

AUDIT OFFICE ZIMBABWE



2024 ANNUAL REPORT

“We Assure Accountability”



OAG ZIMBABWE : STRIVING TO MAKE A DIFFERENCE IN THE LIVES OF THE PEOPLE OF ZIMBABWE

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<u>List of Acronyms</u>	
ACCA	Association of Chartered Certified Accountants
AFROSAI	African Organisation of Supreme Audit Institutions
AFROSAI-E	African Organisation of English Speaking Supreme Audit Institutions
AG	Auditor-General
CPA	Certified Public Accountant
DAG	Deputy Auditor-General
EI	Extractive Industries
ICAZ	Institute of Chartered Accountants in Zimbabwe
ICT	Information Communication Technology
ICBF	Institutional Capacity Building Framework
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
IPSASs	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
IT	Information Technology
KPI	Key Performance Indicator
KRA	Key Result Area
MDA	Ministries, Departments and Agencies
M & E	Monitoring and Evaluation
MIS	Management Information System
NDS	National Development Strategy
NKRA	National Key Result Area
NPA	National Priority Area
NOUC	National Outcome
OAG	Office of the Auditor-General
PAC	Public Accounts Committee
PR	Public Relations
QAU	Quality Assurance Unit
SADCOPAC	Southern Africa Development Community Organisation of Public Accounts Committees
SAI	Supreme Audit Institution
SAP	System Application Product
VFM	Value for Money
ZAS	Zimbabwe Agricultural Show
ZITF	Zimbabwe International Trade Fair

Vision, Mission and Values

Vision

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

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.

VALUES

01

Commitment

Self-driven, promise keeping to foster mastery in customer service delivery thereby leaving a legacy of being visionaries.

02

Integrity

Being transparent, trustworthy and fair in order to guarantee professionalism and goal congruence in our daily contact.

04

Empathy

Results-oriented contribution each one of us makes through inspiration, creativity, chemistry and effectiveness.

06

Accountability

Responsibility of giving assurance on the effective use of public resources and answerable for individual actions.

03

Teamwork

Results-oriented contribution each one of us makes through inspiration, creativity, chemistry and effectiveness.

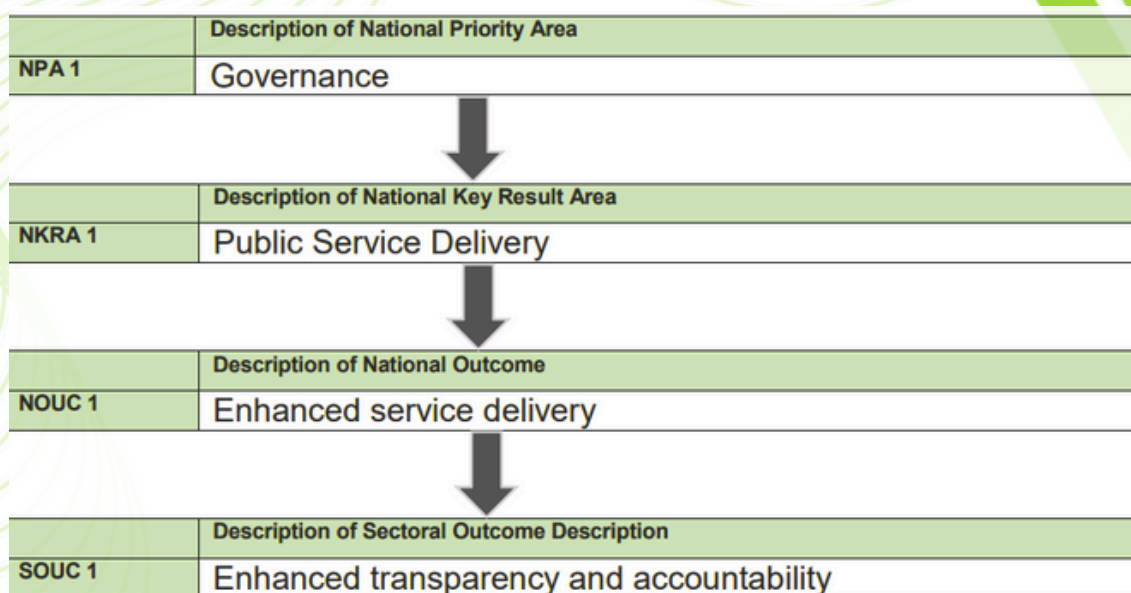
05

Respect

Accepting mutual and reciprocal individuals' self-esteem, diversity of view and need for recognition and acknowledgement of the office structures, processes and authority.

Strategic Map 2021 - 2025

ZIMBABWE VISION 2030: TOWARDS A PROSPEROUS AND EMPOWERED UPPER MIDDLE INCOME SOCIETY



Programme 1: Policy and Administration

Programme 2: Audit Services

Outcome 1: Improved Organisational Performance

Outcome 2: Improve Public Sector Transparency, Accountability and Service Delivery

Objectives

Facilitate growth of a successful organisation

To enhance human capital and professional development

To enhance communication and stakeholder management

Greater audit quality standards and coverage



CORPORATE INFORMATION

The Audit Office is a Supreme Audit Institution established in terms of Section 309 of the Constitution of Zimbabwe Amendment (No. 20) Act 2013 whose mandate is to provide auditing services to Ministries, Departments and Agencies of Government, including State Owned Enterprises and Local Authorities.

Period of Accounts

Year ended December 31, 2024.

Accounting Officer

Acting Auditor-General: Ms. Rheah Kujinga

Audit Office Board

Dr. Matthews T. Kunaka – Acting Chair

Mr. Eric Kawara – Board member

Mr. Norman T. Mhondiwa – Board member

Mrs. Thammay B. Vhiriri – Board member

Commissioner G. Chigora - Board member (ex-officio) [Retired January 31, 2024]

Ms. Rheah Kujinga – Acting Auditor-General (ex-officio)

Mrs. Nyasha Magadza – Deputy Auditor-General (ex-officio)

Executives

Ms. Rheah Kujinga – Acting Auditor-General

Mrs. Nyasha Magadza – Deputy Auditor-General

Mr. Bonface Mukwenga – Deputy Auditor-General: Administration

Mr. Richard Mukahanana – Acting Deputy Auditor-General

Ms. Faithmary Manyangadze – Acting Deputy Auditor-General

Administration and Finance

Mr. Gilbert Maburira – Acting Director Finance, HR and Administration

Registered Offices

48 George Silundika Avenue , Burroughs House

Harare

Zimbabwe

Auditors

Moore PNA Zimbabwe

PAAB Registration Number Z10054

44 Princess drive, Newlands

Harare, Zimbabwe

Lawyers

Makuwaza & Gwamanda Attorneys

3rd Floor, Travel Centre Building, 93 Jason Moyo Avenue

Harare, Zimbabwe

Bankers

CBZ Bank Limited

Kwame Nkrumah branch

Harare, Zimbabwe

ABOUT THE AUDIT OFFICE



The Audit Office was established in terms of Section 309 of the Constitution of Zimbabwe Amendment (No. 20) Act 2013. The mandate of the Office as highlighted in the Constitution and amplified in the Audit Office Act [Chapter 22:18] is : -

- 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 the Government, the Audit Office conducts special audits of the accounts of any statutory body or Government-controlled entity. These special audits are often initiated to investigate specific financial irregularities or to provide an assurance on the financial health of the entity.
- to satisfy myself that the receipt and disbursement of public monies has been made in accordance with proper authority and has been correctly accounted for and that all reasonable precautions have been taken to safe- guard 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.
- to order the taking of measures to rectify any defects in the management and safeguarding of public funds and public property; and
- to exercise any other functions that may be conferred or imposed on him or her by or under an Act of Parliament.

Furthermore, the Audit Office is a public office but does not form part of the Civil Service. In terms of Section 311 of the Constitution “In the exercise of his/her functions, the Auditor-General is independent and subject only to the law”.

Through the execution of its Constitutional mandate, the OAG plays a pivotal role in cultivating a culture of transparency, good corporate governance, and quality service delivery. By ensuring that public funds are managed and safe-guarded effectively, the OAG not only contributes to the achievement of national priorities but also pave the way for realization of economic growth.



ABOUT THE AUDIT OFFICE

Governance Arrangements

Section 10 of the Audit Office Act [*Chapter 22:18*] requires that the Auditor-General after examining the accounts submitted to her in terms of Section 35(6) and (7) of the Public Finance Management Act [*Chapter 22:19*], shall prepare and submit to the Minister not later than 30th June in each year, a report on the outcome of her examination and audit of the accounts referred to her in terms of Section 6(1) of the Audit Office Act [*Chapter 22:18*].

In terms of Section 12 of the Audit Office Act [*Chapter 22:18*], the report submitted to the Minister is supposed to be laid before the House of Assembly within seven (7) days. If for any reason the Minister is unable to lay the report before the House of Assembly within the stipulated period, the Auditor-General shall transmit a copy of the report to the Speaker of the House of Assembly for the Speaker to lay it before the House of Assembly.

The Annual Report will be considered by the Public Accounts Committee which is a Committee of Parliament whose objective is to ensure that public entities are held accountable for their stewardship over public resources.

According to Section 314 of the Constitution, there must be an Act of Parliament which provides for the appointment of the board to employ persons to assist the Auditor-General in the exercise of his or her functions.

Our role in the Accountability Triangle

According to the International Standards of Supreme Audit Institutions (ISSAIs), public sector auditing is essential in providing legislative and oversight bodies, those charged with governance, and the general public with objective information concerning stewardship of government resources. As part of the accountability triangle, the Office works with Parliament and the Executive to promote accountability and good governance as illustrated in the accountability triangle below;

ABOUT THE AUDIT OFFICE



Parliament confers resources to the executive through the budgetary process, establishing a framework for accountability. In this context, the Auditor-General (AG) audits and reports to Parliament, particularly through the Public Accounts Committee (PAC). Once the AG's report is tabled in Parliament, it is subject to consideration and deliberation by the PAC. As the chief advisor to the PAC, the AG prepares memoranda to facilitate these discussions. The PAC may call upon the Board, Accounting Officer, or CEO to clarify or provide further submissions on issues raised in the AG's reports. After deliberating on the AG's findings, the PAC prepares its own report with recommendations, which is then tabled in Parliament. The Ministry of Finance, Economic Development and Investment Promotion responsible for managing public resources, is expected to produce a Treasury Minute detailing the actions taken in response to the committee's report.



The Acting Auditor-General making a presentation at Pre- Budget Conference in Bulawayo.

Chairman's Statement

INTRODUCTION

On behalf of the Board, it is my privilege and honour to present to you the 2024 Annual Report for the Audit Office for the year ended December 31, 2024. This report combine the Audit Office's financial and non-financial performance.

The Board successfully held its inaugural Annual General Meeting (AGM) in November 2024, marking a significant milestone in our commitment to transparency and accountability. This achievement underscores our dedication to good corporate governance and stakeholder engagement.

OPERATING ENVIRONMENT

The Board recognizes the economic environment that the Audit Office operated in 2024. The introduction of the new Zimbabwe Gold (ZWG) currency in April 2024 was aimed at mitigating currency instability. Further, the Reserve Bank of Zimbabwe devalued the ZWG by 43% in September 2024 from 13.9 ZWG per US dollar to 24.4 ZWG per US dollar. These monetary and fiscal measures yielded positive results and brought about a more stable operating environment up to the end of year. The measures led to the tightening of liquidity with respect to the local currency and brought macroeconomic stability that halted excessive exchange rate depreciation and slowed down inflation as from September to end of year. Other challenges emanated from El Nino induced drought that affected the economy during 2024 resulting in increased costs of raw materials, rising production costs and a demand for salary increases. As a result of the subdued economic performance, Treasury releases to MDAs including the Audit Office were below the budgeted amounts, which in turn affected the operations of the Audit Office.

FINANCIAL REVIEW

The Office budget for 2024 was ZWG198 million, with Treasury funding ZWG55 million ,



Dr M. T. Kunaka- Acting Board Chairman

representing 28% of the approved budget. Revenue collections from audit fees for the year was ZWG60 million (2023: ZWG65 million) against a projected budget of ZWG40 million (2023: ZWG 35 million).

STRATEGIC FOCUS

Our Strategic focus will be on crafting and implementing strategic initiatives/goals that drive the evolution and transformation of the Audit Office to inter-alia :

- become a pre-eminent SAI across the board
- have a strong balance sheet, revenue streams and policies that improve the welfare, careers and conditions of service of staff members
- continue to add impeccable value to its stakeholders.

Furthermore, the Board will also focus on strengthening governance, maintaining a robust financial position, and ensuring effective deployment of financial resources to support the Office's strategic priorities. We aim to enhance risk management by identifying, assessing, and mitigating key strategic, operational, financial, and reputational risks to ensure the organization's long-term resilience.



Chairman's Statement

Embracing technology through digitalisation will also be a priority to improve office processes and enhance audit quality. The Board will continue to foster collaboration with stakeholders to ensure the Office achieves its mandate.

COMMITMENT TO GOOD CORPORATE GOVERNANCE

As we reflect on our organization's journey, the Board is proud to emphasize the unwavering commitment to good corporate governance. The Board recognizes the importance of upholding the highest standards of transparency, accountability, and integrity in all the Audit Office's operations. We will continue to adhere to best practices to maintain the Audit Office's reputation as a trusted and respected Supreme Audit Institution in the country.

FUTURE OUTLOOK

The Board is optimistic that through the combined efforts of the Board, management, staff and our stakeholders, the Office will achieve the targets set for 2025. As we conclude our five-year strategic planning period, it is our desire to continue guiding management and staff in planning for the upcoming strategic initiatives aligned with the National Development Strategy (NDS) 2, scheduled to run from 2026 to 2030.

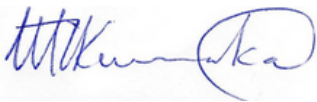
The Board will ensure the availability of resources for the Office to remain a highly effective Supreme Audit Institution. We also look forward to developing more incentives to attract and retain staff while enhancing our focus on professionalisation, digitalisation and a healthy working environment.

APPRECIATION

On behalf of the Board, I extend my gratitude for the support that the Audit Office continues to receive from its stakeholders. I also wish to express my appreciation to my fellow Board members for their diligence and steadfast determination to achieve our targets for the year. Special recognition goes to management and staff for their continued commitment and dedication to duty.

The Board would like to thank the Minister of Finance, Economic Development and Investment Promotion and his entire team for the continued and unwavering support during the year.

In conclusion, I wish you all continued health and prosperity. Let us maintain our spirit of dedication, teamwork and collaboration.



Dr. M.T. KUNAKA
ACTING BOARD CHAIRMAN
June 25, 2025

Auditor-General's Overview

INTRODUCTION

It is my pleasure and singular honour to present to you an overview of the Audit Office Annual Report in which I am going to highlight the strategies, interventions and performance of the Office for the year. Despite the challenges faced, the members of the Office remained undeterred and resolute in the execution of their duties.

The objective of our work is to influence public sector entities to practice good financial management and ensuring that the impact of their programs makes a difference in the lives of the citizens of Zimbabwe. Through the execution of our Constitutional mandate as outlined on Section 309 of the Constitution of Zimbabwe Amendment (No. 20) Act 2013, the Office plays a pivotal role towards cultivating a culture of transparency, accountability, good corporate governance and quality service delivery.

The Audit Office's operations are guided by the OAG Strategic plan 2021-2025 which is aligned to the national development priorities set out in the National Development Strategy (NDS). The Office's Strategic plan is anchored on two outcomes namely: Improved organizational performance and Improved public sector transparency, accountability and service delivery.

FINANCIAL PERFORMANCE HIGHLIGHTS

The Office's financial results are reported in Zimbabwe Gold (ZWG) since the change in functional and reporting currency on April 5, 2024 in accordance with Statutory Instrument 60 of 2024. Inflation-adjusted financial statements have been prepared as the Office's primary financial reports, as required by the International Public Sector Accounting Standard (IPSAS) 10 – "Financial Reporting in Hyperinflationary Economies".



MS RHEAH KUJINGA
Acting Auditor General

Budget Implementation: The total approved budget for 2024 was ZWG 198 million and the total expenditure for the year was ZWG55 million which resulted in a net underspending of ZWG143 million. The underspending was mainly due to non-release of funding from Treasury as a result of low revenue inflows.

Financial Performance: Despite the challenges posed by the economic landscape, the Office generated inflation adjusted revenue of ZWG181 million in 2024: ZWG93 million was from Treasury transfers and ZWG88 million from Audit fees. The Office had an inflation adjusted surplus of ZWG15 million compared to a deficit of ZWG18 million in the prior year.

Financial Position: The inflation adjusted non-current assets decreased by 6% from ZWG136 million in 2023 to ZWG127 million as at December 31, 2024. The decrease was due to changes in reporting currency from ZWL to ZWG. Current assets of ZWG55 million exceeded the current liabilities of ZWG9 million by ZWG46 million. This was as a result of

Auditor-General's Overview

a low receivables collection rate due to debtors taking long to settle audit fees whilst suppliers were reluctant to extend credit terms to the Office.

OPERATIONAL HIGHLIGHTS

The Office demonstrated resilience in a challenging economic environment and achieved notable milestones during the year under review. The Audit Office Board, management, and staff collaborated effectively to pursue the Office's Strategic Plan and Annual Operational Plan, driving improved organizational performance.

Improved Organizational Performance

Strengthen Operational Planning and Reporting

The Audit Office has been consistently producing annual operational plans that are linked to the Integrated Results-Based Management (IRBM) System. The Monitoring and Evaluation (M&E) committee carried out an assessment of the Office's operations and this ultimately enhanced the implementation of the planned activities.

Digitalisation

Currently the Office's processes are heavily manual and the Office is aiming to go paperless in line with the National Priorities outlined in the NDS 1 under Digital Economy. During the year, the Office engaged a consultant to carry out a digitalisation needs assessment and to develop a roadmap for the implementation of the proposed digital solutions. The Office continues to make strides in strengthening its Management Information System (MIS). With assistance from AFROSAI-E, the Office trained members of staff on the use of Zimbabwe SAI Enhancement Audit Tool (Z-SEAT). Z-SEAT is an electronic management tool developed to manage the planning, execution and reporting

processes of audit assignments. It is expected that audits will be carried out using Z-SEAT to enhance audit quality and efficiency.

Capital Project/Programmes (Rehabilitation of Burroughs House)

The Burroughs House building where the Audit Office is housed is old and in need of rehabilitation. The Ministry of Finance, Economic Development and Investment Promotion under the emergency rehabilitation programme committed to fund the project which approximately cost US\$ 2.4 million to transform the building into a state-of-the-art building. Procurement processes were completed and works were set to begin in June 2025.

Human Resources

The conduct of high quality, effective audits depend to a large extent on the competency of its staff. It is therefore the thrust of the Office to capacitate all members to achieve its mandate. The Office has undertaken a professionalization drive which has resulted in a number of members pursuing professional qualifications. The Office is accredited to the Professional Accountancy Organizations (PAOs) such as ACCA, ICAZ and CPA. The Office supported 138 (42 female / 96 male) staff in various disciplines through membership subscriptions and facilitation to undertake professional certification trainings. The Board is seized with a need to come up with retention strategies and therefore is working tirelessly to improve conditions of service.

The Audit Office Human Resources Policies and Procedure Manual and Human Resources (HR) Strategy were approved by the Board during the year.

Auditor-General's Overview

Communication and Stakeholder Management

The Office undertakes stakeholder engagement to improve communication with internal and external stakeholders. Engagements were held with office members, State Owned Enterprises, Local Authorities and Audit Firms. The feedback obtained from the engagements were considered during the formulation of the Office operational plan for 2025.

In 2024, the Office was able to participate in twenty-five (25) meetings and three (3) workshops with the Public Accounts Committee (PAC). The Office hosted Regional delegations from SADCOPAC and Namibian Parliament's Budget Committee. In addition, during the year, the Audit Office Board and Management had an opportunity to embark on study visits to the SAIs of South Africa and Uganda to benchmark its operations on regional best practices.

The Office participated in the Zimbabwe International Trade Fair (ZITF) and Zimbabwe Agricultural Show (ZAS), to promote public awareness and educate citizens on the role of Auditor-General.

Improved Public Sector Transparency, Accountability and Service Delivery

The Office managed to uphold the constitutional mandate by successfully producing the Annual Auditor-General's Report for the Central Government, State Owned Enterprises and Local Authorities by the statutory deadline of June 30.

Audit Standards and Methodology

The audits are conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and International Standards on Auditing (ISAs). The Office is a member of the International Organisation of

Supreme Audit Institutions (INTOSAI), the African Organisation of Supreme Audit Institutions (AFROSAI) and African Organisation of English-Speaking Supreme Audit Institutions (AFROSAI-E), which groupings come up with standards and guidelines that members are expected to adhere to, in order to enhance audit quality. In line with the changes made to some of the standards, the Office updated its manuals.

Audit Coverage

During the year, the Office audited one hundred and thirty (130) financial statements for Ministries, Funds and Commissions, one hundred and eighty-nine (189) for State Owned Enterprises (SOEs) and one hundred and thirty (130) for Local Authorities, these included arrear accounts. In addition, the Office produced five (5) Value for money (VFM) audit reports and three (3) of them have been tabled.

SIGNIFICANT EVENTS

Annual General Meetings (AGMs)

A key milestone on enhanced transparency and accountability in the operations of the Office was attained in November 2024 when the Audit Office held its inaugural Annual General Meeting which covered the years 2019 to 2022. The AGM for 2023 was also held on the same date, bringing the Annual General Meetings up to date.

All-Staff Day

In August 2024, the Office hosted an All-Staff Day, bringing together top management and staff for a day of interaction and team-building activities. The event provided a valuable opportunity for staff and management to bond and engage.

OUTLOOK FOR THE FUTURE

The Board and management are optimistic that the Audit Office will continue to uphold its constitutional mandate and achieve its operational targets set for the coming year. The Office will implement strategies to, increase stakeholder engagements, improve employee

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Auditor-General's Overview

conditions of service, embracing technology and increase audit coverage. The year 2025 marks the end of our five (5) year strategic plan and the Office will embark on the formulation of the 2026-2030 strategic plan which is expected to be in line with the National Development Strategy (NDS) 2 (2026-2030).

ACKNOWLEDGEMENTS

I would like to convey my sincere appreciation to the African Organization of English Speaking Supreme Audit Institutions (AFROSAI-E) for the various training programmes and technical support afforded to Audit Office Board, management and staff. Continued support received from cooperating partners such as, the World Bank, International Development Initiative (IDI) and Swedish National Audit Office (SNAO) is highly appreciated.

My gratitude goes to the Ministry of Finance, Economic Development and Investment Promotion for its financial support within the constrained envelope. I would also like to give my heartfelt appreciation to the Heads of various Ministries, Departments and Agencies for their continued support and cooperation.

Finally, I would like to express my gratitude to the Audit Office Board for their continued guidance, the management and staff for their hard work and dedication to duty that has enabled the Office to achieve its objectives.

R. KUJINGA
ACTING AUDITOR-GENERAL
June 25, 2025



CORPORATE GOVERNANCE REPORT

The Audit Office Board has been in existence since May 1, 2023, and was appointed in terms of Section 14 of the Audit Office Act [*Chapter 22:18*] and Section 11 of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Audit Office Board is composed of a diverse group of professionals, including experts in finance, human resources and law. This varied composition ensures a wide range of perspectives and skills, fostering comprehensive oversight of the organization's activities. The Board is currently composed of four (4) non-executive Directors and two (2) executive Directors comprised of three (3) male and three (3) female members as detailed below;

Dr. M. T. Kunaka (non-executive)

Mr. E. Kawara (non-executive)

Mr. N. Mhondiwa (non-executive)

Mrs. T. B. Vhiriri (non-executive)

Ms. R. Kujinga (executive) - Acting Auditor-General

Mrs. N. Magadza (executive) - Deputy Auditor-General

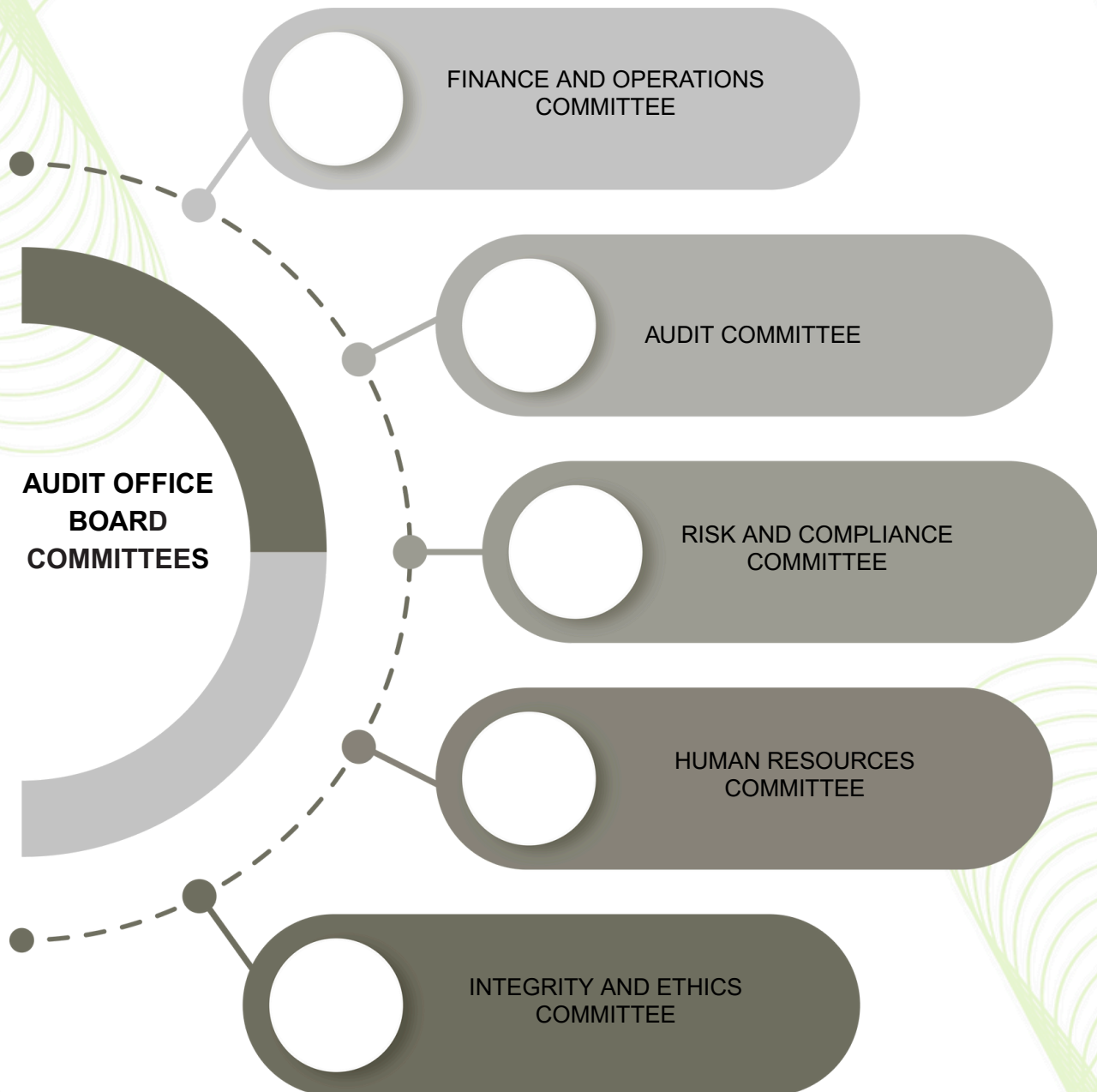




CORPORATE GOVERNANCE REPORT

Board Committees

The committee membership consists of five distinct Board committees, each with specific leadership and member roles. All committees are chaired by non-executive members. The diagram below shows the five distinct Board committees.



CORPORATE GOVERNANCE REPORT

1. Human Resources Committee

The Committee is responsible for oversight over the human resources strategy, policies, human capital development, staff welfare and to ensure that the Office is able to attract and retain a professional, motivated and competent workforce. The committee evaluates and makes recommendations to the Board for approval.

2. Integrity And Ethics Committee

The purpose of the Integrity and Ethics Committee is to assist the Board in its oversight on the issues of integrity in the Audit Office.

3. Audit Committee

The purpose of the Audit Committee is to assist the Board in its oversight on the Audit Office's financial reporting processes, including supporting the Board in meeting its responsibilities regarding financial statements, the financial reporting systems and internal controls.

4. Finance And Operations Committee

This Committee shall provide assistance to the Audit Office Board in fulfilling its fiduciary responsibilities and others relating to evaluating the Office's financial operations, investments, acquisitions, enterprise services and all transactions in which the Office engages as part of its business strategy.

5. Risk and Compliance Committee

The purpose of the Risk Management Committee is to assist the Board in its oversight of the risk management and internal control systems of the Audit Office.

This structured approach ensures diverse expertise across key areas, promoting effective governance and accountability.

Committee membership by individual:

Name	Human Resources Management	Finance and Operations	Audit	Risk and Compliance	Integrity and Ethics
Mr. E. Kawara	Chairperson	NM	Member	NM	NM
Dr. M. T. Kunaka	Member	Chairperson	NM	Member	Member
Mrs. T. B. Vhiriri	Member	NM	NM	Chairperson	Chairperson
Ms. R. Kujinga	Member	Member	NM	NM	Member
Mr. N. T. Mhondiwa	NM	Member	Chairperson	NM	Member
Mrs. N. Magadza	NM	Member	NM	Member	NM

Key

NM – Not a member



CORPORATE GOVERNANCE REPORT

Meetings of the Board and its Committees

	Main Board	Human Resources Committee	Finance and Operations Committee	Audit Committee	Risk & Compliance Committee	Integrity and Ethics
Meetings held	6	10	2	7	3	2
	ATTENDANCE					
Dr. M.T. Kunaka	6	10	2	NM	3	2
Mr N.T. Mhondiwa	5	NM	2	7	NM	1
Mrs. T.B. Vhiriri	5	4	NM	NM	3	1
Mr E. Kawara	6	10	NM	7	NM	NM
Mr. Chigora	1	1	NM	NM	NM	NM
Ms R. Kujinga	6	10	2	NM	NM	2
Mrs. N. Magadza	6	NM	2	NM	3	NM

Key

NM – Not a member

Remuneration and Allowances

The remuneration of the Audit Office Board is in terms of Section 12 of the Public Entities Corporate Governance Act [Chapter 10:31]. The Board fees and allowances were paid to non-executive members in accordance with the remuneration framework set by the Corporate Governance Unit in the Office of the President and Cabinet.



CORPORATE GOVERNANCE REPORT

Internal audit

The Audit Office outsourced the internal audit function to an independent firm in September 2024. The internal auditor is responsible for oversight of internal control processes and reports functionally to the Audit Committee. The Internal Audit is governed by the Internal Audit Charter and the audits are executed in conformance with International Standards for The Professional Practice of Internal Auditing. It plays a critical role in improving the internal controls and the control environment when management implements the internal audit recommendations.



Risk Management

The focus of risk management at the Audit Office is on identifying, assessing, managing, and monitoring all known forms of risk across the institution. The Office has a Risk and Compliance Committee at board and management levels. The Office developed a risk management policy which was approved by the Board.



The Acting Auditor-General (centre) with Deputy Auditor-Generals.



CORPORATE GOVERNANCE REPORT

Statement of Compliance

Based on the information set out in the Governance statement, the Office complied with the requisite legislation and corporate governance requirements throughout the year under review.

B. MUKWENGA
DAG ADMINISTRATION
AUDIT OFFICE



AUDIT OFFICE MANAGEMENT



Ms R. Kujinga
Acting Auditor-General



Mrs N. Magadza
**Deputy Auditor-General 1 -
Central Government**



Mr R. Mukahanana
**Acting Deputy Auditor-General 2 -
Central Government**



Ms F. Manyangadze
**Acting Deputy Auditor-General 3 -
State Owned Enterprises and Local
Authorities**



Mr B. Mukwenga
**Deputy Auditor-General 4 -
Administration**



AUDIT OFFICE MANAGEMENT

Directors of Audit



Mrs L. Chikowore



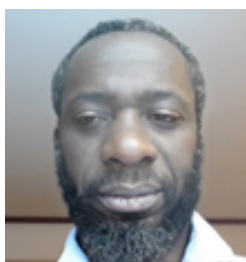
Ms V. Shiri



Mrs M. Chekumanyara



Mr M. Makotore



Mr M. Munodawafa



Mr B. Masawi



Ms A. Nyangani



*Mr T. Chidavaenzi
(Acting)*



*Mr L. Mururami
(Acting)*



Mr L. Muroyiwa



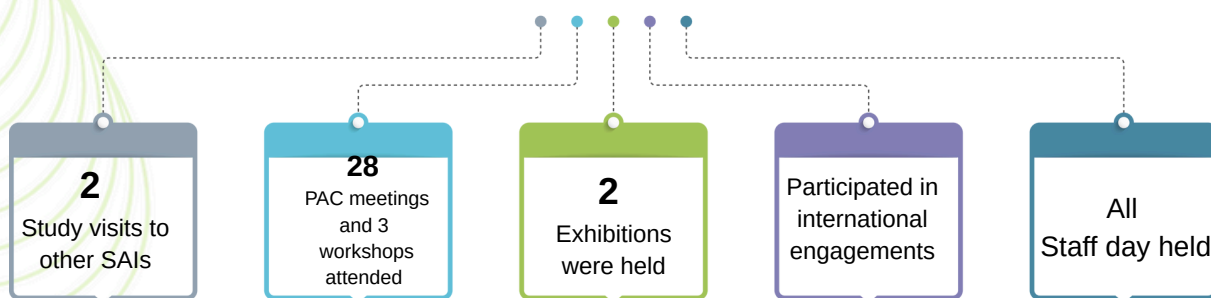
*Mr G. Maburira
Acting Director Finance & HR*

2024 KEY HIGHLIGHTS

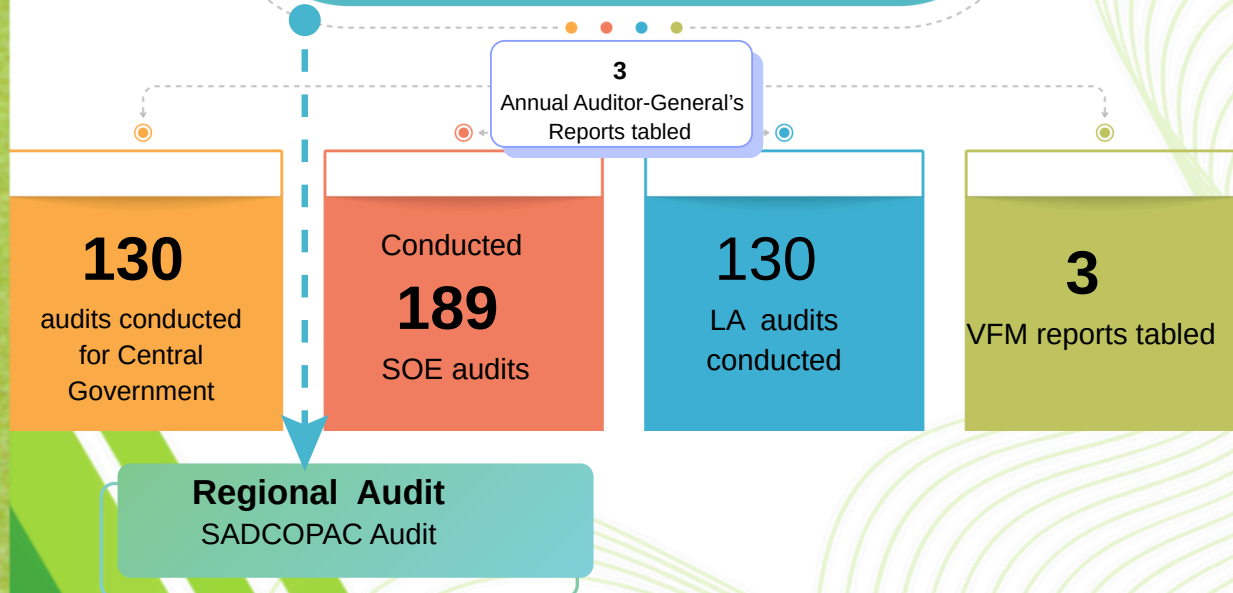


2024 KEY HIGHLIGHTS

Audit Office communication and stakeholder engagements



Greater audit quality standards and coverage



EVENTS IN PICTURES



Audit Office management , staff and AFROSAI-E Z-SEAT training facilitators at Holiday Inn, Harare



Staff members at Z-SEAT training that was conducted at Holiday Inn, Harare.

Annual General Meeting

The successful holding of the inaugural AGM on November 29, 2024 covering the years 2020, 2021 and 2022 provided a platform for the Office to provide invaluable feedback to stakeholders on the operations of the Office. The AGM for 2023 was also held on the same day bringing the holding of the AGMs up-to-date. This historic event was a culmination of efforts by the Office to comply with various statutory requirements for holding AGMs following the operationalisation of the Audit Office Act [Chapter 22:18]. This milestone enhanced greater transparency and accountability in the operations of the Office.



Board members: From right Mr Kawara, Ms Kujinga, Dr Kunaka at the Center (Board chairman), Mrs Vhiriri and Mrs Magadza



Board members, management and stakeholders at the Annual General Meeting that was held at Manna Resort.



Operational Plan and Overall Audit Strategy

In November 2024, the Office management and staff developed the Annual Operational Plan and Overall Audit Strategy for the ensuing year. These documents outlined the objectives, key performance indicators, targets, and outputs to be achieved in 2025.



Audit Office management and staff during an operational plan and audit strategy development exercise conducted in November 2024 at Ancient City resort in Masvingo.

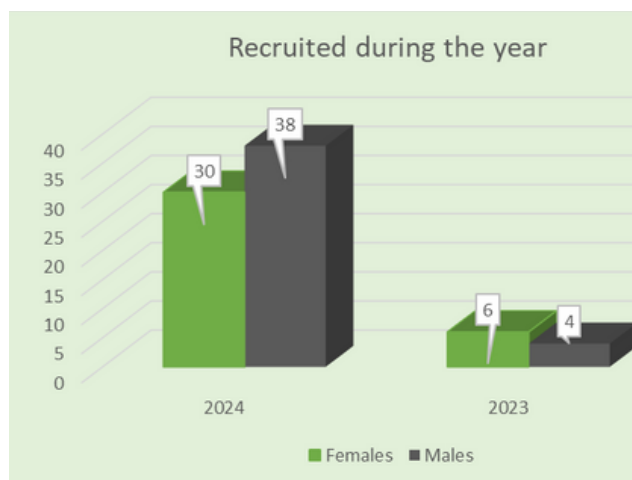
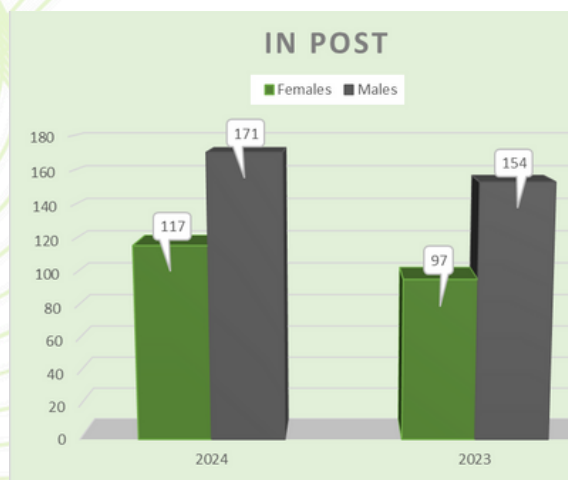


OAG team at Ancient City resort during the discussions and presentations during an operational plan and audit strategy development exercise conducted in November 2024.

HUMAN CAPITAL AND PROFESSIONAL DEVELOPMENT

Staff Establishment

The Office had 288 members in posts (117 female /171 male) out of a staff establishment of 381 as at December 31, 2024. During the year, the Office successfully recruited an additional sixty-eight (68) staff members (30 female and 38 male). There were twenty-four (24) terminations during the year, comprising of thirteen (13) resignations, nine (9) retirements and two (2) deaths. The Office appreciates the contributions of members during their tenure.



Staff Capacitation

As part of commitment to continuous professional development, the Office implemented various capacity building initiatives to improve knowledge, skills and attributes of staff members. A total of fifty-nine (59) trainings were conducted during the year, thirty-eight (38) of them being local workshops while twenty-one (21) were regional and international trainings. Out of 292 staff members, 286 participated in these training opportunities. The table below is a sample of training activities carried out:

NO.	Training activity	Participants no.
1.	IFRSs and IPSAS Update workshop	133
2.	Team Leaders workshop	41
3.	Performance Audit of Disaster Situations workshop	58
4.	PRAC Manual Refresher course	55
5.	Z-SEAT AFROSAI-E workshop	83
6.	Debt Management Financial Analysis System (DMFAS) workshop	17
7.	SAI Quality Management workshop	48
8.	SAI Information Technologies Maturity Assessment (ITMA) workshop	36
9.	Stock Take workshop	73
10.	Client Relationship Management for Office assistants	11
11.	Annual Technical Update workshop	50
12.	Online Training on Plain language for managers	22

Internal Stakeholder Engagements

The Audit Office prioritized internal stakeholder engagements to foster a collaborative and informed work environment. Key activities included:

Staff Updates and Communication Initiatives

The Audit Office management values open communication with members of staff. In February, July and August 2024, the Office hosted three (3) staff engagements sessions to keep employees informed about key developments. These interactive sessions provided updates on:

- Progress of the strategic and operational plans for 2024.
- IPSAS implementation and digitalisation awareness.
- Ongoing projects and developments.

Staff Engagement Sessions provided an opportunity for staff members to interact, ask questions, and seek clarifications from management.



Audit Office management and staff at a workshop "Awareness on strategic plan and meet the Auditor-General" held at Manna Resort



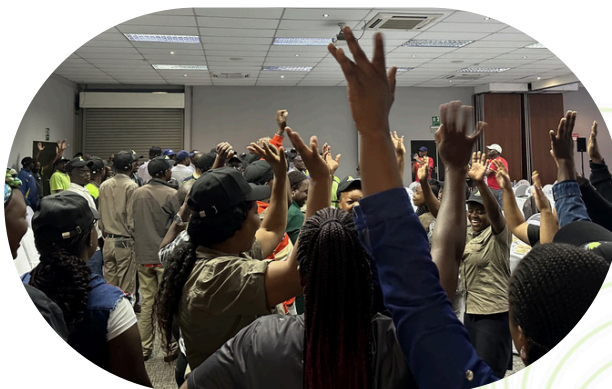
New staff members at a workshop held at King Solomon Hotel in Kwekwe.



All-Staff Day in pictures



The Acting Auditor-General addressing staff members.





To further enhance internal communication and awareness, the Audit Office launched a quarterly newsletter. The first publication was in September 2024. This publication provided regular updates on various developments within the Office and ongoing programs.

External Stakeholder Engagements



The members of the Public Relations Committee at the Zimbabwe Agricultural Show (ZAS) interacting with stakeholders at the Audit Office ZAS stand.

International Engagements

The Office actively participated in international events and hosted dignitaries, strengthening regional collaboration.

SADCOPAC 16th Annual Conference and 20th AGM

In September 2024, the Office attended the SADCOPAC 16th Annual Conference and 20th Annual General Meeting held in Victoria Falls.



Acting Auditor General R. Kujinga presenting the Audit Report at SADCOPAC AGM on September 12, 2024.



The Audit Office Board and management at the SADCOPAC Annual General Meeting (AGM) in Victoria Falls.



The Acting Auditor-General Ms R. Kujinga making some presentations at the National Pre-Budget Conference that was held in Bulawayo at ZITF Grounds in October 2024

Collaboration with other SAIs

The Office maintains bilateral relations with Swedish National Audit Office.

The Office benefited from various capacity development programmes under the support of the Swedish National Audit Office. The programmes covered included;

- Leadership and Management Development,
- Human Resources,
- Information Technology,
- Communication and
- Performance Audit.



Audit Office management with the Swedish National Audit Office(SNAO) Steering committee during the visit SNAO, Sweden , December 2024.



Audit Office Board and Management study visit to SAI Uganda

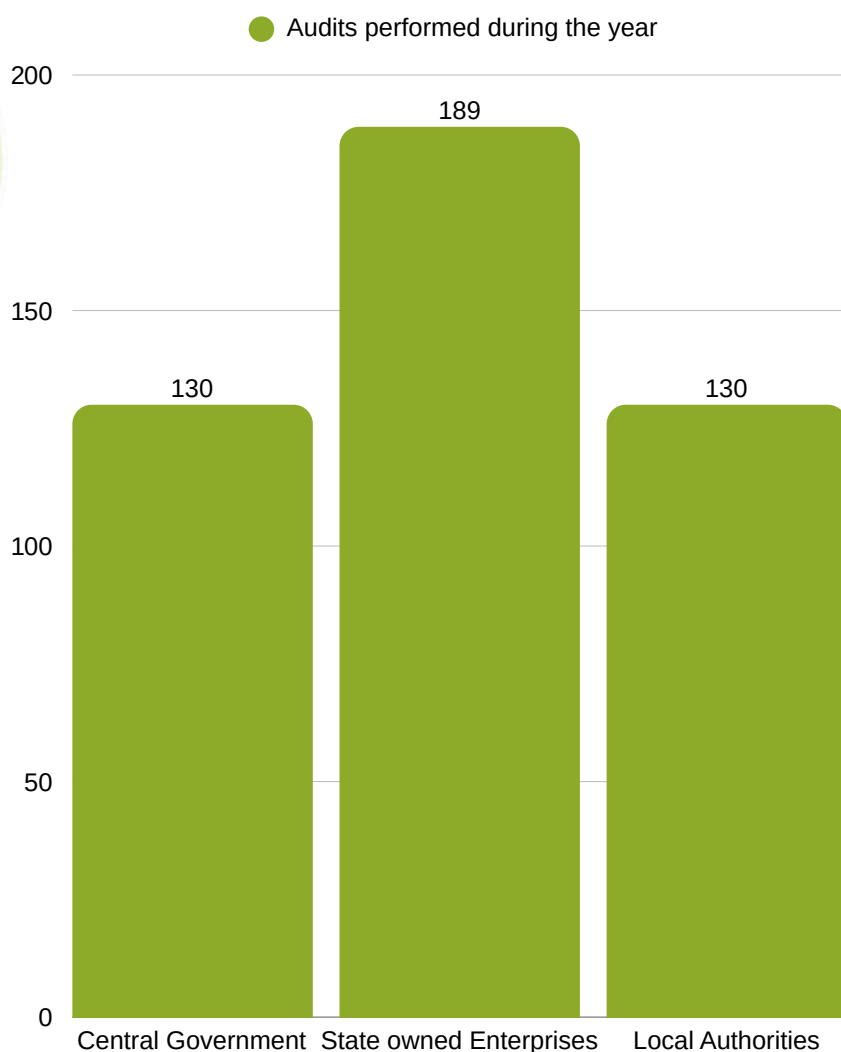


Audit Coverage

The Office managed to uphold the Constitutional mandate by successfully producing the Annual Auditor-General's Report for Appropriation Accounts, State Owned Enterprises and Local Authorities by the statutory deadline of June 30, 2024 which was subsequently tabled in Parliament. In addition, the Office produced five (5) Value for Money (VFM) audit reports of which three (3) were tabled.

During the year the Audit Office audited one hundred and thirty (130) financial statements for Ministries, Funds and Commissions, one hundred and eighty-nine (189) for State Owned Enterprises (SOEs) and one hundred and thirty (130) for Local Authorities, these included arrear accounts.

Financial and Compliance Audits



Performance Audits

Out of the five (5) performance audit reports that were completed during the year, three (3) reports were tabled while two (2) were awaiting tabling. The reports are detailed below;

Tabled reports

SDG	Name of Report	Audit Objective
SDG 3 Good Health and Wellbeing	Covid-19 Support Towards Production of Personal Protective Equipment and Sanitizers under the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development.	To verify whether public monies and resources were used for the intended purposes.
SDG 16 Peace, justice and strong institutions	Management of revenue generating properties by Local Authorities under the Ministry of Local Government and Public Works.	The objective of the audit was to assess whether Local Authorities were properly and effectively managing revenue generating properties.
SDG 16 Peace, justice and strong institutions	Monitoring of Devolution Funded Projects by the Ministry of Local Government and Public Works.	The objective was to assess whether the MLGPW was monitoring implementation of devolution funded projects by Local Authorities.

Awaiting tabling

SDG	Topic	Audit Objective
SDG 2 Zero Hunger	Utilisation of Dams, A Case of Tugwi Mukosi Dam.	The objective was to evaluate whether the Ministry had achieved its targets as set in the approved Tugwi Mukosi Integrated Development Framework
SDG 4 Quality Education	Facilitation, Provision and Construction of Schools.	To assess the extent to which the Ministry of Primary and Secondary Education was registering, supervising and monitoring schools and independent colleges to ensure that there is quality education in schools.

Forensic Audits

Six (6) forensic audits were carried out and completed during the year. Currently all forensic audits are contracted out and the Office is developing inhouse competences and capabilities.

Audit Standards and Methodology

The audits were conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and International Standards on Auditing (ISAs). These standards provide requirements that the auditor uses to determine the audit steps and procedures that are applied to fulfil the audit objective. Thus, promoting quality and consistency in carrying out all audits. The Office uses a risk-based audit approach in carrying out its audits.



International Standards

The Audit Office subscribes to the following international standards and principles:



Quality Management

As an audit institution, the Office is required to ensure that its processes adhere to quality standards and the professional code of ethics as provided by International Standards for Supreme Audit Institutions (ISSAIs) and International Standards on Auditing (ISAs). The Office has a Quality Management Committee which is responsible for coordinating the quality management processes across the Office. In addition, external reviews are conducted periodically by the regional grouping, AFROSAI-E.

During the year extensive work which included training of staff and customisation of Audit Manuals was carried out to ensure that the Office's Quality Management system was in line with the revised ISSAI 140 – "Quality Management for Supreme Audit Institutions" and ISSAI 2200 - "Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing".

External Technical desk

The Office entered into an agreement with a local consultancy firm for the provision of external technical desk services. The arrangement involves the review and provision of second opinion on audit reports of high risk and complex entities. The arrangement is to ensure a high level of quality of reports and is one of the measures taken to mitigate audit risk.

Ethics

The Office has adopted a Code of Ethics which is a guideline of conduct reflecting moral standards and ethical values to ensure a culture of professionalism. This Code of Ethics covers the ethical requirements that members of staff are expected to adhere to. The staff members are required to sign the Code of Ethics Declarations.



SUSTAINABILITY ACTIVITIES

The Office engaged in various Corporate Social Responsibility and Sustainability activities such as employee health screening programs, monthly clean up campaigns and adoption of technologies as part of its responsibility in giving back to society.



Charting Our Path to Sustainable Impact: A Year in Review

AUDIT OFFICE - ZIMBABWE

2024 ANNUAL REPORT

Monthly Cleaning Campaigns

The Office cleaning campaign is a direct initiative to enhance the environmental sustainability of the Office. By focusing on proper waste disposal, recycling, and promoting a cleaner workspace, we are reducing our environmental footprint and fostering a healthier environment for our employees. This cleaning initiative improves the workspace's appearance and hygiene while simultaneously implementing sustainable waste management practices to lessen environmental harm.

Employee Health Screening Programs

The employee health screening program demonstrates the Office's commitment to the well-being of its staff. By promoting early detection and management of illnesses, the Office aims to create a healthier, productive, resilient and engaged workforce, thereby, indirectly supporting long-term sustainability by fostering a stable and productive workforce.

Gender Diversity and Inclusion

Among other roles, the Office promotes sustainability and ethical practices through embracing Gender Diversity and Inclusion (GDI). The Office implements policies aimed at creating a diverse workforce and promoting gender equality, thus contributing to social sustainability. During recruitment and selection, training and development programs, the office takes into cognisance the element of gender inclusivity.

Adopting Technologies

Through the implementation of the Z-SEAT, a digital audit management tool used for audit processes, the Office is demonstrating a strong commitment to environmental sustainability as it reduces the use of paper. This initiative reduces waste, and streamlines Office operations for greater efficiency.

Sustainability Audit

The Audit Office through its role as an oversight body has come up with initiatives to ensure compliance with various laws and standards that deal with sustainability. Audit procedures that respond to environmental related risks are performed on public sector institutions that we audit. During the year, a number of findings relating to sustainability have been raised especially dealing with pollution and discharge of effluent into the environment.

A number of officers have been trained on environment audit and audit of sustainability issues. In January 2024, 133 officers were trained among other topics, on the sustainability standards IFRS S1 and IFRS S2. The training equipped the officers with skills to identify risks relating to sustainability and to report accordingly.



Audited Financial Statement 2024

AUDIT OFFICE

Audit Office Board's responsibility and approval of inflation adjusted financial statements

For the year ended December 31, 2024

The Audit Office Board ("the Board") is required in terms of applicable regulations to maintain adequate accounting records and is responsible for the content and integrity of the inflation adjusted financial statements including statement of budget comparison and related financial information included in this report. It is its responsibility to ensure that the inflation adjusted financial statements fairly present the state of affairs of the Audit Office as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Public Sector Accounting Standard (IPSAS) 33 First-time Adoption of Accrual Basis IPSAS.

The external auditor is engaged to express an independent opinion on the transitional inflation adjusted financial statements.

The inflation adjusted financial statements are prepared in accordance with the transitional provisions of International Public Sector Accounting Standard (IPSAS) 33 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the Audit Office and place considerable importance on maintaining a strong control environment. To enable the Audit Office to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Audit Office and all employees are required to maintain the highest ethical standards in ensuring the Audit Office's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Audit Office is on identifying, assessing, managing and monitoring all known forms of risk across the Audit Office. While operating risk cannot be fully eliminated, the Board endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

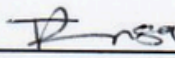
The Board is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the inflation adjusted financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board has reviewed the Audit Office's cash flow forecast for the year to December 31, 2024 and, in light of this review and the current financial position, is satisfied that the Audit Office has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Audit Office's inflation adjusted financial statements. The inflation adjusted financial statements have been examined by the Audit Office's external auditor and their report is presented on pages 4 to 7.

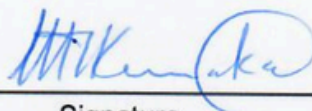
The inflation adjusted financial statements set out on pages 8 to 39, which have been prepared on the going concern basis, were approved by the Board on 25 JUNE 2025 and were signed on their behalf by:

R. Kujinga (Ms.)
Acting Auditor General


Signature

25/06/2025
Date

Dr. M. T. Kunaka
Acting Board Chairperson


Signature

25/06/2025
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUDIT OFFICE

Opinion

I have audited the inflation adjusted financial statements of the Audit Office set out on pages 8 to 39 which comprise the inflation adjusted statement of financial position as at December 31, 2024, and the inflation adjusted statement of financial performance, inflation adjusted statement of changes in net assets and reserves, inflation adjusted statement of cash flows, and statement of budget comparison for the year then ended, and notes to the inflation adjusted financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of the Audit Office as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation adjusted financial statements section of report. I am independent of the Audit Office in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to my audit of the inflation adjusted financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other Matter – Donated right of use asset (Burroughs House)

The Audit Office, in common with other Government entities is housed in a government-owned building, situated at 48 George Silundika Street, Harare. The building is maintained by the Ministry of Local Government and Public Works and owned by the State but was donated to the Audit Office, who control occupation and use of the building. The Audit Office has disclosed the building as a right-of-use asset using its fair value and recognised a lease liability based on the estimated rental value over the asset's useful life. No ownership documentation for the building has been provided to the Audit Office.

My examination included review of correspondence between the Audit Office and its line Ministry regarding purchase of the building by Treasury, Board and Management minutes regarding use and maintenance of the building which were controlled by the Audit Office. As permitted by Treasury Circular 3 of 2025 section 10.5, the Audit Office has disclosed a description of the asset and an estimated value of the market rent that would otherwise be paid for the asset. I am not aware of any circumstances which would indicate that the Audit Office has no direct control of the building.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the inflation adjusted financial statements of the year ended December 31, 2024. They are selected from matters communicated with those charged with governance and intended to highlight 'through the eyes of the auditor', matters of significance in the audit that I performed. These matters were addressed in the context of my audit of the inflation adjusted financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. Except for the matter described in the Basis of Opinion, I have determined that there are no key audit matters to be communicated in my report.

Going concern

I draw attention to note 2.5 in the financial statements relating to the going concern of the Audit Office, indicating that the Audit Office is operating in an environment characterised by high inflation rates and rapidly changing government policy, conditions which may pose material uncertainty on its ability to continue as a going concern. However, management is satisfied that the Audit Office is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that the use of the going concern basis in preparation of inflation adjusted financial statements is appropriate. My opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Audit Office's annual report for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. My opinion on the inflation adjusted financial statements does not cover the other information and accordingly I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I have nothing to report in this regard.

Responsibilities of Management and the Audit Office Board for the financial statements

Management is responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with IPSASs, the relevant statutory instruments and for such internal control as it determines is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, the Audit Office Management is responsible for assessing the Audit Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the Audit Office or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Audit Office's financial reporting process.

Auditor's responsibilities for the audit of the inflation adjusted financial statements

My objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted financial statements.

As part of an audit in accordance with ISAs, I exercised professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Audit Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Audit Office Management.
- Conclude on the appropriateness of Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Audit Office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the inflation adjusted financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Audit Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Audit Office to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Audit Office's audit. I remain solely responsible for my audit opinion

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In fulfilment of the requirements of Section 28 of the Audit Office Act [Chapter 22:18] ("the Act"), I report to the members as follows:

Section 28(1)

In my opinion, the Audit Office ensured that proper accounts and other records relating to such accounts were kept in respect of all the Audit Office's activities, funds and property.

The engagement partner on the audit resulting in this independent auditor's report on the inflation adjusted financial statements of the Audit Office for the year ended December 31, 2024 is Shepherd Nhondova.

On this 25th day of June, 2025 at Harare

Signed by:



Shepherd Nhondova (FCCA)

Audit Partner

Registered Public Auditor (Zimbabwe)

PAAB Registration Number: 0552

For and on behalf of:

MOORE PNA ZIMBABWE

Registered Public Auditors (Zimbabwe)

PAAB Firm Registration Number: Z10054

Address: 44 Princess Drive, Newlands, Harare

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		Inflation Adjusted			Historical cost		
			Restated	Previously Reported		Restated	Previously Reported
	Notes	2024	2023	2023	2024	2023	2023
		ZWG	ZWG	ZWL	ZWG	ZWG	ZWL
ASSETS							
Current assets							
Cash and cash equivalents	13	23,670,789	25,417,349	6,805,018,003	23,670,789	15,117,301	6,805,018,003
Receivables	15.1	28,243,204	19,960,494	5,413,391,537	28,243,204	12,025,812	5,413,391,537
Other receivables	15.2	819,990	675,832	183,289,315	819,990	407,176	183,289,315
Loan receivables from SLRF	15.4	225,599	716,863	194,394,191	225,599	431,845	194,394,191
Inventories	17	2,268,345	2,085,106	565,491,764	1,366,473	1,256,236	215,667,487
Total current assets		55,227,927	48,855,644	13,161,584,810	54,326,055	29,238,370	12,811,760,533
Non-current assets							
Loan receivables from SLRF	15.5	446,388	1,436,732	389,603,444	446,388	865,501	389,603,444
Long term receivables	15.3	687,331	475,847	131,741,017	687,331	292,662	131,741,017
Property, plant and equipment	18	126,288,806	133,866,333	36,300,974,208	109,169,490	80,642,369	36,300,974,208
Total non-current Assets		127,422,525	135,778,912	36,822,318,669	110,303,209	81,800,532	36,822,318,669
TOTAL ASSETS		182,650,452	184,634,556	49,983,903,479	164,629,264	111,038,902	49,634,079,202
LIABILITIES							
Non-current liabilities							
Lease liabilities	19	49,356,694	51,218,467	22,787,488,057	49,356,694	50,622,250	274,600,328
Total non-current liabilities		49,356,694	51,218,467	22,787,488,057	49,356,694	50,622,250	274,600,328
Current liabilities							
Payables and accruals	20.1	8,364,467	5,812,936	1,576,313,029	8,364,467	3,501,768	1,576,313,029
Bank overdraft	14	516	444	120,529	516	268	120,529
Temporary deposits	20.2	143,777	333,465	90,437,492	143,777	200,906	90,437,492
Loan payables from SLRF	21	49,168	22,516	6,106,452	49,168	13,564	6,106,452
Total current liabilities		8,557,928	6,169,361	1,672,977,502	8,557,928	3,716,506	1,672,977,502
Total liabilities		57,914,622	57,387,828	24,460,465,559	57,914,622	54,338,756	1,947,577,830
Net of Total assets and total liabilities		124,735,830	127,246,728	25,523,437,920	106,714,642	56,700,146	47,686,501,372
Net Assets							
NET ASSETS / EQUITY							
Capital contributed by:							
Non-distributable reserve		9,683,826	9,508,380	2,578,418,722	5,823,987	5,727,940	650,000,000
Accumulated fund		4,670,509	(9,855,641)	(1,681,962,924)	24,035,518	(3,736,469)	12,436,419,362
Revaluation reserve		110,381,495	127,593,989	24,626,982,122	76,855,137	54,708,675	34,600,082,010
TOTAL NET ASSETS / EQUITY		124,735,830	127,246,728	25,523,437,920	106,714,642	56,700,146	47,686,501,372

* The inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements.

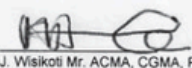
* The accompanying notes to the financial statements are an integral part of these financial statements.

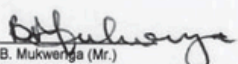
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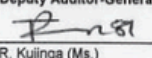
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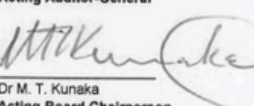
25/06/2025
Date

25/06/2025
Date


J. Wisikoti Mr. ACMA, CGMA, PSPA (Z)
PAAB Reg No. 06058
Director Finance


B. Mukwenga (Mr.)
Deputy Auditor-General: Administration and Finance


R. Kujinga (Ms.)
Acting Auditor-General


Dr M. T. Kunaka
Acting Board Chairperson

AUDIT OFFICE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2024

9

	Note	Inflation adjusted			Historical cost		
		2024 ZWG	Restated 2023 ZWG	Previously Reported Inflation results 2023 ZWL	2024 ZWG	Restated 2023 ZWG	Previously Reported Historical results 2023 ZWL
Revenue	22						
Revenue from transactions without binding agreements	22.1	93,201,081	162,658,140	43,500,661,882	63,354,209	97,986,831	16,372,932,753
Revenue from transactions with binding agreements	22.2	87,735,276	107,498,820	30,009,092,910	59,638,783	64,758,325	11,444,980,489
Other Income	22.3	93,085	575,041	155,953,984	63,275	346,410	59,477,796
Total revenue		181,029,442	270,732,001	73,665,708,776	123,056,267	163,091,566	27,877,291,038
Expenditure							
Administration costs	23	(90,269,650)	(157,820,784)	(42,801,831,489)	(60,510,121)	(95,072,761)	(11,031,382,737)
Employment costs	24	(55,658,048)	(54,594,145)	(14,806,220,834)	(37,834,020)	(32,888,039)	(5,646,802,736)
Total expenditure		(145,927,698)	(212,414,929)	(57,608,052,323)	(98,344,141)	(127,960,800)	16,678,185,473
Surplus/(deficit) before monetary loss		35,101,744	58,317,072	16,057,656,453	24,712,126	35,130,766	11,199,105,565
Monetary (loss)/gain	25	(27,719,635)	(124,048,816)	(32,924,302,316)	(1,243,778)	(79,079,879)	-
(Deficit)/Surplus before exchange gains		7,382,109	(65,731,744)	(16,866,645,863)	23,468,348	(43,949,113)	11,199,105,565
Net exchange gain/(loss) on foreign currency translation		7,144,041	47,279,775	12,822,524,898	4,303,639	28,481,792	1,643,176,256
(Deficit)/Surplus for the year		14,526,150	(18,451,969)	(4,044,120,965)	27,771,987	(15,467,321)	12,842,281,821

* The inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements.

* The accompanying notes to the financial statements are an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024**

(2023 Previously Reported results)

Inflation Adjusted	Non-Distributable reserve ZWG	Revaluation reserve ZWG	Accumulated fund ZWG	Net Assets Total ZWG
Net assets as at January 1, 2023	1,660,699,876	3,623,508,886	2,331,094,525	7,615,303,287
Changes in net assets				
Contribution for the year (SLRF)	917,718,846	-	-	917,718,846
Surplus from appropriation and retention	-	-	(4,044,120,965)	(4,044,120,965)
Surplus from Staff Loan Revolving Fund(SLRF)	-	-	31,063,516	31,063,516
Revaluation Surplus	-	21,003,473,236	-	21,003,473,236
Net assets as at December 31, 2023	2,578,418,722	24,626,982,122	(1,681,962,924)	25,523,437,920

2023 Restated in ZWG

Inflation Adjusted	Non-Distributable reserve ZWG	Revaluation reserve ZWG	Accumulated fund ZWG	Total ZWG
Net assets as at January 1, 2023	6,124,128	13,362,338	8,596,328	28,082,794
Changes in net assets				
Contribution for the year (SLRF)	3,384,252	-	-	3,384,252
Surplus from appropriation and retention	-	-	(8,766,590)	(8,766,590)
Surplus from SLRF	-	-	(9,685,379)	(9,685,379)
Revaluation Surplus	-	114,231,651	-	114,231,651
Net assets as at December 31, 2023	9,508,380	127,593,989	(9,855,641)	127,246,728
Net assets as at January 1, 2024	9,508,380	127,593,989	(9,855,641)	127,246,728
Changes in net assets				
Contribution for the year (SLRF)	680,347	-	-	680,347
Surplus from appropriation and retention	-	-	16,986,605	16,986,605
Surplus from SLRF	-	-	(2,460,455)	(2,460,455)
Differences arising from restatement	(504,901)	-	-	(504,901)
Revaluation Surplus	-	(17,212,494)	-	(17,212,494)
Net assets as at December 31, 2024	9,683,826	110,381,495	4,670,509	124,735,830

**STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024**

(2023 Previously Reported results)

Net assets as at January 1, 2023	300,000,000	3,623,508,886	(405,862,459)	3,517,646,427
Changes in net assets				
Contribution for the year (SLRF)	350,000,000	-	-	350,000,000
Surplus from appropriation and retention	-	-	12,830,434,804	12,830,434,804
Surplus from SLRF	-	-	11,847,017	11,847,017
Revaluation Surplus	-	30,976,573,124	-	30,976,573,124
Net assets as at December 31, 2023	650,000,000	34,600,082,010	12,436,419,362	47,686,501,372

2023 Restated in ZWG

Historical Cost	Non-Distributable reserve ZWG	Revaluation reserve ZWG	Accumulated fund ZWG	Total ZWG
Net assets as at January 1, 2023	3,689,234	8,049,601	5,178,511	16,917,346
Changes in net assets				
Contribution for the year (SLRF)	2,038,706	-	-	2,038,706
Surplus from appropriation and retention	-	-	(8,983,987)	(8,983,987)
Surplus from SLRF	-	-	69,007	69,007
Revaluation Surplus	-	46,659,074	-	46,659,074
Net assets as at December 31, 2023	5,727,940	54,708,675	(3,736,469)	56,700,146
Net assets as at January 1, 2024	5,727,940	54,708,675	(3,736,469)	56,700,146
Changes in net assets				
Contribution for the year (SLRF)	400,204	-	-	400,204
Surplus/(deficit) from appropriation and retention	-	-	28,975,552	28,975,552
Surplus/(deficit) from SLRF	-	-	(1,203,565)	(1,203,565)
Differences arising from restatement	(304,157)	-	-	(304,157)
Revaluation Surplus/(decrease) effects	-	22,146,462	-	22,146,462
Net assets as at December 31, 2024	5,823,987	76,855,137	24,035,518	106,714,642

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

		Inflation Adjusted		Previously Reported	Historical cost		Previously Reported
Notes		Restated 2024	Restated 2023	Inflation Results		Restated 2023	Historical Results
		ZWG	ZWG	ZWL	ZWG	ZWG	ZWL
Cash flows from operating activities							
Surplus/(deficit) for the year		7,382,109	(65,731,744)	(16,866,645,863)	23,468,348	(15,467,321)	11,199,105,565
Adjustments for non-cash items:							
Depreciation and impairment		18	14,039,363	26,487,212	19,002,042,849	8,457,448	15,956,152
Reversal of accumulated depreciation upon revaluation			(16,270,737)	-	-	(9,801,649)	-
Allowance for expected credit losses		16.1	147,794	1,611,520	24,753,251	334,968	970,795
Revenue from transactions without binding agreements		22.1	(1,861,773)	(2,168,592)	(588,064,208)	(1,265,556)	(1,306,381)
Differences arising from restatement			(504,901)	-	-	(304,157)	-
Net exchange (gain)/loss foreign currency translation			7,144,041	47,279,775	12,822,524,898	4,303,639	28,481,792
							1,843,176,256
Net cash inflows/(outflow) after adjustments			10,075,896	7,478,171	14,394,610,927	25,193,041	28,635,037
							14,799,423,368
Working capital changes							
Decrease / (increase) in current portion of receivables			(8,105,495)	(5,612,935)	(1,522,078,022)	(16,755,783)	(9,269,685)
Decrease / (increase) in non-current portion of receivables			800,957	31,138,345	1,156,961,449	21,299	(714,579)
(Increase) / Decrease in inventories			(183,239)	(1,532,489)	(415,570,148)	(110,237)	(436,405)
(Decrease) / Increase in payables			2,388,495	5,122,207	1,389,005,751	4,841,174	3,635,432
							1,636,482,110
Net cash inflow/(outflows) from working capital changes			(5,099,282)	29,115,128	608,319,030	(12,003,547)	(6,785,237)
							(4,396,067,984)
Cash inflows/(outflows) from operating activities			4,976,614	36,593,299	15,002,929,957	13,189,494	21,849,800
							10,403,356,384
Cash flows from investing activities							
Purchase of property and equipment		18	(7,403,593)	(15,441,850)	(10,979,633,175)	(5,036,458)	(9,302,319)
							(4,187,417,123)
Net cash (outflows)/inflows from investing activities			(7,403,593)	(15,441,850)	(10,979,633,175)	(5,036,458)	(9,302,319)
							(4,187,417,123)
Cash flows from financing activities							
Capital contribution			680,347	3,384,252	917,718,846	400,204	2,038,706
Cash inflows/(outflows) from financing activities			680,347	3,384,252	917,718,846	400,204	2,038,706
							350,000,000
Increase/decrease in cash and cash equivalents during the year			(1,746,632)	24,535,701	4,941,015,628	8,553,240	14,586,187
							6,565,938,261
Movement of cash and cash equivalents							
Cash and cash equivalents at beginning of year			25,416,905	881,204	1,863,881,846	15,117,033	530,846
(Decrease)/increase in cash and cash equivalents			(1,746,632)	24,535,701	4,941,015,628	8,553,240	14,586,187
							238,959,213
Cash and cash equivalents at end of year		13	23,670,273	25,416,905	6,804,897,474	23,670,273	15,117,033
<i>Represented by:</i>							6,804,897,474
Cash at bank			23,670,789	25,417,349	6,805,018,003	23,670,789	15,117,301
Bank overdraft			(516)	(444)	(120,529)	(516)	(268)
							(120,529)
Cash and cash equivalents at end of year		13	23,670,273	25,416,905	6,804,897,474	23,670,273	15,117,033
							6,804,897,474

* The inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements.

* The accompanying notes to the financial statements are an integral part of these financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: HISTORICAL COST
FOR THE YEAR ENDED DECEMBER 31, 2024

	Actual ZWG	Budget ZWG	Performance Difference ZWG
A. Revenue			
Revenue from non-exchange transactions			
Government transfers - Operations	35,632,277	314,050,202	278,417,925
Rental savings from occupancy of Burroughs house	1,861,773	-	(1,861,773)
Government transfers- employment costs	55,658,047	29,238,065	(26,419,982)
	93,152,097	343,288,267	250,136,170
Revenue from exchange transactions			
Rendering of services	87,735,276	39,500,000	(48,235,276)
Total revenue	180,887,373	382,788,267	201,900,894
B. Employment costs	32,888,039	29,238,065	(3,649,974)
C. Administration costs			
1 Communication and information	8,288,009	32,146,982	23,858,973
2 Educational material	2,330	4,781,136	4,778,806
3 Hospitality	129,090	16,901	(112,189)
4 Medical expenses	-	11,097	11,097
5 Office suppliers and services	2,078,505	2,675,138	596,633
6 Rental and hire services	5,737,167	5,838,202	101,035
7 Training and development	1,640,949	3,767,402	2,126,453
8 Travel expenses - domestic	12,905,690	7,673,739	(5,231,951)
9 Travel expenses - foreign	3,671,265	32,659,921	28,988,656
10 Utilities and other	1,828,239	1,553,340	(274,899)
11 Financial transactions	3,575,159	24,200,307	20,625,148
12 Institutional provisions	3,886,868	3,632,666	(254,202)
13 Repairs and maintenance	1,457,131	4,081,722	2,624,591
14 Fumigation and cleaning	6,108	157,635	151,527
15 Fuel, oils and lubricants	5,790,893	5,849,213	58,320
16 Foreign subscriptions	54,427	351,895	297,468
17 Other items not listed above	665,875	136,647	(529,228)
18 Total administration costs	51,717,705	129,533,943	77,816,238
Total recurrent expenditure excluding depreciation	84,605,744	158,772,008	74,166,264
18 Net re-current surplus/(deficit) before non-financial assets	96,374,714	10,199,608,992	5,095,283,134
20 Depreciation and Impairment	14,039,363	-	(14,039,363)
21 Capital Expenditure	5,070,199	15,121,456	10,051,257
22 Capital grant: Staff Loan Revolving Fund(SLRF)	400,204	22,000,000	21,599,796
Total Capital Expenditure	19,509,766	37,121,456	17,611,690

AUDIT OFFICE

FOR THE YEAR ENDED DECEMBER 31, 2024

1. NATURE OF BUSINESS

The reporting entity ("The Audit Office") was established by section 309 of the Constitution of Zimbabwe Amendment (No.20) of 2013 to execute the functions of the Auditor-General which are enshrined in section 309 (2) (a)-(d), principally being to provide auditing services to departments, institutions and agencies of government, all provincial and metropolitan councils, and all local authorities.

The reporting entity's functions and operations are executed through Divisions which are centrally located at Head Office, No.48 Burroughs House, Harare.

The Office's sources of funding are from those;

- (a) Appropriated from Parliament; -which relates to funding from Government, and
- (b) Retained funds; -which relate to audit fees charged to Local Authorities and Parastatals

The Audit Office established a staff loan revolving fund in terms of the Public Finance Management Act [Chapter 22:19]. Its objective is to attract, retain and motivate staff by providing loan financing to enhance staff welfare and support their professional development requirements as per the Funds constitution. The results of its operations have been included in the consolidated report.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Office made an earlier adoption of International Public Sector Accounting Standards ('IPSAS') at the beginning of the prior year. The Government wide transitional period of adopting "IPSAS" is January 1, 2023 to year ending December 31, 2025. The financial statements have been prepared on an accrual basis but adopted partial compliance with some of the International Public Sector Accounting Standards ('IPSAS') as it is in the transitional period to full adoption of the standards. The Office will continue going by Government guidelines as to how Property, plant and equipment will be valued in the financial statements during and after the transitional period. The financial statements have been prepared on a going-concern basis.

2.2 New and revised IPSAS standards

The International Public Sector Accounting Standards Board (IPSASB), has issued two new IPSAS Standards namely; (IPSAS) 47-"Revenue" will be effective for periods on or after January 1, 2026, and IPSAS 46- "Measurements" which will be effective January 1, 2025.

International Public Sector Accounting Standard (IPSAS) 47-"Revenue".	The new IPSAS 47-"Revenue" was adopted in line with the requirements of the Zimbabwe Financial Reporting Manual. This is a single Standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three (3) revenue standards, International Public Sector Accounting Standard (IPSAS) 9-Revenue from exchange transactions, International Public Sector Accounting Standard (IPSAS) 23-"Revenue from non-exchange transactions and IPSAS 11-"Construction contracts, and presents accounting models on revenue recognition as it may arise from transactions with or without binding arrangements which will improve financial reporting and support effective public sector financial management.
International Public Sector Accounting Standard PSAS 46-"Measurements" was issued in May 2023 and will be effective January 1, 2025.	The Standard brings measurement guidance together in a single standard, and introduces a public sector current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value.

New standards effective January 2025.

IPSAS 44 Non-current Assets Held for sale and Discontinued operations was issued in May 2022 and will be effective for annual period beginning on or after January 01, 2025,	IPSAS 44 Non-current Assets Held for sale and Discontinued operations will be effective for annual period beginning on or after January 01, 2025, was issued in May 2022. The Office has not yet adopted them as they were considered not to have an impact in the current reporting period even though earlier application is allowed.
International Public Sector Accounting Standard IPSAS 43-"Leases"-issued in January 2022, and will be effective for annual period beginning on or after January 01, 2025,	The Office has not yet adopted them as they were considered not to have an impact in the current reporting period even though earlier application is allowed.

The Office has assessed the issued standards and concluded that they have no material effect on the presentation of the 2024 financial statements.

2.3 Basis of measurement

The Office's functional and presentation currency is the Zimbabwe ZiG (ZWG) for the financial year ended December 31, 2024. Historical cost comparative financial information as of, and for the year ended December 31, 2024, was accounted in ZWG (Zimbabwe Dollar) and adjusted to comply with the requirements of IPSAS 10 "Financial Reporting in Hyper-inflationary Economies" in Zimbabwe.

2.4 Change in Accounting policies

IPSAS 3-"Changes in Accounting policies" defines it as the specific principles, bases, conventions, rules, and practices applied by an entity in preparing and presenting financial statements and when applying new to transactions, other events, and conditions as if that policy had always been applied. In making judgment, management considered the applicability of the requirements in IPSASs dealing with similar and related issues; and the definitions, recognition and measurement criteria for assets, liabilities, revenue and expenses as described in the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities, the most recent pronouncements of other standard-setting bodies, and accepted public or private sector practices to the extent that they do not conflict with other sources such as pronouncements of the IASB and Interpretations issued by the IASB or the former Standing Interpretations Committee (SIC).

The change in accounting policy was due to a change in local currency which is the Office's reporting currency. This represented a change from one basis of accounting to another basis of accounting. The initial application of this change in currency had the effect on the current period and also on prior period, even though it is impracticable to determine the exact amount of the adjustment needed to each component, but has an effect on future periods.

The Office, to disclose the extent practicable, the gross amounts of the adjustment for in the financial statement on a line item affected with the combined effect disclosed as currency effects in the statement of changes in net assets. Retrospective application as required by paragraph 24(a) of IPASAS 3 for the comparable period were also disclosed. The change in foreign exchange effects had switchovers from three multiple currencies namely the ZWL, USD and ZWG, which is the new currency.

2.5 Going concern

Management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue with its mandate for the foreseeable future. However, management believes that under the current economic environment a continuous assessment of the ability of the Office to continue to operate as a going concern needs to be performed to determine the continued appropriateness of the going concern.

"The financial statements set out in this report have been prepared by management in accordance with (IPSASs). The statements are based on the appropriate accounting policies which were supported by reasonable and prudent judgements and estimates.

The Office's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify, and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the

highest ethical standards in ensuring the Office's practices are conducted in the manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Office have been addressed and management confirms that the systems of accounting and internal control are operating satisfactorily. In light of the current financial position, management is satisfied that the Office is a going concern and has continued to adopt the going concern basis in preparing the financial statements."

Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Office's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going-concern basis.

2.6 Functional and presentation currency

The organisation's financial statements are presented in the Zimbabwe Gold (ZWG), has been determined to be the organisation's functional currency. This determination follows the Government's promulgation of Statutory Instrument 60 of 2024 (SI 60/2024) Presidential Powers (Temporary Measures) Zimbabwe Gold Notes and Coins) Regulations on 05 April 2024, which reintroduced the Zimbabwe Gold (ZWG) as legal tender. Under this regulation, certain assets and liabilities were deemed to be Zimbabwe Gold (ZWG) at a cross rate of 1USD:ZWG2 498.7242 which was determined based on the exchange rate of USD1: ZWL30 673 to USD1: ZWG13.56 as at the effective date, excluding inflation differentials.

Most of the organization's transactions are denominated in ZWG, and the same currency is used for financial reporting purposes. Foreign currency transactions are translated to the Zimbabwe Gold (ZWG) at the exchange rate prevailing at the date of the transaction, using the RBZ Inter-bank exchange rate.

2.7 Inflation accounting

In line with IPSAS 10: Financial Reporting in Hyperinflationary Economies, the financial statements have been prepared under the assumption that Zimbabwe is experiencing hyperinflation. As per the Public Accountants and Auditors Board (PAAB) pronouncement 01/2019, which confirmed that the factors for applying IPSAS 10 had been met in Zimbabwe, the application of this standard was adopted from 1 July 2019 onwards.

IPSAS 10 requires financial statements to be presented in terms of a measuring unit current at the balance sheet date, and the comparative figures for the previous period must be restated in the same terms. Appropriate adjustments and reclassifications, including restatements for currency changes and the general purchasing power of the Zimbabwe dollar, have been made to the historical financial information. Non-monetary items have been translated using the historical cost method.

In accordance with Circular 3 of 2025, on 5 April 2024, entities were required to translate all items into the functional currency, Zimbabwe Gold (ZWG), using the exchange rate at the date of change. The financial statements have been adjusted for inflation up to 5 April 2024, these inflation-adjusted amounts were then translated into ZWG using the ZWG/ZWL exchange rate on the date of change. Entities are required to apply inflation adjustments to the financial statements for the entire year, up to 31 December 2024.

For the period from 1 January 2024 to 5 April 2024, the amounts in the statement of financial performance were adjusted for inflation up to 5 April 2024, and these inflation -adjusted amounts were then translated into ZWG using the ZWG/ZWL exchange rate on the date of change.

In restating the comparative financial statements, inflation- adjusted figures as at 31 December 2023 were converted into USD using the exchange rate on that date and then translated into ZWG using the USD/ZWG exchange rate as of 5 April 2024. The resulting inflation adjustments were applied for the remainder of the period up to 31 December 2024.

The following consumer Price index (CPI) indices and conversion factors have been used for inflation adjustments for determining historical figures for period 31 December 2023 to 5 April 2024:

CPI Description	Index	Conversion Factor
CPI as at 5 April, 2024	596 950.30	1.00
CPI as at March 31, 2024	429 219.70	1.39
CPI as at February 28, 2024	258 942.10	2.31
CPI as at January 31, 2024	93 215.80	6.40
CPI as at December 31, 2023	65 703.40	9.09

The monthly balances from December 2023 to April 4 were hyper-inflated using the above indices and the converted to ZWG using 2498.7242 as the exchange rate.

The following indices were used for inflation adjusted balances for 2024 for the period 6 April 2024 to 31 December 2024:

CPI Description	Index	Conversion Factor
CPI as at December 31, 2024	166.30	1.00
Nov 2024	160.41	1.04
Oct 2024	143.59	1.16
Sept 2024	104.62	1.59
Aug 2024	98.90	1.68
July 2024	97.50	1.71
June 2024	97.62	1.70
May 2024	97.58	1.70
April 2024	100.00	1.66

The main procedures applied for inflation adjustment are as follows:

All corresponding figures as of, and for the year ended December 31, 2024, are inflation-adjusted in terms of the measuring unit current at the reporting date as follows:

- Monetary assets and liabilities balances were carried at current amounts divided by the ZWL to ZWG exchange rate of 2489.7242.
- Non-monetary assets and liabilities that were not carried at amounts current at December 31, 2023, and thereafter to 5 April 2024, and components of equity are inflation-adjusted by applying the change in the index from 5 April, 2024, to December 31, 2024.

c. Profit or loss items/transactions, except the depreciation charges, are inflation-adjusted by applying the change in the index from December 31, 2024. Depreciation amounts are based on inflation-adjusted carrying amounts.

All current year figures are translated using the following procedures:

- (i) Monetary assets and liabilities that are carried at amounts current at the statement of financial position date are not inflation-adjusted because they are already expressed in terms of the monetary unit current at the reporting date.
- (ii) Non-monetary assets, liabilities and components of equity are inflation-adjusted by applying the monthly exchange in the index from 5 April 2024, to December 31, 2024.
- (iii) Profit or loss items/transactions, are inflation-adjusted by applying the monthly index from 5 April, 2024. Depreciation amounts are based on inflation-adjusted carrying amounts.
- (iv) The effect of inflation on the net monetary position of the entity is included in the statement of financial performance as a loss or gain on monetary position.
- (v) All items in the statement of cash flows are expressed in terms of the measuring unit current at the statement of financial position date.

3 Statement of Compliance with legal and regulatory requirements

The government as a whole has announced the intent to be in the transitional period of adopting IPSAS standards till December 31, 2025. In this regard, the Office will be guided by guidelines for these developments.

4 Critical accounting estimates and judgments

In the application of the organization's accounting policies, which are described in note 5, management is required to make judgments (other than those involving estimates) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year in accordance with the International Public Sector Accounting Standard (IPSAS) 3 "Accounting Policies, Changes in Accounting Estimates and Errors". Actual results may be different from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Revaluation of assets

As at 31 December 2024, the Office engaged an Independent professional valuer (Rowson properties) to perform a fair value assessment of certain property, plant and equipment Burroughs House and its Land. The valuation was conducted in accordance with **IFRS 13 – Fair Value Measurement** and **IPSAS 45 – Property, Plant and Equipment**.

Based on the independent valuation report, the fair value of the assets was determined to be ZWG **60,291,094.51** for building and Land **ZWG 21 490 151** as at the reporting date. The valuation techniques used included the market comparison approach. Key assumptions used in the valuation have been reviewed and are considered reasonable in the current economic environment. The fair value adjustment has been recognized in accordance with the applicable accounting policies, and all required disclosures have been made in the financial statements in line with the relevant accounting standards.

Fair value measurement

The Office considered fair value as the appropriate basis for financial reporting. Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date” The objective of a Fair Value Measurement (“FVM”) was to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the entity that holds the asset or the liability and market participants.

The carrying value of accounts receivable and payable is assumed to approximate their fair values. The fair value of financial instruments is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the organization for similar financial instruments.

4.2 Useful lives and residual values of property, plant, and equipment

The organization assessed useful lives and residual values of property, plant, and equipment annually, considering experience, technology changes, and the local operating environment.

Burroughs House was revalued by an independent valuer Rawson Properties in December 2024. The valuation report was used for management valuation at year-end. If the revaluation frequency is not annual, IPSAS 17 suggest that the asset be revalued at regular intervals, with enough regularity to avoid material differences between the revalued amount and the fair value. The Office follows a revaluation model which requires that assets be revalued annually.

Its useful life was assumed to be reduced to be forty (40) years though it was a right-of-use asset. The asset’s useful life was aligned to its lease term.

Management made separate assumptions about each class of asset.

The existing useful lives for all assets are set out in note 5.5.1.

For the other classes of assets, the ZWL balances were hyperinflated with the factor of 9.09 for the opening balance as at 01 January 2024 and divided by the exchange rate of 2498.7242.

According to the Zimbabwe Financial Reporting Framework, Land and Buildings are the only asset classes that are eligible for revaluation and the others are to be maintained at cost.

5 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements are based on statutory records that are maintained under the historical cost convention and have been inflation-adjusted in accordance with IPSAS 10 "Financial Reporting in Hyper Inflationary Economies" which requires the use of a general price index that reflects changes in the general purchasing power of the presentation currency.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the organization's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the periods the assumptions are made. Management believes that the underlying assumptions are appropriate.

5.1 Foreign Currency translation and balances

5.1.1 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the organization operates (the functional currency). The financial statements are presented in the Zimbabwe Gold ZiG (ZWG) which is the organization's functional and presentation currency.

5.1.2 Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange rates and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

5.1.3 Exchange rate

The organization entered into foreign currency transactions throughout the year. Transactions in foreign currencies are initially recorded by the organization at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. In determining transactional and closing exchange rates, the organization made use of the prevailing interbank rate and trading arrangements.

5.2 Employee benefits

Both the employer and employees contribute to the National Social Security Authority Scheme (NSSA). This is a social security scheme that was promulgated under the National Social

Security Act. The organization's obligations under the scheme are limited to specific contributions as legislated from time to time.

5.3 Termination benefits

Termination benefits are payable when the organization terminates employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The organization recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

5.4 Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Retirement benefits are provided for the organization's employees through an independently administered defined contribution fund and the Zimbabwe government's National Social Security Authority (NSSA). With the organization's independent fund, contributions are charged to the statement of financial performance to spread the cost of pension over the employee's working life within the organization.

The amounts payable to the National Social Security Authority are determined by the systematic recognition of legislated contributions. Payments to the two retirement benefit schemes are charged as an expense as they fall due.

5.5 Property, Plant and Equipment

5.5.1 Equipment and Mobile Assets

Equipment and mobile assets are stated at revalued amounts on a net replacement cost basis at the end of the financial reporting having considered the gross replacement costs less accumulated depreciation and accumulated impairment loss. The assets are depreciated using the below estimated lives to allocate the amounts of each asset on a straight-line basis.

	Years	Percentage
Transport equipment	5	20%
Machinery and equipment	10	10%
I.C.T. equipment	3	33.3%
Furniture, fittings and fixtures	10	10%

The assets' useful lives and depreciation methods are reviewed, and adjusted, if appropriate, at each reporting date. At the close of the period, management adopted the new useful lives going forward.

	Year	%
Burroughs House Building	40	2.5%

The building ("Burroughs House") is the property of the Government bought on September 1, 2006, and became managed by the Ministry of Local Government and Public Works. It was leased to the Audit Office free of charge, on August 16, 2010.

This is a non-exchange contract in accordance with IPSAS 23. A liability in relation to the transaction was recognized in the financial statements since 2021 financial year and the building was recognized as part of property and equipment in accordance with IPSAS 17. The building is measured at cost, less accumulated depreciation and amortization.

The building had a useful life of 40 years and this useful life is reviewed regularly. At the close of each period, management reviewed the useful live to forty (40) years.

Land

Land was valued separately. Its useful life is indefinite. Land is not depreciated according to IPSAS 17.

5.6 Inventories

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in first-out method. Net realizable value is the estimated selling price less estimated selling expenses.

5.7 Prepayments and Deposits

The organization makes advance payments in respect of some key goods and services associated with its overall operations. The prepayments are initially recognized as assets in the statement of financial position and subsequently expensed to the statement of financial performance or capitalized to other assets on delivery

5.8 Provisions

Provisions are recognized when the Office has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow of respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

6 Financial instruments

6.1 Financial assets

(a) Classification and measurement under IPSAS 41

The Office classifies its financial assets based on amortized cost model because its objective is to collect all contractual cash flows in the foreseeable future.

(b) Recognition

The Office recognizes a financial asset or financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

(c) Derecognition

A financial asset is derecognized when the organization loses control over the contractual rights that comprise the asset. A financial liability is derecognized when it is paid or settled.

(d) Impairment of financial assets

Allowances for credit losses

IPSAS 41 impairment requirements use forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortized cost.

The Office of the Auditor-General considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the organization's attention about loss events.

The Office assesses at each reporting date whether there is objective evidence that an asset or group of financial assets is impaired.

In applying this forward-looking approach, a distinction is made between: Financial Instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognized for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognized for the second category (i.e. Stage 2).

- 'Stage 1 refers to Audit fees debtors with less than 1 year and other staff debtors for members currently employed by the organization. A risk rate of 2% is used in this category.

-Stage 2 refers to Audit fees debtors with more than 1 year and other debtors for former staff members. A risk rate of 5% is used for this category.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the organization about the following loss events:

- a) Significant financial difficulty of the issuer or obligor;
- b) A breach of contract such as a default or delinquency in interest or principal payments;
- c) It becomes evident that the borrower will enter bankruptcy or financial re-organization;
- d) The disappearance of an active market for that financial asset because of financial difficulty;
- e) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) Adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) National or local economic conditions that correlate with defaults on the assets in the portfolio.

Management first assesses whether objective evidence of impairment exists. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the statement of financial performance. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, and balances with banks,

Cash and cash equivalents only include items held to meet short-term cash commitments

Cash and cash equivalents have a maturity of less than three months and are carried at cost which due to their short-term nature, approximates their fair value.

8 Revenue

8.1 PSAS 47, Requires at inception an entity to first consider whether it has entered into a revenue transaction with or without a binding agreement. A binding arrangement includes both right and obligations that are enforceable for two or more of the parties in the arrangement. For an arrangement to be binding, it must be enforceable through legal or equivalent means, on the parties to the arrangement and can be written, oral or implied by an entity's customary practices.

8.1.1 Revenue from transactions without binding agreements

Recognition: When an entity recognizes an inflow or right to an inflow of resources as an asset for a revenue transaction without a binding arrangement, it recognizes revenue based on the nature of the requirements in its revenue transactions. An entity shall recognize revenue from a transaction without a binding arrangement;

(a) when (or as) the entity satisfies any obligations associated with the inflow of resources that met the definition of a liability; or

(b) immediately if the entity does not have an enforceable obligation associated with the inflow of resources.

Measurement: Revenue transactions with binding arrangement is measured at the fair value of consideration received or receivable.

8.1.2 Revenue from transactions with binding agreements

Recognition: An entity shall account for a binding arrangement using the binding arrangement accounting model if all of the criteria; the approval and commitment by parties to the respective obligations, identification of each party's rights and payment terms, economic substance, and probable collection of the entitled consideration. Revenue is recognised at the amount allocated to a compliance obligation when (or as) the entity satisfies that compliance obligation.

Measurement: An entity measures revenue by determining the transaction consideration, which is the amount of resources to which an entity expects to be entitled for satisfying a compliance obligation. The total consideration is allocated to each individual compliance identified in the binding arrangement, typically based on their relative stand-alone value.

The standard allows also services in kind to be recognised, but it is not a requirement

The standard also recognises capital transfers which are defined as an inflow of cash or another asset that arises from a binding arrangement with a specification that the entity acquires or constructs a non-financial asset that will be controlled by the entity. Since capital transfers arise from binding arrangements, an entity shall apply the binding arrangement

accounting model to recognize and measure its revenue from the transaction if they happen to arise. In this current year, there were no capital transfers.

8.2. (a) Government transfers

A government transfer is recognized only when there is reasonable assurance that;

(a) the entity complied with any conditions attached to the transfer and b) the transfer will be received.

The transfer is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Non-monetary transfers, such as land or other resources, are usually accounted for at fair value, although recording both the asset and the transfer at a nominal amount is also permitted. The transfer income received was recognized as income in the current period. There were no unfulfilled and other contingencies attached to the transfer.

(b) Interest income

Interest income arises from medium to long-term loans issued to the Audit Office employees. The arrangements are contractually binding with enforceable rights and performance obligations on each party. This interest revenue is recognized on a systematic basis, at a point in time, as and when it is accrued.

Interest income is recognized using the effective interest rate method.

9 Taxation

"The Office is exempted from paying income tax in terms of the Income Tax Act [Chapter 23:06], except for Pay as You Earn (P. A.Y.E) levied on the Office employee's salaries, which is deducted at source, remitted by the Salary Services Bureau (SSB)."

"The Office is not registered as a tax agent, and therefore neither does it charge nor collect Value Added Tax (VAT) on its audit services as per the VAT Act [Chapter 23:12]."

10 Related parties

10.1 Key Management Personnel

The key management personnel are the Auditor-General, the Deputy Auditor-Generals, and Directors.

The aggregate remuneration of fifteen (15) executive members determined on a full-time equivalent basis receiving remuneration within this category are:

10.1.1 Directors, Deputy Auditor General, and Auditor General

Aggregate remuneration ZWG 2 991 749.64

Bonus ZWG 984 813.12

10.1.2 Board Members Excluding ex-officio Executive Board Members

The retainer fees, board meetings, and Committee meetings are as follows:

	Retainer fees, Board and Committee Meetings
Board Meetings	ZWG 665 874.55
Withholdings tax @20%	ZWG 133 174.91
Total net of withholding tax	ZWG 532 699.64

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

11 Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Principal financial instruments

The principal financial instruments used from which financial instrument risk arises, are as follows:

Trade receivables
Cash and cash equivalents
Trade and other payables

(b) Recognition

Financial assets and financial liabilities are recognized when the Audit Office becomes a party to the contractual provisions of the financial instrument.

(c) Financial Assets

The Office has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at fair value
Trade receivables	Financial asset measured at fair value

12 Risk Management**12.1 Financial risk management**

The Office is exposed through its operations to the following financial risks:-

- Foreign exchange risk
- Credit risk
- Liquidity risk

Risk management is carried out by management under policies approved by the Audit Office Board. Management identifies and evaluates financial risks such as foreign exchange risk, interest risk, and credit risk.

(a) Foreign exchange risk

The Office is exposed to foreign exchange risks.

The organisation undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a contract. Credit risk arises from credit exposures to outstanding receivables whenever they are overdue. Some receivables are overdue but are all collectible in full from State-owned-enterprises. Credit risk is managed at organisation-wide-basis. Counterparty risk is further managed by constant engagement of credit customers to determine the current position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

12 Risk Management (continued)

12.1.1 Financial risk management (continued)

Credit risk (continued)

Credit risk analysis
2024

	Inflation Adjusted		Historic cost	
	2024 ZWG	Restated 2023 ZWG	2024 ZWG	Restated 2023 ZWG
Receivables	29,505,821	22,565,736	29,505,821	13,595,264
Total receivables	29,505,821	22,565,736	29,505,821	13,595,264

The fair value of receivables as at December 31, 2022 approximates the carrying amount.

Analysis by credit quality of financial assets is as follows:

Neither past due nor impaired

-Cash and cash equivalents	23,670,789	25,417,349	23,670,789	15,117,301
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Past due and not impaired

-Receivables	29,505,821	22,565,736	29,505,821	13,595,264
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Past due and impaired

-Receivables	-	-	-	-
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Receivables from fellow State-owned entities and other receivables are all collectible.

(2023 Previously Reported results)

Credit risk (continued)

Credit risk analysis

	Inflation Adjusted		Historic cost	
	2024 ZWL	Restated 2023 ZWL	2024 ZWG	Restated 2023 ZWG
Receivables	6,119,876,937	5,045,264,721	6,119,876,937	476,415,356
Total receivables	6,119,876,937	5,045,264,721	6,119,876,937	476,415,356

The fair value of receivables as at December 31, 2024 approximates the carrying amount.

Analysis by credit quality of financial assets is as follows:

Neither past due nor impaired

-Cash and cash equivalents	6,106,452	14,753,882	6,106,452	1,890,675
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Past due and not impaired

-Receivables	6,119,876,937	5,045,264,721	6,119,876,937	476,415,356
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Past due and impaired

(c) -Receivables	-	-	-	-
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Receivables from fellow State-owned entities and other receivables are all collectible.

Liquidity risk analysis
2024

	On demand less than one month ZWG	From 1 to 6 months ZWG	Over six months ZWG	Total ZWG
At December 31, 2024				
Assets				
Inflation adjusted: 2024				
Trade and other receivables (excluding prepayments)	1,973,156,837	577,857,086	4,044,138,337	29,505,821
Cash and cash equivalents	23,670,789	-	-	23,670,789
Total	1,996,827,626	577,857,086	4,044,138,337	53,176,610
Less: Liabilities				
Inflation adjusted: 2024				
Payables	2,407,467,001	1,030,573,218	67,036,301	24,369,907,538
Total	2,407,467,001	1,030,573,218	67,036,301	24,369,907,538
Liquidity gap-favourable	(410,639,375)	(452,716,132)	3,977,102,036	(24,316,730,928)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

Liquidity risk analysis

(2023 Previously Reported results)

	On demand less than one month ZWG	From 1 to 6 months ZWG	Over six months ZWG	Total ZWG
At December 31, 2023				
Assets				
Inflation adjusted: 2024				
Trade and other receivables (excluding prepayments)	1,973,156,837	577,857,086	4,044,138,337	6,119,876,937
Cash and cash equivalents	6,805,018,003	-	-	6,805,018,003
Total	8,778,174,840	577,857,086	4,044,138,337	12,924,894,940
Less: Liabilities				
Inflation adjusted: 2024				
Payables	2,407,467,001	1,030,573,218	67,036,301	24,369,907,538
Total	2,407,467,001	1,030,573,218	67,036,301	24,369,907,538
Liquidity gap-favourable	6,370,707,839	(452,716,132)	3,977,102,036	(11,445,012,598)

12.2 Capital risk management

Assets as per statement of financial position

	Inflation Adjusted		Historical Cost	
	2024	Restated 2023	2024	Restated 2023
	ZWG	ZWG	ZWG	ZWG
Inventories	2,268,345	2,085,106	1,256,236	1,256,236
Trade and other receivables	29,505,821	22,565,736	29,505,821	13,595,264
Cash and cash equivalents	23,670,789	25,417,349	23,670,789	15,117,301
Total	53,176,610	47,983,085	53,176,610	28,712,565

Liabilities as per statement of financial position

Less: Other financial liabilities at amortised cost	49,168	35,604	6,106,452	14,753,882
Total	53,127,442	47,947,481	47,070,158	13,958,683

The Audit Office's objectives when managing capital (equity) are to safeguard its ability to continue as a going concern in order to continue providing services to clients and other stakeholders. The organisation may adjust the amount of investments it holds from time to time in order to maintain or adjust its capital structure

Capital risk management

Assets as per statement of financial position

(2023 Previously Reported results)

	Inflation Adjusted		Historical Cost	
	2023	Restated 2022	2023	Restated 2022
	ZWL	ZWL	ZWL	ZWL
Inventories	565,491,764	149,921,616	215,667,487	19,220,720
Trade and other receivables	6,119,876,937	5,045,264,721	6,119,876,937	476,415,356
Cash and cash equivalents	6,805,018,003	1,863,916,244	6,805,018,003	238,963,621
Total	12,924,894,940	6,909,180,965	12,924,894,940	715,378,977

Liabilities as per statement of financial position

Less: Other financial liabilities at amortised cost	6,106,452	14,753,882	6,106,452	1,890,675
Total	12,918,788,488	6,894,427,083	12,918,788,488	713,488,302

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

12.3 Risk mitigation Measures

12.3.1 Insurance

The Office's Staff Loan Revolving fund partnered with NICOZ Diamond Insurance Company and CBZ Life Assurance which provides a certain cover in the event of default by employees. The product is such that it is the loan beneficiaries who pay the premium and the Fund only disburse loans after deducting premiums from the member. Subsequently, however, the fund will cater for annual premiums for outstanding balances.

(a) Direct Deduction from Salary Services Bureau

Credit risk is the major risk the Fund faces. The fund had tried to cushion itself from risk of default by making use of Salary Service Bureau deduction, which deducts directly from members' salary.

(b) Instruction to Pension Office through Salary Services Bureau.

The biggest threat is the resignation of members, as the monthly Salary Services Bureau deduction will cease. The fund counters the risk by instructing Salary Services Bureau to effect deduction equivalent to members outstanding obligation which can be recovered when members claim their pension. The fund, in liaison with Pensions Office, is set to recover funds even if members have not yet claimed their benefits.

(c) Departed members

As members who leave the Office, their outstanding balances becomes due and payable.

	Inflation Adjusted		Historic cost	
	2024	Restated 2023	2024	Restated 2023
	ZWG	ZWG	ZWG	ZWG
13 Cash and cash equivalents				
Cash at bank: Appropriation and retention accounts	23,617,050	25,091,760	23,617,050	14,921,163
Cash at bank: Staff loan revolving fund	53,739	325,589	53,739	196,138
Total cash and cash equivalents	23,670,789	25,417,349	23,670,789	15,117,301
	Inflation Adjusted		Historic cost	
	2023	Restated 2022	2023	Restated 2022
	ZWG	ZWG	ZWG	ZWG
13.1 Cash and cash equivalents				
(2023 Previously Reported results)				
Cash at bank: Appropriation and retention accounts	6,716,726,936	1,663,487,779	6,716,726,936	213,279,187
Cash at bank: Staff loan revolving fund	88,291,067	200,428,465	88,291,067	25,684,434
Total cash and cash equivalents	6,805,018,003	1,863,916,244	6,805,018,003	238,963,621
	Inflation Adjusted		Historic cost	
	2024	Restated 2023	2024	Restated 2023
	ZWG	ZWG	ZWG	ZWG
14 Bank overdraft				
Sub-Exchequer account	516	444	516	268
Total cash and cash equivalents	516	444	516	268
	Inflation Adjusted		Historic cost	
	2023	Restated 2022	2023	Restated 2022
	ZWG	ZWG	ZWG	ZWG
(2023 Previously Reported results)				
14.1 Bank overdraft				
Sub-Exchequer account	120,529	34,398	120,529	4,408
Total cash and cash equivalents	120,529	34,398	120,529	4,408
	Inflation Adjusted		Historic cost	
	2024	Restated 2023	2024	Restated 2023
	ZWG	ZWG	ZWG	ZWG
15 Receivables from exchange transactions				
Current portion of trade receivables				
Trade receivables	28,819,597	20,367,851	28,819,597	12,271,237
Allowance for credit losses	(576,393)	(407,357)	(576,393)	(245,425)
15.1 Net trade receivables	28,243,204	19,960,494	28,243,204	12,025,812
15.2 Other receivables	819,990	675,832	819,990	407,176
Total receivables	29,063,194	20,636,326	29,063,194	12,432,988

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

	Inflation Adjusted		Historic cost	
	2024	Restated	2024	Restated
	ZWG	2023	ZWG	2023
		ZWG		ZWG
15.3 Non-current portion of trade receivables				
Trade receivables	715,969	495,674	715,969	304,856
Allowance for credit losses	(28,638)	(19,827)	(28,638)	(12,194)
	687,331	475,847	687,331	292,662
(2023 Previously Reported results)				
	Inflation Adjusted		Historic cost	
	2023	Restated	2023	Restated
	ZWL	2022	ZWL	2022
		ZWL		ZWL
Receivables from exchange transactions				
Current portion of trade receivables				
Trade receivables	5,523,868,915	2,810,562,565	5,523,868,915	190,043,557
Allowance for credit losses	(110,477,378)	(56,211,254)	(110,477,378)	(9,447,342)
Net trade receivables	5,413,391,537	2,754,351,311	5,413,391,537	180,596,215
Other receivables	183,289,315	968,376,262	183,289,315	124,095,129
Total receivables	5,596,680,852	3,722,727,573	5,596,680,852	304,691,344
15.3 Non-current portion of trade receivables				
Trade receivables	137,230,226	30,575,407	137,230,226	3,919,924
Allowance for credit losses	(5,489,209)	(1,515,524)	(5,489,209)	(194,298)
	131,741,017	29,059,883	131,741,017	3,725,626
(2023 Previously Reported results)				
	Inflation Adjusted		Historic cost	
	2024	Restated	2024	Restated
	ZWG	2023	ZWG	2023
		ZWG		ZWG
15.4 Current portion of loan receivables				
Loan receivables	226,454	716,863	226,454	431,845
Allowance for credit losses on loan receivables	(855)	-	(855)	-
	225,599	716,863	225,599	431,845
(2023 Previously Reported results)				
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
Current portion of loan receivables				
Loan receivables	194,394,191	569,472,057	194,394,191	72,976,498
Allowance for credit losses on loan receivables	-	-	-	-
	194,394,191	569,472,057	194,394,191	72,976,498
(2023 Previously Reported results)				
	Inflation Adjusted		Historic cost	
	2024	Restated	2024	Restated
	ZWG	2023	ZWG	2023
		ZWG		ZWG
15.5 Non-current portion of loan receivables				
Loans receivables	459,770	1,481,022	459,770	892,182
Allowances for credit losses on loans	(13,382)	(44,290)	(13,382)	(26,681)
	446,388	1,436,732	446,388	865,501
(2023 Previously Reported results)				
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
Non-current portion of loan receivables				
Loans receivables	401,613,831	1,665,230,099	401,613,831	213,395,301
Allowances for credit losses on loans	(12,010,387)	(45,496,945)	(12,010,387)	(5,830,326)
	389,603,444	1,619,733,154	389,603,444	207,564,975
16 Allowance for credit losses model				
16.1 Allowance for credit losses on receivables from exchange transactions				
As at December 31, 2024, the lifetime expected loss provision for the receivables from exchange transactions was as follows:				
	Inflation Adjusted		Historic cost	
	2024	Restated	2024	Restated
	ZWG	2023	ZWG	2023
		ZWG		ZWG
Stage 1				
Expected loss rate	2%	2%	2%	2%
Current Debtors	28,819,597	20,367,851	28,819,597	12,271,237
Loss allowance	576,393	407,357	576,393	245,425
Carrying amount	28,243,204	19,960,494	28,243,204	12,025,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

16 Allowance for credit losses model (continued)

	Inflation Adjusted		Historic cost	
	2024 ZWG	Restated 2023 ZWG	2024 ZWG	Restated 2023 ZWG
Stage 2				
Expected loss rate	4%	4%	4%	4%
Non Current Debtors	715,969	495,674	715,969	304,856
Loss allowance	28,638	19,827	28,638	12,194
Carrying amount	687,331	485,761	687,331	292,662
Total credit losses	605,031	427,184	605,031	257,619

16.2 Allowance for credit losses on loan receivables

As at December 31, 2023, the lifetime expected loss provision for the loan receivables was as follows:

Stage 1				
Expected loss rate	2%	0%	2%	0%
Carrying amount	674,637	716,863	674,637	431,845
Loss allowance	13,493	-	13,493	-
Allowance for credit loss	13,493	-	13,493	-
Stage 2				
Expected loss rate	5%	3%	5%	3%
Carrying amount	17,250	1,481,023	17,250	892,182
Loss allowance	863	44,290	863	26,681
Allowance for credit loss	863	44,290	863	26,681
Total credit losses	14,356	44,290	14,356	26,681

(2023 Previously Reported results)

Allowance for credit losses on receivables from exchange transactions

As at December 31, 2023, the lifetime expected loss provision for the receivables from exchange transactions was as follows:

	Inflation Adjusted		Historic cost	
	2023 ZWL	Restated 2022 ZWL	2023 ZWL	Restated 2022 ZWL
Stage 1				
Expected loss rate				
Current Debtors	5,523,868,915	2,810,562,565	5,523,868,915	190,043,557
Loss allowance	110,477,378	56,211,254	110,477,378	9,447,342
Carrying amount	5,413,391,537	2,754,351,311	5,413,391,537	180,596,215
Stage 2				
Expected loss rate				
Non Current Debtors	137,230,226	30,575,407	137,230,226	3,919,924
Loss allowance	5,489,209	1,515,524	5,489,209	194,298
Carrying amount	131,741,017	29,059,883	131,741,017	3,725,626
Total credit losses	115,966,587	57,726,778	115,966,587	9,641,640

Allowance for credit losses on loan receivables

As at December 31, 2023, the lifetime expected loss provision for the loan receivables was as follows:

Stage 1				
Expected loss rate	0%	2%	0%	2%
Carrying amount	194,394,191	2,201,687,080	194,394,191	282,140,995
Loss allowance	-	44,033,742	-	5,642,820
Allowance for credit loss	-	44,033,742	-	5,642,820
Stage 2				
Expected loss rate	3%	5%	3%	5%
Carrying amount	401,613,831	29,264,098	401,613,831	3,750,125
Loss allowance	12,010,387	1,463,205	12,010,387	187,506
Allowance for credit loss	12,010,387	1,463,205	12,010,387	187,506
Total credit losses	12,010,387	45,496,947	12,010,387	5,830,326

17 Inventories

	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Consumables	2,268,345	2,085,106	1,366,473	1,256,236
	2,268,345	2,085,106	1,366,473	1,256,236

(2023 Previously Reported results)

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Inventories				
Consumables	565,491,764	149,921,616	215,667,487	19,220,720

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

18 Property, plant and equipment
(Restated ZWG)
Inflation Adjusted

Description	Furniture, fittings and Fittings ZWG	I.C.T Equipment ZWG	Machinery and Equipment ZWG	Transport Equipment ZWG	Buildings ZWG	Land ZWG	Total ZWG
At December 31, 2024							
Cost	6,693,538	30,514,592	1,762,991	17,751,288	72,980,558	26,013,182	155,716,149
Accumulated depreciation	(629,183)	(7,868,678)	(166,730)	(3,550,258)	-	-	(12,214,849)
Revaluation surplus	-	-	-	-	(12,689,463)	(4,523,031)	(17,212,494)
Cost	6,064,355	22,645,914	1,596,261	14,201,030	60,291,095	21,490,151	126,288,806
Year ended December 31, 2024							
Opening net book value	5,579,519	14,692,097	1,460,083	13,242,794	98,891,840	-	133,866,333
Additions	401,705	6,906,198	95,690	-	-	-	7,403,593
Reclassification	-	-	-	-	(26,013,182)	26,013,182	-
Depreciation	(629,183)	(7,868,678)	(166,730)	(3,550,258)	(1,824,514)	-	(14,039,363)
Reversal of depreciation on revaluation	712,314	8,916,295	207,218	4,508,495	1,926,415	-	16,270,737
Revaluation deficit	-	-	-	-	(12,689,463)	(4,523,031)	(17,212,494)
Closing net book value	6,064,355	22,645,912	1,596,261	14,201,031	60,291,096	21,490,151	126,288,806
At December 31, 2023							
Cost	2,644,614	20,514,893	771,673	9,035,186	1,114,539	-	34,080,905
Accumulated depreciation	(712,314)	(8,916,295)	(207,218)	(4,508,495)	(101,901)	-	(14,446,223)
Revaluation surplus	3,647,219	3,093,501	895,628	8,716,102	97,879,201	-	114,231,651
Net book value	5,579,519	14,692,099	1,460,083	13,242,793	98,891,839	-	133,866,333
Opening net book value	2,076,443	1,430,311	254,820	6,220,541	1,038,113	-	11,020,228
Additions	116,437	14,862,060	357,239	106,114	-	-	15,441,850
Depreciation charge for the year	(260,580)	(4,693,775)	(47,604)	(1,799,963)	(25,474)	-	(6,827,396)
Revaluation surplus	3,647,219	3,093,501	895,628	8,716,102	97,879,201	-	114,231,651
Closing net book value	5,579,519	14,692,097	1,460,083	13,242,794	98,891,840	-	133,866,333
2023 Previously reported results	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
At December 31, 2023							
Cost	717,148,799	5,563,091,099	209,256,979	2,450,101,198	302,233,064	-	9,241,831,139
Accumulated depreciation	(193,160,834)	(2,417,861,252)	(56,191,837)	(1,222,583,396)	(27,632,736)	-	(3,917,430,055)
Revaluation surplus	989,028,245	838,874,885	242,870,534	2,363,574,351	26,542,225,109	-	30,976,573,124
Net book value	1,513,016,210	3,984,104,732	395,935,676	3,591,092,153	26,816,825,437	-	36,300,974,208
Opening net book value	563,075,699	387,862,141	69,100,496	1,666,844,578	281,508,512	-	2,988,391,426
Additions	31,574,657	4,030,193,814	96,873,530	28,775,122	-	-	4,187,417,123
Depreciation charge for the year	(70,662,391)	(1,272,826,108)	(12,908,884)	(488,101,898)	(6,908,184)	-	(1,851,407,465)
Revaluation surplus	989,028,245	838,874,885	242,870,534	2,363,574,351	26,542,225,109	-	30,976,573,124
Closing net book value	1,513,016,210	3,984,104,732	395,935,676	3,591,092,153	26,816,825,437	-	36,300,974,208

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

18 Property, plant and equipment

(Restated ZWG)
Historical cost

Description	Furniture, fittings and Fittings ZWG	I.C.T Equipment ZWG	Machinery and Equipment ZWG	Transport Equipment ZWG	Buildings ZWG	Land ZWG	Total ZWG
At December 31, 2024							
Cost	4,063,530	18,920,018	1,069,493	10,693,547	43,964,191	15,670,592	94,381,371
Accumulated depreciation	(379,026)	(4,740,167)	(100,440)	(2,138,710)	-	-	(7,358,343)
Revaluation surplus	-	-	-	-	16,326,903	5,819,559	22,146,462
Cost	3,684,504	14,179,851	969,053	8,554,837	60,291,094	21,490,151	109,169,490
Year ended December 31, 2024							
Opening net book value	3,361,156	8,850,661	879,568	7,977,587	59,573,397	-	80,642,369
Additions	273,269	4,698,094	65,095	-	-	-	5,036,458
Reclassification	-	-	-	-	(15,670,592)	15,670,592	-
Depreciation	(379,026)	(4,740,167)	(100,440)	(2,138,710)	(1,099,105)	-	(8,457,448)
Reversal of depreciation on revaluation	429,105	5,371,262	124,830	2,715,961	1,160,491	-	9,801,649
Revaluation surplus	-	-	-	-	16,326,903	5,819,559	22,146,462
Closing net book value	3,684,504	14,179,850	969,053	8,554,838	60,291,094	21,490,151	109,169,490
At December 31, 2023							
Cost	1,593,141	12,358,369	464,863	5,442,883	671,409	-	20,530,665
Accumulated depreciation	(429,105)	(5,371,262)	(124,830)	(2,715,961)	(61,386)	-	(8,702,544)
Revaluation surplus	2,197,120	1,863,555	539,535	5,250,664	58,963,374	-	68,814,248
Net book value	3,361,156	8,850,662	879,568	7,977,586	59,573,397	-	80,642,369
Opening net book value	1,250,869	861,633	153,506	3,747,314	625,369	-	6,638,691
Additions	70,143	8,953,048	215,204	63,924	-	-	9,302,319
Depreciation charge for the year	(156,976)	(2,827,575)	(28,677)	(1,084,315)	(15,346)	-	(4,112,889)
Revaluation surplus	2,197,120	1,863,555	539,535	5,250,664	58,963,374	-	68,814,248
Closing net book value	3,361,156	8,850,661	879,568	7,977,587	59,573,397	-	80,642,369
2023 Previously reported results	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
At December 31, 2023							
Cost	717,148,799	5,563,091,099	209,256,979	2,450,101,198	302,233,064	-	9,241,831,139
Accumulated depreciation	(193,160,834)	(2,417,861,252)	(56,191,837)	(1,222,583,396)	(27,632,736)	-	(3,917,430,055)
Revaluation surplus	989,028,245	838,874,885	242,870,534	2,363,574,351	26,542,225,109	-	30,976,573,124
Net book value	1,513,016,210	3,984,104,732	396,935,676	3,591,092,153	26,816,825,437	-	36,300,974,208
Opening net book value	563,075,699	387,862,141	69,100,496	1,686,844,578	281,508,512	-	2,988,391,426
Additions	31,574,657	4,030,193,814	96,873,530	28,775,122	-	-	4,187,417,123
Depreciation charge for the year	(70,662,391)	(1,272,826,108)	(12,908,884)	(488,101,898)	(6,908,184)	-	(1,851,407,465)
Revaluation surplus	989,028,245	838,874,885	242,870,534	2,363,574,351	26,542,225,109	-	30,976,573,124
Closing net book value	1,513,016,210	3,984,104,732	396,935,676	3,591,092,153	26,816,825,437	-	36,300,974,208



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

19 Lease liability due to right of use asset

19.1 Inflation Adjusted

	2024 ZWG	2023 ZWG
		13.56
Opening carrying amount of lease liability	51,218,467	51,928,631
Charge to revenue	(1,861,773)	(1,306,227)
Closing carrying amount	49,356,694	51,218,467

19.2 Historical Cost

	2024 ZWG	2023 ZWG
		13.5616
Opening carrying amount of lease liability	50,622,250	51,928,631
Charge to revenue	(1,265,556)	(1,306,381)
Closing carrying amount	49,356,694	50,622,250

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Inflation Adjusted			Previously Reported		
	2024	2023	2023	2024	2023	2023
	ZWG	ZWG	ZWL	ZWG	ZWG	ZWL
20 Payables and accruals						
Payables with binding arrangements						
20.1 Trade payables	5,100,747	5,607,648	1,520,644,383	5,100,747	3,378,101	1,520,644,383
Audit fees provision	148,769	129,819	35,203,432	148,769	78,204	35,203,432
Other current liabilities	3,114,951	75,469	20,465,214	3,114,951	45,463	20,465,214
	<u>8,364,467</u>	<u>5,812,936</u>	<u>1,576,313,029</u>	<u>8,364,467</u>	<u>3,501,768</u>	<u>1,576,313,029</u>
20.2 Temporary deposits	143,777	333,465	90,437,492	143,777	200,906	90,437,492
Total payables and accruals	8,508,244	6,146,401	1,666,750,521	5,393,293	3,702,674	1,666,750,521
Audit fees provision						
At the beginning of the year	78,195	55,420	3,197,208	78,195	7,102	3,197,208
Provision for the year	148,769	610,195	35,203,432	148,769	78,195	35,203,432
Paid during the year	<u>(78,195)</u>	<u>(55,420)</u>	<u>(3,197,208)</u>	<u>(78,195)</u>	<u>(7,102)</u>	<u>(3,197,208)</u>
At the end of the year	148,769	610,195	35,203,432	148,769	78,195	35,203,432
21 Loan payables from SLRF						
Other payables loan related	4,350	4,791	4,807,267	4,350	10,678	4,807,267
Over- deductions on loans	44,818	-	1,299,185	44,818	2,886	1,299,185
	<u>49,168</u>	<u>4,791</u>	<u>6,106,452</u>	<u>49,168</u>	<u>13,564</u>	<u>6,106,452</u>
22 Revenue						
22.1 Revenue from transactions without binding agreements						
Government transfers for operations	35,632,277	155,502,401	28,040,950,906	24,221,336	93,676,145	10,694,269,663
Government transfers, salaries	55,658,047	4,895,141	14,806,220,835	37,834,020	2,948,880	5,646,802,736
Rental savings from occupancy of Burroughs house	1,861,773	2,168,592	588,064,208	1,265,556	1,306,381	6,908,184
Loan interest - Staff Loan Revolving Fund(SLRF)	48,984	92,006	65,425,933	33,297	55,425	24,952,170
	<u>93,201,081</u>	<u>162,658,140</u>	<u>43,500,661,882</u>	<u>63,354,209</u>	<u>97,986,831</u>	<u>16,372,932,753</u>
22.2 Revenue from transactions with binding agreements						
Rendering of services	87,735,276	107,498,820	30,009,092,910	59,638,783	64,758,325	11,444,880,489
	<u>87,735,276</u>	<u>107,498,820</u>	<u>30,009,092,910</u>	<u>59,638,783</u>	<u>64,758,325</u>	<u>11,444,880,489</u>
22.3 Other income	<u>93,085</u>	<u>575,041</u>	<u>155,953,984</u>	<u>63,275</u>	<u>346,410.00</u>	<u>59,477,796</u>
	93,085	575,041	155,953,984	63,275	346,410	59,477,796
Total revenue	181,029,442	270,732,001	73,665,708,776	123,056,267	163,091,566	27,877,291,038

AUDIT OFFICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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FOR THE YEAR ENDED DECEMBER 31, 2024

	Inflation Adjusted		Previously Reported	Historical Cost		Previously Reported
	Restated		Inflation Results	Restated		Historical Results
	2024 ZWG	2023 ZWG	2023 ZWL	2024 ZWG	2023 ZWG	2023 ZWL
23 Administration costs						
Communication and information	12,192,582	12,932,955	2,370,310,121	8,288,009	7,790,937	903,989,872
Educational material	3,428	-	-	2,330	-	-
Hospitality	189,906	6,413,735	1,175,488,463	129,090	3,863,696	448,308,285
Office suppliers and services	3,057,712	8,977,458	1,645,359,322	2,078,505	5,408,107	627,507,831
Rental and hire services	8,440,010	4,042,440	740,885,380	5,737,167	2,435,205	282,559,178
Training and development	2,414,018	4,228,754	775,032,111	1,640,949	2,547,442	295,582,073
Travel expenses - domestic	18,985,704	26,178,524	4,797,914,631	12,905,690	15,770,195	1,829,630,702
Travel expenses - foreign	5,400,839	8,284,806	1,518,412,360	3,671,265	4,990,847	579,092,745
Utilities and other	2,689,543	5,086,479	932,233,459	1,828,239	3,064,144	355,535,589
Bank charges	1,028,466	1,090,854	199,928,187	699,108	657,141	76,248,696
Insurance	22,430	68,775	12,604,913	15,247	41,431	4,807,267
Audit fees	218,856	734,943	134,697,598	148,769	442,737	51,371,179
Consulting fees	3,989,705	2,367,090	433,832,601	2,712,035	1,425,958	165,455,260
Institutional provisions	5,718,015	16,271,876	2,982,256,420	3,886,868	9,802,335	1,137,374,209
Repairs and maintenance	2,143,602	11,247,989	2,061,484,706	1,457,131	6,775,897	786,213,719
Fumigation and cleaning	8,986	293,943	53,872,876	6,108	177,074	20,546,060
Fuel, oils and lubricants	8,519,047	18,480,752	3,387,091,950	5,790,893	11,132,983	1,291,770,554
Allowance for credit loss	147,794	1,611,520	24,753,251	334,968	970,795	112,642,266
Foreign subscriptions	80,068	1,111,845	203,775,440	54,427	669,786	77,715,963
Depreciation and impairment	14,038,363	26,487,212	19,002,042,849	8,457,448	15,956,152	1,851,407,465
Other items not listed above	979,576	1,908,632	349,844,451	665,875	1,149,899	133,423,824
Total administration costs	90,269,650	157,820,784	42,801,831,489	60,510,121	95,072,761	11,031,382,737
24 Employment costs						
Pensionable salaries	50,251,080	49,116,440	13,320,638,616	34,158,589	29,588,217	5,080,230,764
Bonus	5,303,990	5,402,719	1,465,245,941	3,605,431	3,254,650	558,816,114
Constitutional and statutory appropriation	102,978	74,986	20,336,277	70,000	45,172	7,755,858
Total employment costs	55,658,048	54,594,145	14,806,220,834	37,834,020	32,888,039	5,646,802,736

25 Net exchange (loss)/ gain on foreign currency translation

The above arises as a result of translation of non-monetary transactions and items at the closing rate as at the financial statement date signifying a gain/(loss) in value of the reporting currency.

26 Going concern

The Audit Office incurred an inflation adjusted surplus of ZWG 14 446 362, (2023: Deficit (ZWG) 18 376 500).

However, as at the reporting date, current assets exceeded current liabilities by ZWG46 660 775. Management believes the Audit Office will continue to operate for the foreseeable future. It is on this basis that the financial statements were prepared on a going concern basis.

AUDIT OFFICE

APPROPRIATION ACCOUNT

Audit Office Board's responsibility and approval of the financial statement and other supporting returns

For the year ended December 31, 2024

The Audit Office Board is required in terms of applicable regulations to maintain adequate accounting records and is responsible for the content and integrity of the financial statement and related financial information included in this report. It is its responsibility to ensure that the financial statement fairly presents the current and capital expenditure incurred in the appropriated vote for the period then ended, in conformity with the Audit Office Act [Chapter 22:18], Treasury Instructions and the Public Finance Management Act [Chapter 22:19].

The external auditor is engaged to express an independent opinion on the financial statement.

The financial statement was prepared in accordance with the Audit Office Act [Chapter 22:18], Treasury Instructions, and the Public Finance Management Act [Chapter 22:19] requirements and is based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Audit Office Board acknowledges that it is ultimately responsible for the system of internal financial control established by the Audit Office and places considerable importance on maintaining a strong control environment. To enable the Audit Office to meet these responsibilities, the Audit Office Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Audit Office and all employees are required to maintain the highest ethical standards in ensuring the Audit Office's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Audit Office is on identifying, assessing, managing, and monitoring all known forms of risk across the Audit Office. While operating risk cannot be fully eliminated, the Audit Office endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems, and ethical behavior are applied and managed within predetermined procedures and constraints.

The Audit Office Board is of the opinion that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the financial statement. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

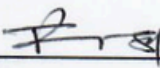
The Audit Office Board has reviewed the Audit Office's cash flow forecast for the year to December 31, 2025, and, in light of this review and the current financial position, the Board

is satisfied that the Audit Office has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Audit Office's Appropriation Account. The financial statement has been examined by the Audit Office's external auditor and his report is presented on pages 4 to 7.

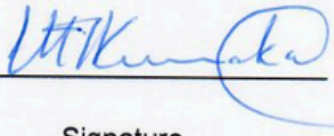
The financial statement set out on page 8, which has been prepared on the going concern basis, was approved by the Audit Office Board on 25/06/2025 and was signed on its behalf by:


R. Kujinga (Ms.)
Acting Auditor General


Signature

25/06/2025
Date


M. T. Kunaka (Dr.)
Acting Board Chairperson


Signature

25/06/2025
Date



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE AUDIT OFFICE

IN RESPECT OF VOTE 6-APPROPRIATION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the Audit of the Financial Statement

Opinion

I have audited the financial statement of the Audit Office for the year ended December 31, 2024. This financial statement comprises the Appropriation Account set out on page 8 and other supporting returns.

In my opinion, the accompanying financial statement presents fairly, in all material respects, the current and capital expenditure incurred for the appropriated vote for the period ended December 31, 2024, for the year then ended in accordance with the Public Finance Management Act [Chapter 22:19] and Treasury Instructions.

Basis for Opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs), the Treasury Instructions, and the Public Finance Management Act [Chapter 22:19]. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am independent of the Audit Office in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with ethical requirements that are relevant to my audit of financial statements in Zimbabwe. I have fulfilled my ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statement of the year ended December 31, 2024. These matters were addressed in the context of my audit of the financial statement as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to be communicated in my report.

An independent member firm
of Moore Global Network Limited **MOORE**

Other information

The Board is responsible for the other information. The other information comprises the Board's Responsibility Statement and the financial information, which I obtained prior to the date of this report. The other information does not include the financial statement and the auditor's report thereon.

In connection with my audit of the financial statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or the knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Responsibilities of the Management and the Audit Office Board for the financial statement

The Audit Office Board is responsible for the preparation and fair presentation of the financial statement in accordance with IPSASs, the Public Finance Management Act [Chapter 22:19], and for such internal control as it determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the Audit Office Board is responsible for assessing the Audit Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the Audit Office or to cease operations or has no realistic alternative but to do so.

The Board is responsible for overseeing the Audit Office's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this report.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Audit Office's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Audit Office's management.
- Conclude on the appropriateness of the Audit Office Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Audit Office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Audit Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Audit Office to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Audit Office audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determined those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on other legal and regulatory requirements

In fulfilment of the requirements of Section 28 of the Audit Office Act [Chapter 22:18] ("the Act"), we report to the members as follows:

Section 28(1)

In my opinion, the Audit Office ensured that proper accounts and other records relating to such accounts were kept in respect of all the Audit Office's Appropriation Account.

The engagement partner on the audit resulting in this independent auditor's report of the Audit Office's Appropriation Vote 6 financial statement for the year ended December 31, 2024, is Shepherd Nhondova.

On this 25th day of June, 2025 at Harare

Signed by:



Shepherd Nhondova (FCCA)

Audit Partner

Registered Public Auditor (Zimbabwe)

PAAB Registration Number: 0552

For and on behalf of:

MOORE PNA ZIMBABWE

Registered Public Auditors (Zimbabwe)

PAAB Firm Registration Number: Z10054

Address: 44 Princess Drive, Newlands, Harare

VOTE 6.- OFFICE OF THE AUDITOR GENERAL
APPROPRIATION ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2024

Expenditure Head	Original Budget Estimates 2024	Transfers from Unallocated Reserve	Total / Revised Estimates	Actual		More than Estimated	Less than Estimated	Explanations for Main Variances
				Expenditure as at December 31, 2024	Estimates			
PROGRAMME 1. POLICY AND ADMINISTRATION, ZWG72 480 735	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	
Compensation of Employees.....	5 365 661	—	5 365 661	4 200 509	—	—	1 165 152	The saving was as a result of over budgeting
Use of goods and services.....	34 831 339	—	34 831 339	9 072 514	—	—	25 758 825	The saving was as a result of lack of releases from Treasury during the year.
Acquisition of non financial assets.....	10 283 727	—	10 283 727	248 098	—	—	10 035 629	The saving was as a result of lack of releases from Treasury during the year.
Current Grants.....	22 000 000	—	22 000 000	400 000	—	—	21 600 000	The saving was as a result of lack of releases from Treasury during the year.
	72 480 727	—	72 480 727	13 921 121	—	—	58 559 606	

VOTE 6 (continued)

Expenditure Head	Original Budget Estimates 2024	Transfers from Unallocated Reserve	Total / Revised Estimates	Actual Expenditure as at December 31, 2024	More than Estimated	Less than Estimated	Explanations for Main Variances
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	
PROGRAMME 2. AUDIT SERVICES, ZWG617 240 573							
Compensation	27 410 475	—	27 410 475	19 821 023	—	7 589 452	The saving was as a result of over budgeting
Use of goods and services.....	93 029 414	—	93 029 414	21 559 208	—	71 470 206	The saving was as a result of lack of releases from Treasury during the year.
Acquisition of non financial assets.....	4 837 715	—	4 837 715	—	—	4 837 715	The saving was as a result of lack of releases from Treasury during the year.
	125 277 604	—	125 277 604	41 380 231	—	83 897 373	
	—	—	—	—	—	—	
	—	—	—	—	—	—	
TOTAL:	197 758 331	—	197 758 331	55 301 352	—	142 456 979	The saving was as a result of lack of releases from Treasury during the year.
	Net Underspending.....				142 456 979		

VOTE 6 (continued)

Constitutional and Statutory Appropriations:	Original Budget	Transfers from	Total /	Actual	More than	Less than	Explanations
	Estimates 2024	Unallocated Reserve	Revised Estimates	Expenditure as at December 31, 2024	Estimated	Estimated	for Main Variances

Remuneration of Auditor-General

ZWG473 946

(Section 312 (2) of Chapter 17

of the

Constitution).....

	473 946	—	473 946	70 000	—	403 946	No substantive Auditor-General
	473 946	—	473 946	70 000	—	403 946	
TOTAL:	473 946	—	473 946	70 000	—	403 946	

Net Underspending.....

403 946

No substantive Auditor-General

June 25, 2025.
Month / Day / Year

R. KUJINGA,
Acting Auditor-General



OFFICE OF THE AUDITOR- GENERAL

48 George Silundika Avenue ,
Burroughs House
Harare
Zimbabwe

