to reduce the chances of fuel losses. The Security Guards are now inspecting all deliveries and append their signatures or stamp as evidence**

**The Commission was and is still seriously understaffed affecting segregation of duties as there were only two people (Administration Manager and Officer) in the section. Instead of three administration officers as per the structure, only one was in post hence the lack of segregation of duties.**

## 2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS

The Commission did not make progress in addressing audit findings that I raised in my previous report. Out of the four (4) findings that were raised in 2022 and 2023, one (1) was addressed and one (1) was partially addressed and two (2) were not addressed as indicated below:

### 2.1 Supporting documentation

The finding was addressed.

### 2.2 Contract management

The finding was partially addressed as other three (3) vehicles out of nine (9) are still outstanding.

### 2.3 Risk Management Policy

The finding was not addressed as the policy was not yet approved.

### 2.4 Submission of the Appropriation Account

The finding was not addressed. The Appropriation Account was submitted on September 29, 2023 way after the time prescribed with Section 35(6)(b)(i) of the Public Finance Management Act [*Chapter 22:19*].

# ANNEXURES

**ANNEXURE A**

**STATIONS VISITED**

| Vote No. | Ministry/Commissions | Total Number of Stations | Head Office | Number of Out stations Visited | |
|---|---|---|---|---|---|
| | | | 2024 | 2024 | 2023 |
| 1 | Office of the President and Cabinet | 89 | 1 | 4 | 12 |
| 2 | Parliament of Zimbabwe | 210 | 1 | 0 | 10 |
| 3 | Public Service, Labour and Social Welfare | 152 | 1 | 10 | 0 |
| 4 | Defence and War Veterans Affairs | 53 | 1 | 0 | 12 |
| 5 | Finance, Economic Development and Investment Promotion | 66 | 1 | 27 | 47 |
| 6 | Office of the Auditor-General | 1 | 1 | 0 | 1 |
| 7 | Industry and Commerce | 10 | 1 | 2 | 2 |
| 8 | Lands, Agriculture, Fisheries, Water and Rural Development | 1 405 | 1 | 14 | 1 |
| 9 | Mines and Mining Development | 14 | 1 | 0 | 1 |
| 10 | Environment, Climate and Wildlife | 51 | 2 | 0 | 1 |
| 11 | Transport and Infrastructural Development | 165 | 1 | 23 | 2 |
| 12 | Foreign Affairs and International Trade | 52 | 1 | 0 | 0 |
| 13 | Local Government and Public Works | 163 | 1 | 0 | 1 |
| 14 | Health and Child Care | 88 | 1 | 18 | 38 |
| 15 | Primary and Secondary Education | 590 | 1 | 32 | 15 |
| 16 | Higher and Tertiary Education, Innovation, Science and Technology Development | 44 | 1 | 6 | 4 |
| 17 | Women Affairs, Community, Small and Medium Enterprises Development | 75 | 1 | 0 | 10 |
| 18 | Home Affairs and Cultural Heritage | 611 | 1 | 13 | 5 |
| 19 | Justice, Legal and Parliamentary Affairs | 98 | 1 | 0 | 18 |
| 20 | Information, Publicity and Broadcasting Services | 8 | 1 | 0 | 0 |
| 21 | Youth Empowerment, Development and Vocational Training | 122 | 1 | 0 | 1 |
| 22 | Energy and Power Development | 2 | 1 | 1 | 0 |
| 23 | Information Communication Technology, Postal and Courier Services | 1 | 1 | 0 | 0 |
| 24 | National Housing and Social Amenities | 76 | 1 | 0 | 1 |
| 25 | Veterans of the Liberations Struggle Affairs | 40 | 1 | 6 | 0 |
| 26 | Tourism and Hospitality Industry | 11 | 0 | 0 | 0 |
| 27 | Sports, Recreation, Arts and Culture | 68 | 1 | 0 | 0 |
| 28 | Skill Audit and Development | 1 | 1 | 0 | 0 |
| 29 | Judicial Service Commission | 66 | 1 | 0 | 1 |
| 30 | Public Service Commission | 90 | 1 | 3 | 1 |
| 31 | National Council of Chiefs | 127 | 1 | 0 | 1 |
| 32 | Zimbabwe Human Rights Commission | 5 | 1 | 0 | 1 |
| 33 | National Peace and Reconciliation Commission | 4 | 1 | 0 | 1 |
| 34 | National Prosecuting Authority | 53 | 1 | 0 | 0 |
| 35 | Zimbabwe Anti-Corruption Commission | 10 | 1 | 0 | 1 |

| Vote No. | Ministry/Commissions | Total Number of Stations | Head Office | Number of Out stations Visited | |
|---|---|---|---|---|---|
| 36 | Zimbabwe Electoral Commission | 79 | 1 | 5 | 1 |
| 37 | Zimbabwe Gender Commission | 5 | 1 | 0 | 1 |
| 38 | Zimbabwe Land Commission | 9 | 1 | 0 | 0 |
| 39 | Zimbabwe Media Commission | 1 | 1 | 0 | 1 |
| | **Total** | **4 715** | **39** | **169** | **191** |

**ANNEXURE B**

**MINISTRIES AND COMMISSIONS AUDIT OPINIONS**

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| 1 | **Office of the President and Cabinet** | | | | | | | | |
| | Appropriation Account | 2024<br>2023 | Unmodified<br>Unmodified | - | - | 2022 | Unmodified | - | - |
| | State Enterprises Restructuring Agency | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021<br>2020<br>2019 | Unmodified<br>Unmodified<br>Unmodified |
| 2 | **Parliament of Zimbabwe** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2022 | Qualified | - | - | 2021 | Qualified |
| | | 2023 | Qualified | - | - | - | - | - | - |
| | Constituency Development Fund | 2022 | No opinion issued | 2018<br>2021 | No opinion issued | - | - | - | - |
| 3 | **Public Service, Labour and Social Welfare** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Unmodified | 2022 | Unqualified | 2021 | Qualified |
| | Cash Transfer Scheme for Urban Vulnerable Persons Fund | 2023 | Qualified | 2022 | Unmodified | - | - | 2021<br>2020 | Unmodified<br>Unmodified |
| | Child Welfare Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021<br>2020 | Unmodified<br>Unmodified |
| | Children on the Streets Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021<br>2020 | Unmodified<br>Unqualified |
| | Community Recovery Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021<br>2020 | Unmodified<br>Unmodified |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| | Disabled Persons Fund | 2023 | Qualified | 2022 | Unmodified | - | - | 2021<br>2020<br>2019 | Unmodified<br>Unmodified<br>Unmodified |
| | Drug and Substance Abuse Mitigation Fund | 2023 | Unmodified | 2022 | - | - | - | - | - |
| | National Drought Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021<br>2020 | Unmodified<br>Unmodified |
| | Older Persons Fund | 2023 | Qualified | 2022 | Unmodified | 2021 | Unqualified | 2020 | Unmodified |
| | Sustainable Livelihoods Fund | 2023 | Qualified | 2022 | Unqualified | - | - | | |
| | Yvonne Parfitt Homes for the Aged Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021 | Unmodified |
| **4** | **Defence** | | | | | | | | |
| | Appropriation Account | 2023 | Unmodified | 2022 | Qualified | - | - | 2021<br>2020 | Qualified<br>Qualified |
| | Defence Procurement Fund | 2021 | Qualified | - | - | - | - | - | - |
| | National Heroes' Dependants Fund | 2023 | Qualified | - | - | - | - | - | - |
| | | 2022 | Unmodified | | | | | | |
| | | 2021 | Qualified | | | | | | |
| **5** | **Ministry of Finance and Economic Development** | | | | | | | | |
| | Appropriation Account | 2023 | Adverse | | | | | | |
| | National Development Fund | 2022<br>2021<br>2020 | Qualified<br>Qualified<br>Qualified | - | - | - | - | - | - |
| | Public Financial Management System | 2024<br>2023 | No opinion issued | - | - | - | - | - | - |
| | | | | - | - | - | - | - | - |
| | State Assets Disposal Fund | 2019<br>2018<br>2017 | Disclaimer<br>Disclaimer<br>Disclaimer | | | | | | |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| | | 2016<br>2015<br>2014 | Disclaimer<br>Disclaimer<br>Disclaimer | | | | | | |
| | Statement of Contingent Liabilities | 2020 | Qualified | - | - | - | - | - | - |
| | Statement of Public Debt | 2020 | Qualified | - | - | - | - | - | - |
| **6** | **Office of the Auditor General** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | - | - | - | - | - | - |
| **7** | **Industry and Commerce** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Qualified | 2022 | Qualified | 2021 | Unmodified |
| | Standards Development Fund | 2023 | Qualified | 2022 | Qualified | - | - | 2021<br>2020 | Unmodified<br>Unmodified |
| **8** | **Lands, Agriculture, Fisheries, Water and Rural Development** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Qualified | 2022 | Qualified | 2021 | Unqualified |
| | Agriculture Revolving Fund | 2023<br>2022 | Disclaimer<br>Disclaimer | - | - | 2021<br>2020<br>2019 | Qualified<br>Qualified<br>Qualified | - | - |
| | Lands Compensation Fund | 2023 | Disclaimer | 2022 | Disclaimer | 2021 | Qualified | 2020 | Unmodified |
| | National Co-ordinating Unit Account | 2023<br>2022<br>2021 | Unmodified<br>Unmodified<br>Unmodified | - | - | - | - | - | - |
| | Pig Levy Fund | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified | 2020 | Unmodified |
| | Tobacco Levy Fund | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified | 2020<br>2019 | Unmodified |
| | Water Fund | 2023 | Qualified | | | | | | |
| **9** | **Mines and Mining** | | | | | | | | |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| | **Development** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified |
| | Mining Industry Loan Fund | 2023 | Qualified | | | | | | |
| | Special Gold Unit Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021 | Unmodified |
| **10** | **Environment, Climate and Wildlife** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Qualified | 2022 | Qualified | 2021 | Unmodified |
| | Meteorological Services Fund | 2023<br>2022<br>2021<br>2020 | Adverse<br>Adverse<br>Adverse<br>Adverse | - | - | - | - | 2019 | Unmodified |
| **11** | **Transport and Infrastructural Development** | | | | | | | | |
| | Appropriation Account | 2024<br>2023 | Qualified<br>Qualified | - | - | - | - | - | - |
| | Department of Roads Fund | 2023<br>2022 | Qualified<br>Qualified | 2021 | Qualified | 2020<br>2019 | Qualified<br>Qualified | - | - |
| **12** | **Foreign Affairs and International Trade** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Qualified | 2022 | Qualified | 2021 | Qualified |
| **13** | **Local Government and Public Works** | | | | | | | | |
| | Appropriation Account | 2024<br>2023 | Qualified<br>Qualified | - | - | 2022 | Qualified | 2021 | Qualified |
| | National Civil Protection Fund | 2021<br>2022<br>2023 | Qualified<br>Qualified<br>Qualified | - | - | - | - | - | - |
| **14** | **Health and Child Care** | | | | | | | | |
| | Appropriation Account | 2024 | Adverse | 2023 | Qualified | 2022 | Qualified | 2021 | Qualified |
| | Health Services Fund | 2023 | Adverse | 2022 | Adverse | 2021 | Qualified | 2020<br>2019 | Qualified<br>Qualified |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| **15** | **Primary and Secondary Education** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Unqualified | 2022 | Qualified | 2021 | Qualified |
| | School Services Fund | 2023 | Adverse | 2022 | Qualified | 2021 | Qualified | 2020<br>2019 | Qualified<br>Qualified |
| **16** | **Higher and Tertiary Education, Innovation, Science and Technology Development** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | - | - | - | - | - | - |
| | Appropriation Account | 2023 | Adverse | - | - | 2022 | Adverse | - | - |
| | Amenities Fund | 2022 | Disclaimer | 2021<br>2020<br>2019 | Disclaimer<br>Disclaimer<br>Disclaimer | - | - | 2018 | Disclaimer |
| | Innovation And Commercialization Fund | 2023<br>2022<br>2021<br>2020<br>2019 | Disclaimer<br>Disclaimer<br>Disclaimer<br>Disclaimer<br>Disclaimer | - | - | - | - | - | - |
| | National Education and Training Fund | 2023<br>2022 | Adverse<br>Adverse | 2021<br>2020 | Qualified<br>Qualified | - | - | 2019 | Qualified |
| | Tertiary Education and Training Development Fund | 2021<br>2020 | Disclaimer<br>Disclaimer | - | - | 2019 | Disclaimer | - | - |
| | | | | | | | | | |
| **17** | **Women Affairs, Community, Small and** | | | | | | | | |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| | **Medium Enterprises Development** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified |
| | Women Development Fund | 2023 | Unmodified | 2022<br>2021 | Qualified<br>Qualified | 2020 | Qualified | 2019 | Unmodified |
| | Small and Medium Enterprises Revolving Fund | 2023<br>2022 | Unmodified<br>Unmodified | - | - | 2021<br>2020 | Qualified<br>Qualified | 2019<br>2018 | Disclaimer<br>Disclaimer |
| | Zimbabwe Community Development Fund | 2023<br>2022<br>2021 | Qualified<br>Qualified<br>Qualified | - | - | - | - | - | - |
| **18** | **Home Affairs and Cultural Heritage** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Qualified | 2022 | Qualified | 2021 | Unmodified |
| **19** | **Justice, Legal and Parliamentary Affairs** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023<br>2022 | Qualified<br>Adverse | - | - | 2021 | Unmodified |
| | Courts Administration Fund | 2022<br>2021 | Unmodified<br>Unmodified | - | - | - | - | 2019 | Unmodified |
| | Guardian's Fund | 2023 | Unmodified | 2022<br>2021 | Qualified<br>Unmodified | - | - | 2020 | Unmodified |
| | Legal Aid Fund | 2023<br>2022<br>2021 | Qualified<br>Qualified<br>Qualified | - | - | 2020<br>2019 | Unmodified<br>Unmodified | - | - |
| **20** | **Information, Publicity and Broadcasting Services** | | | | | | | | |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified |
| **21** | **Youth Empowerment, Development and Vocational Training** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Qualified | 2022 | Unmodified | 2021 | Unmodified |
| | Youth Development and Employment Creation Fund | 2020 | Disclaimer | 2019 | Disclaimer | - | - | 2018 | Qualified |
| **22** | **Energy and Power Development** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Qualified | 2022 | Unmodified | 2021 | Unmodified |
| **23** | **Information Communication Technology, Postal and Courier Services** | | | | | | | | |
| | Appropriation Account | 2024<br>2023 | Unmodified<br>Unmodified | - | - | 2022 | Qualified | 2021 | Unmodified |
| **24** | **National Housing and Social Amenities** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Qualified | 2022 | Unmodified | 2021 | Unmodified |
| | Civil Service Housing Loan Fund | 2023 | Unmodified | 2022<br>2021<br>2020 | Qualified | 2019<br>2018<br>2017 | Unmodified<br>Unmodified<br>Unmodified | - | - |
| | Housing and Guarantee Fund | 2023 | Qualified | 2022<br>2021 | Qualified<br>Qualified | - | - | 2020 | Unmodified |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| **25** | **Veterans of the Liberations Struggle Affairs** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | - | - | - | - | - | - |
| | Veterans of the Liberations Struggle Affairs Fund | 2023 | Qualified | - | - | - | - | - | - |
| | War Veterans Fund | 2022<br>2021 | Qualified<br>Qualified | - | - | - | - | - | - |
| **26** | **Tourism and Hospitality** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | - | - | - | - | - | - |
| **27** | **Sports, Recreation, Arts and Culture** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | - | - | - | - | - | - |
| **28** | **Skills Audit and Development** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | - | - | - | - | - | - |
| **29** | **Judicial Services Commission** | | | | | | | | |
| | Appropriation | 2024 | Unmodified | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified |
| | Courts Administration Fund | 2022<br>2021 | Unmodified | - | - | - | - | - | - |
| | | | | | | | | | |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| **30** | **Public Service Commission** | | | | | | | | |
| | Appropriation Account | 2024 | Qualified | 2023 | Unmodified | 2022 | Qualified | 2021 | Unmodified |
| | Civil Service Funeral Assistance Fund | 2023 | Unmodified | 2022 | Unmodified | - | - | 2021<br>2020<br>2019 | Unmodified<br>Unmodified<br>Unmodified |
| | Civil Service Training Loan Fund | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified | 2020<br>2019 | Unmodified<br>Unmodified |
| | Government Employees Mutual Savings Fund | 2022 | Qualified | 2021 | Unmodified | - | - | - | - |
| | Public Services Pension Management Fund | 2021<br>2020 | Qualified<br>Qualified | - | - | - | - | - | - |
| | | 2019 | Unmodified | | | | | | |
| | Skills Attraction, Retention and Development Fund | 2023 | Qualified | 2022<br>2021 | Unmodified<br>Unmodified | - | - | 2020<br>2019 | Unmodified<br>Unmodified |
| **31** | **National Council of Chiefs** | | | | | | | | |
| | Appropriation Account | 2024<br>2023 | Qualified<br>Qualified | - | - | 2022 | Qualified | 2021 | - |
| **32** | **Zimbabwe Human Rights Commission** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Unmodified | 2022 | Unmodified | 2021 | Unmodified |
| | | | | | | | | | |
| | | | | | | | | | |

| Vote No | Ministry / Commission | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion | Financial Year | Audit Opinion |
|---|---|---|---|---|---|---|---|---|---|
| | | 2024 AG Report | | 2023 AG Report | | 2022 AG Report | | 2021 AG Report | |
| **34** | **National Prosecuting Authority** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Qualified | 2022 | Qualified | 2021 | Unmodified |
| **35** | **Zimbabwe Anti-Corruption Commission** | | | | | | | | |
| | Appropriation Account | 2022 | Qualified | 2023 | - | 2022 | - | 2021 | - |
| **36** | **Zimbabwe Electoral Commission** | | | | | | | | |
| | Appropriation Account | 2024<br>2023 | Unmodified<br>Unmodified | | - | 2022 | - | 2021 | - |
| **37** | **Zimbabwe Gender Commission** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Unmodified | 2022 | Qualified | 2021 | Unmodified |
| **38** | **Zimbabwe Land Commission** | | | | | | | | |
| | Appropriation Account | 2024 | Unmodified | 2023 | Unmodified | 2022 | Qualified | 2021 | Unmodified |
| **39** | **Zimbabwe Media Commission** | | | | | | | | |
| | Appropriation Account | 2022 | Unmodified | 2023 | Unmodified | 2022 | Qualified | 2021 | Unmodified |

**ANNEXURE C**

**RESUBMISSIONS OF 2024 APPROPRIATION ACCOUNTS**

| Vote | Ministry/Commission | Date of initial Submission of Appropriation Account | Date of Resubmission |
|---|---|---|---|
| 1 | Office of the President and Cabinet | February 24, 2025 | June 18, 2025 |
| 2 | Parliament of Zimbabwe | February 28, 2025 | April 16, 2025<br>May 21, 2025<br>June 10, 2025<br>June 11, 2025 |
| 3 | Public Service, Labour and Social Welfare | March 3, 2025 | May 7, 2025<br>May 14, 2025<br>May 20, 2025<br>June 6, 2025 |
| 5 | Finance and Economic Development | - | - |
| 6 | Audit Office | - | - |
| 7 | Industry and Commerce | March 7, 2025 | May 6, 2025 |
| 8 | Lands, Agriculture, Fisheries, Water and Rural Development | March 3, 2025 | April 23,2025<br>May 6, 2025<br>May 28, 2025<br>June 3, 2025 |
| 9 | Mines and Mining Development | February 28, 2025 | May 1, 2025 |
| 10 | Environment, Climate and Wildlife | March 10, 2025 | March 21, 2025<br>April 11, 2025<br>June 5, 2025 |
| 11 | Transport and Infrastructural Development | March 4, 2025 | April 28, 2025<br>May 4, 2025<br>May 9, 2025<br>May 12, 2025<br>May 14, 2025 |
| 12 | Foreign Affairs and International Trade | | No resubmission |
| 13 | Local Government and Public Works | March 3, 2025 | May 29, 2025<br>June 11, 2025 |

| Vote | Ministry/Commission | Date of initial Submission of Appropriation Account | Date of Resubmission |
|---|---|---|---|
| 14 | Health and Child Care | February 28, 2025 | May 28, 2025 |
| 15 | Primary and Secondary Education | March 18, 2025 | May 5, 2025<br>May 16, 2025<br>May 20, 2025 |
| 16 | Higher and Tertiary Education, Innovation, Science and Technology Development | March 18, 2025 | April 17, 2025<br>May 14, 2025<br>May 28, 2025 |
| 17 | Women Affairs, Community, Small and Medium Enterprises Development | January 30, 2025 | May 16, 2025<br>May 19, 2025 |
| 18 | Home Affairs and Cultural Heritage | May 30, 2025 | June 17, 2025 |
| 19 | Justice, Legal and Parliamentary Affairs | March 04, 2025 | March 12, 2025<br>April 15, 2025<br>April 30, 2025 |
| 20 | Information, Publicity and Broadcasting Services | March 03, 2025 | March 21, 2025<br>May 22,2025 |
| 21 | Youth Empowerment, Development and Vocational Training | March 04, 2025 | June 04, 2025 |
| 22 | Energy and Power Development | February 28, 2025 | May 22. 2025 |
| 23 | Information Communication Technology, Postal and Courier Services | February 28, 2025 | April 28, 2025 |
| 24 | National Housing and Social Amenities | March 12, 2025 | April 8, 2025<br>June 06, 2025 |
| 25 | Veterans of the Liberations Struggle Affairs | February 28, 2025 | June 11, 2025 |
| 26 | Tourism and Hospitality Industry | March 03, 2025 | March 10, 2025<br>March 27, 2025<br>April 10, 2025 |
| 27 | Sport, Recreation, Arts and Culture | February 28,2025 | May 5, 2025 |
| 28 | Skills Audit and Development | February 28, 2025 | No resubmission |
| 29 | Judicial Service Commission | February 28, 2025 | April 10, 2025 |
| 30 | Public Service Commission | March 03, 2025 | June 09, 2025 |
| 31 | National Council of Chiefs | March 05, 2025 | May 23, 2025 |
| | | | |

| Vote | Ministry/Commission | Date of initial Submission of Appropriation Account | Date of Resubmission |
|---|---|---|---|
| 32 | Zimbabwe Human Rights Commission | - | No resubmission |
| 33 | National Peace and Reconciliation Commission | - | - |
| 34 | National Prosecuting Authority | February 28, 2025 | May 14, 2025<br>May 22, 2025<br>June 2, 2025 |
| 35 | Zimbabwe Anti-Corruption Commission | - | - |
| 36 | Zimbabwe Electoral Commission | - | - |
| 37 | Zimbabwe Gender Commission | March 4, 2025 | April 02, 2025<br>May 15, 2025 |
| 38 | Zimbabwe Land Commission | - | - |
| 39 | Zimbabwe Media Commission | - | - |

**ANNEXURE D**

**ANALYSIS OF BUDGET UTILISATION BY MINISTRIES/COMMISSIONS**

| Vote | Name | Original budget ZWG | Unallocated Reserves ZWG | Total Budget ZWG | Expenditure Amount Reported ZWG | Underspending/ (Overspending) ZWG | Percentage Utilisation % |
|---|---|---|---|---|---|---|---|
| 2 | Parliament of Zimbabwe | 1 051 682 692 | 423 068 790 | 1 474 751 482 | 873 234 006 | 601 517 476 | 59% |
| 3 | Public Service, Labour and Social Welfare | 3 562 263 370 | 5 587 000 | 3 567 850 370 | 589 479 087 | 2 978 371 283 | 17% |
| 6 | Office of the Auditor General | 197 758 331 | - | 197 758 331 | 55 301 352 | 142 456 979 | 28% |
| 7 | Industry and Commerce | 203 536 643 | 4 170 984 | 207 707 627 | 97 227 401 | 110 480 226 | 47% |
| 9 | Mines and Mining Development | 199 381 522 | 7 333 392 | 206 714 914 | 189 240 161 | 17 474 753 | 92% |
| 10 | Environment, Climate and Wildlife | 203 540 907 | 45 232 902 | 248 773 809 | 104 527 019 | 144 246 790 | 42% |
| 11 | Transport and Infrastructural Development | 1 732 622 145 | 3 330 011 289 | 5 062 269 434 | 5 212 919 259 | (150 285 825) | 103% |
| 13 | Local Government and Public Works | 1 833 137 298 | 427 767 727 | 2 260 905 024 | 4 901 147 826 | (2 640 242 802) | 217% |
| 14 | Health and Child Care | 9 483 013 455 | - | 9 483 013 455 | 7 453 988 622 | 2 029 024 833 | 79% |
| 15 | Primary and Secondary Education | 11 968 109 269 | 6 208 781 648 | 18 176 890 917 | 14 171 238 215 | 4 005 652 702 | 78% |
| 16 | Higher and Tertiary Education, Innovation, Science and Technology Development. | 3 549 248 515 | 950 780 506 | 4 500 029 021 | 3 602 174 248 | 897 854 773 | 80% |

| Vote | Name | Original budget<br>ZWG | Unallocated Reserves<br>ZWG | Total Budget<br>ZWG | Expenditure Amount Reported<br>ZWG | Underspending/ (Overspending)<br>ZWG | Percentage Utilisation<br>% |
|---|---|---|---|---|---|---|---|
| 17 | Women Affairs, Community, Small and Medium Enterprises Development | 312 705 382 | 103 961 100 | 416 666 482 | 259 108 916 | 157 557 566 | 62% |
| 19 | Justice, Legal and Parliamentary Affairs | 1 619 620 426 | 1 184 783 562 | 2 804 403 988 | 1 987 776 004 | 816 627 984 | 71% |
| 20 | Information, Publicity and Broadcasting Services | 183 834 285 | 25 395 180 | 209 229 465 | 151 612 949 | 57 616 516 | 72% |
| 21 | Youth Empowerment, Development and Vocational Training | 392 653 065 | - | 392 653 065 | 288 208 730 | 104 444 335 | 73% |
| 22 | Energy and Power Development | 135 340 730 | 155 093 497 | 290 434 227 | 101 118 465 | 189 315 762 | 35% |
| 23 | Information Communication Technology, Postal and Courier Services | 278 366 304 | 27 465 301 | 305 831 605 | 161 828 016 | 144 003 589 | 53% |
| 24 | National Housing and Social Amenities | 530 319 332 | 935 536 696 | 1 465 856 028 | 1 018 904 716 | 446 951 312 | 70% |

| Vote | Name | Original budget<br>ZWG | Unallocated Reserves<br>ZWG | Total Budget<br>ZWG | Expenditure Amount Reported<br>ZWG | Underspending/ (Overspending)<br>ZWG | Percentage Utilisation<br>% |
|---|---|---|---|---|---|---|---|
| 25 | Veterans of the Liberation Struggle Affairs | 333 214 761 | - | 333 214 761 | 156 684 198 | (177 083 699) | 53% |
| 26 | Tourism and Hospitality Industry | 121 802 563 | - | 121 802 563 | 81 152 917 | 40 649 646 | 67% |
| 27 | Sport, Recreation, Arts and Culture | 204 677 149 | - | 204 677 149 | 147 116 938 | 57 560 211 | 72% |
| 28 | Skills Audit and Development | 64 671 268 | 78 301 392 | 142 972 660 | 55 578 038 | 87 394 622 | 39% |
| 29 | Judicial Services Commission | 411 711 991 | 265 712 611 | 677 424 602 | 630 287 256 | 47 137 346 | 93% |
| 30 | Public Service Commission | 2 145 575 137 | 232 116 427 | 2 377 691 564 | 1 089 681 224 | 1 288 010 340 | 46% |
| 31 | National Council of Chiefs | 60 004 415 | 70 326 422 | 130 330 837 | 36 120 882 | 94 209 955 | 28% |
| 32 | Zimbabwe Human Rights Commission | 63 277 882 | 9 887 413 | 73 165 295 | 47 061 958 | 26 103 337 | 64% |
| 34 | National Prosecuting Authority | 147 645 201 | 33 747 329 | 181 392 530 | 167 197 569 | 14 284 961 | 92% |
| 36 | Zimbabwe Electoral Commission | 177 705 137 | - | 177 705 137 | 161 419 932 | 16 285 206 | 91% |
| 37 | Zimbabwe Gender Commission | 72 919 261 | 17 041 712 | 89 960 973 | 80 431 393 | 9 529 580 | 89% |
| 38 | Zimbabwe Land Commission | 79 529 855 | 5 838 054 | 85 367 909 | 58 517 727 | 26 850 182 | 69% |
| | **TOTAL** | **41 319 868 291** | **14 547 940 934** | **55 867 445 224** | **43 930 285 024** | **11 583 999 939** | **79%** |

**ANNEXURE E**

**CONSTITUTIONAL AND STATUTORY APPROPRIATIONS**

| ANALYSIS OF BUDGET UTILISATION BY MINISTRIES/COMMISSIONS | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Vote** | **Name** | **Original budget** **ZWG** | **Warrants** **ZWG** | **Total Budget** **ZWG** | **Expenditure Amount Reported** **ZWG** | **Underspending/ (Overspending) ZWG** | **Percentage Utilisation** **%** |
| 2 | Parliament of Zimbabwe | 1 374 742 | 612 220 | 1 986 962 | 1 667 617 | 319 345 | 84% |
| 3 | Public Service, Labour and Social Welfare | 300 481 | - | 300 481 | 1 422 857 | (1 122 376) | 474% |
| 6 | Office of the Auditor General | 473 946 | - | 473 946 | 70 000 | 403 946 | 15% |
| 13 | Local Government and Public Works | 3 870 664 202 | - | 3 870 664 202 | 435 188 726 | 3 435 475 476 | 11% |
| 19 | Justice, Legal and Parliamentary Affairs | 3 471 193 | 2 150 152 | 5 621 345 | 5 304 861 | 316 484 | 94% |
| 25 | Veterans of the Liberation Struggle Affairs | 75 120 192 | - | 75 120 192 | 5 000 000 | 70 120 192 | 7% |
| 29 | Judicial Services Commission | 50 581 088 | - | 50 581 088 | 61 852 936 | (11 271 848) | 122% |
| 30 | Public Service Commission | 6 868 892 522 | 4 311 231 982 | 11 180 124 504 | 10 134 199 743 | 1 045 924 761 | 91% |
| 31 | National Council of Chiefs | 316 460 926 | 449 161 688 | 765 622 614 | 467 838 443 | 297 784 171 | 61% |
| 34 | National Prosecuting Authority | 543 989 | 683 413 | 1 227 402 | 1 227 392 | 10 | 99.9% |
| | **Total** | **11 187 883 281** | **4 763 839 455** | **15 951 722 736** | **11 113 772 575** | **4 837 950 161** | **70%** |

**ANNEXURE F**

**DIRECT PAYMENTS**

| VOTE | MINISTRY/COMMISSION | DIRECT PAYMENTS PER TREASURY (USD$) | DIRECT PAYMENTS CONFIRMED BY MDA (USD$) | VARIANCE (USD$) |
|---|---|---|---|---|
| 1 | Office of the President and Cabinet | 358 887 150.33 | - | 358 887 150.33 |
| 2 | Parliament of Zimbabwe | 10 270 064.71 | 10 270 064.71 | - |
| 3 | Public Service, Labour and Social Welfare | 1 030 860.00 | 1 030 860.00 | - |
| 4 | Defence | 295 468 825.45 | 295 468 825.45 | - |
| 5 | Finance, Economic Development and Investment Promotion | 152 410 450.70 | 410 450.70 | 152 000 000.00 |
| 6 | Office of The Auditor-General | 2 730.00 | - | 2 730.00 |
| 7 | Industry and Commerce | 598.00 | 598.00 | - |
| 8 | Lands, Agriculture, Fisheries, Water, and Rural Development | 517 468 305.62 | 485 571 361.13 | 31 896 944.49 |
| 9 | Mines and Mining Development | 676 203.25 | 583 976.85 | 92 226.40 |
| 10 | Environment, Climate and Wildlife | 972 231.88 | 603 630.20 | 368 601.68 |
| 11 | Transport and Infrastructural Development | 255 689 192.52 | 7 294 778.82 | 248 394 413.70 |
| 12 | Foreign Affairs and International Trade | 76 736 856.79 | 76 736 856.79 | - |
| 13 | Local Government and Public Works | 74 736 856.79 | 72 981 895,45 | 1 754 961.34 |
| 14 | Health and Child Care | 22 656 013.17 | 19 520 963.00 | 3 135 050.17 |
| 15 | Primary and Secondary Education | 2 982 498.50 | 2 982 498.50 | - |
| 16 | Higher and Tertiary Education, Innovation Science and Technology Development | 59 830 409.00 | 59 830 409.00 | - |
| 17 | Women's Affairs, Community, Small and Medium Enterprises Development | 204 990 881.00 | 204 990 881.00 | - |
| 18 | Home Affairs and Cultural Heritage | 148 342 037.67 | - | 148 342 037.67 |
| 19 | Justice, Legal and Parliamentary Affairs | 3 181 486.53 | 3 181 486.53 | - |
| 20 | Information, Publicity and Broadcasting Services | 2 550 690.43 | - | 2 550 690.43 |
| 22 | Energy and Power Development | 7 189 865.61 | - | 7 189 865.61 |
| 23 | Information Communication Technology, Postal and Courier Services | 1 697 923.83 | 1 697 923.83 | - |
| 24 | National Housing and Social Amenities | 54 808 101.58 | 54 808 101.58 | - |
| 27 | Sports, Recreation, Arts and Culture | 860 897.62 | | 860 897.62 |
| 28 | Skills, Audit and Development | 685 840.00 | 685 840.00 | - |

| VOTE | MINISTRY/COMMISSION | DIRECT PAYMENTS PER TREASURY (USD$) | DIRECT PAYMENTS CONFIRMED BY MDA (USD$) | VARIANCE (USD$) |
|---|---|---|---|---|
| 29 | Judicial Service Commission | 930 363.92 | - | 930 363.92 |
| 30 | Public Service Commission | 394 383 621.57 | 394 383 621.57 | - |
| 31 | National Council of Chiefs | 43 825.00 | - | 43 825.00 |
| 35 | Zimbabwe Anti- Corruption Commission | 1 199 594.94 | - | 1 199 594.94 |
| 36 | Zimbabwe Electoral Commission | 366 611.93 | 366 611.93 | - |
| 37 | Zimbabwe Gender Commission | 1 633 140.00 | 2 677 760.00 | - 1 044 620.00 |
| 38 | Zimbabwe Land Commission | 500.00 | - | 500.00 |
| 39 | Zimbabwe Media Commission | 4 313.73 | 4 313.73 | - |
| | **Total** | **1 986 391 796.94** | **1 388 673 713.97** | **597 718 082.97** |

**ANNEXURE G**

**STATEMENT OF PAYMENT ARREARS REPORTED BY MINISTRIES AND COMMISSIONS**

| Vote No. | Ministry/Commissions | ZWG | US$ | Rand | Euro |
|---|---|---|---|---|---|
| 1 | Office of the President | - | - | - | - |
| 2 | Parliament of Zimbabwe | 211 920 773 | - | - | - |
| 3 | Public Service, Labour and Social Welfare | 117 938 608 | 12 005 410 | - | - |
| 7 | Industry and Commerce | 22 911 168 | - | - | - |
| 8 | Lands, Agriculture, Fisheries, Water and Rural Development | 9 696 270 525 | - | - | - |
| 9 | Mines and Mining Development | 8 374 229 | - | - | - |
| 10 | Environment, Climate Change, Tourism and Hospitality Industry | 22 031 255 | 456 270 | - | - |
| 11 | Transport and Infrastructural Development | 449 345 576 | - | - | - |
| 12 | Foreign Affairs and International Trade | 9 070 976 | 2 055 223 | | 59 983 |
| 13 | Local Government and Public Works | 151 160 703 | 3 675 149 | - | - |
| 14 | Health and Child Care | 864 395 415 | 16 539 691 | 733 058 | |
| 15 | Primary and Secondary Education | 142 144 959 | 4 499 564 | - | - |
| 16 | Higher and Tertiary Education, Innovation, Science and Technology Development | 14 155 447 | - | - | - |
| 17 | Women Affairs, Community, Small and Medium Enterprises Development | 24 463 724 | - | - | - |
| 18 | Home Affairs and Cultural Heritage | - | - | - | - |
| 19 | Justice, Legal and Parliamentary Affairs | 447 824 466 | 920 286 | | 39 483 |
| 20 | Information, Publicity and Broadcasting Services | 65 205 415 | | | |
| 21 | Youth, Sports, Arts and Recreation | 44 554 158 | - | - | - |
| 22 | Energy and Power Development | 5 443 537 | 184 649 | | 115 243 |
| 23 | Information Communication Technology and Courier Services | 73 374 866 | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| 24 | National Housing and Social Amenities | 74 443 805 | - | - | - |
| 25 | Veterans of the Liberations Struggle Affairs | 20 322 785 | 20 324 385 | | |
| 26 | Tourism and Hospitality Industry | 1 028 239 | 386 267 | - | - |
| 27 | Sports, Recreation, Arts and Culture | 28 119 233 | - | - | - |
| 28 | Skills Audit and Development | 3 460 687 | | | |
| 29 | Judicial Services Commission | 281 834 765 | | | |
| 30 | Public Service Commission | 1 902 051 835 | - | - | - |
| 31 | National Council of Chiefs | 5 778 455 | - | - | - |
| 32 | Zimbabwe Human Rights Commission | - | - | - | - |
| 33 | National Peace and Reconciliation Commission | - | - | - | - |
| 34 | National Prosecuting Authority | 12 930 485 | - | - | - |
| 35 | Zimbabwe Anti-Corruption Commission | - | - | - | - |
| 36 | Zimbabwe Electoral Commission | - | - | - | - |
| 37 | Zimbabwe Gender Commission | 5 934 722 | | | |
| 38 | Zimbabwe Land Commission | 36 237 577 | - | - | - |
| 39 | Zimbabwe Media Commission | | | | |
| | **Total** | **ZWG14 742 728 388** | **US$61 046 894** | **ZAR733 058** | **€214 709** |

**ANNEXURE H**

**UNDELIVERED GOODS as at May 30, 2025**

| Vote | Ministry | Description of goods | Year of Purchase | Qty | Purchase Value | | |
|---|---|---|---|---|---|---|---|
| | | | | | ZWL | ZWG | US$ |
| 5 | Finance, Economic Development and Investment Promotion | Toyota Hilux GD6 double cab motor vehicles | | 4 | | | 243 352 |
| 7 | Industry and Commerce | Super link trailer | | 1 | | | 78 900 |
| 8 | Lands, Agriculture, Fisheries, Water and Rural Development | Toyota Hilux Double cab Motor Vehicle | 2022 | 1 | - | - | - |
| | | Tablets | 2023 | 5 | 11 361 507 | | |
| | | Voice recorder | 2023 | 1 | 6 525 000 | | |
| | | Desks | 2023 | 7 | 143 701 688 | | |
| | | Chairs | 2023 | 7 | 41 941 457 | | |
| | | Filing Cabinet | 2024 | 1 | | 30 400 | |
| | | I Phone Accessories | 2024 | 1 | | 3 300 | |
| | | 20KM Boundary Fence | 2024 | 1 | | 2 784 849 | |
| | | Construction of 56000 Mt Grain Silos | 2024 | 14 | | | 355 684 000 |
| | | 250-Seater Tent | 2024 | 1 | | 136 439 | |

| Vote | Ministry | Description of goods | Year of Purchase | Qty | Purchase Value | | |
|---|---|---|---|---|---|---|---|
| | | | | | ZWL | ZWG | US$ |
| 9 | Mines and Mining Development | Laptop - HP Pavilion | | 57 | | 1 292 639 | |
| 9 | Mines and Mining Development | Desktop | | 2 | | 36 974 | |
| 9 | Mines and Mining Development | Toyota Land Cruiser | | 2 | | | 193 000 |
| 13 | Local Government and Public Works | Fire trucks | | 17 | | | 8 383 080 |
| 13 | Local Government and Public Works | Motor Vehicle | | 20 | 203 285 545 | | |
| 15 | Primary and Secondary Education | Canopy | | 1 | | | 4 350 |
| 16 | Higher and Tertiary Education, Innovation, Science and Technology Development | Provisions (2023) (Toilet paper and food) | 2023 | Various items | | 298 963 | 22 045 |
| 16 | Higher and Tertiary Education, Innovation, Science and Technology Development | Printer | 2023 | 1 | 1 192 460 | | |
| 18 | Home Affairs and Cultural Heritage | Motor vehicles | 2022 | 2 | | | 104 474 |
| 19 | Justice, Legal and Parliamentary Affairs | Desktop computers | | 40 | | 588 956 | |
| 20 | Information, Publicity and Broadcasting Services | Motor Vehicles | | 7 | 32 862 108 | | |
| 21 | Youth Empowerment, Development and Vocational Training | Motor Vehicles | | 6 | 138 766 491 | | |

| Vote | Ministry | Description of goods | Year of Purchase | Qty | Purchase Value | | |
|---|---|---|---|---|---|---|---|
| | | | | | ZWL | ZWG | US$ |
| 27 | Sport, Recreation, Arts and Culture | Nissan Navara Motor Vehicles | 2023 | 6 | | 138 766 490 | |
| 27 | Sport, Recreation, Arts and Culture | Straw Hats | 2024 | 20 | | | 400 |
| 28 | Skills Audit and Development | Motor vehicles | | 11 | | 19 579 616 | |
| | | All-in-one desktop computers | | 41 | | 1 317 529 | 95 270 |
| | | 12 and 25 seater boardroom set | | 3 | | 915 752 | |
| | | Various furniture items | | Various items | | 508 149 | 178 680 |
| 32 | Zimbabwe Human Rights Commission | Laptops | | 18 | 598 112 | | 23 184 |
| 36 | Zimbabwe Electoral Commission | Provisions | 2023 | Various | 1 029 035 | | |
| **Total** | | | | | **ZWL$375 512 256** | **ZWG24 538 578** | **US$9 259 711** |