

REPORT OF THE AUDITOR-GENERAL FOR THE FINANCIAL YEAR ENDED

DECEMBER 31, 2024

ON

STATE OWNED ENTERPRISES AND PARASTATALS

Presented to Parliament of Zimbabwe: 2025



Office of the Auditor-General of Zimbabwe

5th Floor, Burroughs House
48 George Silundika Avenue
Harare, Zimbabwe.

The Hon. Prof. M. Ncube
Minister of Finance, Economic Development and Investment Promotion
Mgandane Dlodlo Building
Corner S.V. Muzenda / Samora Machel Avenue
Harare

Dear Sir,

I hereby submit my Report on the audit of State-Owned Enterprises and Parastatals in terms of Section 309(2) of the Constitution of Zimbabwe as read together with Section 10(1) of the Audit Office Act [*Chapter 22:18*], for the year ended December 31, 2024.

Yours faithfully,

R. KUJINGA,
ACTING AUDITOR-GENERAL.

HARARE
June 16, 2025.



OAG Vision

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

OAG Mission

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

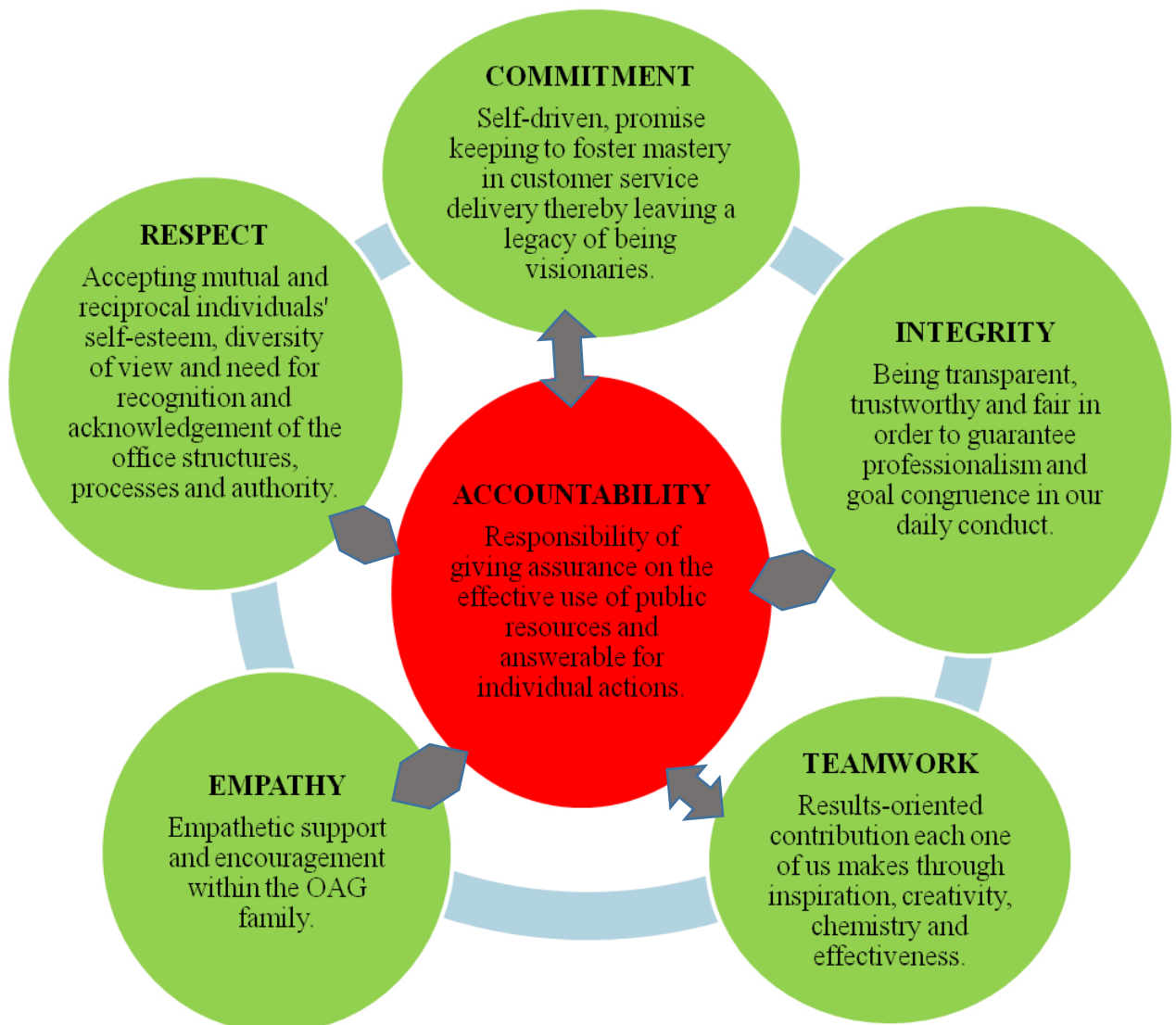


Table of Contents

PREAMBLE.....	ix
EXECUTIVE SUMMARY	xii
SECTION A - CURRENT YEAR AUDITS	1
PUBLIC ENTITIES UNDER THE CATEGORY OF AUTHORITIES AND AGENCIES	2
HEALTH PROFESSIONS AUTHORITY OF ZIMBABWE (HPAZ) 2023 AND 2024.....	3
POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ) 2024	7
ZIMBABWE ENERGY REGULATORY AUTHORITY (ZERA) 2024	8
ZIMBABWE NATIONAL ROAD ADMINISTRATION (ZINARA) 2023 AND 2024.....	10
ZIMBABWE REVENUE AUTHORITY (ZIMRA) 2024	14
PUBLIC ENTITIES UNDER THE CATEGORY OF BOARDS	24
PIG INDUSTRY BOARD 2023 AND 2024	25
TOBACCO INDUSTRY AND MARKETING BOARD (TIMB) 2024.....	30
TOBACCO RESEARCH BOARD (TRB) 2024	32
PUBLIC ENTITIES UNDER THE CATEGORY OF COMMISSIONS	33
COMPETITION AND TARIFF COMMISSION 2023 AND 2024	34
INSURANCE AND PENSIONS COMMISSION (IPEC) 2024	37
SECURITIES AND EXCHANGE COMMISSION OF ZIMBABWE (SECZ) 2024	38
SPORTS AND RECREATION COMMISSION (SRC) 2024.....	39
PUBLIC ENTITIES UNDER THE CATEGORY OF FINANCIAL INSTITUTIONS	41
AFC COMMERCIAL BANK LIMITED (AFC) 2024	42
AFC LAND AND DEVELOPMENT BANK OF ZIMBABWE (PRIVATE) LIMITED 2024	44
DEPOSIT PROTECTION CORPORATION (DPC) 2024	45
EMPOWERBANK LIMITED 2024	47
INFRASTRUCTURE AND DEVELOPMENT BANK OF ZIMBABWE (IDBZ) 2024	49
NATIONAL BUILDING SOCIETY LIMITED (NBS) 2024.....	51
PEOPLE'S OWN SAVINGS BANK (POSB) 2024.....	54
ZIMBABWE WOMEN'S MICROFINANCE BANK (ZWMB) LIMITED 2024	56
PUBLIC ENTITIES UNDER THE CATEGORY OF FUNDS	60
LAKE KARIBA FISHERIES RESEARCH INSTITUTE 2023 AND 2024	61
RHODES NYANGA ESTATE FUND 2024	64
RURAL ELECTRIFICATION FUND (REF) 2023 AND 2024	66
UNIVERSAL SERVICES FUND (USF) 2023 AND 2024.....	74
PUBLIC ENTITIES UNDER THE CATEGORY OF COMPANIES AND CORPORATIONS....	76
AFC HOLDINGS LIMITED 2024.....	77
AFC LEASING COMPANY OF ZIMBABWE (PRIVATE) LIMITED 2024.....	79
CHEMPLEX CORPORATION LIMITED AND ITS SUBSIDIARIES 2023 AND 2024.....	81
DEVEN ENGINEERING (PRIVATE) LIMITED 2024.....	85
GENESIS ENERGY (PRIVATE) LIMITED 2024	88

HOTSPECK ENTERPRISES (PRIVATE) LIMITED 2023 AND 2024	90
INFRALINK (PRIVATE) LIMITED 2023 AND 2024	95
MINING PROMOTION CORPORATION (PRIVATE) LIMITED 2024	98
NATIONAL OIL INFRASTRUCTURE COMPANY OF ZIMBABWE (NOIC) (PRIVATE) LIMITED 2024	100
NATIONAL PHARMACEUTICAL COMPANY (PRIVATE) LIMITED (NATPHARM) 2024.....	103
PETROZIM LINE (PRIVATE) LIMITED (PZL) 2024	106
SABI GOLD MINE (KIMBERWORTH INVESTMENTS) (PRIVATE) LIMITED 2024.....	108
WILLOWVALE MOTOR INDUSTRIES (PRIVATE) LIMITED 2024	109
PUBLIC ENTITIES UNDER THE CATEGORY OF COUNCILS	112
CONSUMER COUNCIL OF ZIMBABWE (CCZ) 2024	113
TRADITIONAL MEDICAL PRACTITIONERS COUNCIL 2023 AND 2024	115
PUBLIC ENTITIES UNDER THE CATEGORY OF UNIVERSITIES AND TERTIARY INSTITUTIONS	119
MARONDERA UNIVERSITY OF AGRICULTURAL SCIENCES AND TECHNOLOGY (MUAST) 2024	120
MIDLANDS STATE UNIVERSITY (MSU) 2024	121
PUBLIC ENTITIES UNDER THE CATEGORY OF OTHER	122
SCIENTIFIC INDUSTRIAL RESEARCH AND DEVELOPMENT CENTRE (SIRDC) 2024	123
SECTION B - ARREAR ACCOUNTS	125
PUBLIC ENTITIES UNDER THE CATEGORY OF AUTHORITIES AND AGENCIES	126
AGRICULTURAL AND RURAL DEVELOPMENT AUTHORITY (ARDA) 2023	127
AGRICULTURAL MARKETING AUTHORITY (AMA) 2023	129
BROADCASTING AUTHORITY OF ZIMBABWE (BAZ) 2021	132
CIVIL AVIATION AUTHORITY OF ZIMBABWE (CAAZ) 2021, 2022 AND 2023	138
ENVIRONMENTAL MANAGEMENT AGENCY (EMA) 2021, 2022 AND 2023	146
MEDICINES CONTROL AUTHORITY OF ZIMBABWE (MCAZ) 2023.....	154
NATIONAL BIOTECHNOLOGY AUTHORITY OF ZIMBABWE (NBAZ) 2021.....	156
NATIONAL SOCIAL SECURITY AUTHORITY (NSSA) 2023	161
PROCUREMENT REGULATORY AUTHORITY OF ZIMBABWE (PRAZ) 2023	173
RADIATION PROTECTION AUTHORITY OF ZIMBABWE (RPAZ) 2023.....	174
ZIMBABWE NATIONAL STATISTICS AGENCY (ZIMSTAT) 2023.....	175
ZIMBABWE NATIONAL WATER AUTHORITY (ZINWA) 2023.....	179
ZIMBABWE PARKS AND WILDLIFE MANAGEMENT AUTHORITY (ZIMPARKS) 2023.....	182
ZIMBABWE TOURISM AUTHORITY (ZTA) 2022	189
PUBLIC ENTITIES UNDER THE CATEGORY OF BOARDS	192
LOTTERIES AND GAMING BOARD 2023	193
ZIMBABWE NATIONAL BOXING AND WRESTLING CONTROL BOARD 2022.....	197
PUBLIC ENTITIES UNDER THE CATEGORY OF COMMISSIONS	201
FORESTRY COMMISSION 2023.....	202
HEALTH SERVICE COMMISSION (HSC) 2023.....	207

NATIONAL COMPETITIVENESS COMMISSION (NCC) 2023.....	210
ZIMBABWE ANTI CORRUPTION COMMISSION (ZACC) 2021	212
ZIMBABWE MEDIA COMMISSION (ZMC) 2023	214
PUBLIC ENTITIES UNDER THE CATEGORY OF COMPANIES AND CORPORATIONS..	218
AIRPORTS COMPANY OF ZIMBABWE (PRIVATE) LIMITED (ACZ) 2021	219
AIR ZIMBABWE (PRIVATE) LIMITED 2022 AND 2023	223
ALLIED TIMBERS ZIMBABWE (PRIVATE) LIMITED 2023	227
BINDURA UNIVERSITY PRINTING PRESS (PRIVATE) LIMITED 2023.....	231
CMED (PRIVATE) LIMITED 2022 AND 2023	234
CMED FUELS (PRIVATE) LIMITED 2022 AND 2023.....	240
CONFLO INVESTMENTS (PRIVATE) LIMITED 2023.....	241
COURIER CONNECT (PRIVATE) LIMITED 2019	245
EASYGO CAR HIRE AND TRAVEL (PRIVATE) LIMITED 2022 AND 2023	252
HWANGE ELECTRICITY SUPPLY COMPANY (PRIVATE) LIMITED (HESCO) 2023	254
INDUSTRIAL DEVELOPMENT CORPORATION OF ZIMBABWE (IDCZ) 2023	256
KARIBA HYDRO POWER COMPANY (PRIVATE) LIMITED 2023	259
MINERALS MARKETING CORPORATION OF ZIMBABWE (MMCZ) 2023	261
MOSI OA TUNYA DEVELOPMENT COMPANY (PRIVATE) LIMITED 2022	263
NATIONAL HANDICRAFT CENTRE (PRIVATE) LIMITED 2019, 2020 AND 2021.....	267
NATIONAL HANDLING SERVICES (PRIVATE) LIMITED 2023	276
NATIONAL HANDLING SERVICES CLOSE CORPORATION 2019, 2020, 2021 AND 2022	278
NATIONAL RAILWAYS OF ZIMBABWE (NRZ) 2022	282
NETONE CELLULAR (PRIVATE) LIMITED 2023.....	289
NEW ZIANA (PRIVATE) LIMITED 2021	295
PETROTRADE (PRIVATE) LIMITED 2022 AND 2023	299
POWERTEL COMMUNICATIONS (PRIVATE) LIMITED 2023	303
PRINTFLOW (PRIVATE) LIMITED 2023.....	306
TRANSMEDIA CORPORATION (PRIVATE) LIMITED 2023	311
URBAN DEVELOPMENT CORPORATION (UDCORP) 2023	313
VERIFY ENGINEERING (PRIVATE) LIMITED 2022	317
WOODLANDS FARM (PRIVATE) LIMITED 2023.....	320
ZIMBABWE ACADEMIC RESEARCH CENTRE (PRIVATE) LIMITED (ZARNET) 2020 AND 2021	324
ZIMBABWE BROADCASTING CORPORATION (ZBC) 2023	332
ZIMBABWE CONSOLIDATED DIAMOND COMPANY (ZCDC) 2023.....	335
ZIMBABWE ELECTRICITY TRANSMISSION AND DISTRIBUTION COMPANY (PRIVATE) LIMITED (ZETDC) 2023.....	338
ZESA ENTERPRISES (PRIVATE) LIMITED (ZENT) 2023.....	341
ZESA HOLDINGS (PRIVATE) LIMITED 2023	344
ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC) 2023	346
ZIMBABWE POST PROPERTIES (PRIVATE) LIMITED 2019	348

ZIMBABWE POWER COMPANY (PRIVATE) LIMITED (ZPC) 2023	356
PUBLIC ENTITIES UNDER THE CATEGORY OF COUNCILS	363
ALLIED HEALTH PRACTITIONERS COUNCIL OF ZIMBABWE (AHP CZ) 2022 AND 2023	364
AGRICULTURAL RESEARCH COUNCIL (ARC) 2022	366
ENVIRONMENTAL HEALTH PRACTITIONERS COUNCIL OF ZIMBABWE (EHP CZ) 2022 AND 2023	370
MEDICAL AND DENTAL PRACTITIONERS COUNCIL OF ZIMBABWE (MDP CZ) 2023	376
MEDICAL LABORATORY AND CLINICAL SCIENTISTS COUNCIL OF ZIMBABWE (MLCSCZ) 2023	377
MEDICAL REHABILITATION PRACTITIONERS COUNCIL OF ZIMBABWE (MRP CZ) 2023	379
NATIONAL AIDS COUNCIL (NAC) 2023	381
NURSES COUNCIL OF ZIMBABWE (NCZ) 2021 AND 2022	385
PHARMACISTS COUNCIL OF ZIMBABWE 2023	390
RESEARCH COUNCIL OF ZIMBABWE (RCZ) 2023	392
TRAFFIC SAFETY COUNCIL OF ZIMBABWE 2023	396
VALUERS COUNCIL OF ZIMBABWE 2022	398
ZIMBABWE COUNCIL FOR HIGHER EDUCATION (ZIMCHE) 2023	400
ZIMBABWE NATIONAL FAMILY PLANNING COUNCIL (ZNFP C) 2023	402
ZIMBABWE SCHOOL EXAMINATIONS COUNCIL (ZIMSEC) 2023	404
ZIMBABWE YOUTH COUNCIL 2022	405
PUBLIC ENTITIES UNDER THE CATEGORY OF FINANCIAL INSTITUTIONS	409
SMALL AND MEDIUM ENTERPRISES DEVELOPMENT CORPORATION (SMEDCO) 2023	410
PUBLIC ENTITIES UNDER THE CATEGORY OF FUNDS	413
AVIATION INFRASTRUCTURE DEVELOPMENT FUND (AIDF) 2021	414
INVESTOR PROTECTION FUND (IPF) 2023	415
RHODES MATOPO ESTATE FUND 2023	416
STATE LOTTERIES FUND 2022 AND 2023	418
ZIMBABWE MANPOWER DEVELOPMENT FUND (ZIMDEF) 2023	422
PUBLIC ENTITIES UNDER THE CATEGORY OF HOSPITALS	424
INGUTSHENI CENTRAL HOSPITAL 2021	425
MPILO CENTRAL HOSPITAL 2023	430
PARIRENYATWA GROUP OF HOSPITALS 2023	435
UNITED BULAWAYO HOSPITAL (UBH) 2023	439
PUBLIC ENTITIES UNDER THE CATEGORY OF UNIVERSITIES AND TERTIARY INSTITUTIONS	446
BINDURA UNIVERSITY OF SCIENCE EDUCATION (BUSE) 2023	447
CHINHOYI UNIVERSITY OF TECHNOLOGY (CUT) 2023	450
GREAT ZIMBABWE UNIVERSITY (GZU) 2023	454
HARARE INSTITUTE OF TECHNOLOGY (HIT) 2023	457
LUPANE STATE UNIVERSITY (LSU) 2023	460

MANAGEMENT TRAINING BUREAU (MTB) 2023	462
MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES 2022 AND 2023	465
NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY (NUST) 2023.....	469
UNIVERSITY OF ZIMBABWE (UZ) 2023	473
UNIVERSITY OF ZIMBABWE SPECIFIC FUNDS 2023.....	474
ZIMBABWE FOREIGN SERVICES INSTITUTE 2023	475
ZIMBABWE INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT (ZIPAM) 2023	479
ZIMBABWE NATIONAL DEFENCE UNIVERSITY (ZNDU) 2017 AND 2018	482
ZIMBABWE SCHOOL OF MINES (ZSM) 2023	485
PUBLIC ENTITIES UNDER THE CATEGORY OF OTHER	490
BINDURA UNIVERSITY OF SCIENCE EDUCATION FARM TRUST 2023.....	491
CHINHOYI UNIVERSITY OF TECHNOLOGY FARM TRUST 2023	493
CHINHOYI UNIVERSITY OF TECHNOLOGY HOTEL TRUST 2023	495
NATIONAL GALLERY OF ZIMBABWE 2023	498
NATIONAL MUSEUMS AND MONUMENTS OF ZIMBABWE (NMMZ) 2022	500
UNIVERSITY OF ZIMBABWE FARM TRUST 2023	503
ANNEXURES	505
ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY	506
ANNEXURE “B”: AUDITS IN PROGRESS AND BEING FINALISED	580
ANNEXURE “C”: AUDITS AT SIGNING STAGE	584
ANNEXURE “D”: ACCOUNTS NOT SUBMITTED FOR AUDIT	586
ANNEXURE “E”: SUBMISSION OF FINANCIAL STATEMENTS STATUS OF STATE-OWNED ENTERPRISES AND PARASTATALS 2018 - 2024	588
ANNEXURE “F”: UNDELIVERED GOODS	602

LIST OF ACRONYMS

1. GMB - Grain Marketing Board
2. IFRSs - International Financial Reporting Standards
3. ICT – Information Communication Technology
4. IPSASs – International Public Sector Accounting Standards
5. ISAs - International Standards on Auditing
6. ISSAIs - International Standards of Supreme Audit Institutions
7. IASB - International Accounting Standards Board
8. IPSASB - International Public Sector Accounting Standards Board
9. MMCZ- Minerals Marketing Corporation of Zimbabwe
10. NAC - National AIDS Council
11. NSSA - National Social Security Authority
12. NOIC - National Oil Infrastructure Company of Zimbabwe
13. OAG - Office of the Auditor General
14. PMU – Procurement Management Unit
15. PRAZ - Procurement Regulatory Authority of Zimbabwe
16. POTRAZ - Postal and Telecommunication Regulatory Authority of Zimbabwe
17. RBZ - Reserve Bank of Zimbabwe
18. RIB - Removal in Bond
19. RIT - Removal in Transit
20. SAP - Systems, Applications, Products in Data Processing.
21. SI – Statutory Instrument
22. SMEDCO - Small and Medium Enterprises Development Corporation
23. SPB - State Procurement Board
24. TIMB - Tobacco Industry and Marketing Board
25. TIP - Temporary Import Permit
26. USD - United States Dollar

- 27.** VAT- Value Added Tax
- 28.** ZCDC - Zimbabwe Consolidated Diamond Company
- 29.** ZETDC - Zimbabwe Electricity Transmission and Distribution Company
- 30.** ZIMRA - Zimbabwe Revenue Authority
- 31.** ZIMSEC - Zimbabwe School Examinations Council
- 32.** ZINARA - Zimbabwe National Roads Administration
- 33.** ZWG – Zimbabwe Gold
- 34.** ZWL\$ - Zimbabwean Dollar

DEFINITION OF TERMS

“Public entity” means—

- a) any corporate body established by or in terms of any Act for special purposes;
- b) any company in which the State has a controlling interest, whether by virtue of holding or controlling shares therein or by virtue of a right of appointment of members to the controlling body thereof or otherwise, and includes any company which is a subsidiary, as determined in accordance with section 143 of the Companies and Other Businesses Entities Act [Chapter 24:03], of such a body;
- c) a local authority;
- d) any partnership or joint venture between the State and any person and which is prescribed by the Minister for the purposes of the application of this Act to be a partnership or joint venture;

“Consolidated financial statements” - in relation to annual financial statements, means to combine the annual financial statements of reporting unit, public entity and constitutional entity;

“Going concern assumption” – an entity is viewed as continuing in business for the foreseeable future. Financial statements are prepared on going concern basis, unless management intends to liquidate the entity or cease operations or has no realistic alternative to do so.

“Misstatement of financial statements”- according to the International Standards on Auditing (ISAs) a misstatement represents: “A difference between the amount, classification, presentation or disclosure of a reported financial statement item and the amount classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.

Types of Audit opinions

- **“Unqualified / clean audit opinion”** – The financial statements contain no material misstatements.
- **“Qualified audit opinion”** – The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **“Adverse audit opinion”** – The financial statements contain material misstatements that are not confined to, or misstatements represent a substantial portion of the financial statements.
- **“Disclaimer of opinion”** – The auditor has not been able to obtain sufficient evidence to provide a basis of an audit opinion. The lack of sufficient evidence is not confined to specific, or represents a substantial portion of the financial statements.

“Transitional financial statements” – Financial statements prepared under IPSAS financial reporting framework for review before adoption of IPSAS framework.

PREAMBLE

Introduction

This report contains the results of audits of the State-Owned Enterprises (SOEs) and Parastatals following the end of the 2024 financial year. The primary purpose of financial statements is to provide relevant and reliable information to users about a reporting entity's financial position. In the public sector, the users of financial statements include various stakeholders, inter alia the executive, parliament, development partners and the public at large. The objectives of financial statements audit in the public sector are often broader than expressing an opinion on whether the financial statements have been prepared, in all material respects, in accordance with the applicable financial reporting framework but also address service delivery issues.

Mandate

My mandate is set out in the Constitution of Zimbabwe Amendment (No. 20) Act 2013 and amplified in the Audit Office Act [Chapter 22:18]. I am required to audit and report to Parliament my findings on the examination of accounts of all public entities. In fulfilling this mandate, I do contract from time to time, some of the audits to registered public auditors in terms of the Public Accountants and Auditors Act [Chapter 27:12] as stated in section 9 of the Audit Office Act [Chapter 22:18]. Accordingly, I have included audit findings from such auditors in this report.

Basis of preparation of public entities financial statements

Management of public funds is governed primarily by the Constitution of Zimbabwe and the Public Finance Management Act [Chapter 22:19] section 37 read together Statutory Instrument 41 of 2019 which requires the preparation of financial statements that comply with International Financial Reporting Standards (IFRSs) and International Public Sector Accounting Standards (IPSASs). IFRSs and IPSASs comprise interpretations adopted by the International Accounting Standards Board (IASB) and the International Public Sector Accounting Standards Board (IPSASB) which set common rules so that financial statements can be consistent, transparent and comparable around the world.

The regulator of the accountancy profession in Zimbabwe, Public Accountants and Auditors Board (PAAB) prescribed the International Public Sector Accounting Standards (IPSASs) for use in Zimbabwe on March 1, 2019 following the gazette of Statutory Instrument 41 of 2019. IPSASs have been adopted by the Government of Zimbabwe as the financial reporting framework for selected State-Owned Enterprises and Parastatals. The selected State-Owned Enterprises and Parastatals are expected to have fully implemented the IPSAS reporting framework by December 31, 2025. I appreciate the efforts being made by the State-Owned Enterprises and Parastatals, Ministry of Finance and Economic Development and other line Ministries in the adoption and implementation of IPSAS standards.

For the second year, there are State-Owned Enterprises and Parastatals that had adopted IPSAS and my Office continued to audit and review full IPSASs for these entities and transitional IPSASs financial statements respectively. Before the Government IPSAS implementation strategy, State Owned Enterprises and Parastatals were either applying accruals IPSASs or IFRSs, hence the migration to full IPSASs is expected to be easier. However, there are challenges faced during the IPSASs implementation which include lack of Enterprise Resource Planning (ERP) systems, shortage of skilled personnel and limited financial resources to carry out activities such as valuation of assets among others. The efforts by the Ministry of Finance Economic Development and Investment Promotion, the Ministry of Local Government and Public Works and other stakeholders in training and assisting preparers of financial statements are commendable. My Office is fully committed to play its part in the IPSASs implementation drive.

Audit Approach

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

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

Audit Opinion

The principal objective of my audit procedures is to enable me to express an opinion on the truth and fairness of the financial statements as a whole. An audit opinion is based on the concept of reasonable assurance. It is not a guarantee that the financial statements are free of misstatements. Where I have issued an unqualified / clean, qualified and adverse opinion, I believe that the audit evidence I have obtained is sufficient and appropriate to provide the basis for my opinion of the respective financial statements. Where an entity received a disclaimer of opinion, it is mainly that I was unable to obtain sufficient and appropriate audit evidence to express an opinion.

There are SOEs that have not been able to correct the impact of Statutory Instrument (S.I.) 33 of 2019 (S.I. 33), which prescribed parity between the US dollar and local currency. S.I. 33 also prescribed the manner in which certain balances in the financial statements were to be treated as a consequence of the recognition of the RTGS\$ as currency in Zimbabwe. The requirements of S.I. 33 of 2019 precluded public entities from complying with IAS 21 - "The Effects of Changes in Foreign Exchange Rates".

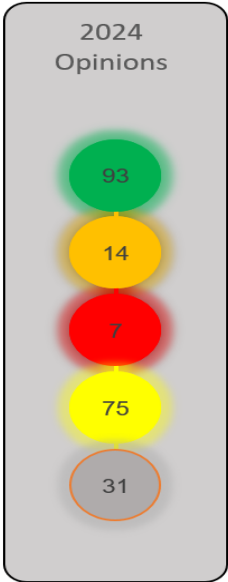
SOEs have made efforts to prepare financial statements that comply with the IFRSs reporting framework, however, full compliance could not be achieved during the period ended December 31, 2018 – 2021 due to issues emanating from non-compliance with International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates". This was due to the fact that in February 2019, the Government of Zimbabwe issued Statutory Instrument (S.I.) 33 of 2019 (S.I. 33), which prescribed parity between the US dollar and local currency. S.I. 33 also prescribed the manner in which certain balances in the financial statements were to be treated as a consequence of the recognition of the RTGS\$ as currency in Zimbabwe. The requirements of S.I. 33 of 2019 precluded public entities from complying with IAS 21 - "The Effects of Changes in Foreign Exchange Rates". Although, the assessment of the impact of complying with S.I. 33 was done on a case-by-case basis, adherence to the Statutory Instrument resulted in a significant number of State-Owned Enterprises and Parastatals being unable to comply with IFRSs. This therefore formed the basis for adverse and qualified opinions for most entities for the years ended December 31, 2018-2021.

A few public entities continued to receive modified opinions for 2022, 2023 and 2024 due to the inability to adjust for misstatements in the opening balances by not applying the requirements of International Accounting Standard (IAS) 8 – "Accounting Policies, Changes in Accounting Estimates and Errors". In this report, I have issued ninety-three (93) unmodified opinions,

fourteen (14) adverse opinions, seven (7) disclaimer of opinions and seventy-five (75) financials received qualified opinions due to non-compliance with the reporting framework. I have reported thirty-one (31) entities with conditions that may cast doubt on the entity’s ability to continue as a going concern due to net liability position, under capitalisation or inability to service legacy loans. Below is the analysis of the opinions issued.

Audit opinions included in this report

Key	
Unqualified / Clean	
Adverse	
Disclaimer	
Qualified	
Report on going concern	



Report Structure

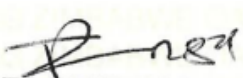
This report outlines current accounts on section A and accounts in arrears on section B. The report also outlines the material audit findings noted during the audit of the financial statements of the State-Owned Enterprises and Parastatals. Under each audited entity, are audit findings and its associated possible risks / implications, audit recommendations, management responses, and audit comments to management responses where necessary. Although some of the issues identified are common within the audited entities, the majority of the findings are not the same due to the nature, uniqueness and varying mandates of the entities.

I also followed up on the audit findings that I raised in my previous annual reports and reported on the progress towards addressing these findings in this report.

Acknowledgements

My special tribute goes to the audit firms and our valued clients who made it possible for me to submit my report for the year under review. I extend my appreciation to the development partners for their unwavering financial and technical support and our printers. Finally, I extend my sincere appreciation to the Audit Office Board for their support, management and staff for their continued commitment and dedication to duty. Without all this support, the production of this report could not have been possible.

HARARE
JUNE 16, 2025


R. KUJINGA,
ACTING AUDITOR-GENERAL.

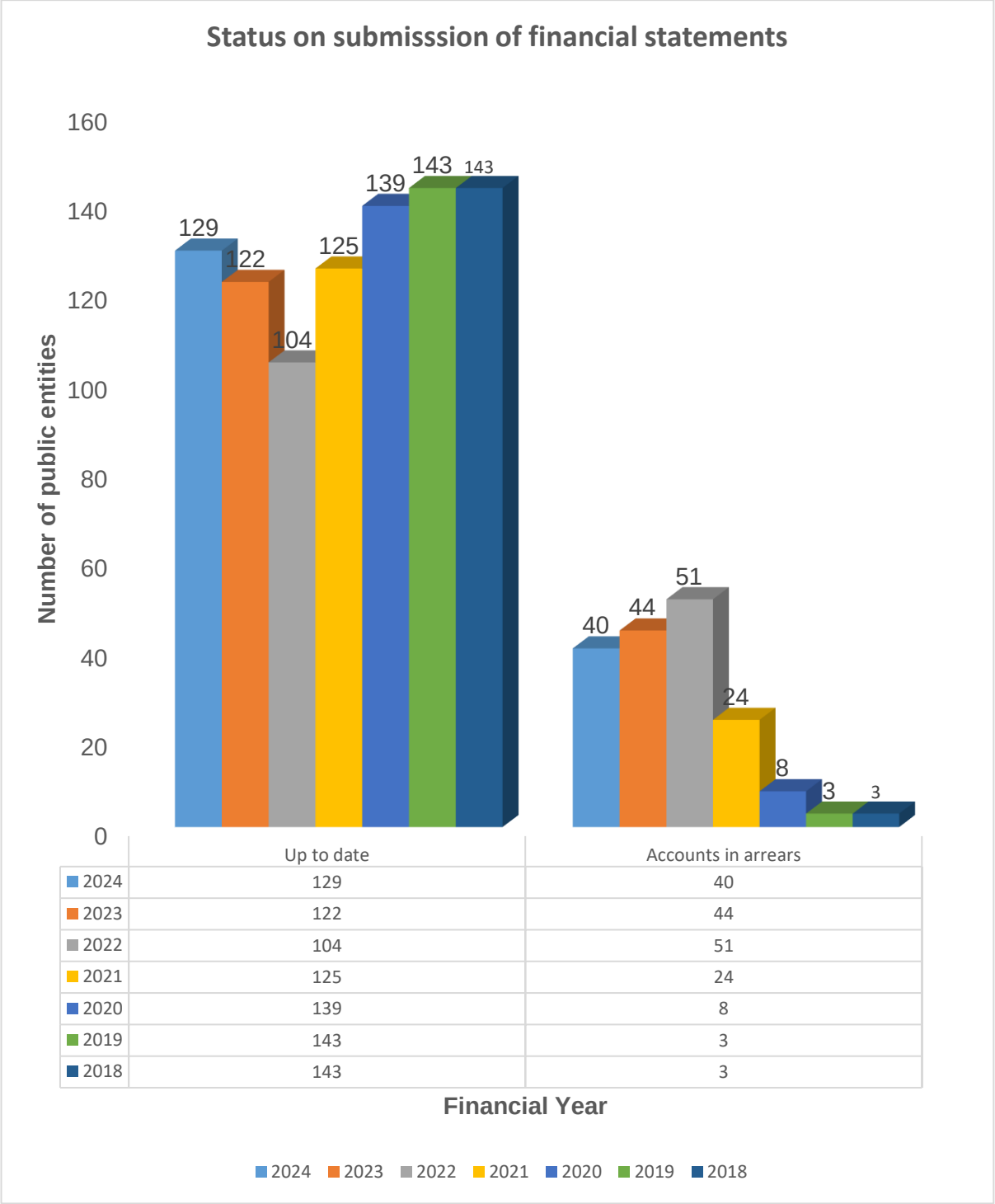
EXECUTIVE SUMMARY

This report covers the audit results of one hundred and eighty-nine (189) financial statements of one hundred and seventy-six (176) audited State-Owned Enterprises (SOEs) and Parastatals. The financial statements audited comprises of the statement of financial position, the statement of financial performance, statement of changes in equity, statement of cash flows, statement of comparison of budget and actual and notes to the financial statements. The report highlights key audit findings noted during the audits and recommendations on how issues raised may be addressed in order to improve public sector transparency, accountability, good corporate governance and service delivery.

There has been an increase in the non-submission of financial statements by entities from forty-five (45) entities in 2023 to fifty entities in 2024 with six (6) entities being in arrears of more than three (3) years as shown in the graph below. Late submission of financial statements negatively impacts transparency and accountability. This has resulted in most of the State-Owned Enterprises and Parastatals not being able to avail supporting documents and reconciling variances noted during the audit.

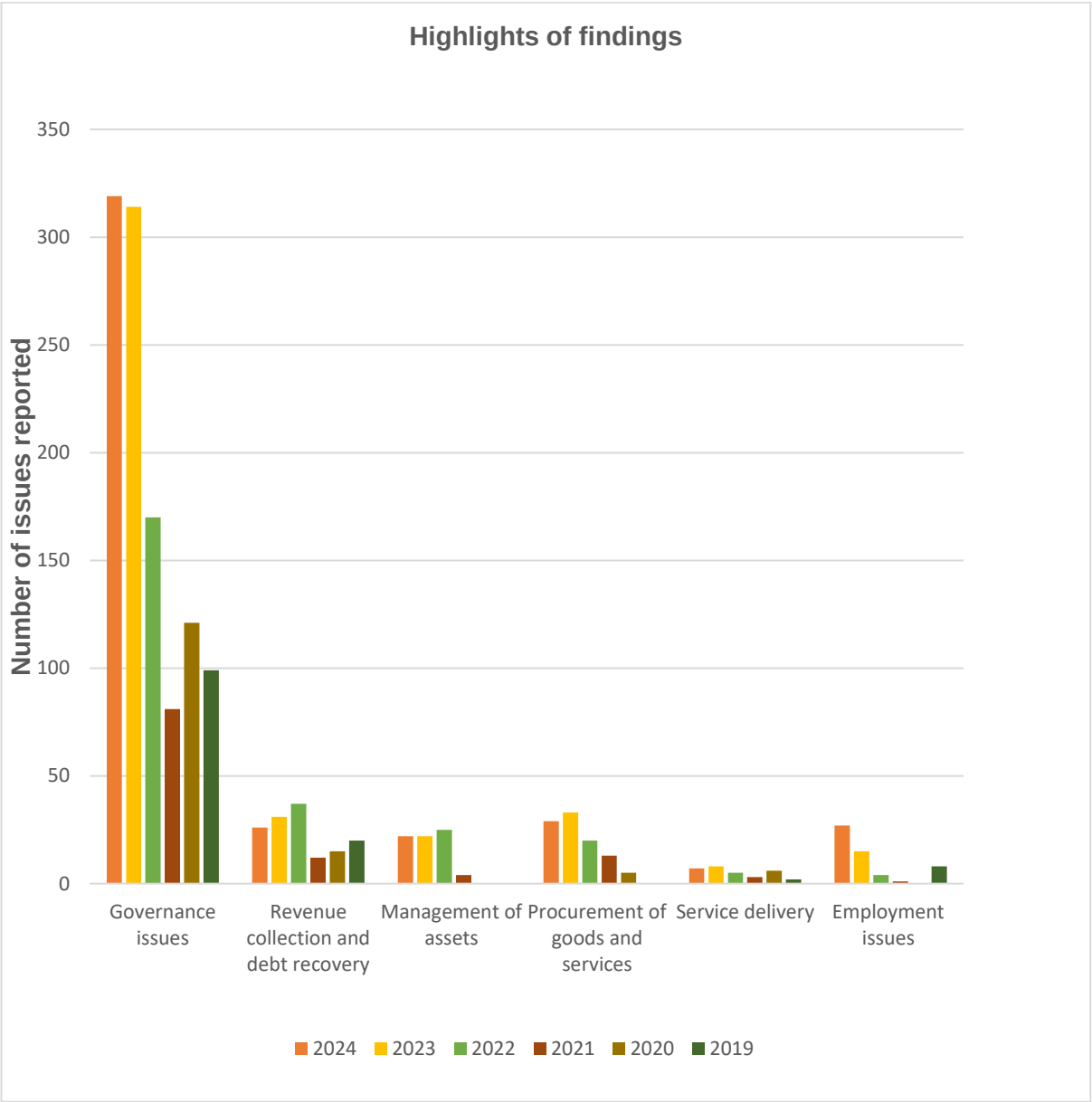


There is a positive development in that the entities are moving towards being current hence improving transparency and accountability. At this reporting date, one hundred and twenty-nine (129) public entities are now up to date in terms of submission of financial statements as compared to the previous year of one hundred and twenty-two (122) which were up to date. Details are in Annexure E and the graphical trend on accounts submissions status is as shown below:



Highlights of findings

The audit covered aspects on corporate governance, revenue collection and debt recovery, management of assets, procurement of goods and services, employment and service delivery. These aspects in the quest to promote accountability, transparency and service delivery. It is expected that the impact of addressing my audit findings will have a positive effect on the lives of citizens of Zimbabwe. Below is a graphical and tabulated overview of the aspects covered during the audit.



	2024	2023	2022	2021	2020	2019
Governance issues	319	314	170	81	121	99
Revenue collection and debt recovery	26	31	37	12	15	20
Management of assets	22	22	25	4	0	0
Procurement of goods and services	29	33	20	13	5	0
Service delivery	7	8	5	3	6	2
Employment issues	27	15	4	1	0	8

Governance issues

There was an increase in reported issues on governance from three hundred and fourteen (314) reported in the 2023 report to three hundred and twenty-nine (319) in 2024. A number of State-Owned Enterprises and Parastatals experienced governance issues relating to deficiencies in internal controls as evidenced by unsupported expenditure, unallocated deposits, non-alignment of accounting policies and processes with reporting framework (accounting standards), manual systems, non-compliance with tax laws and regulations, non-performance of bank reconciliations, and direct foreign prepayments made by universities and other entities resulting in non-delivery of goods and services (Annexure F refers).

The late or non-submission of financial statements which created gaps for accountability and this limited my scope of audit and delayed the commencement of the audit thereby affecting completion of audits. For instance, the National Handcraft Centre did not seek condonation and did not submit financial statements for the period 2009 to 2018. Some entities acquired new accounting systems which were not compatible to their operations resulting in partial automation and backlogs. Notably, non-delivery of goods and services resulted in SOEs losing values on currency changes. While the Government is in a drive to shift to full IPSAS implementation, quite a number of SOEs earmarked for migration were still in arrears. However, some entities that early adopted the IPSAS in line with the Zimbabwe Financial Reporting Framework (ZFRM) have improved the quality of their submissions.

I continue to appreciate efforts made by Government in the form of statutory and or structural reforms, inter alia, enactment of the Public Entities Corporate Governance Act [Chapter 10:31] and establishment of the Corporate Governance Unit (CGU) in the Office of the President and Cabinet including the requirements for senior management to sign performance contracts. This has resulted in most entities having boards of directors. I have also made follow ups on implementation of recommendations on delivery of goods and services, indications show that the recommendations were being implemented. However, the delivery of some goods remains a challenge as the goods is not delivered despite that payment was done. In this regard, I urge boards to pay attention to matters that I have raised so as to improve transparency and accountability by strengthening their internal audit units / arrangements.

Revenue collection and debt recovery

The findings in respect of revenue collection and debt recovery slightly decreased from thirty-one (31) in 2023 to twenty-six (26) for the year 2024. Issues of revenue leakages and long outstanding debts continued to persist and contributed to net liability position with a potential risk of threatening sustainability of service. Some entities could not account for deposits resulting in deposits not receipted on time. I have raised issues on revenue collection and some SOEs had report on going concern matters arising from continued operating losses / deficit, under capitalisation and liquidity challenges. These conditions if not addressed, may cast significant doubt on the entities' ability to continue operating as a going concern.

Management of assets

I reported twenty-two (22) issues in respect of management of assets. I have raised issues on asset record keeping, lack of due diligence in placing investments and maintenance of assets which remained a challenge, absence of board of enquiries on damaged assets which may compromise service delivery in SOEs. Some entities had aged assets as they had no asset replacement policies to sustain their mandate. My report contains cases employees who did not surrender assets upon on termination of employment.

Procurement of goods and services

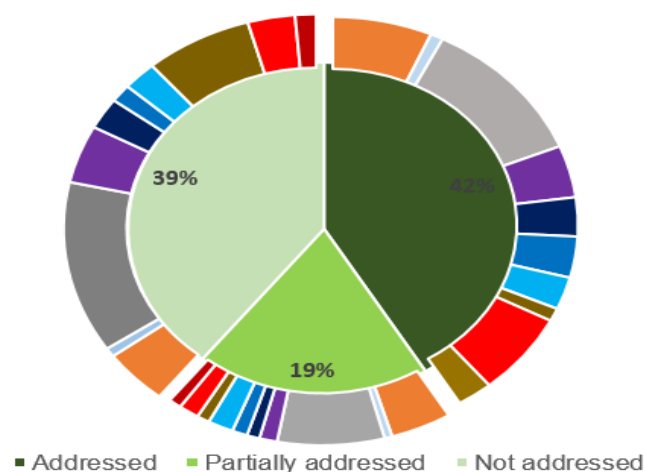
I appreciate efforts being made by SOEs in complying with the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] and by setting up Procurement Management Units (PMU). I have seen a decrease in procurement issues to twenty-nine (29) in this report with majority of my findings centred on non-delivery of goods and services dating back to 2018 where recovery of amounts paid may be doubtful (Annexure F refers). Non-declaration of interest during procurement evaluation, direct procurement, procurements which had insufficient supporting documentations for instance no invoices and quotations continued to noted entities. There may be need to strengthen the due diligence processes to include evaluation of capacity to deliver goods to be procured.

Progress in addressing prior year audit findings

I followed up on five hundred and ninety-five (595) audit findings that were raised in my 2023 annual report and those outstanding from prior years for the entities that were audited and completed. Two hundred and forty-six (246) were addressed, one hundred and fifteen (115) were partially addressed and two hundred and thirty-four (234) were not addressed. The progress made is further analysed below;

Status of prior year issues

Inner circle pie chart	
Key	
Addressed	
Partially addressed	
Not addressed	
Outer circle pie chart	
Key	
Authorities and Agencies	
Boards	
Companies and Corporations	
Councils	
Commissions	
Financial Institutions	
Funds	
State Hospitals	
Tertiary Institutions	
Others	



Tables for prior year issues

Findings	2024 AG's Report		2023 AG's Report		2022 AG's Report	
	Number	Percentage	Number	Percentage	Number	Percentage
Addressed	246	41%	132	34%	92	45%
Partially addressed	115	19%	77	20%	60	29%
Not addressed	234	39%	179	46%	54	26%
Total	595	100%	388	100%	206	100%

Entities in arrears were also not addressing prior year audit findings compared to the ones on current year audits. There was an increase of entities not addressing prior year modifications and findings raised in my report. Most of the issues were emanating from the governance issues like board evaluations and board appointments which needed attention from the appointing Authorities and also non-delivery of goods.

Conclusion

The issues I have raised in this report if not addressed, service delivery, achievement of mandates and efforts made to enhance transparency and accountability through the various instruments that had been put in place such as the Public Entities Corporate Governance Act [*Chapter 10:31*], Public Procurement and Disposal of public assets Act [*Chapter 22:23*] and the Public Finance Management Act [*Chapter 22:19*] may be compromised. Those charged with governance and management are urged to pay attention to the outstanding audit findings so as to address them and improve transparency, accountability, good corporate governance and service delivery.

SECTION A - CURRENT YEAR AUDITS

PUBLIC ENTITIES UNDER THE CATEGORY OF AUTHORITIES AND AGENCIES

Background Information

The Health Professions Authority of Zimbabwe (HPAZ) was established in terms of the Health Professions Act [*Chapter 27:19*]. Its core function is the provision of an efficient health care delivery system in Zimbabwe through the coordination and regulation of all Health Profession Councils and health care institutions.

I have audited the financial statements of Health Professions Authority of Zimbabwe for the years ended December 31, 2023 and 2024. I issued unmodified / clean opinion for 2023 and a Qualified Opinion for 2024.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Health Professions Authority of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Health Professions Authority of Zimbabwe as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Unclassified deposits

The Authority had unallocated deposits (unreceipted funds) amounting to ZWG2.55 million due to insufficient client payment details. I could therefore not satisfy myself with the accuracy of the revenue and receivables disclosed as at December 31, 2024.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Board evaluation

Finding

The performance of Authority's individual board members was not evaluated for the year ended December 31, 2024. This was contrary to the provisions of section 37 of the second schedule of Public Entities Corporate Governance Act [*Chapter 10:31*] which requires boards of public entities to carry out an annual evaluation to appraise their performance, both collectively and for individual members.

Risk / Implication

Oversight role maybe compromised.

Recommendation

The Authority should evaluate its board members in line with the Public Entities Corporate Governance Act [*Chapter 10: 31*].

Management response

The Authority takes note of the finding. A performance review was done for the whole board and not the individual members. The board committees reported the progress from their committees through the imperatives set out in the performance contract, hence their evaluation was done through the main contract. However, the recommendation is noted and will be implemented accordingly.

1.2 Taxation of benefits

Finding

The Authority was paying benefits outside the payroll. As a result, school fees benefit amounting to USD4 393 was omitted in the computation of Pay As You Earn (PAYE) for the month of October 2024. This was contrary to the Income Tax Act [*Chapter 23: 06*] thirteenth (13th) schedule paragraph 3 which requires computation and remittance of tax on such benefits.

Risk / Implication

Financial loss due to penalties that may be levied.

Recommendation

The Authority should remit tax as required by the Income Tax Act [*Chapter 23: 06*].

Management response

All employee benefits will be captured in the payroll system and the omitted PAYE will be paid in retrospect and remitted to ZIMRA.

1.3 Board tenure

Finding

The Authority had not aligned its processes to the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*], for instance two (2) board members had exceeded eight (8) years in aggregate as they were appointed in 2015. This was contrary to the Public Entities Corporate Governance Act [*Chapter 10:31*] section 11(3) which requires that no person shall be re-appointed to a board if he or she has already served on that board for one or more periods, whether consecutive or not, amounting in the aggregate to eight years.

Risk / Implication

Oversight role may be compromised.

Financial loss due to payment of retainer and sitting allowance to members whose tenure has expired.

Recommendation

The Authority should align its governance processes to the requirements of Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Due to the unique nature of the appointment of members to the Authority, a letter seeking guidance on the matter was sent to Ministry and Ministry confirmed that they are seized with the matter and will be providing the requested guidance.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1 Unallocated deposits

Finding

The Authority received deposits amounting to ZWG2.55 million from its clients which were not receipted and allocated to any revenue head as at December 31, 2024. This was due to insufficient client payment details. As a result, the revenue and the related receivables were not adjusted for these deposits.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Authority should consider further engagements with clients and banks to clear and receipt the unallocated deposits.

Management response

As strategies to clear these amounts, notifications would be placed in the media to remind practitioners who did not submit proof of payment to do so. Additionally, efforts were being made through the bank to receive contact details of the depositors for follow-ups. The Authority will also continue to push for payments to be done via the online Pay now platform which will automatically update practitioners' payments in the database.

A total of ZWG3.2 million was cleared in the subsequent year, which brings the outstanding balance to ZWG2.55 million of uncleared deposits for the year 2024.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority made significant progress in addressing audit findings that I raised in my 2023 and 2022 annual reports. I raised five (5) audit findings in the 2023 annual report and followed up on one (1) finding outstanding in my 2022 annual report. Five (5) findings were addressed while one (1) was not addressed as indicated below;

3.1 Valuation of assets

The finding was addressed. The Authority carried out revaluation of its assets in 2023.

3.2 Board charter

The finding was addressed. The board charter was approved and is now in place.

3.3 Meeting attendance

The finding was addressed. The concerned member attended all the meetings during 2023 and 2024.

3.4 Board committees

The finding was addressed. The Authority now has standalone committees for Audit and Risk.

3.5 Service level agreement

The finding was addressed. The service level agreement is now in place.

3.6 Motor vehicles

The finding was not addressed. The motor vehicles are still registered in the Ministry of Health and of Child Care.

POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ) 2024

Background Information

The Postal and Telecommunications Regulatory Authority of Zimbabwe was established in terms of the Postal and Telecommunications Act [*Chapter 12:05*]. The objective of the Authority as provided in the Act is to provide for the licensing and regulation of the cellular telecommunication and all telecommunication services.

I have audited the financial statements of Postal and Telecommunications Regulatory Authority of Zimbabwe for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of Postal and Telecommunications Regulatory Authority of Zimbabwe for the year ended December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

1. EMPLOYMENT ISSUES

1.1. Fuel benefit

Finding

Fuel benefits were not being processed through the payroll hence were not subject to tax. This was contrary to section 8 (1) (f) of the Income Tax Act [*Chapter 23:06*] which requires all employee benefits to be included in gross income for taxation purposes.

Risk / Implication

Financial loss due to penalties which may be levied.

Recommendation

The Authority should subject employee benefits to tax.

Management response

The issue is noted and will be investigated and adjusted accordingly.

Background Information

The Zimbabwe Energy Regulatory Authority was established in terms of the Energy Regulatory Authority Act [*Chapter 13:23*]. It is mandated to regulate the entire energy sector in Zimbabwe in a fair, transparent, efficient and cost-effective manner for the benefit of the consumers and energy suppliers.

I have audited the financial statements of Zimbabwe Energy Regulatory Authority for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Energy Regulatory Authority as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Laboratories and storage facilities

Finding

The Authority did not have laboratories and dedicated storage facilities for liquid petroleum and gas at two of its regional offices. As a result, petroleum sample testing was being conducted in offices and confiscated liquid petroleum and gas containers were stored in undesignated areas. This was contrary to section 6 (d) of Labour Act [*Chapter 28:01*] which requires the Authority to adhere to safety practice as well as section 188 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires adequate risk management practices to be put in place.

Risk / Implication

Safety of employees and property may be compromised.

Recommendation

Management should expedite the process of securing adequate laboratory and storage facilities.

Management response

ZERA is at an advanced stage to secure permanent offices for its activities in all the regions. One of the requirements is that the identified facilities have adequate storage space for confiscated cylinders and laboratories. It is planned that storage space at these facilities be ready for use by December 2025 and to also minimize the number of confiscated cylinders to only those taken from sites involved in accidents until new office spaces have been secured.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority made progress in addressing the audit finding that I raised in my 2023 annual report. The finding was addressed as indicated below;

2.1. Computer expenses

The finding was addressed. The computer expenses transactions were now being posted with narrations.

ZIMBABWE NATIONAL ROAD ADMINISTRATION (ZINARA) 2023 AND 2024

Background Information

Zimbabwe National Road Administration was established in terms of the Roads Act [Chapter 13:18] to administer the fixing, collection, management and disbursement of road funds. The Funds consist of road user charges collected. The funds are disbursed to Local Authorities, Department of Roads and District Development Fund for the purpose of road construction, maintenance and rehabilitation.

I have audited the consolidated and financial statements of the Zimbabwe National Road Administration for the years ended December 31, 2023 and 2024 and I issued an unmodified / clean opinion with a report on going concern for both years.

Opinion on the Consolidated financial statements 2023

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Zimbabwe National Road Administration as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Opinion on the Road Administration's financial statements 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe National Road Administration as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Report on going concern

I draw your attention to the fact that the Group incurred a deficit of ZWL\$190.2 billion (2022: ZWL\$50.4 billion) during the year ended December 31, 2023. As of that date, the Group incurred significant losses mainly due to the exchange rate losses arising from the translation of a foreign loan balance to Zimbabwean dollars. This condition indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Opinion on the consolidated financial statements 2024

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

Opinion on the Road Administration's financial statements 2024

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe National Road Administration 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).

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of financial statements

Finding

The Administration submitted its 2023 financial statements on March 22, 2024 contrary to section 49(1) c of the Public Finance Management Act [*Chapter 22:19*] which requires public entities to submit the financial statements for audit within sixty (60) days after the end of the financial year.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

The Administration should submit financial statements within sixty (60) days following financial year end in line with Public Finance Management Act [*Chapter 22:19*].

Management response

It is a fact that the Administration had been in arrears on audited financial statements for many years, and the management has worked tirelessly in the last four years to clear arrear accounts. The Administration now expect that the 2024 financial statements will be submitted within the stipulated timelines.

1.2 Alterations of records

Finding

The Administration's standard operating procedures at licensing offices and tollgate did not provide guidance on the procedures to be followed when alterations are done during the recording of monetary transactions. Officers at four (4) tollgates were making several alterations during the cash handover-takeover without counter-signing for such alterations. This was contrary to best practice in which any alterations to transactions should be signed for by the person responsible for altering.

Risk / Implication

Misappropriation of funds.

Recommendation

Standard operating procedures should provide guidance on procedures to be followed when alterations are made.

Management response

Observation noted. We will include the proposal to counter sign in our revised SOPs.

1.3 Weighbridges

Finding

There were no functional weighbridges in the three (3) provinces visited. Trucks were passing through without being weighed to determine whether they should pay overload fees. This was contrary to The Road Traffic (Axle-loading) Regulations, 1993 which requires vehicles to pay for overloading.

Risk / Implication

Financial loss due to non-collection of overload fees.

Recommendation

The Administration should promptly repair and finish construction of the weighbridges, and ensure effective enforcement of axle loading regulations.

Management response

The observation is noted and efforts have been made to have the weighbridges repaired. However, the contract for maintenance of weighbridges lapsed in December 2024 and efforts are being made to engage a new contractor by the Ministry.

2 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Administration made progress in addressing audit findings raised in my 2021, 2022 and 2023 annual reports. I raised five (5) audit findings in my 2023 annual report and followed up on three (3) audit findings outstanding in my 2021 and 2022 annual reports. Five (5) audit findings were addressed and three (3) findings were partially addressed as indicated below;

2.1 Valuation of property, plant and equipment

The finding was addressed. The Administration revalued its property, plant and equipment in line with International Public Sector Accounting Standard (IPSAS) 46- "Measurement".

2.2 Overload fees

The finding was partially addressed. The Administration recovered 60% of the debtors of the outstanding overload fees.

2.3 Tailgating at Dema tollgate

The finding was addressed. The Administration enhanced the security controls at the tollgate to address the tailgating challenges.

2.4 Tollgate evasions

The finding was addressed. The vehicles evading the tollgate are now being flagged.

2.5 Transit coupons

The finding was addressed. The books were returned to the head office.

2.6 Vehicle licensing database

The finding was partially addressed. Deregistration has not yet been implemented CVR and ZINARA are working on this issue.

2.7 Compliance with the Roads Act [*Chapter 13:18*]

The finding was partially addressed. A proposal was made for the amendment of the Roads Act to increase the threshold to 15% and this is currently being considered by the Ministry of Transport and Infrastructural Development.

2.8 Approval of payments

The finding was addressed. The Bulawayo regional office now has an accountant in post.

Background Information

The Zimbabwe Revenue Authority was established in terms of the Zimbabwe Revenue Authority Act [*Chapter 23:11*]. Its core business is the collection of revenue for the Government of Zimbabwe and facilitation of trade.

I have audited the financial statements, revenue returns and exchequer trust financial statements of the Zimbabwe Revenue Authority for the year ended December 31, 2024. I issued an unmodified opinion on the Authority's financial statements, Revenue Written Off Return, Tax Reserve Certificate Return and Receipts and Disbursements Return, a Qualified Opinion on the Exchequer Trust Financial Statements, Outstanding Revenue Return and Revenue Return.

Opinion on the Authority's financial statements

In my opinion, the financial statements present fairly, in all material respects the financial position of Zimbabwe Revenue Authority 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).

Qualified Opinion of the Revenue Return

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the Revenue Return presents fairly, in all material respects, the revenue assessed as at December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

Completeness of deferred VAT penalties and interests

The Revenue Return excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [*Chapter 23 :12*] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period. I could not establish the completeness of revenue disclosed.

Opinion on the Receipts and Disbursements Return

In my opinion, the Receipts and Disbursements Return presents fairly, in all material respects, the receipts and disbursements made during the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Opinion on the Revenue Written Off Return

In my opinion, the Revenue Written Off Return presents fairly, in all material respects, the Revenue Written Off during the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Opinion on the Tax Reserve Certificates Return

In my opinion, the Tax Reserve Certificates Return presents fairly, in all material respects, the Tax Reserves for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Qualified Opinion on Outstanding Revenue Return

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the Outstanding Revenue Return presents fairly, in all material respects, the Outstanding Revenue as at December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion on Outstanding Revenue Return

i. Private imports debt

Included in the customs debt were entries made in advance (pre-clearance) by clients amounting to ZWG210.9 million and USD4 million as at December 31, 2024. However, not all clients proceeded with the importation, resulting in lodged entries remaining open indefinitely. As a result, the customs debt had private import entries that dated back to 2020. The custom debt therefore included amounts which may not be collectable and this was not adjusted accordingly. The prior year was also modified in respect of this matter.

ii. Removal In Transit (RIT)

The Authority had removal in transit entries with potential duty amounting to ZWG12.2 million (2023: ZWG 2.9 million) which had not been acquitted as at December 31, 2024. Some of the entries date back to prior years and they exclude RITs that are in the process of cancellation once they meet the required criteria. As a result, the extent of outstanding duty payable to be included in the outstanding revenue return could not be established as some of the goods might have been consumed locally. The prior year was also modified in respect of this matter.

iii. Temporary Import Permits (TIPs)

The Authority had 27 389 electronic and 10 464 manual Temporary Import Permits (TIPs) that were issued on the basis that the vehicles were temporarily entering the country. Some of the entries date back to prior years. I could not ascertain whether the vehicles had exited the country or may have been localised as they remained not acquitted as at December 31, 2024. I could also not ascertain the extent of the duty payable in relation to the vehicles that were localised. The prior year was also modified in respect of this matter.

iv. Completeness of deferred VAT penalties and interests

The outstanding revenue return excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [Chapter 23 :12] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period. I could not establish the completeness of the outstanding revenue disclosed.

Qualified Opinion on the Authority's Exchequer Trust financial statements

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the Exchequer Trust financial statements presents fairly, in all material respects, the financial position of Exchequer Trust Financial Statements of the Zimbabwe Revenue Authority 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 Qualified Opinion on Authority's Exchequer Trust financial statements

i. Private imports debt

Included in the customs debt were entries made in advance (pre-clearance) by clients amounting to ZWG210.9 million and USD4 million as at December 31, 2024. However, not all clients proceeded with the importation, resulting in lodged entries remaining open indefinitely. As a result, the customs debt had private import entries that dated back to 2020. The custom debt therefore included amounts which may not be collectible and this was not adjusted accordingly.

ii. Removal In Transit (RIT)

The Authority had removal in transit entries with potential duty amounting to ZWG12.2 million (2023: ZWG 2.9 million) which had not been acquitted as at December 31, 2024. Some of the entries date back to prior years and they exclude RITs that are in the process of cancellation once they meet the required criteria. As a result, the extent of outstanding duty payable to be included in the outstanding revenue return could not be established as some of the goods might have been consumed locally.

iii. Temporary Import Permits (TIP)

The Authority had 27 389 electronic and 10 464 manual Temporary Import Permits (TIPs) that were issued on the basis that the vehicles were temporarily entering the country. Some of the entries date back to prior years. I could not ascertain whether the vehicles had exited the country or may have been localised as they remained not acquitted as at December 31, 2024. I could also not ascertain the extent of the duty payable in relation to the vehicles that were localised.

iv. Completeness of deferred VAT penalties and interests

The revenue return and outstanding revenue return excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [Chapter 23 :12] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period. I could not establish the completeness of the outstanding revenue disclosed. I could not ascertain the completeness of the deferred VAT penalties and interests outstanding as at December 31, 2024.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Budgetary support

Finding

The Authority utilised 37% of the budgeted capital expenditure funds during the period resulting in ZWG360.6 million (63%) remaining unutilised. As a result,

- Annual procurement plan in relation to capital expenditure was not met and slow progress in construction was noted on Chirundu and Forbes projects.
- The Authority experienced challenges with construction contractors on the currency of payment.
- CCTV project had also not received adequate funding during the period under review. There was no maintenance contract in place to address issues of refocusing, cleaning cameras and ensuring that any broken/faulty cables for its CCTVs. The systems supporting the low-resolution 2-mega pixel dome cameras has reached end of life and the cameras needed to be upgraded.
- Residential stands procured as far back as 2008 remained undeveloped.

Risk / Implication

Service delivery may be compromised.

Recommendation

The Authority should regularly engage its parent Ministry for adequate funding of infrastructure projects.

Management response

Observation noted. We have successfully engaged the Ministry of Finance and Economic Development (MOFEDIP) who have agreed to fund capital expenditure projects in USD. We are in the process of renegotiating contracts so that they are rebased in US Dollars. This should increase the commitment by contractors.

The CCTV project experienced funding constraints. A motivation for supplementary budget was done and submissions made to Ministry of Finance. If the project is not funded this budget year, incorporation will be done in the 2026 budget.

We are in the process of rationalisation the acquisition process for property to avoid the challenge we currently have where we have stands and no budget to build. Budget requests have been submitted annually through CAPEX requirements. However, there has not yet been allocation for the stand development yet.

1.2. Gratuity payments

Finding

The Authority did not have a documented procedure or policy in place for the administration of gratuity payments to employees. The Authority has been processing gratuity payments to

employees whose contracts have expired upon termination, as well as to employees who have been promoted to higher levels within the organization without a standard guideline.

Risk / Implication

Inconsistencies on the processing of gratuities.

Recommendation

The Authority should put in place guidance on the administration of gratuity payments.

Management response

Observation acknowledged. The Authority will develop a policy and supporting procedure by the end of Q3 2025 to specifically address gratuity payments.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. DOMESTIC TAX

2.1.1. Wealth tax collection

Finding

The Authority had not collected wealth tax during the period under review although this had been included as part of the revenue collection target. Legislation had not been aligned for the Authority to collect this tax.

Risk / Implication

Potential revenue loss.

Recommendation

The Authority should continuously engage the responsible authorities for finalization of the legislation and modalities for wealth tax collection.

Management response

Observation noted. Engagements with Ministry of Finance, Economic Development and Investment Promotion and Ministry of Local Government and Public Works are underway. Joint benchmarking visits were conducted in 2024 and 2025 to assist in refining the framework for the wealth tax collection. The law is being refined to meet the requirements and legal framework.

2.2. CUSTOMS TAX

2.2.1. Impounded trucks

Finding

There were two (2) trucks which had been impounded for over twelve (12) months for cases involving illegal exportation of goods. These were still parked at the freight parking site and had not been moved to the car pounds where impounded vehicles are parked due to absence of appropriate equipment.

Risk / Implication

Unauthorised clearance and removal of the vehicles.

Recommendation

Management should park the vehicles in the designated areas to reduce the risk of unauthorised clearance and removal of the vehicles.

Management response

Observation noted. The truck with horse parked at the Freight Warehouse has not been moved to the car pound due to technical challenges cited by the towing companies. The towing companies indicated that the tow truck cannot tow a loaded truck. The station does not have appropriate equipment to off-load the 30 metric tonnes of lithium ore. Engagements are being made to find service providers to off load the lithium ore so that warehousing can be done in appropriate storage spaces.

The other truck is an empty truck detained in lieu of exportations of undeclared chrome. Investigations in the case continue. The truck could not be moved to the car pound due to technical challenges encountered when efforts were made to drive the truck to the car pound. Engagement of service providers will continue.

2.2.2. Warehouse management

Finding

Three (3) state warehouses at one of the regional office were infested with rodents thereby exposing the goods held under notice of seizure or receipts for items held to damage. This was contrary to the requirements of CEP0040 read in conjunction with section 232 (4) Customs and Excise Act [*Chapter23:02*] which requires safe custody of the goods detained.

Risk / Implication

Financial loss due to contamination, food spoilage and damage to property and goods.

Recommendation

The Authority should put in place measures to ensure safe custody of detained goods.

Management response

ZimBorders who is responsible for the maintenance of the building has been engaged to ensure that periodic spraying is done and rodent traps are planted. A pest management control team is in place to deal with the rodents.

2.2.3. Records management

Finding

I could not physically verify existence of two (2) vehicles at one of the border posts whose duty was included in the outstanding revenue schedule and also management could not locate them in all the state compounds or transit shades. The Authority had not reconciled and updated its records following border upgrade at the regional office.

Risk / Implication

Misappropriation of assets.

Recommendation

Management should investigate and locate the vehicles.

Management response

The observation is noted. Physical checks and system verifications still ongoing for the two (2) vehicles.

2.2.4. Deferred VAT penalties and interests

Finding

The revenue return, outstanding revenue return and Exchequer Trust financial statements excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [Chapter 23 :12] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period.

Risk / Implication

Misstatement of returns and Exchequer Trust financial statements.

Recommendation

Penalties and interests should be accounted for.

Management response

Observation is noted and the recommendation shall be implemented on future revenue returns. The complication is that the interest and penalty is calculated using the exchange

rate prevailing and applicable at the time the client will be paying or would have paid the portion of the deferred VAT.

3. EMPLOYMENT ISSUES

3.1. Overtime processing

Finding

The Authority's controls on overtime calculations were not adequate. For instance, overtime allowances were incorrectly calculated, leading to both overpayments and under payments of allowances. This was contrary to the procedure for processing staff claims section 9.8.1 which requires the verification of claims to be done.

Risk / Implication

Fraud and error may go undetected.

Recommendation

Management should perform thorough checks and reviews to ensure accuracy of overtime claims.

Management response

Observation is noted. Management will review the current procedure to ensure that thorough checks are conducted prior to processing payments. The May 2025 pay run will include both recoveries from and back pays to affected employees to ensure that neither party is prejudiced.

4. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority made some progress in addressing my audit findings in 2019, 2020, 2021, 2022 and 2023 annual reports. I raised eight (8) findings in my 2023 annual report and followed up on twelve (12) outstanding findings from my 2019, 2020 ,2021 and 2022 annual reports. Six (6) findings were addressed, eleven (11) were partially addressed while three (3) findings were not addressed as indicated below;

4.1. Valuation of assets

The finding was addressed. The inputs and assumptions applied by the Authority in 2024 valuation were appropriate.

4.2. Service level agreement

The finding was partially addressed. In the current year, the Authority had no valid lease agreements on some of the leased properties.

4.3. Bank reconciliations

The finding was not addressed. The Authority had not cleared reconciling items and bank reconciliations for one of the regional offices were not prepared on time.

4.4. Unclassified deposits

The finding was addressed. The unclassified deposits were cleared during the year 2024 and TaRMS system has addressed the recurrence of the unclassified deposits in the current year.

4.5. Tobacco levy submission

The finding was addressed. All outstanding returns were submitted after client engagements. The TaRMS system has a facility for sending reminders and this shall assist in monitoring outstanding returns.

4.6. Deferment of Value Added Tax

The finding was partially addressed. The outstanding deferred VAT not cleared during the year.

4.7. Form 49 outstanding debt

The finding was partially addressed. Entries as far back as 2020 not yet cleared and issue modified the opinion in the current year.

4.8. Automation of payroll processes

The finding was not addressed. The automation of the manual process is part of the digitalization strategy and procurement of a solution to address this area is under way.

4.9. Travel and subsistence policy

The finding was partially addressed. Outstanding advances are now for the officers who either left the organisation or are on suspension. These will be cleared from terminal benefits.

4.10. Automation of revenue collection processes

The finding was partially addressed. In the current year other customs processes were noted that had not been automated.

4.11. Classification of revenue

The finding was partially addressed. The risk profiling functionality will be addressed in TaRMS under Release 3 in September 2025. Currently the risk engine is under development.

4.12. Temporary Import Permits (TIPs)

The finding was partially addressed. In the current year long outstanding TIPs were noted and the issue modified the opinion in the current year.

4.13. Vehicle fleet costs

The finding was addressed. The Authority disposed some of the beyond economic repair and accident damaged vehicles through auctions carried out in 2023.

4.14. Buildings

The finding was partially addressed. Repairs and maintenance works are ongoing.

4.15. Delivery of vehicles

The finding was partially addressed. There was delivery of eight (8) Corolla vehicles in April 2025, leaving balance of 62 vehicles (42 Corollas and 20 double cabs). Management is still pursuing the matter including prosecution of the supplier.

4.16. Sanitising booths

The finding was addressed. The sanitising booths were disposed in 2024.

4.17. Customs debt from imported vehicles

The finding was not addressed. The debt is outstanding.

4.18. Management of Removal in Transit (RIT)

The finding was partially addressed. The Authority has managed to clear some outstanding RITs however the issue had led to modification of opinion in the current year.

4.19. Report orders

The finding was partially addressed. The Authority had not cleared all the long outstanding report orders.

4.20. SAP E-service platform

The finding was addressed. E service platform was discontinued and had been replaced by TaRMS.

PUBLIC ENTITIES UNDER THE CATEGORY OF BOARDS

Background Information

The Pig Industry Board was established in terms of the Pig Industry Act [*Chapter 18:15*]. The core functions of the Board are genetic improvement, research, promotion of production and marketing of pigs. The Board also undertakes training and extension activities to promote production of pigs.

I have audited the financial statements of Pig Industry Board for the years ended December 31, 2023 and 2024. I issued a Qualified Opinion for 2023 for both years.

Qualified Opinion 2023

In my opinion, except for the effects of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Pig Industry Board as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Accounting Standard (IAS) 36 – “Impairment of Assets”

The Board did not carry out impairment assessment on its property, plant and equipment as at December 31, 2023. This was contrary to the requirements of International Accounting Standard (IAS) 36 – “Impairment of Assets” paragraph 9 which require entities to assess at the end of each reporting period.

ii. Non-compliance with International Accounting Standard (IAS) 40 – “Investment Property”

The Board had not complied with International Accounting Standard (IAS) 40 – “Investment Property” as properties held to earn rentals was not accounted for as investment property. This was contrary to the requirements of International Accounting Standard (IAS) 40 – “Investment Property” paragraph 7 which requires property held to earn rentals or for capital appreciation or both to be recognised as investment property. I could not ascertain the completeness of investment property disclosed in the financial statements.

iii. Opening balance

The opening balance for accumulated figure of ZWL\$689.49 million differed from the prior year closing balance of ZWL\$570.9 million resulting in a material difference of ZWL\$118.59 million. The variance was accounted for as a prior year adjustment in the statement of changes in reserve. Management could not ascertain why there was a difference between these two accounts. As a result, I could not ascertain the accuracy of accumulated fund balances disclosed in the financial statements.

Qualified Opinion 2024

In my opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Pig Industry Board as at December 31, 2024, and its financial performance and

cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

Non-compliance with International Public Sector Accounting Standards (IPSAS) 41 – “Financial Instruments”

The Board did not provide for allowance for credit losses contrary to IPSAS 41 – “Financial Instruments” paragraph 73 which requires allowance for credit losses to be provided for. The Board did not have an allowance for credit losses policy or model in place. I was unable to determine adjustments that might have been necessary in respect of the valuation of trade and other receivables and the elements making up the statement of financial performance, statement of changes in net assets and statement of cash flows.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Policies and procedures manuals

Finding

The Board had not put in place essential policies that included biological asset policy, disaster recovery policy and impairment policy. This was contrary to section 44 (1) (a) of the Public Finance Management Act [*Chapter 22: 19*] which requires a public entity to establish and maintain effective, efficient and transparent systems of financial, risk management and internal control.

Risk / Implication

Inconsistencies on treatment of transactions.

Recommendation

The Board should put in place all essential policies.

Management should come up with the disaster recovery plan for all processes and procedures to safeguard the Institution from the risk of data loss.

Management response

The policies will be drawn. Management will come up with the disaster recovery plan for all processes and procedures to safeguard the Institution from the risk of data loss.

1.2 Impairment of assets

Finding

The Board did not carry out impairment assessment on its property, plant and equipment as at December 31, 2023. This was contrary to the requirements of International Accounting Standard (IAS) 36 – “Impairment of Assets” paragraph 9 which require entities to assess at the end of each reporting period.

Risk / Implication

Misstatement of financial statements.

Recommendation

Board should align its accounting processes to the requirements of the reporting framework.

Board should carry out an impairment assessment at the end of each reporting period.

Management response

Management will come up with an impairment policy to use on assets that needs impairment.

1.3 Opening balance

Finding

The 2023 opening balance for accumulated figure of ZWL\$689.49 million differed from the prior year closing audited balance of ZWL\$570.9 million resulting in a material difference of ZWL\$118.59 million. Management could not establish and address the variance between these two accounts.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management to establish and clear the variances on opening accumulated fund.

Management response

The accounts team will adjust the retained earnings balance after the current 2023 audit is completed as agreed with the audit team. In future we take note of the recommendation to adjust all opening balances with the audited financial statements.

1.4 Investment property

Finding

The Board had not complied with International Accounting Standard (IAS) 40 – “Investment Property” as properties held to earn rentals was not accounted for as investment property. This was contrary to the requirements of International Accounting Standard (IAS) 40 – “Investment Property” paragraph 7 which requires property held to earn rentals or for capital appreciation or both to be recognised as investment property.

Risk / Implication

Misstatement of financial statements.

Recommendation

Properties held to earn rentals should be treated as investment property.

Management response

The arrangement have since been stopped and all the compound houses are now strictly for PIB workers. The only other house that has a tenant is the director’s house. The house should be disclosed as an investment property in future.

1.5 Alignment of accounting processes to reporting framework

Finding

The Board’s policies and procedures manual was not aligned to the applicable reporting framework. For instance, it did not have an allowance for credit losses policy/model. As a result, the Board could not compute the expected credit loss for receivables. This was contrary to IPSAS 41 – “Financial Instruments” which requires impairment assessment to be carried out at the end of each reporting period.

Risk / Implication

Misstatements of financial statements.

Recommendation

The Board should put in place an allowance for credit loss policy and comply with IPSAS 41 – “Financial Instruments”.

Management response

We acknowledge the concern regarding credit loss policy for implementation.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Board did not make progress in addressing audit findings raised in my 2020 annual report. I followed up on one (1) audit finding raised in my 2020 annual report and it was not addressed as indicated below;

2.1 Internal audit arrangements

The finding was not addressed. The Board still do not have internal audit arrangements in place.

Background Information

Tobacco Industry and Marketing Board was established in terms of the Tobacco Industry Marketing Act [Chapter 18:20]. The Board was established to provide, control and regulate the tobacco industry in Zimbabwe.

I have audited the financial statements of the Tobacco Industry and Marketing Board for the year ended December 31, 2024 and I issued an unmodified /clean opinion for 2024.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tobacco Industry and Marketing Board 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 (IPSAS).

Below are material issues noted during the audit:

1. REVENUE COLLECTION AND DEBT RECOVERY

1.1. Recovery of funds

Finding

The Board had not recovered funds erroneously transferred to three (3) former employees in 2022 amounting to USD520. Although follow up efforts were made the amounts remained outstanding at year end.

Risk / Implication

Financial loss due to unrecoverable debts.

Recommendation

The Board should recover from the outstanding amounts.

Management response

The balances with respect to former employees emanated from a bank error that occurred in 2022 where by, the bank processed a payment batch that had been cancelled. The three individuals with the remaining balances had utilised the funds that had been transferred by the bank in error hence the amount on debtors list while they were no longer employed by the Board. Efforts were made to recover the funds to no avail.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Board did not make progress in addressing audit findings and recommendations raised in my 2021 and 2022 annual reports. I followed up on three (3) audit findings in my 2021 and 2022 annual reports. One finding was addressed and two (2) findings were partially addressed as indicated below;

2.1 Special projects

The finding was partially addressed. Debt collection has been implemented through stop order deductions, use of the messenger of court, field officer visits. Those with large amounts have been handed over to the Board's lawyers, with some of them now making partial payments, while others are still on-going court cases.

2.2 Delivery of procured goods

The finding was partially addressed. The Board recovered the funds prepaid for the purchase of 40 computers. However, delivery of staff bus is still outstanding and the matter is under litigation.

2.3 Security over assets

The finding was addressed. Handover procedures for the Board's assets have been designed and implemented. CCTV access control is now set up. Furthermore, the insurance of assets is being done timeously.

TOBACCO RESEARCH BOARD (TRB) 2024

Background Information

The Tobacco Research Board was established under the Tobacco Research Act [*Chapter 18:21*]. Its functions are to direct, control and carry out tobacco research in Zimbabwe.

I have audited the financial statements of Tobacco Research Board for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tobacco Research Board as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION RECOMMENDATIONS

The Board made some progress in addressing the two (2) audit findings raised in my 2023 annual report. One (1) finding was addressed while the other finding was not addressed as indicated below;

1.1. Registration of motor vehicles

The finding was not addressed. The motor vehicle is yet to be registered in the name of the Board.

1.2. Bank signatories

The finding was addressed. The former employee is no longer a bank signatory of the Board.

PUBLIC ENTITIES UNDER THE CATEGORY OF COMMISSIONS

Background Information

The Competition and Tariff Commission was established in terms of the Competition Act [*Chapter 14:28*]. The mandate of the Commission is implementing and enforcing Zimbabwe's competition policy and law; and executing the country's trade tariffs policy.

I have audited the financial statements of the Competition and Tariff Commission for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Competition and Tariff Commission as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Opinion 2024

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

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board meetings

Finding

The Commission's meeting proceedings were not aligned to corporate governance regulations during the year. For instance, there were two (2) sittings in the first half of the year that the meetings proceeded without a quorum for more than ninety (90) days. This was contrary to section 33 (2) of the Public Entities Corporate Governance Act [*Chapter 10:31*] which permits a Board to meet without a quorum for 90 days.

Risk / Implication

Oversight role of the Board may be compromised.

Recommendation

The Commission should align its governance processes with the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Noted, action will be taken.

1.2. Taxation of benefits

Finding

The Commission's payroll processes were not aligned to the Income Tax Act [*Chapter 22:19*] on taxation. For instance, motoring benefit and benefit in form of food hampers were not subjected to Pay As You Earn. This was contrary to section 8(1) f of the Income Tax Act [*Chapter 22:19*], which requires taxation of benefits arising from employment.

Risk / Implication

Financial loss due to penalties and interests.

Recommendation

All benefits paid to staff members including food hampers and motor vehicle benefits should be taxed.

Management response

Noted. All benefits to employees will be taxed including the 2024 food hampers. However, motor vehicle benefits not taxed due to a glitch in the Belina Payroll System, has been rectified.

1.3. Bank reconciliation

Finding

The Commission was not preparing bank reconciliations for four (4) foreign currency bank accounts on a monthly basis contrary to the Commission's policy which requires that bank reconciliations be prepared at least monthly.

Risk / Implication

Fraud or errors may go detected on time.

Recommendation

Bank reconciliations should be prepared on a monthly basis in line with the Commission's policy.

Management response

These four (4) accounts have not been very active, not warranting monthly reconciliations. Reconciliations are normally done when there is a movement in figures. However, these are being done after every two months.

1.4. Submission of financial statements

Finding

The financial statements for the year ended December 31, 2023 were submitted in April 2024, two (2) months after the statutory deadline instead of within 60 days after the year end as required by section 49(1) (c) of the Public Finance Management Act [*Chapter 22:19*].

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

Financial statements should be submitted for audit within (sixty) 60 days after the year end as required by section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*].

Management response

The Commission had challenges meeting the end of February deadline, due to migration to International Public Sector Accounting Standards (PSAS) from International Financial Reporting Standards (IFRSs).

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission made progress in addressing the audit finding raised in my 2022 annual report as indicated below;

2.1 Internal control assessment

The finding was addressed. The Commission is now outsourcing internal audit function and was audited in 2024.

Background Information

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [*Chapter 24:21*] to regulate the insurance and pensions industry with the objective of protecting the interest of policy holders and pension scheme members.

I have audited the financial statements of Insurance and Pensions Commission for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Insurance Pensions Commission 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).

I followed up on the finding raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission made progress in addressing the audit finding raised in my 2023 annual report. The audit finding was addressed as indicated below;

1.1 Debt collection

The finding was addressed. Debtors' monitoring is now being undertaken regularly through weekly review and quarterly verifications.

Background Information

The Securities and Exchange Commission of Zimbabwe was established in terms of the Securities Act [Chapter 24:25]. The Commission is a regulatory body for the securities and capital markets in Zimbabwe.

I have audited the financial statements of Securities and Exchange Commission of Zimbabwe for the year ended December 31, 2024 and I issued an unmodified / clean opinion with a report on going concern.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Securities and Exchange Commission of Zimbabwe as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Commission's current liabilities exceeded its current assets by ZWG2.3 million (2023: ZWG1.05 million). This condition indicated that a material uncertainty exists that may cast significant doubt about the Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

I followed up on audit findings that I raised in my 2022 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission made progress in addressing audit findings raised in my 2022 and 2023 annual report. I raised one (1) finding in my 2023 annual report and two (2) findings outstanding in my 2022 annual report. Two (2) findings were addressed and one (1) finding was not addressed as indicated below;

1.1 System configuration

The finding was addressed. The administration profile was disabled for use by staff in April 2024.

1.2 Staff costs to revenue ratio

The finding was not addressed. The Commission was at 69% during the period under review.

1.3 Alignment of board structure

The finding was addressed. The Commission appointed a Chartered Accountant on July 1, 2024 and he assumed the role of Chairman of the Audit Committee in the fourth quarter of 2024.

Background Information

The Sports and Recreation Commission was established in terms of the Sports and Recreation Commission Act [Chapter 25:15]. The Commission coordinates, controls and develops the activities of sport and recreation, to ensure proper administration of organisations undertaking the promotion of sports and recreation and to authorise national and international sporting and recreation activities.

I have audited the financial statements of Sports and Recreation Commission for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Sports and Recreation Commission 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).

Below are material issues noted during the audit;

1. EMPLOYMENT ISSUES

1.1. Taxation of contractual benefits

Finding

The Directors of the Commission received school fees allowances amounting to USD36 117 during the year 2024. It was however noted that the school fees allowances were not taxed. The benefits constitute gross income as prescribed by the Income Tax Act Section 8 (1)(f) and thus should have been taxed.

Risk / Implication

Financial loss due to penalties that may be levied.

Recommendation

All benefits paid to staff members should be taxed.

Management response

From August 2024, most Directors' benefits were subjected to tax deduction and the tax remitted to ZIMRA. The issue of taxes is also subject to adequacy of the SRC's resourcing and capacity to sustainably meet obligations as they fall due.

2. PROGRESS IN ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS.

The Commission made progress in addressing audit findings raised in my 2023 annual report. I raised two (2) audit findings. One (1) was addressed while the other was partially addressed as indicated below;

2.1. Policies and procedure manuals

The finding was partially addressed. Management has drafted an IT policy awaiting approval by the Board. The Investment policy is now in place.

2.2. Allowances paid to directors

The finding was addressed. The allowances are now being taxed.

PUBLIC ENTITIES UNDER THE CATEGORY OF FINANCIAL INSTITUTIONS

Background Information

AFC Commercial Bank Limited, was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31] and is registered as a commercial bank in terms of the Zimbabwe Banking Act [Chapter 24:20]. The Bank's main business is provision of agricultural related loans, retail banking services, discounting bills, treasury services and provision of treasury finance.

I have audited the financial statements of AFC Commercial Bank for the year ended December 31, 2024 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of AFC Commercial Bank Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”

The property, plant and equipment and investment property were determined in USD and then translated to the Zimbabwe Gold (ZWG) using the interbank rate as at December 31, 2024. The translated property, plant and equipment and investment property Zimbabwe Gold values could not meet the fair value requirements of IFRS 13 – “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment and investment property in Zimbabwe Gold. I could not therefore determine the extent of the adjustments that were necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Penalties

Finding

The Bank's compliance and monitoring controls were not adequate to flag out non-compliance with laws and regulations on time. As a result, the Bank incurred avoidable expenditure amounting to USD26 000 on penalties for non-submission of agency report and lack of customer due diligence.

Risk / Implication

Financial loss as a result of penalties and interest.

Recommendation

Management should strengthen controls over compliance with laws and regulations.

Management response

The penalties relate to isolated cases when the Bank did not adhere to laid down regulatory procedures. The Bank has in place controls to ensure that incidences of non-compliance with regulations are minimized.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION RECOMMENDATIONS

The Bank made some progress in addressing audit findings raised in my 2023 annual report. I raised one (1) audit finding in my 2023 annual report and followed up on one (1) finding outstanding from my 2021 annual report. One (1) finding was addressed while the other was partially addressed as indicated below;

2.1. Loan concentration risk

The finding was partially addressed. One debtor of the two noted still owes a significant balance.

2.2. Suspense account

The finding was addressed. The suspense account was reconciled and cleared when the bank moved to a new core banking system.

Background Information

AFC Land and Development Bank of Zimbabwe (Private) Limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The Bank provides agricultural development financial services in Zimbabwe.

I have audited the financial statements of AFC Land and Development Bank of Zimbabwe (Private) Limited for the year ended December 31, 2024 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of AFC Land and Development Bank of Zimbabwe as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non – compliance with International Financial Reporting Standard (IFRS) 13- “Fair Value Measurement”

The investment property valuations were determined in United States Dollars (USD) and then translated to Zimbabwe Gold (ZWG) using interbank rate as at December 31, 2024. The translated investment property values in ZWG could not meet the fair value requirements of IFRS 13 – “Fair Value Measurement” as they did not reflect the assumptions that the market participants would apply in valuing similar items of investment property in ZWG. I could not determine the extent of the adjustments that were necessary.

I followed up on the audit finding that I raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Bank made progress in addressing the audit finding that I raised in my 2023 annual report. I raised one (1) audit finding which was addressed as indicated below;

1.1. Equipment leasing progress reports

The issue was addressed. The progress reports on equipment leasing are now being submitted.

DEPOSIT PROTECTION CORPORATION (DPC) 2024

Background Information

The Deposit Protection Corporation was established by the Deposit Protection Act, [Chapter 24:29]. The functions of the Corporation are to protect depositors in the event of a deposit-taking institution becoming insolvent, enhance public confidence, competition and stability in the financial sector.

I have audited the financial statements for Deposit Protection Corporation for the year ended December 31, 2024 and I have issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Deposit Protection Corporation as at December 31, 2024, and its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Loan benefits

Finding

Staff loans amounting to USD20 903 were not subjected to Pay as You Earn (PAYE) during the period. This was contrary to section 8 (1) f of the Income Tax Act [Chapter 23:06] which requires the loan benefit arising from the differential amount between the staff loan interest rate and the ZIMRA prescribed rate to be taxed as a fringe benefit.

Risk/ Implication

Financial loss due to fines and penalties that may be levied.

Recommendation

The Corporation should tax loan benefits through the payroll.

Management response

The anomaly was corrected in February 2025. Management will compute the loan benefit for the period up to January 31, 2025 to calculate the amount due to ZIMRA and remit the amount due to tax authorities before April 30, 2025. In case of an investigation by ZIMRA, management will make a voluntary disclosure to avoid penalties and interest on the tax on loan benefits up to January 31, 2025.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION RECOMMENDATIONS

The Corporation addressed the audit finding that I raised in my 2023 annual report as indicated below;

2.1 Point of Sale (POS) card policy

The finding was addressed. Management has updated the petty cash procedure to cover electronic transactions and there are adequate controls over petty cash.

Background Information

EmpowerBank Limited is a deposit taking Microfinance Institution registered in terms of the Microfinance Act [Chapter 24:29]. It was established with a mandate to empower the youth entrepreneurs as well as previously marginalized citizens. The Bank accepts deposits and conducts lending activities across all sectors of the economy.

I have audited the financial statements of EmpowerBank Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion with a report on going concern.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of EmpowerBank Limited as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Microfinance Bank's regulatory capital as at December 31, 2024 was USD983 389 which was below the minimum capital requirement of USD5 million as prescribed by Reserve Bank of Zimbabwe. This condition indicates a material uncertainty that may cast significant doubt on the Microfinance Bank's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Capitalisation

Finding

The Bank was operating below the minimum capital requirement of USD5 million. The Bank had a capital position of USD983 389 as at December 31, 2024. This was contrary to the requirements of the Microfinance Act [Chapter 24:29] which requires deposit taking micro finance institutions to have minimum paid up share capital of ZWG equivalent to USD5 million.

Risk / Implication

Fulfilment of mandate may be compromised.

Recommendation

Management should seek for additional funding.

Management response

The Bank was allocated ZWG150 million (USD5.6m equivalent) in the 2025 National Budget which management and the Board are pushing for disbursement. So far, ZWG15.1 million has been released to the Bank. To further strengthen the balance sheet, the Bank has a robust deposit mobilisation strategy for 2025 to augment the capital injections from the Shareholder.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Bank made progress in addressing the audit findings raised in my 2022 and 2023 annual reports. I raised two (2) audit findings in my 2023 annual report and followed up on one (1) finding outstanding in my 2022 report. Two (2) findings were addressed and one (1) finding was partially addressed as indicated below;

2.1. Loan policy

The finding was addressed. The reviewed loan policy is now in place.

2.2. Valuation of property, plant and equipment

The finding was addressed. Property, plant and equipment was revalued and the Bank is now assessing useful life of assets.

2.3. Loan book

The finding was partially addressed. The process to recover is ongoing.

Background Information

The Infrastructure and Development Bank of Zimbabwe is a development financial institution which was incorporated in terms of the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14]. IDBZ and its subsidiaries are primarily involved in mobilizing and providing finance for infrastructure development activities and management of infrastructure development projects.

I have audited the consolidated financial statements of Infrastructure Development Bank of Zimbabwe for the year ended December 31, 2024 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the basis for Adverse Opinion section of my report, the consolidated financial statements do not present fairly, in all material respects, the financial position of Infrastructure Development Bank of Zimbabwe and its subsidiaries as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard (IAS) 29 - “Financial Reporting in Hyperinflationary Economies”

Effective April 5, 2024, Zimbabwe dollars (ZWL\$) were converted into a new currency, Zimbabwe Gold (ZWG). For accounting and other purposes (including the discharge of financial or contractual obligations), all assets and liabilities that were, immediately before the effective date, valued and expressed in Zimbabwe dollars, shall be deemed to be valued in ZWG as converted in terms of section 6(1) of SI 60 of 2024. The Group assessed its functional currency for the period and concluded that it was the ZWG. In a publication by the Public Auditors and Accountants Board (PAAB) dated October 8, 2024, the PAAB assessed whether hyperinflation ceased with the introduction of the ZWG and concluded that the Zimbabwe economy remained hyperinflationary for financial reporting purposes.

Based on the above, the Group was required to restate its financial statements in terms of International Accounting Standard (IAS) 29 - “Financial Reporting in Hyperinflationary Economies”. The financial statements have not been prepared in conformity with the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies” as they have been prepared and presented in terms of the historical cost convention. The standard requires financial statements of entities that report in the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the statement of financial position date. The effect of non-compliance with IAS 29 - “Financial Reporting in Hyperinflationary Economies” could not be quantified but was considered material to the financial statements.

I followed up on the audit finding that I raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

The Bank made progress in addressing audit findings and recommendations raised in my 2022 and 2023 annual reports. I raised one (1) audit finding in my 2023 annual report and followed up on one (1) outstanding finding in my 2022 annual report. All the two (2) findings were addressed as indicated below;

1.1. Capitalisation

The finding was addressed. The Bank secured the minimum capital from the shareholder to meet the regulatory minimum capital ZWG equivalent to USD20 million as at December 31, 2024.

1.2. Loan agreement

The finding was addressed. The Loan agreement was signed in the 2024 financial year.

Background Information

National Building Society Limited was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31] and established in terms of the Building Societies Act [Chapter 24:20] of Zimbabwe. The Society is wholly owned by National Social Security (NSSA). The Society was set up with the sole mandate of contributing to the National Housing Stock.

I have audited the financial statements of National Building Society for the year ended December 31, 2024 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Building Society Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement” and International Accounting Standard (IAS) 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”

The investment property and property, plant and equipment valuations were determined in USD and then translated to Zimbabwe Gold (ZWG) using the interbank rate as at December 31, 2024. The translated investment property and property, plant and equipment values in Zimbabwe Gold could not meet the fair value requirements in International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of investment property and property, plant and equipment in Zimbabwe gold. I could not determine the extent of the adjustments that were necessary.

The opinion in the prior year was modified in respect of this matter, and the misstatements have not been corrected in the current year financial statements in accordance with requirements of International Accounting Standard (IAS) 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Segregation of duties

Finding

The Society’s internal controls over the loan processing were inadequate. For instance, there was no segregation of duties between capturing and approval of staff and mortgage loans in the Society’s banking system.

Risk / Implication

Fraud and errors may go undetected.

Recommendation

Management should strengthen the controls over the loan capturing process.

Management response

The system does not have the review functionality so the risks are noted. The Society is currently in the process of migrating to another system and is expected to be completed by the end of Q2/2025. This should resolve the issue since the new system has authorisation functionalities.

2. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

The Society has made some progress in addressing audit findings raised in my 2023 annual report. I raised eight (8) findings in my 2023 annual report. Four (4) findings were addressed, three (3) were partially addressed and one (1) finding was not addressed as indicated below;

2.1. Valuation of vacant stands

The finding was addressed. The valuation of vacant stands was done in December 2024.

2.2. Asset register

The finding was addressed. The assets have been uploaded onto the system effective first quarter 2025.

2.3. Reconciliations between banking system and accounting system

The finding was partially addressed. The banking system update is currently being implemented and the implementation of automatic integration of the two (2) systems by the second quarter of 2025.

2.4. System integration

The finding was partially addressed. Automatic integration of the two (2) systems is expected to be completed by the second quarter of 2025.

2.5. Investment property

The finding was partially addressed. All properties converted to investment property have leases, except one (1) unit which was being contested by a customer.

2.6. Glaudina housing project work in progress

The finding was addressed. Fair valuation of work in progress items reclassified to investment property was done.

2.7. Due diligence on housing project

The finding was not addressed. Management will execute projects based on a value-based assessment, availability of funding and other strategic considerations.

2.8. Procurement thresholds

The finding was addressed. The Society had set capitalisation thresholds in 2024.

PEOPLE’S OWN SAVINGS BANK (POSB) 2024

Background Information

The People’s Own Savings Bank (POSB) was established in terms of the People’s Own Savings Bank of Zimbabwe Act [*Chapter 24:22*]. Its functions are to carry on the business of a savings bank, provide banking and financial services in Zimbabwe.

I have audited the financial statements of People’s Own Savings Bank for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of People’s Own Savings Bank as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. EMPLOYMENT ISSUES

1.1. Termination of employee contracts

Finding

The controls over termination of contracts for employees were not adequate. For instance, there was no proper coordination between departments over the recovery of debts from terminated employees. As a result, the Bank had outstanding debts relating to staff loans and notice period payments totaling USD23 932 and ZWG88 844 which were not recovered from five (5) terminated employees.

Risk / Implication

Financial loss due to non-recovery of debts.

Recommendation

The Bank should enhance controls over recovery of debts from terminated employees.

Management response

The issue has been acknowledged by management and internal controls and processes will be strengthened to address the gaps identified.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Bank made progress in addressing audit findings raised in my 2022 and 2023 annual report. I raised one (1) finding in my 2023 annual report and I followed up on two (2) findings outstanding in the 2022 annual report. All the three (3) findings were addressed as indicated below;

2.1. Loan disbursements

The finding was addressed. The Bank is now using audited financial statements and or seeking exemption for SMEs without capacity to obtain audited financial statements.

2.2. Alignment of board structures

The finding was addressed. The Substantive Board Chairperson and Vice Chairperson were appointed.

2.3. Board members' tenure

The finding was addressed. The two Board members whose tenure expired in 2019 were replaced.

Background Information

Zimbabwe Women's Microfinance Bank Limited is a deposit taking microfinance institution established in terms of the Microfinance Act [Chapter 24:29]. The Bank was established by the Government of Zimbabwe to be the vehicle for the empowerment of women and to address financial inclusion challenges.

I have audited the financial statements of Zimbabwe Women's Microfinance Bank Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion with a report on going concern.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Women's Microfinance Bank Limited as at December 31, 2024 and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact the Bank incurred a loss of ZWG122.5 million (2023: ZWG66.1 million) during the year ended December 31, 2024. The Bank was also operating below the prescribed capital requirement set by the Regulator (Reserve Bank Zimbabwe) of ZWG equivalent to USD5 million since inception. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Internal audit

Finding

The internal audit function was not adequately resourced as the position of the substantive head internal audit was being temporarily occupied by the head of risk, who, with the assistance of only one (1) graduate trainee in internal audit, was managing the responsibilities for a period of six (6) months. As a result, the internal audit plan and work carried out in the year 2024 did not adequately cover the Bank's operations. The internal audit only performed follow-up audits without executing the audit plan for the year under review. This was contrary to section 7.2 (4) of the internal audit charter which requires the internal audit function to carry out their duties on the annual internal audit plan as approved and revise it from time to time.

Risk / Implication

Oversight over the Bank's internal control environment may be compromised.

Recommendation

The internal audit department should be adequately capacitated.

Management response

The Bank acknowledges a leadership gap in the internal audit function during the period under review, June 1, 2024, to December 31, 2024, resulting in incomplete adherence to the Internal Audit Plan. To address this gap, the Bank implemented an interim arrangement, where the Head of risk management assumed additional responsibilities, including, stepping up risk assessments in high-risk areas and ensuring extended oversight.

1.2 Procurement management unit

Finding

The Bank was experiencing staffing constraints as a result, there was no segregation between the procurement and administrative function of the Bank in the year 2024. The procurement unit of the Bank was responsible for procurement of goods and services as well as performing the administrative function, instead of just facilitating procurement. The unit also received and distributed goods and services contrary to section 4.14 of the finance policy and procedures manual which required the finance and administration manager to perform the administrative function instead of the head of procurement. This was contrary to section 17 (3) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] which requires procurement management unit to be responsible for the procurement processes.

Risk / Implication

Fraud and error may go unnoticed.

Recommendation

The Bank should segregate the procurement and administrative functions to enhance accountability.

Management response

We acknowledge the audit finding regarding the lack of segregation between procurement and administrative functions. Finance is primarily responsible for administration of assets of the bank. Currently the department currently faces staffing constraints, which have limited our ability to effectively manage the administration and as a stop gap measure Procurement assisted with some administrative functions to ensure that the bank continues to function effectively.

2. EMPLOYMENT ISSUES

2.1 Employee benefits

Finding

The Bank did not process acting allowance amounting to USD480 and ZWG7 535 through the payroll for one head of department and as such no tax was charged on the benefit. This was contrary to the Income Tax Act [*Chapter 23:06*] section 8 which requires benefits granted by the employer to an employee to form part of gross income and be taxed.

Risk / Implication

Financial loss due to penalties.

Recommendation

Bank should process allowance and benefit through the payroll.

Management response

This omission is well noted. This was an oversight, the allowances were paid outside payroll, to cater for outstanding acting allowances that was not paid monthly from the day of hand over take over. As a remedy the said allowances will be put in payroll for taxation purposes.

3 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Bank made progress in addressing audit findings raised in my 2020, 2022 and 2023 annual reports. I raised eight (8) audit findings in my 2023 annual report and followed up on three (3) findings outstanding from my 2020 and 2022 annual reports. Five (5) findings were addressed, one (1) finding were partially addressed and five (5) findings were not addressed as indicated below;

3.1 Accounting for leases

The finding was addressed. The Bank now have valid leases.

3.2 Submission of internal audit reports

The finding was not addressed. No internal audit reports were submitted in 2024.

3.3 Sustainability of operations

The finding was not addressed. Management is seized with the matter and implementing turnaround strategies.

3.4 Loans and advances

The finding was addressed. The portfolio at risk decreased to 2.08% which was within the regulator's operation guidelines.

3.5 Board of inquiries

The finding was partially addressed. The draft policy awaits Board approval.

3.6 Procurement regulations

The finding was addressed. The practice of tender splitting has since been stopped.

3.7 Declaration of interests

The finding was addressed. All members of the PMU are now signing the declaration of interest register.

3.8 Non-alignment with Finance Act

The finding was addressed. Taxation of motoring benefit is now being subjected to tax.

3.9 Terminated employment contracts

The finding was not addressed. The Bank had not recovered from the remaining three (3) ex-employees.

3.10 Capitalisation of the Bank

The finding was not addressed. Although the shareholder made an additional capital injection the Bank is still under capitalized.

3.11 Castor bean loans

The finding was not addressed. This was not recovered.

PUBLIC ENTITIES UNDER THE CATEGORY OF FUNDS

Background Information

The Institute was established in terms of the Public Finance Management Act [*Chapter 22:19*]. Its mandate is to foster sound development of the fishing industry and ancillary activities in the Lake Kariba area through investigations into the logical, technological and economic aspects of the fisheries potential and setting up of demonstrations and training programs in fishing and related activities.

I have audited the financial statements of Lake Kariba Fisheries Research Institute for the years ended December 31, 2023 and 2024 and I issued an unmodified / clean opinion for both years.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Lake Kariba Fisheries Research Institute as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion 2024

In my opinion, the financial statements present fairly, in all material respects, the financial position of Lake Kariba Fisheries Research Institute as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Law enforcement in the Lake

Finding

The Institute's budget was not aligned to its law enforcement needs. As a result, the Institute's law enforcement activities in the lake were not effective during the year under review. Against an annual target of 480 patrols, the Institute only conducted 154 patrols which constitutes only 31%. In addition, a rig survey conducted during the year revealed that there were 514 kapenta rigs operating in the lake of which 60 of them were operating without permits.

Risk / Implication

Loss of potential revenue.

Service delivery may be compromised due to lack of resources for law enforcement.

Recommendation

The Institute's budget should be aligned to the law enforcement requirements.

Management response

The observation is noted. The 2024 budget included the purchase of new speed boat engine for one of the boats that was constantly breaking down. The engine has since been procured to alleviate operational challenges.

1.2. Performance evaluations

Finding

The Institute's governance process were not aligned to the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*]. As a result, there was no evidence of performance evaluation for the management committee during the period. This was contrary to section 169 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the committee to undertake an annual evaluation of its own performance.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Institute should align its governance processes to the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Observation has been noted. Committee appraisal evaluations will be done in future in accordance with the Public Entities Corporate Governance Act [*Chapter 10:31*].

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Fishing permits

Finding

There was no documented policy on enforcement of registered vessels as I noted that out of a sample of ten (10) fishing vessels, seven (7) did not display their fishing permits. This was contrary to section 31 of the terms and conditions of the fishing permits, which requires all registered vessels to display certified copy of their permits.

Risk / Implication

Enforcement efforts may be compromised.

Recommendation

The Institute should strengthen enforcement.

Management response

The observation has been noted. The permit database will continue to be strictly enforced for monitoring the fishery. The duplicate permit will continue to serve as a secondary verification measure during monitoring exercises.

3. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

The Institute made significant progress in addressing audit findings raised in my 2021, 2022 and 2023 annual reports. I raised four (4) audit findings in my 2023 annual report, and followed up on four (4) findings outstanding in my 2021 and 2022 annual reports. Five (5) findings were addressed and three (3) were partially addressed as indicated below;

3.1. Compliance with tax laws

The finding was addressed. The Institute was now engaging suppliers who had valid tax clearances during the year under review.

3.2. Certificate of fitness for passenger carrying vehicle

The finding was addressed. The Institute's passenger carrying vehicle had its fitness renewed during the year under review.

3.3. Declaration of interests

The finding was addressed. The Institute's procurement committee members were now signing declaration of interest forms during the year under review.

3.4. Procurement planning

The finding was partially addressed. The Institute is still using the direct procurement method. However, they are in the process of regularising their procurement processes.

3.5. Management committee composition

The finding was addressed. There is now gender balance in the committee composition.

3.6. Asset replacement policy

The finding was partially addressed. The Institute managed to procure one (1) vehicle to replace the four (4) old vehicles.

3.7. Institute's Constitution

The finding was partially addressed. The Institute's constitution will be incorporated in the amended Parks and Wildlife Act.

3.8. Research activities

The finding was addressed. The research vessel and two (2) speed boats are now functional.

Background Information

Rhodes Nyanga Estate Fund was incorporated in terms of Rhodes Estates Act [*Chapter 20:14*]. The function of the Fund is to provide for the administration and use of funds generated in Rhodes Nyanga Estate.

I have audited the financial statements of Rhodes Nyanga Estate Fund for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Rhodes Nyanga Estate Fund as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. EMPLOYMENT ISSUES

1.1. Payment of salaries

Finding

The Fund was paying salaries and allowances for employees using a ratio of 70% USD to 30% ZWG. This was contrary to Circular Number 4 of 2023 of the Corporate Governance Unit which requires the payment of salaries and benefits to employees to be a maximum of 40% of combined gross salaries and allowances and to seek for a waiver of the ratio if there is need to change.

Risk / Implication

Service delivery might be compromised.

Recommendation

Management should comply with the circular 4 of 2023.

Management response

Audit observation has been noted. Management will look into the matter and address accordingly.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Fund did not make significant progress in addressing in addressing the audit findings raised in my 2023 annual report. I raised six (6) audit findings, one (1) finding was addressed, three (3) were partially addressed and two (2) were not addressed as indicated below;

2.1. Travel and subsistence advances

The finding was partially addressed. Not all staff members were up to date with acquittals of advances.

2.2. Statutory obligations

The finding was addressed. Statutory obligations were now paid on monthly basis and PAYE returns were filed.

2.3. Lease management

The finding was not addressed. Tenants have no valid lease agreements.

2.4. Project budgets

The finding was addressed. The Fund has resolved that costing and approvals will be obtained before any implementation begins.

2.5. Declaration of interests

The finding was addressed. The committee members are now signing declarations.

2.6. Mining permits

The finding was partially addressed. The miners were engaged and are currently in the process of renewing their permits.

RURAL ELECTRIFICATION FUND (REF) 2023 AND 2024

Background Information

The Rural Electrification Fund was established in terms of the Rural Electrification Fund Act [Chapter 13:20]. The function of the Fund is to facilitate rapid and equitable electrification of all the rural areas of Zimbabwe through the conventional grid network and other renewable energy technologies such as solar and biogas.

I have audited the financial statements of Rural Electrification Fund for the years ended December 31, 2023 and 2024. I issued a Qualified Opinion for both years.

Qualified Opinion on the consolidated financial statements 2023

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rural Electrification Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Qualified Opinion on the Fund's financial statements 2023

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rural Electrification Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Valuation of investment property

The Fund conducted valuation of its investment property as at December 31, 2023. The valuation was determined in USD and then translated to ZWL\$ at the interbank rate as at December 31, 2023. The translated values did not meet the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of investment property in ZWL\$.

In addition, the Fund had two (2) commercial stands with a carrying amount of ZWL\$13 million and these were not included in the asset valuation performed by the Fund at year end. Had the valuation of investment property been conducted for all the assets of the Fund in line with the requirements of IFRS 13 – “Fair Value Measurement”, the value for investment property would have been materially different. This matter has been considered to be material but not pervasive to the financial statement for the year ended December 31, 2023.

Qualified Opinion on the consolidated financial statements 2024

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rural Electrification Fund as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting

Standards (IFRSs).

Qualified Opinion on the Fund's financial statements 2024

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rural Electrification Fund as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment”, International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” and International Accounting Standard (IAS) 36 – “Impairment of Assets”

The Fund did not comply with the requirements of IAS 16 – “Property, Plant and Equipment” as there was no evidence that the Fund performed the revaluation exercise to present its assets (land) at its fair value as at December 31, 2024 due to absence of title deeds. The land had not been revalued since acquisition and was being disclosed at cost. This was contrary to IAS 16 - “Property, Plant and Equipment” paragraph 34 which requires revaluation to be done with sufficient regularity so that the carrying amount does not differ materially from its fair value. Given the economic changes that occurred since acquisition (2011 to 2020), it is likely that the carrying value of land amounting to ZWG77 346 as at year end was materially and fundamentally different from that could have been determined through a revaluation exercise in line with IAS 16 - “Property, Plant and Equipment” and IFRS 13 - “Fair Value Measurement”. I could therefore not satisfy myself on the valuation of the amount disclosed in the financial statements.

In addition, there was no evidence that the Fund assessed whether there was any indication that assets that may be impaired. This was contrary to the requirements of IAS 36 - “Impairment of Assets” paragraph 9 which requires assets to be assessed for impairment. Had the Fund assessed for impairment the financial statements would have been materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Board members

Finding

The Fund had not aligned its governance processes with the Public Entities and Corporate Governance Act [*Chapter 10:31*]. As a result, the Fund had four (4) Board members who served the Board for more than eight (8) years. This was contrary to the Public Entities Corporate Governance Act [*Chapter 10:33*], section 11 which requires board members to serve not more than eight (8) consecutive years.

In addition, the Board was not diversified in terms of skills and sector experience. The Board had no gender balance as it had four (4) females out of eleven (11) board members. This was contrary to the Public Entities Corporate Governance Act [*Chapter 10:33*], section 94 which requires the Board to be diversified.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Fund should engage the appointing authority to have the board diversified.

Management response

The matter is under the purview of the Honourable Minister of Energy and Power Development. The line Ministry is alert to the matter.

2. MANAGEMENT OF ASSETS**2.1 Vehicle fleet****Finding**

The Fund was not receiving collections from its Agent on time. As a result, there were provinces that had aged fleet which were acquired as far back as 2002. These vehicles needed various repairs and maintenance such as suspension and lighting. Due to the aged fleet, the provinces incurred repairs and maintenance as well as vehicle hiring costs amounting to ZWG716 150 and ZWG1.34 million respectively.

Risk / Implication

Financial loss due to increased repairs and maintenance costs and vehicle hiring costs.

Recommendation

The Fund should engage the Agent for timely remittance.

Management response

Due to funding constraints and shortage of foreign currency, the Fund had not been able to replace the old fleet over a period of time, hence the reliance on older vehicles to execute our projects. The Fund, however started getting Forex in 2023 and a significant portion is channelled towards procurement of new operational vehicles. The pace has been slow, but by the end of the year 2025, all the provinces would have replaced their old fleet, which will then be disposed in line with the Procurement Act.

2.2 Asset verification**Finding**

The Fund's year end procedures were not comprehensive enough to guide staff in carrying out asset physical verification. As a result, the Fund did not carry out assets impairment. This was contrary to International Accounting Standard (IAS) 36 - "Impairment of Assets" paragraph 9 which requires an entity to assess its assets on impairment at the end of each reporting period.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Fund should update its year end procedures to include asset verification exercise and asset impairment assessment.

Management response

Our attempt to carry out asset verification was not successful following the requirements of the procurement system. We were out of time for external audit and we deferred the exercise to the 2025 period. Therefore, asset verification exercise is now earmarked for the 2025 period. However, in the absence of this comprehensive asset verification report, we placed reliance on the asset verification exercises periodically carried out by our internal auditors each time they audit a section.

2.3 Valuation of land

Finding

The Fund did not revalue its land since acquisition despite having adopted the revaluation model as its accounting policy for property, plant and equipment. This was contrary to IAS 16 - "Property, Plant and Equipment" paragraph 34 which requires revaluation to be done with sufficient regularity so that the carrying amount does not differ materially from its fair value. Given the economic changes that occurred since acquisition (2011 to 2020), it is likely that the carrying value of land amounting to ZWG77 346 as at year end was materially and fundamentally different from that could have been determined through a revaluation exercise in line with IAS 16 - "Property, Plant and Equipment" and IFRS 13 - "Fair Value Measurement".

Risk / Implication

Misstatement of financial statements.

Recommendation

The Fund should comply with the requirements of the accounting standards.

The Fund should align its accounting processes with the Fund's accounting policy.

Management response

The properties identified above are recorded at cost in the books of accounts. We agree with the auditors that such properties must be revalued periodically to reflect fair value in line with IAS 16. In our endeavour to attach market values to the assets, we approached our valuers during the 2023 audit period to do revaluations for us. However, the valuers advised that it was not possible to revalue the stands (land) that do not have adequate documentation to confer title, hence, a decision was made to keep the assets (stands) at cost until such a time when adequate documentation is available as advised.

3. PROCUREMENT OF GOODS AND SERVICES

3.1 Supporting documentation

Finding

The Fund processed expenditure amounting to ZWL\$707.4 million for insurance services, accommodation and security services based on amounts on quotations instead of supplier tax invoices. In addition, receipts were not obtained subsequent to payment to validate the payments made.

Risk / Implication

Fraud and error may go undetected.

Recommendation

All payments should be adequately supported with supplier tax invoices and receipts.

Management response

Noted. Management will ensure that all invoices and receipts are obtained after payment processing.

4. SERVICE DELIVERY

4.1 Project monitoring

Finding

The Fund's internal controls over project monitoring were inadequate during the period. For instance, the quality of poles used for construction of power lines were not up to standard. As a result, there were project poles which had developed cracks despite being completed in 2023 due to the quality of the poles used. The images below refer:



Source: Picture taken by auditors- Dete solar community, Mashuma primary school, Mashuma secondary school, Mashuma Business Centre projects: June, 2024

In addition, earth spikes on a low transmission grid for a project in Mashonaland West province was exposed. According to best practice, the earth spike should have been completely covered in the ground. The pictures below shows the earth spikes that were exposed on the ground:



Source: Picture taken by auditors - Mashonaland West province: June, 2024

Risk / Implication

Financial loss due to increased costs of replacing poles.

Service delivery maybe compromised.

Exposed earth spikes can pose safety risks to individuals.

Recommendation

Management should enhance project monitoring efforts.

Management should review the quality control procedures within the procurement department to ensure approved suppliers meet the quality standard requirement.

Management response

Wood poles could have been planted while they were still moist hence when drying cracks may develop after the project has been completed. The province will work with suppliers to ensure that they supply quality poles.

The Fund will also correctly install earth spikes before the project is commissioned.

4.2 Breakers

Finding

The circuit breakers at five (5) project sites visited were inadequately secured. The breakers were not bolted to the asbestos board and miniature circuit breakers were used instead of air circuit breakers contrary to the engineering instructions.

Risk / Implication

Service delivery and safety may be compromised.

Financial loss due to theft.

Recommendation

The Fund should adequately secure the breakers and make use of the correct breakers.

Management response

Observation noted. The anomaly will be rectified.

5. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDING AND IMPLEMENTATION OF RECOMMENDATIONS

The Fund did not make significant progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised two (2) audit findings in my 2023 annual report and followed up on seven (7) findings outstanding in my 2022 annual report. Three (3) findings were addressed, two (2) were partially addressed and four (4) were not addressed as indicated below;

5.1 Outstanding receivables

The finding was partially addressed. All other debtors have cleared their balances except for two (2) debtors. Management will constantly follow up with the two (2) debtors to clear their balances.

5.2 Cable guards

The finding was addressed. Cable guards were installed for all substations subsequently constructed.

5.3 Alignment of governance processes

The finding was not addressed. A member with financial background is yet to be appointed. Follow up has been made with the appointing Authority.

5.4 Handover/ takeover agreement

The finding was not addressed. The Fund was still not performing proper handover/ takeover.

5.5 Inventory reconciliation

The finding was not addressed. The Fund in the current year still had instances where differences between the final Vote of Completion Certificate materials and materials list in the SAP system.

5.6 Ownership of properties

The finding was partially addressed. The process to acquire title deeds is still under way for Gwanda and Lupane while the Nyakamete land now has title deeds. Title survey for Gwanda and Lupane is driven by the Councils and is affected by the availability of Council Budgets.

5.7 Project materials

The finding was addressed. Project materials reconciliations were now being done.

5.8 Transformer earthing

The finding was addressed. Transformer earthing was now being done appropriately.

5.9 Earthing / cradle guard

The finding was not addressed. Earthed cradle guards are now being fitted to protect low voltage lines from falling high voltage lines.

UNIVERSAL SERVICES FUND (USF) 2023 AND 2024

Background Information

The Universal Services Fund was established in terms of the Postal and Telecommunications Act [Chapter 12:05]. The Fund was vested in the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) as a trustee.

I have audited the financial statements of the Universal Services Fund for the years ended December 31, 2023 and 2024. I issued an unmodified / clean opinion for both years.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Universal Service Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion 2024

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Universal Services Fund as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. EMPLOYMENT ISSUES

1.1. Fuel benefit

Finding

The Fund had not aligned its processes to the requirements of Income Tax Act [Chapter 23:06]. As a result, fuel benefit amounting to USD199 200 and benefit amounting to ZWG179 800 on purchase of service vehicle by a staff member were not subjected to PAYE during the period. This was contrary to section 8(1) of the Income Tax Act [Chapter 23:06] which requires all employee benefits to be included in gross income for taxation purposes.

Risk / Implication

Financial loss due to penalties which may be levied.

Recommendation

The Fund should process all employee benefits are processed through the payroll system.

Management response

The issue is noted and will be investigated and adjusted accordingly in 2025.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Fund made progress in addressing the audit findings that I raised in my 2023 annual report. I raised two (2) findings that were all addressed as indicated below;

2.1. Advance payments exceeding the 15% threshold

The finding was addressed. Management are now paying suppliers amounts within the 15% threshold.

2.2. Bandwidth data provision

The finding was addressed. Management contacted all the beneficiaries and updated them on the Bandwidth data.

PUBLIC ENTITIES UNDER THE CATEGORY OF COMPANIES AND CORPORATIONS

Background Information

AFC Holdings Limited is a Company incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31] and together with its subsidiaries, provide a wide range of banking and related financial services in Zimbabwe.

I have audited the financial statements of AFC Holdings Limited for the year ended December 31, 2024 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of matter described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the financial position of AFC Holdings Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”

The property, plant and equipment and investment property were determined in USD and then translated to the Zimbabwe Gold (ZWG) using the interbank rate as at December 31, 2024. The translated property, plant and equipment and investment property Zimbabwe Gold values could not meet the fair value requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment and investment property in Zimbabwe Gold. I could not determine the extent of the adjustments that were necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Valuation of property, plant and equipment and investment property

Finding

The property, plant and equipment and investment property were determined in USD and then translated to the Zimbabwe Gold (ZWG) using the interbank rate as at December 31, 2024. The translated property, plant and equipment and investment property Zimbabwe Gold values could not meet the fair value requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment and investment property in Zimbabwe Gold.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should comply with the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”.

Management response

Finding noted. However, the market for comparable properties with prices quoted in ZWG has become inactive as the engaged independent valuers failed to get inputs for a valuation in ZWG. The exchange rate disparities in Zimbabwe as at 31 December 2024 between what is in the market and the RBZ official rate for the USD and ZWG was not much hence the approach taken of converting USD values. Management will continue to engage with the professional valuers hoping that in the future with increased usage of the ZWG, we expect that the information will be available for the real estate sector in Zimbabwe.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made did not make progress in addressing the audit finding and recommendations raised in my 2023 annual report. I raised one (1) audit finding and this was not addressed as indicated below;

2.1. Transfer pricing document

The finding was not addressed. The transfer pricing document was not yet reviewed.

Background Information

AFC Leasing Company of Zimbabwe (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The Company's main business is to provide agricultural equipment hiring services.

I have audited the financial statements of AFC Leasing Company of Zimbabwe (Private) Limited for the year ended December 31, 2024 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of AFC Leasing Company of Zimbabwe (Private) Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”

The property, plant and equipment and investment property were determined in USD and then translated to the Zimbabwe Gold (ZWG) using the interbank rate as at December 31, 2024. The translated property, plant and equipment and investment property Zimbabwe Gold values could not meet the fair value requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment and investment property in Zimbabwe Gold. I could not determine the extent of the adjustments that were necessary.

I followed up on the findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing the audit findings and recommendations raised in my 2023 annual report. I raised three (3) audit findings, one (1) finding was partially addressed and two (2) findings were not addressed as indicated below;

1.1. Agriculture equipment variances

The finding was not addressed. The variances were not yet investigated.

1.2. Deployment of farming implements

The finding was partially addressed. Outstanding receivables are being recovered through debt collection.

1.3. Equipment hire agreements

The finding was not addressed. The contracts were yet to be signed by both parties to the agreement.

Background Information

Chemplex Corporation Limited was established in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The Company mines and beneficiates phosphate rock which is used in the manufacture of fertilizers. The Company also manufactures sulphuric acid and other industrial chemicals. The Corporation has six (6) companies namely ZimPhos, Dorowa, Chemplex Marketing, Chemplex Animal and Public Health, GD Haulage and G and W Industrial Minerals.

I have audited the consolidated financial statements of Chemplex Corporation Limited and its subsidiaries for the years ended December 31, 2023 and 2024. I issued a Qualified Opinion for 2023 and unmodified / clean opinion for 2024.

Qualified Opinion 2023

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the financial position of Chemplex Corporation Limited and its subsidiaries as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard (IFRS) 17 – “Insurance Contracts”

The consolidated financial statements include the financial information of Allied Insurance Company (Private) Limited, a subsidiary of Chemplex Corporation Limited. The financial information of Allied Insurance included in these consolidated financial statements has not been prepared using the requirements of the International Financial Reporting Standard 17 – “Insurance Contracts” which became effective for periods commencing on or after January 1, 2023. The information of Allied Insurance Company (Private) Limited has been prepared on the basis of International Financial Reporting Standard (IFRS) 4 – “Insurance Contracts”, a standard that was superseded by IFRS 17– “Insurance Contracts”.

The application of IFRS 17– “Insurance Contracts” would have resulted in different values for insurance revenue, claims expenses, actuarial liabilities, deferred tax, profit or loss movement of the insurance liability and comparative information in the consolidated financial statements. Retrospective application is also required to comply with the transitional provisions of the new standard where comparative information was supposed to be restated. Accordingly, I was not able to determine the adjustments that might be necessary to the consolidated financial statements. The effects of this non-compliance with IFRS 17– “Insurance Contracts” has been considered material but not pervasive to the consolidated financial statements.

ii. Inclusion of the unaudited financial statements of Sable Chemical Industries Limited in prior year consolidated financial statements of Chemplex Corporation Limited and its subsidiaries

The prior year consolidated financial statements include figures from unaudited financial statements of Sable Chemical Industries Limited which is an associate of Chemplex Corporation Limited. As a result, I was unable to satisfy myself that the Investment in associate of ZWL\$4.2 billion as at December 31, 2022, share of loss from associate of ZWL\$757.2 million; and share of other comprehensive income of associate of ZWL\$4 billion for the year ended December 31, 2022 has been correctly accounted for.

The prior year consolidated financial statements were not restated to correct this misstatement. Consequently, my opinion on the current year consolidated financial statements is modified due to the misstatement in the opening balances. The effects of this matter were considered material but not pervasive to the financial statements.

Opinion 2024

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chemplex Corporation Limited as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Occupation of the Corporation's premises

Finding

The Corporation's premises in Kwekwe had some unauthorised mining activities which were not linked to the Corporation's operations.

Risk / Implication

Safety and health maybe compromised.

Recommendation

Management should improve on its security for its properties.

Management response

A thorough survey to establish clear and accurate property boundaries in Kwekwe will be conducted in order to prevent unauthorised activities.

1.2. Trade creditors reconciliations

Finding

The Corporation's controls over management of creditors were not adequate in that reconciliations were not performed for some of the creditors. This was contrary to section H7.1 of the finance policy and procedures manual which requires supplier reconciliations to be performed on a monthly basis. In addition, there were long outstanding reconciling items which were not cleared on time. Some of the reconciling items were outstanding from periods dating back to 2018.

Risk / Implication

Fraud and error might go undetected.

Recommendation

Management should reconcile creditors on a monthly basis.

Management response

Observation is noted for improvement. Efforts will be doubled to ensure that reconciliations are done for all suppliers. However, some of the long outstanding small balances are for companies that have since closed and management will address these.

1.3. Staff complement

Finding

There was no segregation of duties on the handling and recording of cash as the treasury assistant accountant was responsible for cash reconciliations, deposits and the custody of the cash. This was contrary to section 611 of the Corporation's finance manual which requires segregation of duties when handling cash.

Risk / Implication

Financial loss as fraud and error may go undetected.

Recommendation

Management should expedite the recruitment process to allow for segregation of duties.

Management response

Observation is noted. This was because of retirement of the cash office supervisor this year. Management is working on replacement in the meantime, the cash office is being supervised by the treasury manager with cash counts being religiously done monthly and reconciliations reviewed to minimise risk.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation did not make progress in addressing audit findings raised in my 2020 and 2021 annual reports. I followed up on three (3) findings raised in my 2020 and 2021 annual reports. One (1) finding was partially addressed and two (2) findings were not addressed as indicated below;

2.1. Production machinery

The finding was not addressed. The refurbishment project for Dorowa is still outstanding as mobilisation of funds is still underway.

2.2. Receivables

The finding was not addressed. Management is still working on adhering to the standard credit policy.

2.3. Insurance pension commission regulations

The finding was partially addressed. As at December 31, 2024 investment in prescribed assets had increased from 1% to 4% which is still below the IPEC prescribed asset threshold of 10%. Restructuring of the investment portfolio is underway targeting full compliance by mid-year 2025.

Background Information

Deven Engineering (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. It is wholly (100%) owned by the Industrial Development Corporation of Zimbabwe (IDCZ). IDCZ is in turn wholly owned by the Government of Zimbabwe. The principal activity of the Company is to manufacture buses, truck bodies and trailers and distribution of commercial vehicles.

I have audited the financial statements of Deven Engineering (Private) Limited for the year ended December 31, 2024 and I issued a Qualified Opinion with a report on going concern.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Deven Engineering (Private) limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non- compliance with International Financial Reporting Standards (IFRS) 13 – “Fair Value Measurement”

The valuation of property, plant and equipment as at December 31, 2024, was performed in USD and translated to ZWG using the interbank rate on that date. The converted ZWG fair values did not meet the requirements of (IFRS) 13- “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWG. Had the Company revalued all its assets in ZWG, the financial statements would have been materially different.

Report on going concern

I draw your attention to the fact that the Company’s current liabilities exceeded its current assets by ZWG497 554 (2023: ZWG376 261). This condition indicates the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. My opinion has not been modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Asset register

Finding

The Company had not been adequately resourced as a result there were deficiencies in asset management. The asset register was not regularly updated to include key details such as physical

location, purchase cost, acquisition date, and serial numbers of assets. This was contrary to the accounting manual which requires the asset register to be updated with all the essential details.

Risk / Implication

Assets may be misappropriated.

It may be difficult to trace assets from the register to the physical asset.

Recommendation

The Company should regularly update its asset register.

Management response

Previously, limited budgets or financial constraints resulted in insufficient resources allocated to asset management, however, the asset register will be updated regularly, as well as regular physical checks going forward.

1.2 Statutory obligations

Finding

The Company was not remitting Pay as You Earn (PAYE) on time, with some returns and deductions being submitted between five (5) to eighteen (18) days after the statutory deadline. This was contrary to section 73 of the Income Tax Act [*Chapter 23:06*] which requires employers to deduct PAYE from employees' earnings and remit both the tax and associated returns by the 10th day of the month following the month of deduction.

Risk / Implication

Financial loss due to penalties that may be levied.

Recommendation

The Company should comply with the statutory deadlines for remitting PAYE.

Management response

Noted. The delays in submitting the PAYE returns were primarily due to internal processing bottlenecks and misalignment in the timing of payroll and reporting activities. Returns will be submitted on time going forward.

1.3 Valuation of property, plant and equipment

Finding

The valuation of property, plant and equipment as at December 31, 2024, was performed in USD and translated to ZWG using the interbank rate on that date. The converted ZWG fair values did not meet the requirements of (IFRS) 13- "Fair Value Measurement" as they did not reflect the

assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWG.

Risk / implication

Misstatement of financial statements.

Recommendation

The Company should comply with the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” on valuation of assets.

Management response

Noted. The discrepancy in the ZWG valuations arose due to the complexities involved in converting the USD valuations into ZWG. Moving forward, we will ensure that the asset register is regularly updated, and we will incorporate a more detailed approach to currency conversion that reflects the assumptions that market participants would use.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company addressed the audit finding raised in my 2023 annual report as indicated below:

2.1. Contract management

The finding was addressed. The Company now continuously updates lease agreements whenever there are changes to the initial contract.

Background Information

Genesis Energy (Private) Limited was established in terms of the Companies and Other Businesses Entities Act [*Chapter 24.31*]. The Company was formed to enhance security of fuel supply in the country.

I have audited the financial statements of Genesis Energy (Private) Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Genesis Energy (Private) Limited as at December 31, 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings that I raised in my 2021, 2022 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings and recommendations raised in my 2021, 2022 and 2023 annual reports. I raised three (3) findings in my 2023 annual report and followed up on one (1) finding in my 2022 annual report and two (2) findings raised in my 2021 annual report. Three (3) findings were addressed and three (3) findings were not addressed as indicated below;

1.1 Annual returns

The finding was not addressed. The annual returns for 2024 were not filed before holding the AGM for the 2024 financial year.

1.2 Donations

The finding was addressed. The Company has complied with its donations policy during the 2024 financial year.

1.3 Contract management

The finding was addressed. All services are now being procured as required by the Act.

1.4 Alignment with governance processes

The finding was addressed. Procedures and guidelines to guide employees on how to handle data collected from its customers so as to comply with provisions in the data protection act has been established.

1.5 Board composition

The finding was not addressed. The Board composition has not yet met the requirements of the Public Entities Corporate Governance Act [*Chapter: 10:31*] on gender balance.

1.6 Board committees

The finding was not addressed. Alignment of the Board committees could not be achieved as Genesis Energy awaits its merger with Petrotrade (Private) Limited.

Background Information

Hotspeck Enterprises (Private) Limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and is a subsidiary of the Rural Electrification Fund. The Company's main objective is to ensure constant supply of treated poles to Rural Electrification Fund for rural electrification programme, with excess being sold at a profit in the region.

I have audited the financial statements of Hotspeck Enterprises (Private) Limited for the years ended December 31, 2023 and 2024. I issued a Qualified Opinion for 2023 and unmodified / clean opinion 2024.

Qualified Opinion 2023

In my opinion, except for the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Hotspeck Enterprises (Private) Limited as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 2 - "Inventory"

The inventory figure of ZWL\$723.1 million disclosed in the financial statements was valued by applying the weighted average cost formula. During the year ended December 31, 2023, there were multiple errors in the computation of the weighted average cost which affected the valuation of inventory as at December 31, 2023. I was unable to determine the financial effects of this misstatement to the financial statements for the year ended December 31, 2023. The misstatement was considered material and not pervasive on the financial statements.

Opinion 2024

In my opinion, the financial statements present fairly, in all material respects the financial position of Hotspeck Enterprises (Private) Limited as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Internal audit function

Finding

The Company's internal controls were not subjected to annual reviews during the period under review. The internal audits of the Company were supposed to be conducted by the parent (Rural Electrification Fund).

Risk / Implication

Material error and irregularities may not be detected on time.

Recommendation

The Company and parent should consider to resource the Group internal audit unit to facilitate annual internal controls reviews.

Management response

Hotspeck Enterprises was audited up to 30 September 2023, between 31 July and 20 October 2023 where the Company had shown marginal improvement from the last audit, though re-lapses were noted in other areas. Based on the risk assessment, the risk rating and cycle of audit (of 2 – 3 years), Internal Audit did not prioritise to plan for it to be carried out in 2024 nor 2025. Also based on the audit coverage against the resources in particular the number of audit staff, it was very difficult to plan the audit of Hotspeck to take place within 24 months as it will fall due in 2026.

Hotspeck was not planned for 2025 as well due to other areas which require urgent attention as they were of higher risk and had not been audited for over 24 months, according to the audit cycle. In 2025 year-end Internal Audit Unit will carry out its annual risk assessment and the results will reflect which areas need to be audited in 2026, which will be of significant risk(s) and these will be prioritised. In terms of audit cycle, Hotspeck would be highly likely to be included in the 2026 audit plan.

1.2 Statutory obligations**Finding**

The Company experienced cash flow challenges. As a result, it was not remitting statutory deductions to National Social Security Authority (NSSA), Zimbabwe Revenue Authority (ZIMRA) and Zimbabwe Development Fund (ZIMDEF) within the stipulated timelines. The Company owed ZIMRA a total of ZWG 63 147, ZWG 992 897 for NSSA and ZWG159 840 for ZIMDEF levy as at December 31, 2024.

Risk / Implication

Financial loss due to penalties that may be levied.

Recommendation

The Company should remit statutory obligations on time.

Management response

The Company experienced cash flow constraints which affected remittance of statutory obligations. However, the delays were communicated to the relevant Authorities and smooth credit control relationship was maintained. As at December 31, 2024 the Company had no penalties.

1.3 Business sustainability

Finding

The Company did not have a business sustainability plan in place for the constant supply of treated poles. As a result, the Company resorted to sourcing raw poles from nearby small-scale farmers, many of which did not meet the required specifications and were subsequently rejected.

Risk / Implication

Service delivery may be compromised.

Recommendation

Management should develop a long-term business sustainability strategy.

Management response

Management is considering establishing wood pole plantations to ensure sustainability of the business. In the interim raw poles were sourced from regular suppliers dotted around the province. However, some of the poles were rejected for not meeting quality specifications and Hotspeck pays for raw poles that meet the quality standards. On the noted incidents the major cause was that the suppliers brought poles directly to the pole plant before the pole grader was deployed to their premises to assess the quality of poles.

1.4 Inventory valuation

Finding

The inventory figure of ZWL\$723.1 million disclosed in the financial statements was valued by applying the weighted average cost formula. During the year ended December 31, 2023, there were multiple errors in the computation of the weighted average cost which affected the valuation of inventory at year end. This was contrary to International Accounting Standard (IAS) 2 - "Inventory" which requires the cost of each item to be determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should enhance controls over the posting of costs into the system.

Management response

Management will address the computation on weighted average cost on inventory and will develop a policy to address the observation.

1.5 Raw pole offcuts

Finding

The Company's accounting procedures manual was silent on the accounting of raw pole offcuts. As a result, there were no controls and procedures in place to monitor the movement of raw pole offcuts. These offcuts were sold to third parties and used as firewood by the Company.

Risk / Implication

Financial loss due to misappropriation of the offcuts.

Recommendation

Management should implement controls over the offcuts.

Management response

Observation noted. Management will develop a policy to address the observation.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1 Long outstanding receivables

Finding

There was no evidence to support that management's debt recovery efforts were adequate. As a result, the Company had long outstanding receivables amounting to ZWG202 578 (USD7 852) that dates back to 2013. Inspection of the records and explanation from management revealed that the customer was no longer in business.

Risk / Implication

Financial loss due to non-recovery of outstanding debts.

Recommendation

Management should implement a robust debt management system.

Management response

The customer admits indebtedness and is working on a payment plan to pay off the amount.

3. PROCUREMENT OF GOODS AND SERVICES

3.1 Procurement of goods

Finding

I was not availed with documentation to support that the Company obtained an exemption to directly procure creosote from two (2) local Companies. The Company directly procured creosote with a total value of ZWG6.5 million during the period under review. However, the procurement process did not follow the procedures prescribed in section 33 of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*].

Risk / Implication

Irregular transactions may go undetected.

Recommendation

Direct procurement should be adequately supported.

Management response

Hotspeck paid renewal fees to PRAZ for exemption for the year 2024 based on the 2023 authority which was in foreign currency (USD) terms. We are following up with PRAZ to get the 2024 exemption letter for our records.

4. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2023 annual report. I raised three (3) findings, two (2) were addressed and one (1) was not addressed as indicated below;

4.1 Variable production overheads

The finding was not addressed. In the current year the Company did not correctly allocate variable production overheads at the actual cost.

4.2 Segregation of duties

The finding was addressed. Personnel were allocated to the department to allow segregation of duties.

4.3 Staff advances

The finding was addressed. Staff advances were now being cleared on time.

Background Information

Infralink (Private) Limited was established in terms of the Companies and Other Business Entities Act [Chapter 24:31] as a special purpose vehicle to build and operate tollgates on the Plumtre-Harare-Mutare route. The Company is also responsible for road maintenance covering the same route on which the toll gates are located.

I have audited Infralink (Private) Limited for the years ended December 31, 2023 and 2024. I issued an unmodified /clean opinion with going concern for 2023 and unmodified /clean opinion for 2024.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Infralink (Private) Limited as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Report on going concern

I draw your attention to the fact that the Company incurred a loss of ZWL\$14.07 billion (2022: ZWL\$143.2 billion) during the year ended December 31, 2023. The Company incurred significant losses mainly due to the exchange rate losses arising on the translation of the foreign denominated loan balance to Zimbabwean dollars. As a result, the Company was in a negative equity position of ZWL\$234 billion (2022: ZWL\$219.9 billion) as at December 31, 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Opinion 2024

In my opinion, the financial statements present fairly, in all material respects, the financial position of Infralink (Private) Limited 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).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Database infrastructure

Finding

The database infrastructure at one (1) of the Company's toll plaza was unable to handle the high volume of transactions being processed. As a result, the revenue collection system at this site was not generating cash collection reports which shows the number of vehicles served and the total amounts collected (in their respective currencies). In addition, the reconciliation process was being performed manually.

Risk / Implication

Irregular transactions may go undetected.

Service delivery may be compromised.

Recommendation

The Company should engage the system vendor to assess and resolve the database infrastructure limitations.

Management response

The observation is noted and management acknowledges the audit finding regarding the absence of automated cash-up reports at the toll plaza and the associated risks of manual reconciliation. The issue specifically relates to the part of the process where the supervisor is unable to log into the system to verify the cashiers' collections in real time. However, it is important to note that all other aspects of the tolling system remain functional and automated.

The issue is currently under investigation by the technical teams. Preliminary assessments suggest that the problem may be due to high transaction volumes and server capacity limitations at the toll plaza.

To address this, management has initiated the budgeting for a tolling system upgrade including both hardware and software enhancements to improve system performance and enable real-time reporting and supervisor access.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised two (2) findings in my 2023 annual report and followed up on two (2) findings outstanding in my 2022 annual report. Two (2) findings were addressed, two (2) were partially addressed as indicated below;

2.1. Revenue collection

The finding was addressed. The Instatoll system was upgraded to separate the Point of sale and Zimbabwean dollar cash collections.

2.2. Capital expenditure

The finding was addressed. The Company identified the assets and capitalised them in during the year.

2.3. Bank accounts

The finding was partially addressed. The bank account names for three (3) bankers have been changed except for one (1).

2.4. Asset register

The finding was partially addressed. The Company has established an asset register and asset tagging machines have been purchased. The tagging process is in progress.

Background Information

Mining Promotion Corporation (Private) Limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] to assist in the development of the mineral resources of the country by undertaking prospecting, exploration and development work.

I have audited the financial statements of the Mining Promotion Corporation (Private) Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Mining Promotion Corporation (Private) Limited as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board committees

Finding

The Corporation did not have a full board during the year under review. As a result, the Corporation did not have board committees in place as required by section 240 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the board to establish board committees.

Risk / Implication

The oversight role of the Company may be compromised.

Recommendation

Board committees should be established in compliance with the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The board committees will be created in 2025 since there are now additional board members.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation made progress in addressing audit findings and recommendations raised in my 2023 annual report. I raised three (3) findings in my 2023 annual report. Two (2) findings were

addressed and one (1) was partially addressed as indicated below:

2.1. Vacant positions

The finding was partially addressed. Only four (4) out thirteen-seven (37) posts were filled and the other posts are yet to be filled.

2.2. Value Added Tax

The finding was addressed. The Corporation is now correctly accounting for its expenditure exclusive of value added tax.

2.3. Acquittal of travel and subsistence allowances

The finding was addressed. Employees given advances are now acquitting on return from the field work.

Background Information

The National Oil Infrastructure Company of Zimbabwe (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The Company is in the business of pipeline transportation of petroleum products as well as storage and handling.

I have audited the consolidated financial statements of National Oil Infrastructure Company of Zimbabwe (Private) Limited for the year ended December 31, 2024. I issued an unmodified / clean opinion on both the consolidated and the Company financial statements for the year ended December 31, 2024.

Opinion on the Consolidated Financial Statements

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Oil Infrastructure Company of Zimbabwe (Private) Limited and its subsidiaries (the Group) as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Company Financial Statements

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Oil Infrastructure Company of Zimbabwe (Private) Limited as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Salary advances

Finding

The Company did not have a policy to guide on the issuance of salary advances to its employees. As a result, there was no proper guidance on how salary advance were to be administered that is, the amount to be issued, the period of recovery and the levels of approvals.

Risk / Implication

Financial loss due to lack of internal controls.

Inconsistencies in processing of advances.

Recommendation

The Company should standardise the administration of salary advances.

Management response

Audit observation has been noted. The salary advance policy will be put in place during the second quarter of the year 2025.

1.2. Withholding tax on board fees

Finding

The Company did not remit all tax withheld on board fees to ZIMRA during the period under review. This was contrary to section 36 (j) of the Income Tax Act [*Chapter 23:06*] which requires remittances to be done within ten (10) days. The table below refers;

Currency	Withholding tax withheld	Withholding tax remitted	Outstanding remittance
ZWL\$	39 238 833	-	39 238 833
ZWG	127 808	44 438	83 369
USD	3 869	1 124	2 744

Risk / Implication

Financial loss due to penalties and interests that may be levied for non-compliance.

Recommendation

The Company should remit all the withheld tax on time.

Management response

Observation has been noted. In future, we will ensure timely remittance of withheld taxes to the tax authority.

2. EMPLOYMENT ISSUES

2.1. Casual employees

Finding

The Company's human resources internal controls over the registration of casual workers were inadequate. As a result, the Company did not upload P3 forms on the NSSA portal to complete the registration process for seven (7) casual employees employed from February to December 2024. This was contrary to National Social Security Authority Act [*Chapter 17:04*], section 5 of National Social Security Authority (Pension and Other Benefits Scheme) (Rates of Benefits) Notice, 1993 which requires all employers to register all employees.

Risk / Implication

Financial loss due to penalties for non-compliance.

Recommendation

The Company should consider to strengthen their human resources processes on statutory requirements.

Management response

Audit observation has been noted. The seven (7) employees mentioned above were not registered with NSSA. However, the employees were registered in April 2025 and in future all new employees, including casual workers, will be registered on time.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDING AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2023 annual report. I raised four (4) audit findings, three (3) audit findings were addressed and one (1) finding was partially addressed as indicated below;

3.1. Proceeds from disposal of assets

The finding was addressed. Management put in place internal controls that ensures proceeds from auction are remitted on time. All proceeds were later remitted to the Company.

3.2. Pension fund remittances

The finding was addressed. Remittances are now being done on time.

3.3. Board expenses

The finding was partially addressed. The resolution was submitted to Corporate Governance Unit awaiting response.

3.4. Re-exporting of assets

The finding was addressed. Assets at the Beira office were transferred to Feruka depot in Mutare for disposal and auctioned in 2024.

Background Information

National Pharmaceutical Company was established in terms of the Government Medical Stores (Commercialisation) Act No. 13 of 2000. The Company is charged with the procurement of drugs for all state-run hospitals in Zimbabwe. National Pharmaceutical Company's objectives and functions are to purchase, sell, deal in and store medicines, medical equipment and other goods and articles for use in hospitals, clinics, pharmacies and other medical establishments.

I have audited the financial statements of the National Pharmaceutical Company (Private) Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Pharmaceutical Company (Private) Limited as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Statutory obligations

Finding

The Company experienced cash flow challenges due to non-recovery of debts from customers on time. As at December 31, 2024, the Company was being owed ZWG216.4 million. As a result, statutory obligations that include PAYE and NSSA contributions were not being remitted on time. This was contrary to the requirements of section 72 of the Income Tax Act [*Chapter 23:06*] and section 13 of the National Social Security Authority (Pension and Other Benefits Scheme) (Rates of Benefits) Notice, 1993, which requires employers to remit taxes and social security contributions at specified dates.

Risk / Implication

Financial loss due to penalties that may be levied.

Recommendation

The Company should intensify its efforts for debt recovery.

The Company should also enhance revenue generation strategies to improve its cash flows.

Management response

Observation noted. The delays were a result of unexpected cash flow challenges primarily stemming from late payments of debts by our customers despite repeatedly follow ups. We recognize that this impacted our ability to meet our obligations on time. In light of this

observation, we have implemented several actions, including vigorous debt follow ups, sending customer statements and demand letters.

Bulk of the outstanding staff debts are educational loans amounting to ZWG136 000 which will be written off once the concerned staff member produces educational results as per our bonding agreement. The other outstanding loans ZWG121 419 are being collected through payroll deductions and have a maximum tenure of twelve months and these are still within their timeframes as they are mostly on personal issue basis.

1.2. Inventory variances

Finding

The Company's internal controls over management of inventory were inadequate. For instance, there were inventory variances emanating from human error in counting, inadequate inventory tracking procedures, deficiencies in the system over receiving and issuing of inventory. As a result, a significant variance of ZWG1.3 million was written off. This was contrary to section 44(1)(a) of the Public Finance Management Act [Chapter 22:19], which requires effective internal controls to be put in place.

Risk / Implication

Misappropriation of inventory concealed through write offs.

Recommendation

Inventory variances should be adequately investigated and authorized before writing off.

Management should strengthen controls over inventory.

Management response

The finding is noted and will be corrected. The variances have occurred due to a combination of factors, including inadequate inventory tracking procedures, human errors during stock counts, receiving and issuing of inventories in the inventory management system. The Company has initiated several actions, including conducting thorough training for staff on inventory management procedures, implementing regular cycle counts, reviewing and refining inventory tracking system, increasing oversight during stock reconciliation and establishing clearer protocols for receiving and tracking stock.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2023 annual report. I raised four (4) audit findings in the 2023 annual report. Two (2) findings were addressed and two (2) findings were partially addressed.

2.1. Standard operating procedures manual

The finding was partially addressed. Operations and finance standard operating procedures were updated and updating of procedures for other departments such as human resources and

procurement is work in progress.

2.2. Inventory management

The finding was addressed. Management have put in place a method of identifying expired drugs.

2.3. Selling price computations

The finding was addressed. Management configured the system to determine selling prices.

2.4. Recovery of Company assets / loans

The finding was partially addressed. The Company had not fully recovered assets from former employees.

Background Information

The Company was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. It owns and operates the 208-kilometre multi-product fuel pipeline between Feruka and Harare.

I have audited the financial statements of Petrozim Line (Private) Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Petrozim Line (Private) Limited as at December 31, 2024 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on my findings raised in my 2021 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made some progress in addressing audit findings and recommendations raised in my 2021 and 2023 annual reports. I raised three (3) audit findings in my 2023 annual report and followed up on two (2) audit findings raised in my 2021 audit report. Two (2) findings were addressed, two (2) were partially addressed while one (1) was not addressed as indicated below;

1.1 Internal control assessment over preparation of financial statements

The finding was partially addressed. The internal audit did not conduct all planned audits during the year. Payroll was also not audited by the internal audit.

1.2 Board of inquiry for accident damaged vehicles

The finding was not addressed. Board of inquiries for accident damaged motor vehicles in 2024 were not done. The board of inquiry policy was at draft stage and awaits approval at Group Level.

1.3 Declaration of interests by procurement evaluation team

The finding was addressed. Members of the procurement committee were signing the declaration of interest forms for each particular procurement.

1.4 Outstanding loans

The finding was addressed. The loan was settled during the year.

1.5 Prepayments to suppliers

This finding was partially addressed. Goods amounting to USD39 513 from one of the suppliers were still unresolved. The Company was still in possession of deeds ceded by one of the suppliers pending valuation of the property.

SABI GOLD MINE (KIMBERWORTH INVESTMENTS) (PRIVATE) LIMITED 2024

Background Information

Sabi Gold Mine (Kimberworth Investments) (Private) Limited was established in terms of Companies and Other Business Entities Act [*Chapter 24:31*]. The Company is wholly owned by Zimbabwe Mining Development Corporation (ZMDC). The Company trades as Sabi Gold Mine.

I have audited the financial statements of the Kimberworth Investments (Private) Limited for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kimberworth Investments (Private) Limited as at December 31, 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings that I raised in my 2021 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised one (1) audit finding and followed up on one (1) finding from my 2021 annual report and the findings were addressed as indicated below:

1.1. Sustainability of operations

The finding was addressed. The Company is no longer under judicial management and the 2024 current assets exceeded current liabilities with USD18 045.

1.2. Tax on housing benefit

The finding was addressed. The Company no longer have staff members because all assets, liabilities and staff members were transferred into a joint venture company.

Background Information

Willowvale Motor Industries (Private) limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The principal activities of the Company are to manufacture and assemble motor vehicles.

I have audited the financial statements of Willowvale Motor Industries (Private) limited for the year ended December 31, 2024 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Willowvale Motor Industries (Private) limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Misclassification of trade and other payables

The Company included an amount of ZWG557 512 under trade and other payables, which comprised of individual balances with negative amounts. The negative amounts reflect receivables due to the Company and not payables. Had the Company reclassified these amounts, the financial statements would have been materially different.

ii. Posting errors in accounts receivable and cash control account

The Company included an amount of ZWG294 599 under trade and other receivables, which comprised of individual balances with negative amounts. The negative amounts reflect payables owed by the Company and not receivables. These postings were all done in error. In addition, there was an uncleared workshop cash control account balance of ZWG861 217 at year end as a result of these errors. Had the Company corrected the postings, the financial statements would have been materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Misclassification of trade and other payables

Finding

The Company included an amount of ZWG557 512 under trade and other payables, which comprised of individual balances with negative amounts. The negative amounts reflect receivables due to the Company and not payables. This was due to non-performance of monthly creditors reconciliations as a result of staff shortages following staff movements during the year.

Risk / implication

Misstatement of financial statements.

Recommendation

The Company should reclassify the trade and other payables with negative amounts.

The Company should resolve the staff shortage in the finance department.

Management response

The performance of monthly creditors reconciliations was negatively impacted by staff turnover within the Finance department and delays in hiring replacements for the departed employees. Management is committed to restoring the creditors process flow and will ensure that reconciliations are performed on a monthly basis to promptly identify and resolve any discrepancies.

Furthermore, management will conduct a thorough investigation into the root causes of the negative balances and implement appropriate corrective measures to prevent recurrence.

1.2. Posting errors in accounts receivable and cash control account**Finding**

The Company included an amount of ZWG294 599 under trade and other receivables, which comprised of individual balances with negative amounts. The negative amounts reflect payables owed by the Company and not receivables. These postings were all done in error. In addition, there was an uncleared workshop cash control account balance of ZWG861 217 at year end as a result of these errors. The errors arose due to the decentralisation of the invoicing process to workshop staff, who erroneously posted transactions without adequate oversight or training.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should perform monthly account reconciliations.

Management response

Observation noted. This was due to inadequate training of the workshop team, which management is currently addressing. Management is committed to implementing clearly defined workflow processes and ensuring these are effectively communicated to all relevant staff. These measures are aimed at preventing the recurrence of such discrepancies and maintaining accurate financial records.

In addition, management will ensure that cash control accounts are reconciled on a timely and consistent basis.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings and recommendations raised in my 2022 and 2023 annual reports. I raised one (1) finding in my 2023 report and followed up one (1) finding outstanding in my 2022 annual report. One finding was partially addressed while the other one was not addressed as indicated below;

2.1 Unallocated deposits

The finding was partially addressed. The Company had not cleared some of the unallocated deposits.

2.2 Sustainability of operations

The finding was not addressed. The Company liabilities exceeded the assets in the current year.

PUBLIC ENTITIES UNDER THE CATEGORY OF COUNCILS

Background Information

The Consumer Council of Zimbabwe was established in terms of the Consumer Protection Act [Chapter 14:14]. The main business of the Consumer Council of Zimbabwe is to defend consumer interest, initiating pro-consumer legislation, empowering consumers and monitoring product quality.

I have audited the financial statements for Consumer Council of Zimbabwe for the year ended December 31, 2024. I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Consumer Council of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Insurance

Finding

The Commission's assets amounting to ZWG5.8 million were not insured as at December 31, 2024 due to limited financial resources.

Risk / Implication

Financial loss in the event of fire or other disasters.

Recommendation

The Commission should have an insurance cover for all its assets.

Management response

The Commission acknowledges this observation and is in the process of insuring all its assets. The asset insurance tender was flighted for bidding, closed and currently the evaluation committee is evaluating the bidders.

1.2. Counterfeit products

Finding

The Commission was not adequately funded during the period as only 30% of the approved budget was received from Ministry. As a result, the Commission was unable follow through all the complaints received in 2024 about the proliferation of counterfeit alcohol and other goods. In

addition, there was insufficient public awareness or consumer education on how to identify unsuitable / counterfeit goods.

Risk / Implication

Service deliverable is compromised leaving the community vulnerable to the dangers posed by counterfeit goods.

Recommendation

The Commission continuously engage the parent Ministry for funding.

Public awareness should be strengthened to complement enforcement efforts.

Management response

In 2024, the Commission received complaints about the proliferation of counterfeit alcohol. The Commission engaged the liquor regulatory Authority to assist in the investigations, as they are the ones with the expertise to differentiate between the counterfeit and the original alcohol. In addition, the Commission engaged experts and other enforcement agents for a joint operation to curb the influx of counterfeit alcohol. The operation remains an ongoing process as continuous engagements are being done.

The Commission also sent samples to the Government laboratories to check on the implications of these products pertaining to health and safety of consumers and is awaiting results.

TRADITIONAL MEDICAL PRACTITIONERS COUNCIL 2023 AND 2024

Background Information

The Traditional Medical Practitioners Council was established in terms of the Traditional Medical Practitioners Act [Chapter 27:14]. The functions of the Council are to supervise, control and promote the practice of traditional medical practitioners and to foster research into, and develop the knowledge of such practice.

I have audited the financial statements of Traditional Medical Practitioners Council for the years ended December 31, 2023 and 2024. I issued a Qualified Opinion for 2023 and unmodified / clean opinion for 2024.

Qualified Opinion 2023

In my opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of my report, the financial statements present fairly in all material respects the financial position of Traditional Medical Practitioners Council as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”.

Opening balances

The prior year financial statements were modified due to non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”. The Council used foreign exchange rates that were not considered to be appropriate spot rates for translation of foreign currency denominated transactions and balances as required by IAS 21- “The Effects of Changes in Foreign Exchange Rates”.

In addition, the requirements of International Accounting Standard (IAS) 29- “Financial Reporting in Hyperinflationary Economies” was applied on the base numbers that did not comply with International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”. Had the correct base numbers been used, some elements of the financial statements would have been materially different. The Council did not make any prior year restatements in its financial statements in accordance with International Accounting Standard (IAS) 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”. I could not determine the extent of adjustments necessary to correct the misstatements.

Opinion 2023

In my Opinion, the financial statements present fairly, in all material respects, the financial position of Traditional Medical Practitioners Council 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).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board meetings

Finding

The Council's enabling Act was not yet aligned to the requirements of Public Entities Corporate Governance Act [*Chapter 10:31*]. For instance, differences were noted between these two acts on the number of meetings that the Board could have in any financial year. As a result, the Board did not hold the prescribed number of board meetings according to the Public Entities Corporate Governance Act [*Chapter 10:31*] Section 33 (1) which requires the the board of every public entity to meet at least once every three months.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Board should comply with the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

We had followed what is outlined in our specific Act for the Council however we will ensure in the future that the number of meetings specified in the Public Entities Corporate Governance Act are done.

1.2. Board charter approval

Finding

The Council did not have a board charter in place. This was contrary to Public Entities Corporate Governance Act [*Chapter 10:31*] section 28 (1) which requires approval of Board charter by the line Minister.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Council should follow up with the parent Ministry on the approval of the board charter.

Management response

The Council will sought to have its Board Charter approved by the Minister.

1.3. Inspections of registered practitioners

Finding

The Council was not adequately resourced as it did not carry out inspections of registered traditional practitioners in all the ten (10) provinces due to inadequate vehicles. This was contrary to the Traditional Medical Practitioners Act [*Chapter 27:14*] Part II section 3 2(b) which requires the supervision and control of the practice of traditional medical practitioners.

Risk / Implication

Service delivery may be compromised.

Recommendation

The Council should engage Treasury through its parent Ministry for adequate funding of operations.

The Council should enhance its revenue generation strategies.

Management response

It has always been the Council's wish to increase its resources especially its vehicle fleet and improve its operations countrywide however funds constraints have been the main impediment. The Council will engage its parent Ministry on the issue.

1.4. Cash management

Finding

The Council's records management controls were inadequate during the period. For instance, four (4) receipts ranging from 11125 to 11128 were missing from the receipt book and three receipts ranging from 13086 to 13088 were blank and did not have the top copies (actual receipt).

Risk / Implication

Errors and fraud may not be detected.

Misappropriation of funds.

Recommendation

Missing receipts should be investigated.

Management response

Observation noted. Receipts which were missing were posted via a courier service provider, but they did not reach the office. We are currently following up the matter. No proper formality was used on handover and takeover on the receipt book.

2. PROGRESS TOWARDS ADDRESSING PROR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council addressed all the three (3) audit findings in my 2023 annual report as indicated below;

2.1. Alignment of accounting processes with the accounting framework

The finding was addressed. The Council's accounting processes are now aligned with the accounting framework.

2.2. Submission of financial statements

The finding was addressed. The Council's financial statements for the year ended December 31, 2023 were submitted on time.

2.3. Statutory obligations

The finding was addressed. The Council started deducting the payments from employees' salaries, that is, PAYE and NSSA portion in 2023.

PUBLIC ENTITIES UNDER THE CATEGORY OF UNIVERSITIES AND TERTIARY INSTITUTIONS

Background Information

Marondera University of Agricultural Sciences and Technology was established in terms of the Marondera University of Agricultural Sciences and Technology Act [*Chapter 25:29*]. The University's objectives are; specialization in agricultural sciences and technology, the advancement of knowledge through teaching, research and learning and the nurturing of the intellectual, aesthetic, social and moral growth of the students.

I have audited the financial statements of Marondera University of Agricultural Sciences and Technology for the year ended December 31, 2024, and I issued an unmodified / clean opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of Marondera University of Agricultural Sciences and Technology as at December 31, 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University made progress in addressing audit findings raised in my 2023 annual report. I raised three (3) audit findings and two (2) findings were addressed while one (1) was partially addressed as indicated below;

1.1. Policies and procedure manuals

The finding was partially addressed. Risk management is awaiting Council approval, disaster recovery plan is at draft stage and nothing was done on allowance for credit losses.

1.2. Tax clearance certificates

The finding was addressed. The tax clearance certificates were rectified.

1.3. Employee files

The finding was addressed. The files were updated.

Background Information

Midlands State University was established in terms of the Midlands State University Act [*Chapter 25:21*]. The University's principal activities include the advancement of knowledge, the diffusion and extension of arts, science and learning, the preservation, dissemination and enhancement of knowledge.

I have audited the financial statements of Midlands State University for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Midlands State University as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University made progress in addressing the audit finding that I raised in my 2023 annual report. I raised two (2) auditing findings which were addressed as indicated below;

1.1. Former employee

The finding was addressed. The University recovered the payments from employee pension benefits.

1.2. Taxable benefits

The finding was addressed. The matter was resolved by resubmission of tax returns.

PUBLIC ENTITIES UNDER THE CATEGORY OF OTHER

Background Information

The Scientific Industrial Research and Development Centre was incorporated in terms of the Research Act [Chapter 10:22]. The main activity of the Centre is to promote and enhance scientific and technological research capability through co-operative scientific activities in Zimbabwe.

I have audited the financial statements of Scientific Industrial Research and Development Centre for the year ended December 31, 2024 and I issued an unmodified / clean opinion.

Opinion

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

Below are material issues noted during the audit;

1 PROCUREMENT OF GOODS AND SERVICES

1.1 Procurement of incubator

Finding

The Centre's internal controls over procurement were inadequate during the period. For instance, the Centre procured a carbon dioxide incubator in 2023 valued at USD63 755 and management could not physically verify the incubator on delivery. Management completed the goods received voucher based on the sticker attached to the consignment without verifying the contents. However, upon installation in 2024, management noted that the incubator delivered was not meeting the specifications tendered for. Management contacted the supplier for the correct incubator. As at year end (2024), the supplier had not yet delivered the incubator that met the specifications in the bid documents. This was contrary to section 84 of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] which requires procuring entities to inspect goods before accepting delivery.

Risk / Implication

Financial loss due to incorrect delivery.

Recommendation

The Centre must follow up on the supplier to deliver the correct equipment purchased.

Management response

The supplier delivered a bench top incubator instead of the carbon dioxide incubator. At the time of delivery in 2024, the equipment was not opened to verify if it was the right equipment because of warranty issues, unfortunately a Goods Received Voucher (GRV) was raised. The equipment was only opened during installation and commissioning which

was done 4 months later. The supplier was immediately advised that the equipment supplied was not as per order. The supplier acknowledged the anomaly and committed to supply the correct equipment. The supplier engaged the original equipment manufacturer (Foreign supplier) who refused to replace the equipment citing expiry of the warranty caused by delays in installation and commissioning.

2 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Centre made progress in addressing the audit findings raised in my 2023 annual report. I raised two (2) findings and one (1) was addressed while one (1) was partially addressed as indicated below;

2.1 Policies and procedure manuals

The finding was addressed. The accounting procedures manual which addresses the biological assets has since been approved by the Board and has been operationalized.

2.2 Delivery of goods and services

The finding was partially addressed. The suppliers had not delivered all the goods prepaid.

SECTION B - ARREAR ACCOUNTS

PUBLIC ENTITIES UNDER THE CATEGORY OF AUTHORITIES AND AGENCIES

Background Information

The Agricultural and Rural Development Authority was established in terms of Agricultural and Rural Development Authority Act [*Chapter 18:01*]. The Authority is responsible for promoting development through implementation of vibrant schemes in the agricultural sector with a view to reduce poverty especially in rural areas.

I have audited the financial statements of Agricultural and Rural Development Authority for the year ended December 31, 2023 and I issued a clean / unmodified opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Agricultural and Rural Development Authority as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Record keeping

Finding

The Authority's record keeping was not adequate in that storage and archiving of information was not being done properly. As a result, the Authority did not maintain records for Estate Management with Partners and Joint Ventures which included revenue collection logs, maintenance schedules, and incident reports. This was contrary to The Public Finance Management Act [*Chapter 22:19*] Section 49 (1)(a) which requires the accounting authority for a public entity shall keep full records of the financial affairs of the public entity.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Authority should implement a comprehensive record-keeping system for Estate Management.

Management response

The record keeping is done manually and we will improve on the storage and archiving of such information.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority made progress in addressing audit findings raised in my 2023 annual report. I raised two (2) findings which were addressed as indicated below;

2.1. Valuation of property, plant and equipment

The finding was addressed. An independent valuer was engaged to carry out the valuation for property, plant and equipment.

2.2. Valuation of investment property

The finding was addressed. An independent valuer was engaged to carry out the valuation for investment property.

Background Information

The Agricultural Marketing Authority was established in terms of the Agricultural Marketing Authority Act [Chapter 18:24], with the objective of regulation of the production, marketing and processing of agricultural products in Zimbabwe.

I have audited the financial statements of the Agricultural Marketing Authority for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Agricultural Marketing Authority as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

- i. **Non - compliance with International Public Sector Accounting Standard (IPSAS) 45 - “Property, plant and equipment” and International Public Sector Accounting Standard (IPSAS) 3 – “Accounting Policies, Changes in Accounting Estimates and Errors.”**

The prior year financial statements were modified due to non - compliance with International Public Sector Accounting Standard (IPSAS) 45 - “Property, Plant and Equipment” as the Authority did not disclose land and buildings separately. As a result, land was depreciated. The Authority had not corrected this misstatement in the current year in line with the requirements of International Public Sector Accounting Standard (IPSAS) 3 - “Accounting Policies, Change in Accounting Estimates and Errors”. I could not determine the extent of adjustments necessary.

- ii. **Valuation of property, plant and equipment**

The Authority revalued its property, plant and equipment to carrying amount of ZWL\$10.11 billion as at December 31, 2023 resulting in revaluation surplus of ZWL\$5.01 billion. The Authority adjusted land and buildings using the market values however, the other items of property, plant and equipment were adjusted using the gross replacement values. This was contrary to the requirements of International Public Sector Accounting Standard (IPSAS) 45- “Property, plant and equipment” paragraph 27 and International Public Sector Accounting Standard (IPSAS) 46- “Measurement” paragraph 17 which requires assets to be subsequently measured at current value. I could not determine the extent of adjustment necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Valuation of properties

Finding

The Authority revalued its property, plant and equipment to a balance of ZWL\$ 10.11 billion as at December 31, 2023, resulting in the revaluation surplus of ZWL\$ 5.01 billion. The Authority used the market values of land and building to adjust the financial records, however, other items of property, plant and equipment were adjusted based on their gross replacement values. This was contrary to the requirements of International Public Sector Accounting Standard (IPSAS) 45 - "Property, plant and equipment" paragraph 27 and International Public Sector Accounting Standard (IPSAS) 46 - "Measurement" paragraph 17 which required assets to be subsequently measured at current value. The gross replacement value does not represent the current operational value required for measuring property, plant and equipment for financial reporting purposes.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Authority should revalue its property, plant and equipment in line with the requirements of IPSAS 45 – "Property, plant and equipment and IPSAS 46 - "Measurement".

Management response

Noted. Revaluation was done although at the particular time the economy was not stable to allow determination of market values in local currency. A revaluation exercise will be conducted in the coming financial year.

1.2 Statutory obligations

Finding

The Authority was not generating enough revenue to finance its operations. As a result, the Authority was not remitting PAYE and National Social Security Authority (NSSA) deductions on time, for instance August and September 2023 PAYE was paid two (2) months after due date while NSSA for August and September were also remitted late. This was contrary to the thirteenth schedule paragraph 3 of the Income Tax Act [*Chapter 23:06*] which requires PAYE to be remitted on or before the 10th of the following month after deduction.

Risk / Implication

Financial losses due to penalties and interests that may be levied.

Recommendation

The Authority should remit the NSSA and PAYE payments in line with the statutory deadlines.

The Authority should come up with a revenue generation strategy to address the cash flow challenges.

Management response

Noted. The delays were due to cash flow challenges. We will ensure timely remittances moving forward.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority did not make progress in addressing audit findings raised in my 2023 annual report. I raised three (3) audit findings, one (1) finding was addressed while the two (2) findings were not addressed as indicated below;

2.1 Valuation of land and buildings

The finding was not addressed. Misstatements in the prior year were not corrected in line with International Public Sector Accounting Standard (IPSAS) 3 - "Accounting Policies, Change in Accounting Estimates and Errors".

2.2 Valuation of investment properties

The finding was addressed. The Authority performed a valuation for all properties in 2023.

2.3 Late payment of creditors

The finding was not addressed. The foreign liabilities on subscriptions were not settled as at December 31, 2023.

Background Information

The Broadcasting Authority of Zimbabwe was established in terms of the Broadcasting Services Act [Chapter 12:06]. Its mandate is the licensing and regulation of broadcasting services and systems in Zimbabwe.

I have audited the financial statements of Broadcasting Authority of Zimbabwe for the year ended December 31, 2021 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified opinion section of my report, the accompanying financial statements present fairly, in all material respects the financial position of the Broadcasting Authority of Zimbabwe as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Unsupported expenditure

The Authority did not provide supporting documentation in the form of payment vouchers, supplier invoices, receipts, acquittals, contracts for payments and cash withdrawals amounting to USD59 799 and ZWL\$792 300. In addition, fuel expenditure amounting to ZWL\$7.4 million was not adequately supported as there was no fuel register in place. I was therefore not able to verify the completeness and accuracy of the expenditure disclosed in the financial statements.

ii. Non-compliance with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment”

The Authority did not review the residual values and useful lives of property, plant, and equipment at year end. As a result, it had office equipment that were fully depreciated but were still in use. This was contrary to IAS 16 - “Property, Plant, and Equipment” paragraph 51 which requires an entity to review the useful life and residual value of an asset at each year end.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of financial statements

Finding

The Authority had no Financial Director from July 2022 to November 2023 and experienced high staff turnover. As a result, the Authority submitted the 2021 financial statements for audit on July 11, 2024. This was contrary to section 49 (1)(c) of the Public Finance Management Act [Chapter 22:19] which requires the Authority to submit the financial statements for audit within two (2) months after the end of the financial year. In addition, the Authority could not conduct Annual General Meetings on time contrary to section 33 of the Public Entities Corporate Governance Act

[Chapter 10:31] which requires the convening of an Annual General Meeting at least once a year.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

The Authority should fill vacant posts promptly.

Management response

The audit observation is noted. The late submission of financial statements was due to high staff turnover in the Finance Department during the period July 2022 to December 2023 whereby the Authority experienced exodus of senior and experienced staff resulting in the department being manned by inexperienced junior personnel. The Authority has since, with effect, from December 1, 2023 recruited the Finance Director. His immediate task is to clear all the outstanding financial statements so that the Authority complies with the provisions of the Public Finance Management Act [Chapter 22:19].

1.2 Alignment of accounting procedures manual to reporting framework

Finding

The Authority's accounting policies and procedures manual was not aligned with the reporting framework. As a result, the Authority did not conduct an annual review of the residual values and useful lives of its assets at year-end. In addition, the accounting policy manual that was provided for audit was not signed and dated to confirm approval.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Authority should align its accounting procedures manual to the reporting framework and have it approved.

Management response

The audit observation is noted. Management is in the process of reviewing and updating its Accounting Procedures Manual in line with the changes in the operating environment and the accounting and finance fields.

1.3 Supporting documents

Finding

The Authority experienced high staff turnover to the extent that there was no proper handover-takeover. As a result, fuel expenditure amounting to ZWL\$7.4 million was not adequately supported with the register for purchases and issues. The Authority did not also provide

supporting documentation in the form of payment vouchers, supplier invoices, receipts, acquittals, contracts for payments and cash withdrawals amounting to USD59 799 as illustrated by the table below;

Date	Payment transactions	Amount (USD)	Purpose	Auditor's comments
April 1, 2021	TRF 9140000931844	7 800	Purchase of fuel for operations	No acknowledgement of receipt of fuel in form of GRVs and the register was not in place
May 13, 2021	TRF 9140000887578	16 900	This was payment for the purchase of a vehicle. The vehicle is available for the auditor's inspection	Although the vehicle was available for inspection, the invoice from a supplier was ZWL\$1 238 202 while the payment made was USD16 900. Payment voucher and invoice amounts were different currencies and no explanation for paying in the other currency for determination of exchange gains and losses. There was no documentary evidence for the reasons for paying in USD.
June 25, 2021	TRF 4151161538 405; TRF 11991649	2 620	Business foreign travel	No cabinet Authority to support that the trip was approved
July 8, 2021	TRF 1199164923 0	2 400	Purpose unknown	The Authority could not provide supporting documents for this payment
September 8, 2021	Cash Withdrawal by the Authority	999	Purpose unknown	The Authority could not provide the supporting documents on how cash withdrawn was expensed
October 27, 2021	TRF 9140000931 844	42 90	Purchase of fuel for operations	No acknowledgement of receipt of fuel in form of GRVs and the register was not in place
November 26, 2021	TRF 9140000931 844; BAZ fuel	12 570	Purchase of fuel for operations	No acknowledgement of receipt of fuel in form of GRVs and the register was not in place
December 16, 2021	BAZ fuel	5 620	Purchase of fuel for operations	No acknowledgement of receipt of fuel in form of GRVs and the register was not in place
	Security	6 600	Monthly security service	Payment was not supported with monthly invoices
Total		59 799		

Risk / Implication

Misappropriation of funds and fuel.

Recommendation

The Authority should maintain supporting documentation for all payments.

Management response

The audit observation is noted. The non-availability of the supporting vouchers and non-availability of the fuel registers were attributed to staff changes within the Finance Department during the period 2021 and 2022 whereby no proper handover-takeover processes were conducted. Management will ensure that there is safe custody of documents and proper handover takeover procedures are conducted whenever there are staff movements.

The non-availability of the procurement documents is also attributed to high staff turnover and lack of proper handover/takeover in the procurement department during the period 2021 to 2023.

1.4 Bank reconciliations

Finding

The Authority experienced high staff turnover in the Finance department. As a result, the Authority's monthly bank reconciliation statements for 2021 were reviewed and approved in 2024. This was contrary to the Authority's accounting procedure manual section 4.5 which requires reconciliations to be prepared at least once a month, signed and be ready by the 10th of the following month.

Risk / Implication

Errors and fraud may go undetected.

Recommendation

The Authority should put retention strategies in place,

Management response

The audit observation is noted. The delay in the reviews and approval of the Bank Reconciliations is attributed to the high staff turnover in the Finance Department and non-availability of senior personnel during the period 2022 and 2023. The issue has since been addressed by the appointment of Finance Director with effect from December 1, 2023. The Authority has put in place a road map to have the books of accounts current by December 31, 2024.

1.5 Budget

Finding

The Authority did not provide evidence that the 2021 budget was approved by the board and the parent Ministry. This was contrary to the requirements of the Public Finance Management Act [Chapter 22:19] section 47 that requires public entities to submit their budget to the appropriate Ministry at least 30 days before the start of the financial year.

Risk / Implication

The Authority may incur unauthorised expenditure.

Recommendation

The Authority should prepare and submit its budget to the parent Ministry for approval in line with the Public Finance Management Act [*Chapter 22:19*].

Management response

The audit observation is noted. Management will ensure that all future budgets are approved by both the Board of Directors and the parent Ministry in line with the provisions of the Public Finance Management Act [*Chapter 22:19*]. The 2021 budget was approved by the Board of Directors.

2. PROCUREMENT OF GOODS AND SERVICES

2.1 Purchase of laptops

Finding

The Authority experienced high staff turnover in the procurement management unit to the extent that there was no proper handover-takeover. As a result, the Authority acquired five (5) laptops worth ZWL\$792 300 during the year under review which were not supported with goods received vouchers, purchase orders, quotations, tax clearance and PRAZ registration certificates.

Risk / Implication

Misappropriation of funds.

Recommendation

The Authority should maintain supporting documentation for all payments.

Management response

The non-availability of the procurement documents is also attributed to high staff turnover and lack of proper handover/takeover in the Procurement Department during the period 2021 to 2023.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority made some progress in addressing the audit findings raised in my 2023 annual report. I raised three (3) audit findings in my 2023 annual report and one (1) finding was addressed while two (2) findings were not addressed as indicated below:

3.1 Valuation of property, plant and equipment

This finding was not addressed. The Authority did not conduct annual review of residual values and useful lives of its property, plant and equipment during the period under review.

3.2 Trade receivables

This finding was not addressed. The long outstanding receivables were not yet cleared as at December 31, 2021.

3.3 Board meetings attendance

This finding was addressed. The Authority's board was now attending board meeting as required by the regulations.

Background Information

Civil Aviation Authority of Zimbabwe was established in terms of the Civil Aviation Act [*Chapter 13:16*]. The Authority promotes the safe, regular and efficient use and development of aviation inside and outside Zimbabwe and advise the Government on all matters relating to domestic and international civil aviation.

I have audited the financial statements of the Civil Aviation Authority of Zimbabwe for the years ended December 31, 2021, 2022 and 2023. I issued a Qualified Opinion with a report on going concern for 2021 and unmodified / clean opinion for 2022 and 2023 with a report on going concern.

Qualified Opinion 2021

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Civil Aviation Authority of Zimbabwe as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion 2021

Non-compliance with International Financial Reporting Standard (IFRS) 16 – “Leases”

I was not availed with a documented agreement pertaining to the use of the Authority’s properties by another entity contrary to the requirements of Statutory Instrument 128 of 2022 which required the two parties to agree on the rentals to be paid for use of the properties. Although the arrangement pointed to a leasing arrangement where the requirements of International Financial Reporting Standard (IFRS) 16 – “Leases” would apply, the arrangement had not been accounted for in the financial statements. As a result, I could not ascertain the completeness of disclosures on the use of buildings by another entity in line with the requirements of International Financial Reporting Standard (IFRS) 16 – “Leases”.

Report on going concern

I draw your attention to the fact that the Authority did not service overdue long term legacy loans amounting to ZWL\$5.2 billion during the year ended December 31, 2021. In addition, the Authority’s current liabilities exceeded its current assets by ZWL\$9.5 billion as at December 31, 2021. The Authority had a net operating deficit amounting to ZWL\$28 billion. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Authority’s ability to continue as a going concern. My opinion is not modified in respect of this matter.

Opinion 2022

In my opinion, the financial statements present fairly, in all material respects, the financial position of Civil Aviation Authority of Zimbabwe as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Authority did not service overdue legacy loans amounting to ZWL\$33.15 billion during the year ended December 31, 2022. In addition, the Authority's current liabilities exceeded its current assets by ZWL\$40.90 billion as at December 31, 2022. The Authority had a net operating deficit amounting to ZWL\$5.74 billion. These conditions indicated the existence of a material uncertainty that may cast significant doubt on the Authority's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Civil Aviation Authority of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Report on going concern

I draw your attention to the fact that the Authority did not service overdue long term legacy loans of ZWL\$299.42 billion during the year ended December 31, 2023. In addition, the Authority's current liabilities exceeded its current assets by ZWL\$276.54 billion as at December 31, 2023. The Authority had a net operating deficit amounting to ZWL\$130.23 billion. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Authority's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board meetings

Finding

I was not availed with evidence to support that meetings were held between the Board and the Authority's line Minister in 2021. This was contrary to Section 33 (4) of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires at least two annual meetings to be held between the Board and the Authority Line Minister to discuss the entity's conduct and plans, board's strategic plan compliance, and any other mutual interests.

Risk / Implication

The Board oversight role may be compromised.

Recommendation

The Board should follow up with parent Ministry to comply with requirements of section 33(4) of the Public Entities Corporate Governance Act [*Chapter 10:31*]

Management response

Audit observation noted. Corrective action has since been taken for the ensuing years. The Board is now meeting the line minister twice annually. For the 2024 financial year, the first meeting was held on June 20, 2024 and second meeting is scheduled on November 21, 2024.

1.2. Board appointment letters

Finding

I was not availed with Board appointment letters for some Board members appointed during 2021. This was contrary to section 11(14) of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires that appointment letters to be kept at the Ministry offices in respect of each member of the Authority's board and shall be made available for inspection at all reasonable times. As a result, I could not confirm whether the requirements of legislation was followed on the appointment of members.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Authority should ensure Board documentation is in place.

Management response

Audit observation noted. The term of office of the former board members expired in the year 2024. The former Board Members were engaged to assist with copies of the appointment letters and they promised to email the copies.

1.3. Audit Committee

Finding

The Director-General was a member of the Audit committee during the year ended December 31, 2021. In addition, there was no evidence that Audit committee members had experience in accounting or business. This was contrary to Section 16 (2) of the Public Entities Corporate Governance (General) Regulations which requires at least two non-executive board members, other than the chairperson of the board, but having experienced in business or accounting to be part of the Audit Committee.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Audit Committee should be established in accordance with the provisions of section 16(2) of Public Entities Corporate Governance (General) Regulations.

Management response

Audit observation noted. The Director General shall cease to be a member of the Audit Committee once internal consultations and processes are completed.

The Audit Committee was reconstituted by the appointment on February 3, 2023 of an independent committee member who is experienced in business and accounting. This was meant to comply with the provisions of section 16(2) of Public Entities Corporate Governance (General) Regulations.

1.4. Submission of financial statements

Finding

The Authority had finance staff shortages. As a result, the Authority submitted its financial statements for the year ended December 31, 2023 for audit eleven (11) months after the statutory deadline. This was contrary to section 49 1(c) of the Public Finance Management Act [*Chapter 22:19*] which requires submission of the financial statements for audit within sixty (60) days after the end of the financial year. This also affected the Authority's ability to conduct Annual General Meetings on time as required by the Public Entities Corporate Governance Act [*Chapter 10:31*] section 33 which requires the board of every public entity to convene an annual general meeting at least once a year.

Risk / Implication

Transparency and accountability may be compromised.

Timely decisions by stakeholder based on financial statements may be affected.

Recommendation

Management should devise strategies to attract and retain adequate staff.

Management response

The Authority was behind in preparation and submission for audit of financial statements due to legacy issues of finance staff shortages that affected the Authority up to the year 2021. Due to the legacy issues of finance staff shortages, the Authority was unable to conduct an AGM in the year 2023. The Authority intends to conduct the 2023 AGM in June 2025 and the last outstanding 2024 AGM by August 31, 2025.

1.5. Segregation of duties

Finding

There was no segregation of duties between the officers receipting, custody and banking of cash receipts at one of the airports as this was being performed by the same person. These functions are ordinarily performed by at least two (2) different officers. No compensatory measures were put in place to reduce the risk of irregular transactions.

Risk / Implication

Irregular transactions may go undetected.

Recommendation

There should be segregation of duties between the receipting, custody and banking of cash.

Management response

Audit observation noted. Management is of the view that recruiting an extra staff member to comply with the segregation of duties control activities will cost more than the cash that is being collected at the station, to mitigate this risk to acceptable levels, the Authority appointed a Head of Unit on October 18, 2024, who is tasked with the supervision of the receipting staff member in order to minimize the risk of irregular transactions. Quarterly station visits will also be conducted as a mitigatory measure.

1.6. Lease management**Finding**

The Authority's internal controls over management of leases were not adequate. As a result, the Authority operated without a valid lease agreement with the lessor of the building (Airports Company of Zimbabwe) as per statutory instrument 128 which guided the split of CAAZ and Airports Company of Zimbabwe. In addition, management did not account for the right of use assets and lease liabilities in respect of these leases in terms of IFRS 16 – "Leases".

Risk / Implication

Misstatement of the financial statements.

Recommendation

Management should enhance the effectiveness of internal controls over lease management.

Management response

Audit observation noted. Currently there is no lease agreement between the Authority and Airports Company of Zimbabwe as negotiations are still on-going regarding the rental fees to be paid for the area occupied by the Authority. In addition, Airports Company of Zimbabwe is expected to pay rental for the use of Authority's land. Negotiations between the two entities are ongoing and the shareholder is seized with the matter.

The leases and the rental fees should be approved by the Minister first before they can be enforced in line with section 87(2) of the Civil Aviation Amendment Act [Chapter 13:16] (No 10 of 2018). The Parent Ministry has advised that no entity should charge the other without its approval.

1.7. Salary increments

Finding

The management reviewed and implemented salaries adjustments of 300% in 2022 without seeking board approval.

Risk / Implication

Irregular expenses may result in cash flow constraints.

Recommendation

Management should seek board approval when such expenditure is to be committed.

Management response

All subsequent salary adjustments are now being done with the Board approval.

1.8. Loan servicing

Finding

The Authority was not servicing overdue legacy loans. As a result, the liabilities grew from ZWL\$5.20 billion (2021) to ZWL\$33.15 billion (2022) due to accumulated interest on outstanding balances. This was due to cash flow challenges being faced by the Authority.

Risk / Implication

Financial loss due to penalties and interest.

Credit rating may affect future borrowing needs.

Recommendation

The Authority should enhance revenue generating strategies to enable settlement of loans.

Management response

The foreign loans and the assets that were financed by the loans were transferred to the Authority in 1999, the date when the Authority was formed. The assets that were financed included Radar and Air Navigation Equipment and these assets were decommissioned in 2010. Due to cash flow challenges, the Authority was unable to service the loans and the related interest and penalty charges since the date of its formation in 1999. The Authority is engaging the Government of Zimbabwe in order to transfer the foreign loans from the Authority back to the Government of Zimbabwe.

2. PROCUREMENT OF GOODS AND SERVICES

2.1. Contract management

Finding

Controls over contract management were not effective. As result, the Authority contracted a supplier for the procurement of one (1) of its software and paid USD552 500 in 2018. The project was expected to be completed by November 16, 2019, however, the project was below 50% complete at the year end.

Risk / Implication

Due to lapse of time the project may be overtaken by technological changes.

Financial loss due to non-delivery of purchased goods and services.

Recommendation

The Authority should strengthen contract management processes.

The Authority should engage the supplier and enforce performance of the contract.

Management response

The Authority terminated the contract in 2024 due to the supplier's non-performance and we are in the process of recovering the amount of USD552 500 that was paid to the supplier.

2.2. Scope of works

Finding

The Authority's procurement management unit was not adequately resourced. As a result, expenditure overruns amounting to ZWL\$23.2 million (USD\$3 800) were incurred in relation to partitioning works due to unclear specifications. This was contrary to section 27(1) (a) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] which requires procuring entities to provide a detailed description of the procurement requirement in their bidding documents.

Risk / Implication

Financial loss due to cost overruns.

Lack of competitiveness in the procurement process.

Recommendation

The Authority should come up with clear specifications and scope of works prior to inviting bids.

Management response

The Authority recruited the Head of Procurement and a Procurement Officer to effectively run the department to address the observed shortcomings. Full and detailed specifications, and scope of works are now provided in the bidding documents prior to inviting the bids.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority addressed one (1) audit finding that I raised in my 2023 annual report as indicated below;

3.1. Bank reconciliations

The finding was addressed. The Authority is now performing bank reconciliations during the period under review.

Background Information

The Environmental Management Agency was established in terms of the Environmental Management Act [*Chapter 20:27*]. Its core function is to manage and protect the environment.

I have audited the financial statements of the Environmental Management Agency for the years ended December 31, 2021, 2022 and 2023. I issued a Qualified Opinion for all the three years.

Qualified Opinion 2021

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Environmental Management Agency as at December 31, 2021 and its financial performance and of its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- i. **Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”**

Opening balances

The prior year financial statements did not comply with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates”, as the Agency was unable to use an appropriate exchange rate on change of functional currency to translate the opening USD denominated balances. The non-compliance with IAS 21- “The Effects of Changes in Foreign Exchange Rates” on prior years’ financial statements constitutes prior period errors and the Agency did not correct these errors as required by International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”.

Had the Agency applied the requirements of IAS 8 - “Accounting Policies, Changes in Accounting Estimates and Errors” to restate the prior years’ financial statements, the opening balances and comparative figures in the financial statements could have been materially different. I was not able to determine the extent by which the financial statements could have been misstated and any adjustments that could have been necessary.

- ii. **Non-compliance with International Accounting Standard (IAS) 7- “Statement of Cash flows”**

There was a variance between the cash and cash equivalents balance disclosed in the statement of financial position and the statement of cash flows amounting to ZWL\$1.03 million. Management could not reconcile and clear this variance. This was contrary to International Accounting Standard (IAS) 7- “Statement of Cash flows” paragraph 45 which requires the Agency to reconcile amounts in its statement of cash flows with the equivalent items reported in the statement of financial position.

iii. Unsupported trade receivables

Trade receivables amounting to ZWL\$507.75 million disclosed in the financial statements were not supported with adequate documentation. The Agency did not avail individual customer ledger accounts with opening and closing balances, reconciliations and evidence of debt follow up. In addition, there were no responses from customers circularised with a total balance of ZWL\$294.8 million from the debtors listing as at December 31, 2021. Accordingly, I was unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded trade receivables.

Qualified Opinion 2022

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Environmental Management Agency as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Trade receivables

There were unconfirmed receivable balances amounting to ZWL\$2.43 billion which represented 74% of total receivable balance as at December 31, 2022. I was not provided with documents to support these balances. Therefore, I was unable to confirm the existence and accuracy of the receivables balance disclosed.

ii. Trade payables

There were unconfirmed payable balances amounting to ZWL\$165.4 million which represented 96% of the total trade and other payables balance as at December 31, 2022. I was not provided with documents to support these balances. Therefore, I was unable to confirm the existence and accuracy of the payables balance disclosed.

iii. Non-compliance with International Accounting Standard (IAS) 7 - “Statement of Cash Flows” and International Accounting Standard (IAS) 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”

The prior year cash flow statement did not comply with the requirements of IAS 7 - “Statement of Cash Flows”, as the Agency had not been able to clear the cash flow statement imbalance of ZWL\$1.03 million.

The misstatements in the prior year arising from non-compliance with IAS 7 - “Statement of Cash Flows” had not been corrected in line with the requirements of IAS 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”. Had the Agency correctly applied IAS 8 - “Accounting Policies, Changes in Accounting Estimates and Errors” and performed a full restatement, the financial statements would have been materially different.

Qualified Opinion 2023

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Environmental Management Agency as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Trade receivables

There were unconfirmed receivable balances amounting to ZWL\$1.8 billion as at December 31, 2023. I was not provided with documents to support these balances. Therefore, I was unable to confirm the existence and accuracy of the receivables balance disclosed.

My prior year opinion was modified based on similar circumstances and due to possible carryover effect in the current year's financial statements the balance affects comparability of current year's financial statements with that of prior year.

ii. Non-compliance with International Accounting Standard (IAS) 7 – ‘Statement of Cash flow’ and International Accounting Standard (IAS) 8 – ‘Accounting Policies, Changes in Accounting Estimates and Errors’

In 2021, the Agency's statement of cash flow statements did not comply with the requirements of IAS 7- ‘Statement of Cash Flow’, as the Agency had not been able to clear the cash flow statement imbalance of ZWL\$1.03 million.

The misstatements in the 2021 financial year arising from non-compliance with International Accounting Standard (IAS) 7- ‘Statement of Cash Flow’ had not been corrected in line with the requirements of International Accounting Standard (IAS) 8- ‘Accounting Policies, Changes in Accounting Estimates and Errors’. Had the Agency correctly applied (IAS) 8- ‘Accounting Policies, Changes in Accounting Estimates and Errors and performed a full restatement, the financial statements would have been materially affected. I could not determine the extent of adjustments necessary.

iii. Trade and other payables

There were unconfirmed payable balances amounting to ZWL\$2.79 billion which represented 99% of the total trade and other payables balance as at December 31, 2023. I was not provided with documents to support these balances. Therefore, I was unable to confirm the existence and accuracy of the payables balance disclosed. My prior year opinion was modified based on similar circumstances and due to possible carryover effect in the current year's financial statements the balance affects comparability of current year's financial statements with that of prior year.

iii Non-compliance with International Accounting Standard (IAS) 16 - ‘Property, Plant and Equipment’

The Agency did not review the useful lives and residual values of its items of property, plant and equipment as there were fully depreciated assets in its books which were still being used. This was contrary to IAS 16 – ‘Property, Plant and Equipment’ paragraph 51 which requires an entity

to review the useful life and residual value of its assets at each year end. Had the Agency reviewed the useful life and residual values of its assets, the value of its property and equipment reported could have been materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of financial statements

Finding

The Agency submitted the 2021 financial statements for audit on January 30, 2024. This was contrary to section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires the accounting officer of a public entity to submit the financial statements for audit within two months after the end of the financial year. As a result, the Agency did not conduct Annual General Meetings on time contrary to Section 33 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires that the Board of every public entity to convene an Annual General Meeting at least once a year.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Agency should submit financial statements within sixty (60) days following the financial year end in line with section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*].

Management response

Observation is noted.

1.2 Non-compliance with International Accounting Standard (IAS) 7- “Statement of Cash flows”

Finding

There was a variance between the cash and cash equivalents balance disclosed in the statement of financial position and the statement of cash flows amounting to ZWL\$1.03 million. Management could not reconcile and clear this variance. This was contrary to International Accounting Standard (IAS) 7- “Statement of Cash flows” paragraph 45 which requires the Agency to reconcile amounts in its statement of cash flows with the equivalent items reported in the statement of financial position.

Risk / Implication

Misstatement of financial statements.

Misappropriation of cash.

Recommendation

The Agency should reconcile the cash and cash equivalents balances and the variances should be corrected on time.

Management response

Observation is noted and corrective measures will be undertaken to adjust non-cash items to comply with the standards.

1.3 Business continuity arrangements

Finding

The Agency did not have a business continuity plan to address in time challenges that were being experienced with the accounting system in place during the period under review. As a result, bank reconciliations were not prepared within the timeframes as required in section 7.4 of the accounting procedure manual. In addition, transactions with customers were processed manually in most receipting offices and consolidated at head office. This affected the submission of financial statements as the 2022 financial statements were submitted on September 10, 2024 and 2023 financial statements were submitted on November 08, 2024. The late submissions were contrary to section 49(1)(c) of the Public Finance Management Act [*Chapter 22:19*] which requires financial statements to be submitted for audit within two months after the end of the financial year.

Risk / Implication

Errors may go undetected.

Transparency and accountability might be compromised.

Recommendation

The Agency should put in place a business continuity plan.

Management response

Observation is noted. The Agency experienced a continuous ERP system breakdown, hence the late submission of financial statements. The Agency has since procured a new ERP system, which is running now after experiencing challenges from old accounting system.

1.4 Trade receivables

Finding

There were unconfirmed receivable balances amounting to ZWL\$2.43 billion (74%) of total receivable balance as at December 31, 2022 and ZWL\$1.68 billion as at December 31, 2023. I was not provided with documents to support these balances and there was no evidence of subsequent settlements of the balances.

Risk / Implication

Service delivery may be compromised due to loss of value on funds locked up in overdue trade receivables.

Recommendation

Management should enhance its follow up strategies for the funds tied up with customers.

Management should regularly reconcile customer balances as required by the policies and procedures in place.

Management response

Most of the customers did not respond to confirm their balances. Failure to pay for EMA invoices shows non-compliance with environmental obligations. Agency's debtors are not willing to confirm their balances as they associate this confirmation with probable fines.

41% of trade debtors were over 360 days. However, the Agency has since resolved to write off debtors over 360 days from Environmental Impact Assessment (EIA) projects since this represents projects which were not carried out and Board resolution to this effect was obtained. Receivables reconciliations are now being performed with exchange communications between the Agency and customers being filed since the introduction of the new ERP system and the system generated customer statements have all the information such as invoices and receipts.

1.5 Trade payables

Finding

There were unconfirmed payable balances amounting to ZWL\$165.4 million (96%) and ZWL\$ 2.79 billion (99%) of total trade and other payables balance as at December 31, 2022 and 2023 respectively. I was not provided with documents to support these balances and there were no trade payables reconciliations to confirm the balances.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should put in place adequate controls over the management of payables.

Management response

Observation is noted. The Agency has since started to prepare and send the payables reconciliations for confirmation of balances. However, very few responded as most of the suppliers kept on promising to respond but without any action in place.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1 Supporting documentation

Finding

Trade receivables amounting to ZWL\$507.75 million disclosed in the financial statements were not supported with adequate documentation. The Agency did not avail individual customer ledger accounts with opening and closing balances, reconciliations and evidence of debt follow up. In addition, there were no responses from customers circularised with a total balance of ZWL\$294.8 million from the debtors listing as at December 31, 2021.

In addition, the Agency had 41.28% (ZWL\$211.8 million) of total trade receivables which were outstanding for more than 360 days of which no action was taken to recover these debts

Risk / Implication

Misstatement of financial statements.

Service delivery may be compromised by inadequate resource recoverability.

Recommendation

Management should maintain adequate documentation of all customer transactions.

Management response

Observation is noted. The available supporting documents are the excel schedules where each customer's invoices and receipts were recorded and a closing balance being shown. Going forward, the Agency will manage these receivables in the accounting system which was implemented in January 2024.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Agency made some progress in addressing audit findings raised in my 2020 and 2023 annual reports. I raised one (1) finding in my 2023 report and followed up on three (3) audit findings that were outstanding from the 2020 annual report. One (1) finding was addressed, two (2) findings were partially addressed and one (1) was not addressed as indicated below;

3.1 SAP accounting system

The finding was partially addressed. The Agency engaged the consultant and the issues are not yet resolved until the entity moves to the new system which is currently being rolled out.

3.2 Bank reconciliations

The finding was not addressed. The Agency engaged the consultant and the issues are not yet resolved until the entity moves to the new system which is currently being rolled out.

3.3 Accounting policies and procedures manual

The finding was partially addressed. The accounting procedures manual was updated and now awaits Board approval.

3.4 Procurement Management Unit (PMU)

The finding was addressed. The procurement management unit staff is now in place.

Background Information

The Medicines Control Authority of Zimbabwe was established in terms of the Medicines and Allied Substances Control Act [*Chapter 15:03*]. The main purpose of the Authority is to ensure the availability of safe and effective medicines on the market for human and animal consumption.

I have audited the financial statements for Medicines Control Authority of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion on both the consolidated and separate financial statements.

Opinion on the Consolidated Financial Statements

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Medicines Control Authority of Zimbabwe as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Authority's Financial Statements

In my opinion, the financial statements present fairly, in all material respects, the financial position of Medicines Control Authority of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board Charter

Finding

The Authority did not have an approved Board Charter in place during the period under review. This was contrary to the provisions of the Public Entities Corporate Governance Act [*Chapter 10:31*] section 28 (1) which requires an approved board charter to be in place.

Risk / Implication

Oversight role of the Board may be compromised.

Recommendation

The Authority should engage its parent Ministry for the approval of the Board charter.

Management response

The Authority's Board Charter was developed in 2021 and referred to the Minister of Health and Childcare for approval on October 14, 2021, as per the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*]. Several follow-ups for the approval of

the Board Charter were made through phone calls and emails. Re-submissions of the Board Charter to the Ministry of Health and Child Care were also done. However, the Board Charter became due for a rolling-over review (which is done every 2 years in terms of the Authority's Quality Management system) before the Minister approved it. The Board Charter is currently under review and will be referred to the Minister for approval after completion of the review process.

1.2. Board evaluation

Finding

The Authority did not carry out evaluation of its board members for the year ended December 31, 2023. This was contrary to the provisions of section 37 of the Second Schedule of Public Entities Corporate Governance Act [*Chapter 10:31*] which requires boards of public entities to carry out an annual evaluation to appraise their performance, both collectively and for individual members.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Authority should evaluate its board and members' performance in line with the Public Entities Corporate Governance Act [*Chapter 10: 31*].

Management response

It is correct that no board evaluation was conducted in 2023. The Authority is, however, in the process of putting in place the framework for board evaluation so that from 2024 going forward, board evaluations will be conducted in line with Public Entities Corporate Governance Act [*Chapter 10:31*].

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority addressed the audit finding raised in my 2023 annual report as indicated below;

2.1. Travel and subsistence allowances

The finding was addressed. In 2023 travel allowance acquittals were done on time.

Background Information

The National Biotechnology Authority of Zimbabwe was established in terms of National Biotechnology Authority Act [*Chapter 14:31*]. Its mandate is to manage the import, export, production, research, development, use and release into the environment of Genetically Modified Organisms.

I have audited the financial statements of the National Biotechnology Authority of Zimbabwe for the year ended December 31, 2021 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of National Biotechnology Authority of Zimbabwe as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for an Adverse Opinion

i. Non - compliance with International Accounting standard (IAS) 16 – “Property, plant and equipment” and International Accounting Standard (IAS) 36 – “Impairment of assets”

The Authority combined land and buildings which resulted in land being depreciated. This was contrary to provisions of International Accounting Standard (IAS) 16 - “Property, Plant and Equipment” paragraph 58 which requires land and buildings to be treated as separable assets and accounted for separately, even when they were acquired together. In addition, buildings have a limited useful life and therefore are depreciable assets while land should not be depreciated. Had the land and buildings treated separately, the financial statements will be materially different.

In addition, the Authority did not review the residual values and useful lives of property, plant, and equipment at year end in accordance with IAS 16 – “Property, plant, and equipment” paragraph 51 which requires useful life and residual values of assets to be reviewed at each year end. The Authority did not also carry out an impairment assessment for its assets in line with International Accounting Standard (IAS) 36 – “Impairment of assets” paragraph 9 which requires impairment assessment to be carried out at each year end. I could not determine the extent of adjustment necessary.

ii. Non - compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8 – “Accounting policies, changes in accounting estimates and errors”

Opening balances

The Authority did not comply with the requirements of IAS 21 – “The Effects of Changes in Foreign Exchange Rates” in the prior years as it elected to comply with Statutory Instrument 33 of 2019 from February 22, 2019 when it translated balances and transactions in United States Dollars (USD) to Zimbabwean dollar (ZWL\$) by applying an exchange rate of 1:1.

The opinion on the prior year financial statements was modified in respect of this matter and the misstatements on the opening balances had not been corrected in line with IAS 8 – “Accounting policies, changes in accounting estimates and errors”.

Had the Authority complied with the requirements of IAS 21 – “The Effects of Changes in Foreign Exchange Rates” on change of functional currency date, many of the elements of the prior year financial statements, which are presented as comparatives and the opening retained earnings for the current year would have materially been different. The departure from compliance with the IAS 21 - “The Effects of Changes in Foreign Exchange Rates” requirements was therefore considered to be material. The financial effects on the financial statements of this departure have not been determined.

iii. Non-compliance with International Accounting Standard (IAS) 20 – “Accounting for Government Grants and Disclosure of Government Assistance”

The Authority recognised in full capital grants received for 2021 as operating income in the statement of profit or loss and other comprehensive income. This was contrary to the requirements of IAS 20 – “Accounting for Government Grants and Disclosure of Government Assistance” which requires grants related to depreciable assets to be recognised in the statement of profit or loss and other comprehensive income in the proportions in which depreciation expense on those assets is recognised.

In addition, IAS 20 – “Accounting for Government Grants and Disclosure of Government Assistance” requires grants related to assets to be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. I was not able to retrospectively quantify what the deferred income would have been as at December 31, 2021 as I was not availed with documentation on capital grants received from the Government.

iv. Variances on opening balances

The opening balances disclosed in the financial statements differed from the audited financial statements for 2020 with the exception of employment costs and general reserve. Balances in the accounting system were not adjusted with audit adjustments that were proposed during the 2020 audit. Although management engaged an expert to address the differences, variances on the opening balances remained unresolved. Some documentation availed during the 2020 audit could not be availed to enable clearance of the variances on the opening balances. As a result, I could not rely on the opening balances presented in the 2021 financials due to the incomplete records in the accounting system.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Opening balances

Finding

The opening balances disclosed in the financial statements differed from the audited financial statements for 2020 with the exception of employment costs and general reserve. Balances in the accounting system were not adjusted with audit adjustments that were proposed during the

2020 audit. Some documentation availed during the 2020 audit could not be availed to enable clearance of the variances on the opening balances.

Risk / Implication

Misstatement of financial statements.

Recommendation

Audit adjustments should be updated in the accounting system.

Record management should be improved.

Management response

Noted. Management will update all audit adjustments and improve record management.

Asset revaluation will be conducted before the end of 2024.

1.2. Alignment of accounting processes to the reporting framework

Finding

There was no evidence that the Authority reviewed the useful lives of its assets in line with International Accounting Standard (IAS) 16 - "Property, plant and equipment" paragraph 51 which requires the review of useful lives of assets at each financial year end. The Authority did not also carry out impairment assessments for its assets in line with International Accounting Standard (IAS) 36 – "Impairment of assets" paragraph 9 which requires an assessment of impairment at the end of each reporting period.

In addition, the Authority did not separately disclose land and buildings. As a result, land was depreciated contrary to the provision of International Accounting Standard (IAS) 16 paragraph 58 which requires land and buildings to be treated as separable assets and accounted for separately.

Risk / Implication

Misstatements of the financial statements.

Recommendation

Management should align its accounting processes with the requirements of the reporting framework.

Management response

Observation is noted and will be addressed by an asset revaluation before the end of the year. The Authority is correcting the asset register which will be used to review the residual values and the useful life of assets.

1.3. Bank accounts

Finding

The Authority used its staff's personal bank accounts for administration of payments to farmers and petty cash transactions at some of its stations. In addition, at one (1) of the stations, the debit card used for petty cash transactions was not in the Authority's name and any staff member could use the card. However, there was no evidence of authorization of petty cash purchases at the station by the station supervisor.

Risk / Implication

Financial loss due to misappropriations of funds.

Recommendation

The Authority should use official bank accounts for its operations.

Management response

This practice has since been stopped. Official bank accounts for the project have been opened.

2. MANAGEMENT OF ASSETS

2.1. Development of properties

Finding

The Council had not developed two stands acquired in 2017 due to budgetary constraints. This was contrary to the Town Council by laws, which requires that one should develop acquired stand within a specified period of time.

Risk / Implication

The Authority may lose the stands due to repossessions by the Local Authorities.

Recommendation

The Authority should abide by the Council by laws on stands development within the stipulated timelines.

Management response

The observation is noted. The delay to develop the stands was due to budgetary constraints. Developments on the stands would commence when funds permit.

2.2. Vehicles for operations

Finding

The Authority had no vehicles at Beitbridge port and Mapfura Plant for carrying out its operations. As a result, the Authority resorted to hiring of vehicles and in other instances staff used their personal vehicles.

Risk / Implication

Service delivery may be compromised.

Recommendation

Procurement of operational vehicles should be considered.

Management response

Noted. Management has budgeted for purchase of vehicles for the Mapfura plant and these will be purchased when funds permit.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority did not make significant progress in addressing findings raised in my 2021 annual report. I raised five (5) findings, one (1) was addressed, two (2) were partially addressed and two (2) were not addressed as indicated below;

3.1. Policy documents

This finding was partially addressed. The Human resources policy was approved while the other policies that include accounting and administration manual are awaiting approval by the Board.

3.2. Alignment of governance processes

The finding was partially addressed. The draft board charter is awaiting consideration by the Board before submission to parent Ministry for approval.

3.3. Review of payroll

The finding was not addressed. Evidence of recovery of excess payments to an employee who resigned was not availed.

3.4. Procurement procedures

The finding was addressed. The procurement management unit is now in place. The Authority is now requesting for quotations from different suppliers.

3.5. Security and safety of staff

The finding was not addressed. The Authority is yet to procure vehicles to transport its staff.

Background Information

The National Social Security Authority was established in terms of the National Social Security Authority Act [Chapter 17:04] to establish social security schemes for the provision of benefits to contributors of the schemes. It has a mandate to administer the Pension and Other Benefits Scheme (POBS), the Accident Prevention and Worker's Compensation Scheme (APWCS) and other schemes to be established in terms of the Act.

I have audited the consolidated financial statements of the National Social Security Authority for the year ended December 31, 2023 and I issued a Qualified Opinion for both the Group and the Authority.

Qualified Opinion on the Consolidated Financial Statements

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the National Social Security Authority as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Qualified Opinion on the Consolidated Financial Statements

i. Inclusion of the unaudited financial statements of associate investees

The Group's financial statements included unaudited financial statements of its associate investees, Centragrid (Private) Limited and First Mutual Holdings Limited and Tongaat Hulett (Botswana) (Proprietary) Limited, an associate of Star Africa Corporation Limited. In addition, the consolidated financial statements include the financial position, financial results and cash flows of Fidelity Life Assurance of Zimbabwe, a significant component of ZIMRE Holdings Limited. The consolidated financial statements of Fidelity Life Assurance of Zimbabwe include unaudited financial statements of Vanguard Life Assurance Limited, a subsidiary of Fidelity Life Assurance of Zimbabwe. These investments were accounted for using the equity method based on unaudited amounts.

As a result, I was unable to satisfy myself that all necessary adjustments and disclosures have been made to the unaudited financial statements of investee companies and consequently to the consolidated financial statements of National Social Security Group for the year ended December 31, 2023. Accordingly, I was unable to determine the amount of adjustments necessary.

ii. Non-compliance with International Accounting Standard (IAS) 28 - "Investments in Associates and Joint Ventures"

The Group disclosed investments in associates amounting to ZWL\$ 79.8 billion. The Group did not recognise its share of the profit or loss of its joint ventures, Middle White Pride (Private) Limited and INSTAK, during the year. This was contrary to the subsequent measurement requirements of IAS 28 - "Investments in Associates and Joint Ventures," which requires the carrying amount of an investment in an associate or joint venture to be increased or decreased to reflect the investor's share of the profit or loss of the investee after the date of acquisition. Had the Group recognised the change in its investments the carrying amount would have been materially

different. As a result, I could not satisfy myself on the recognition, measurement and disclosure of these investments in the financial statements.

iii. Non-compliance with Financial Reporting Standard (IFRS)13 – “Fair value measurement”

The Group’s subsidiary, National Building Society had its investment property and property, plant and equipment valuations as at December 31, 2023 determined in USD and then translated to ZWL\$ at the interbank exchange rate as at December 31, 2023. The translated ZWL\$ values were not in compliance with International Financial Reporting Standard (IFRS) 13- “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of investment property and property, plant and equipment. My opinion in the prior year was modified in respect of this matter, and the misstatements have not been corrected in the current year financial statements in accordance with requirements of International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”.

iv. Non-compliance with international Accounting Standard (IAS) 16 – “Property, Plant and equipment”

The Group’s subsidiary, National Building Society, engaged independent professional valuers to revalue the property and equipment as at December 31, 2023. Included in the balance of property, plant and equipment is an amount of ZWL\$ 431.3 million relating to assets for which no revaluations were performed, although some assets in the same classes of assets were subjected to a revaluation. This was contrary to the requirements of IAS 16- “Property, Plant and Equipment” paragraph 36 which requires that, if an item of property, plant and equipment is revalued, the entire class of property, plant, and equipment to which that asset belongs should be revalued.

v. Completeness of property, plant and equipment

The Group’s subsidiary National Building Society had property, plant and equipment records which were not regularly updated to enable the verification of the completeness of assets. I was unable to obtain sufficient appropriate audit evidence to verify the completeness of the property and equipment valued at ZWL\$ 16.2 billion as some assets identified on the Society’s premises could not be traced to the fixed assets records and vice versa. I was therefore unable to determine whether any adjustments were required to the consolidated financial statements arising from property, plant and equipment not brought into account or incorrectly stated.

Qualified Opinion on the Authority Financial Statements

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respect, the financial position of the National Social Security Authority as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion on the Authority Financial Statements

i. Non-compliance with International Accounting Standard (IAS) 28 - "Investments in Associates and Joint Ventures"

The Authority disclosed investments in associates amounting to ZWL\$ 79.8 billion. The Authority did not recognise its share of the profit or loss of its joint ventures, Middle White Pride (Private) Limited and INSTAK, during the year. This was contrary to the subsequent measurement requirements of IAS 28 - "Investments in Associates and Joint Ventures," which requires the carrying amount of an investment in an associate or joint venture to be increased or decreased to reflect the investor's share of the profit or loss of the investee after the date of acquisition. Had the Authority recognised the change in its investments the carrying amount would have been materially different. As a result, I could not satisfy myself on the recognition, measurement and disclosure of these investments in the financial statements.

Below are other material issues noted during the audit:

1. GOVERNANCE ISSUES

1.1. Evaluation of the board

Finding

The Authority had no Compliance Officer to monitor the compliance of the Authority with the laws and regulations relevant to the Authority. As a result, I noted deviations in that the board was given grocery hampers amounting to USD6 483 (ZWL\$38.47 million) contrary to Section 14 (3) Public Entities and Corporate Governance Act [*Chapter 10:31*] which restricts payment of benefits in excess of the amount specified in the notice approved by the Minister responsible for Finance. There was no evidence to support that the Board evaluated the independence of its members including the Chairperson. This was contrary to sections 110 and 114 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which require the board to annually evaluate the independence of members.

Risk / Implication

Oversight role might be compromised.

Inconsistency in the application of laws and regulations.

Recommendation

The Authority should evaluate the independence of non-executive directors in line with the Public Entities Corporate Governance Act [*Chapter 10:31*].

The Authority should comply with the requirements of Public Entities Corporate Governance Act [*Chapter 10:31*] on payments to Board members.

Management response

The Authority did not have a Compliance Officer during the period under review, however some of the functions were being undertaken by the Legal Unit and reporting to the Risk

and Governance Committee. With effect from March 13, 2024, the Authority assigned the additional responsibilities of Compliance Officer to Deputy Director Information Communication and Technology. The Board members were also inducted on the requirements of the Act by the Corporate Governance Unit (CGU).

Going forward, Management will consult with the Parent Ministry and the Corporate Governance Unit (CGU) before incurring expenditure on non-executive directors that is not in the remuneration framework. Management will ensure it obtains clear guidance in writing before committing to such expenditure.

Processes are underway to evaluate the independence of the directors as well as the Board itself. This is expected to be complete in Q2 2025.

1.2. Interest in other entities

Finding

The Authority's Investment policy was not adequate to facilitate monitoring and enforcing agreements on investments in joint arrangements as there were no financial statements for the investments in joint arrangements as at December 31, 2023. As a result, the Authority did not subsequently account for investments in joint arrangements in line with International Accounting Standard (IAS) 28 - "Investments in Associates and Joint Ventures" paragraph 10 which requires the carrying amount to be increased or decreased by recognizing the investor's share of the profit or loss of the investee after the date of acquisition.

Risk / Implication

Misstatements of financial statements.

Recommendation

The Authority should put in place measures in monitoring and enforcing agreements on investment in joint arrangements.

Management response

Management has put in place a plan to ensure that board appointments are made to the investee companies in line with agreements and to ensure that structures are in place for financial statements to be prepared and audited as required so that the carrying amounts for investment in associates and joint ventures can be increased or decreased by recognizing the investor's share of the profit or loss of the investee after the acquisition date.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Rental income

Finding

The controls over rental income were not adequate in that there were tenant debtors amounting to USD649 699 owing for over 120 days. As a result, tenant debtors balance as at December 31,

2023 was USD1.167 million. In addition, the Authority did not regularly review its lease agreements with tenants as some lease agreements had expired or no longer in line with economic conditions. For instance, a tenant whose lease was still pegged at ZWL\$900 000 per month for a shop covering an area of 2 308sqm.

Risk / Implication

Cash flow constraints which may have an impact on service delivery.

Non-recovery of the outstanding amounts due to passage of time.

Recommendation

The Authority's management should institute effective debt recovery system and regularize its leases.

The Authority should regularly review its rentals so that they are reasonable and are at arm's length.

Management response

A significant proportion of the debtors are governmental entities, and we have been corresponding with them through our parent ministry to solicit support in pursuing outstanding payments. Various measures have been implemented, including the dispatch of reminder letters, final demand letters, and initiation of eviction procedures, aimed at unequivocally communicating our position to the tenants. Additionally, we have requested for the recruitment of credit controllers to provide officers dedicated to credit control. Internal Blitz exercises by all properties team as a stopgap measure while waiting for the recruitment of credit controllers.

There have been protracted negotiations regarding the base rental, which began in May 2023. Nevertheless, this is a turnover lease, where the tenant pays either the base rental or the turnover rental, whichever is higher. Meanwhile, the tenant has made a counter rental offer which we are currently considering, and we expect to reach a conclusion within a month.

2.2. Inspection visits

Finding

The Authority was not collecting contributions from employees who were not registered or who are not contributing on time as there were no enough credit controllers and motor vehicles to conduct physical inspections to do registration and follow ups on non-contributing entities. As a result, the Authority was not collecting contributions from non-registered employers and non-paying registered companies contrary to Section 5 of Statutory Instrument 393 of 1993 which requires an employer to register with the Authority within one month of commencement.

Risk / Implication

Decrease in revenue collection which may affect service delivery.

Recommendation

The Authority should provide adequate resources for the regional office to execute its mandate.

Management response

The Authority is currently undergoing a restructuring exercise which will address manpower issues. Operational vehicles have been acquired and are currently being distributed to capacitate inspectors. Management is currently implementing punitive penalties for non-compliance. For instance, there will be punitive penalties for late registration and non-payment.

3. MANAGEMENT OF ASSETS

3.1. Safeguarding assets

Finding

The Authority Asset Management policy was not adequate to cover areas to do with safeguarding of assets. As a result, the Authority lost eight (8) laptops during the period under review and there was no evidence to support that due process was undertaken to study how to safeguard these items that are susceptible to theft.

Risk / Implication

Service delivery may be compromised due to insufficient equipment.

Recommendation

Management should put in place a policy to reinforce security arrangements in order to safeguard assets.

Management response

Audit observation is noted. Management is already working on the Asset Management policy to address the safeguard of assets.

3.2. Fuel register

Finding

The Authority's fuel register was not adequately maintained during the year under review. The manual fuel register had incomplete details on running balances and there was no evidence that the fuel registers were regularly reviewed and checked by a senior officer during the year under review. This was contrary to the Authority's fleet Management Policy Section 7 which requires Regional / Transport Administration Officers to monitor fuel usage.

In addition, fuel inventory management had deficiencies in that fuel allocated to regions were being expensed. As a result, the Authority did not account for fuel inventory balances of fuel at all the regions totaling to 31 380 litres and 14 540 litres for diesel and petrol respectively as at year end.

Risk / Implication

Irregular issuance of fuel may not be detected.

Recommendation

The Authority should maintain accurate recordings of fuel receipt, issuance and running balances in the fuel register.

The Authority should review its inventory management policy.

Management response

Management has since started keeping a manual register with running balances which matches the excel register. Management is now making sure that each time fuel coupons are issued, the recipient is made to sign. The Administration Manager is now reviewing the register and signing off monthly.

3.3. Maintenance of properties**Finding**

There was no evidence to support that the Authority was not taking measures in the maintenance of its investment properties on a regular basis. As a result, most properties had broken air conditioners, falling ceilings, leaking roofs, cracked walls and vandalized pipes. For instance, a property in Manicaland's walls were damaged and the gutters on the main roof structures had major roof leaks.

Risk / Implication

Financial loss due to high maintenance costs.

Recommendation

The Authority should actively repair its properties.

Management response

The property mentioned has been in a dilapidated state and unoccupied for over a decade. However, we could improve the property by finding a quality tenant who can pay market rent. Maintenance is in line with our facilities maintenance strategy, and we have noted the observations and will attend to them.

4. SERVICE DELIVERY**4.1. Benefits processing****Finding**

The Authority did not fully engage stakeholders on the requirements for claim processing. However, the Authority accepted claims which were inadequately supported with some requiring

several investigations. As a result, there were instances where the processing of long term and short-term benefits taking an average of 30 - 141 days. This was contrary to NSSA Customer Service Charter, which requires the turnaround time for short term benefits of 10 days and 21 days for long-term benefits.

Risk / Implication

Reputational risk due to long waiting period.

Recommendation

The Authority should put in place strategies to shorten the claim processing period.

The Authority should carry out awareness campaigns to educate clients on claim requirements.

Management response

The Authority will strictly not receive claims without enough documents nor accept claims for those who have not yet reached the stipulated retirement age. The Authority will as well speed up investigation processes wherever they are required and work extra hours to clear backlogs of unprocessed files to ensure all cases are processed within the stipulated turnaround time on our service charter.

4.2. Active contributors on pension payroll

Finding

The Authority did not configure its benefits system to auto-terminate the contribution once a pensioner reach 60 years is re-employed. As a result, some pensioners aged between 60 and 65 who were still in employment were contributing to the Authority's scheme. This was contrary to S.I 393 of 1993 section 26(1) and (2) which requires that if a person continues in employment after 60 years, he/she may retire at 65 years.

Risk / Implication

Prejudice to the employee due to payment of contributions to the scheme.

Recommendation

The Authority should have a system that flags pensioners below 65 who get re-employed and resume contributions to the Authority.

Management response

The Authority will intensify awareness campaigns to inform employers and employees that retirement claim forms should not be completed and submitted by employees who are 60 years and still employed. All employees who are 60 years but below 65 years and still in employment should only claim when they reach 65 years. Such awareness campaigns will continue to be done through road shows, stakeholder engagements and through community radio shows.

5. PROCUREMENT OF GOODS AND SERVICES

5.1. Direct procurement

Finding

The Authority's controls over procurement were not adequate as the Authority purchased a Land Rover Defender amounting to USD75 000 during the year under review without going to tender. This was contrary to the Public Procurement and Disposal of Public Assets (General) (Amendment) Regulations, 2022 which requires that procuring entities should purchase goods and services worth more than USD10 000 through tendering processes.

Risk / Implication

Financial loss to the Authority due to uncompetitive prices.

Recommendation

The Authority should comply with procurement regulations.

Management response

Management acknowledges that tender processes were not followed, however, in future, due process will be followed and Management will adhere to the Public Procurement and Disposal of Public Assets (General) (Amendment) Regulations, 2022 which requires that procuring entities should purchase goods and services worth more than USD10 000 through tendering processes.

5.2. Contract management

Finding

The Authority's internal controls over procurement contract management were not adequate. For instance, contracts with suppliers of goods and services were not capturing contract periods and the delivery periods. As a result, there were contracts which were concluded in 2017 and 2022 for installation of lifts and construction works which were still running in 2023. This was contrary to section 78 (h) of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] which requires procurement contracts to explicitly specify time of delivery or completion of the procurement requirement and any conditions relating to its delivery or completion, among other requirements.

Risk / Implication

Irregular purchase and contract arrangements.

Recommendation

The Authority should comply with procurement regulations.

Management response

Observation noted. The contract for the installation of lifts were indeed signed in 2017 and were open ended for legitimate responses. In 2017, at the height of foreign currency shortages, the Authority could not access adequate foreign currency for the importation of component parts for the lifts. Foreign suppliers will only start manufacturing component parts after full payment. The contract implementation period was further delayed due to the complexity of installing lifts on old buildings that are over 50 years. Installing a total of 9 x lifts, one at a time can take a lifetime.

Because of reasons mentioned above, the Authority adopted an outcome-based contract where the contractor was paid based on milestones achieved rather than a fixed term contract that is why we opted for an open-ended contract. There are a lot of known unknowns when contractors implement a lift installation project hence the rationale of having an outcome-based contract which is open ended and payable based on completed project activities. The contractor is not paid unless certain deliverables are achieved and this forces them to expedite project completion times.

6. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority did not make significant progress in addressing audit findings raised in my 2021, 2022 and 2023 annual reports. I raised thirteen (13) findings in my 2023 annual report and I followed up on nine (9) findings outstanding in my 2021 and 2022 annual reports. Seven (7) findings were addressed while six (6) findings were partially addressed and nine (9) findings were not addressed as indicated below;

6.1. Declaration of assets by board members and senior staff

The finding was addressed. The declaration of assets forms for all the board members have been received and filed.

6.2. Withholding tax on board fees

The finding was addressed. All withholding tax returns and payments on board fees have since been submitted and remittances are now being done appropriately and on time.

6.3. Accounting for interests in other entities

The finding was not addressed. The subsidiaries, joint ventures and associates have not prepared financial statements for consolidation.

6.4. Procedures for loans and advances

The finding was addressed. Management has done a complete review of all the contracts. Woodlands (Private) Limited agreement was signed while an addendum for Middle White Pride was also signed.

6.5. Reconciliation of funds managed by external asset managers

The finding was addressed. Procedure manuals including asset managers were put in place. Reconciliations regarding fund usage by the asset managers were done for accounting purposes for year 2023.

6.6. Conflict of interest

The finding was partially addressed. The updated Procedure Manual section 32 addresses the stated challenges. Management has already started implementing the procedures. The draft copy has been forwarded to the General Manager for approval.

6.7. Chegutu land

The finding was not addressed. The land provider has increased its offer to replace the Chegutu land from USD1 million to USD2 million worth of land, and the Board has approved the restitution. Meanwhile, management is implementing the resolution and has requested land from either the Mount Hampden area or Victoria Falls.

6.8. Board of inquiries for motor vehicles

The finding was not addressed. The board of inquiries were not carried out during 2023.

6.9. Consultancy services

The finding was addressed. Management will follow the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] when appointing service providers in future.

6.10. Price variations

The finding was not addressed. Management will put in place measures to minimize such variances in future.

6.11. Procurement plan

The finding was not addressed. Management will ensure that the Procurement Plan shall be prepared and submitted to PRAZ as per the requirements of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] going forward, the submission date is by January 31, of each year.

6.12. Discharged members

The finding was not addressed. Management is yet to recover the outstanding amounts owed.

6.13. Remuneration framework

The finding was partially addressed. The Authority's remuneration is aligned to the Cabinet approved remuneration framework. However, it still awaits a response from the Ministry on the request for a waiver on contractual benefits that were outside the Corporate Governance Unit new remuneration framework.

6.14. Board fees payment

The finding was partially addressed. Management to request for Board approval to write off the amounts.

6.15. Policy on remote work

The finding was partially addressed. There is a Draft Work from Home Policy which will be presented to the Board for consideration. A special Board meeting to approve the enterprise-wide draft policies will be arranged at the appropriate time and is pending parent Ministry approval.

6.16. Unclassified deposits

The finding was not addressed. The Authority engaged its bankers for a solution.

6.17. Safeguarding of assets

The finding was not addressed. Fire detection systems have not been put in place.

6.18. Contract management

The finding was partially addressed. Lawyers are currently pursuing eviction as instructed based on those that breached the lease contract by subletting space to tenants that are failing to address the anomaly.

6.19. Procurement Officers

The finding was addressed. The officer who was seconded resumed his position in 2023.

6.20. Allowances and taxation

The finding was addressed. With regards to taxation and benefits paid outside payroll, these benefits are paid as advance and then recovered on the payroll and taxed. The holiday allowance mentioned was taxed as per the payroll records.

6.21. Automation of records

The finding was not addressed. The Authority has not automated its records as at December 31, 2023.

6.22. Properties, projects and human resources management manual and guidelines

The finding was partially addressed. The properties and projects procedures manual has been finalised and now awaiting the General Manager's approval. The Recruitment and Selection Policy and Acting Policy have already been approved by the Board, while the remaining policies are still under review.

Background Information

The Procurement Regulatory Authority of Zimbabwe was established in terms of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23]. The main function of the Authority is to regulate public procurement.

I have audited the financial statements of Procurement Regulatory Authority of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion with a report on going concern.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of Procurement Regulatory Authority of Zimbabwe (PRAZ) as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Authority's current liabilities exceeded its current assets by ZWL\$17.1 billion (2022: ZWL\$15.5 billion). This condition indicates that a material uncertainty exists that may cast significant doubt on the Authority's ability to continue as a going concern. My opinion is not modified in respect of this matter.

I followed up on audit finding that I raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority addressed the audit finding raised in my 2023 annual report. I raised one (1) finding which was addressed as indicated below:

1.1. Valuation of property, plant and equipment

The finding was addressed. The Authority engaged an independent valuer for the valuation of properties and assets were in line with the requirements of International Financial Reporting Standards (IFRS) 13- "Fair Value Measurement".

Background Information

Radiation Protection Authority of Zimbabwe was established in terms of the Radiation Protection Act [*Chapter 15:15*]. Its core business is the protection of the public and workers from dangers resulting from the use or abuse of equipment, devices or materials capable of producing ionizing radiation and to provide for matters connected or incidental to the foregoing.

I have audited the financial statements of Radiation Protection Authority of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Radiation Protection Authority of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Construction works

Finding

The Authority experienced funding challenges on its radiation waste management facility project. As a result, the Authority did not complete the construction works of the project and continued to incur rental expenses amounting to ZWL\$159.2 million during the period under review. The project was initially targeted to be complete by June 30, 2018.

Risk / Implication

Financial loss to the Authority due to continued rental expenses in the long term.

Recommendation

Management should devise more revenue generating strategies so that the project will be completed on time.

Management should follow up with parent Ministry and Treasury on the release of funding on time.

Management response

The project is primarily financed by Treasury and was greatly affected by inadequate and delayed releases of funding. The Authority continues to lobby for increased support as well as seeking alternative funding.

Background Information

The Zimbabwe National Statistics Agency was established in terms of the Census and Statistics Act [Chapter 10:29]. The mandate of the Agency is to collect, collate, process, analyse and disseminate statistical information for the Government and other stakeholders to make informed decisions.

I have audited the financial statements of Zimbabwe National Statistics Agency for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Zimbabwe National Statistics Agency as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Accounting Standard (IAS) 16 - “Property, Plant and Equipment” and International Accounting Standard IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”

The Agency did not review the useful lives and residual values of its property, plant and equipment as required by International Accounting Standard (IAS) 16 – “Property, Plant and Equipment”. Some of the assets were fully depreciated but were still in use. This was contrary to IAS 16 - “Property, Plant and Equipment” paragraph 51 that requires residual value and the useful life of an asset to be reviewed at least each financial year-end. Had the useful life and residual values been reviewed annually, the amount disclosed in the financial statements would be materially different from the amount disclosed. The prior year was also modified in respect of this matter. No adjustments have been done in respect of the current year financial statements of the Agency in line with the requirements of IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”.

ii. Non-compliance with International Accounting Standard (IAS) 36 - “Impairment of Assets” and International Accounting Standard IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”

The Agency did not carry out an annual impairment assessment of its assets in accordance with IAS 36 - “Impairment of Assets”. Some assets were classified as obsolete in the asset register and were recognized in the financial statements as property, plant and equipment without testing them for impairment contrary to IAS 36 – “Impairment of Assets” paragraph 9 that requires impairment assessment of assets to be carried out annually. The prior year was also modified in respect of this matter. No adjustments have been done in respect of the current year financial statements of the Agency in line with the requirements of IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Handover take over procedures

Finding

The Agency's employee termination processes were not adequate in that employees who resigned without proper clearance were not being followed up. For instance, the Agency did not recover a laptop that was allocated to an employee who resigned during the year and there were no clearance forms in the employee's file. This was contrary to section 42 (1)(a) and section 44 (c) of the Public Finance Management Act [*Chapter 22:19*] which requires safeguarding of public assets.

Risk / Implication

Misappropriation of assets.

Recommendation

Management should strengthen its termination processes.

Management response

We acknowledge the observation. However, this was caused by an abrupt resignation of an employee. Management is intending to recover from the employee's terminal benefits.

1.2. Authorisation of expenditure

Finding

Controls over processing of payments were inadequate during the period under review. For instance, the Agency processed payment for expenditure amounting to ZWL\$26.7 million without authorisation. This was contrary to the finance standard operating procedures manual section 3.4 which requires payment vouchers to be reviewed and authorised by a designated official before being processed for payment.

Risk / Implication

Irregular transactions may be processed.

Recommendation

Management should enforce compliance with laid down procedures on processing of payments.

Management response

Noted. Management will tighten supervision over payments to avoid recurrence of such internal control deficiencies.

2. PROCUREMENT OF GOODS AND SERVICES

2.1. Redundant assets

Finding

The Agency was not reviewing the assets useful life using the condition of the asset in order to ascertain assets that are due for disposal. This was contrary to section 90 the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] which requires the disposal of obsolete and unserviceable assets. As a result, the Agency had assets that were unserviceable, not tested for impairment and whose useful life did not comply with IAS 36 – “Impairment of Assets”.

In addition, there were computer tablets that were either malfunctioning or no longer usable. However, I was not availed with reconciliation report showing functional and non-functional tablets that may had been earmarked for impairment.

Risk / Implication

Financial loss due to high safe keeping costs.

Misstatement of financial statements.

Recommendation

The Agency should determine the asset status in order to facilitate review of useful life, assessment of impairment and disposal decisions.

Management response

The Agency has initiated disposal process. In future management will ensure disposals are done in a timely manner. Take note that the issue is now under Procurement Management Unit for disposal processes.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Agency did not make significant progress in addressing audit findings that I raised in my 2022 and 2023 annual reports. I raised seven (7) audit findings in the 2023 annual report and followed up on five (5) findings outstanding in my 2022 annual report. Two (2) findings were addressed, two (2) were partially addressed and eight (8) findings were not addressed as indicated below;

3.1. Alignment of accounting processes to reporting framework

The finding was not addressed. The Agency has not reviewed the assets useful lives.

3.2. Impairment of assets

The finding was not addressed. The Agency was in the process of carrying out impairment assessment of assets.

3.3. Board Charter

The finding was addressed. The Charter was duly approved by the line minister on July 22, 2024.

3.4. Staff receivables

The finding was addressed. The Agency recovered the advanced amount in full.

3.5. Delivery of motor vehicles and furniture

The finding was partially addressed. Two (2) motor vehicles were delivered in 2023. Furniture was not yet delivered.

3.6. Reconciliation of census tablets

The finding was partially addressed. A recounting of all the tablets has been initiated at Head Office where the whole consignment is housed.

3.7. Disposal of motor vehicles

The finding was not addressed. The cases are under police investigation.

3.8. Leave pay provision

The finding was not addressed. The leave days are still high.

3.9. Board skills balance

The finding was addressed. The Board now has members with the requisite skills that is Economics, Statistics, Human Resource, Finance, Auditing and Law effective March 2025.

3.10. Board composition

The finding was addressed. The gender balance on the Board was addressed as they are now four (4) female members and four (4) male members effective March 2025.

3.11. Segregation of duties

The finding was not addressed. The Agency awaits approval of the creation of the posts to allow segregation of duties.

3.12. Office leases

The finding was partially addressed. The lessor has since appointed integrated properties to manage the premises. Payments for current invoices were made, whilst discussions with previous lessor are ongoing.

Background Information

Zimbabwe National Water Authority was established in terms of the Zimbabwe National Water Authority Act [Chapter 20:25]. The Authority is responsible for the planning, development, operation and management of water resources within Zimbabwe.

I have audited the financial statements for Zimbabwe National Water Authority for the year ended December 31, 2023 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Zimbabwe National Water Authority as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. Completeness and accuracy of revenue and trade receivables

The Authority recognised revenue from clear and raw water sales amounting to ZWL\$ 545.9 billion (2022: ZWL\$ 142.6 billion) during the year ended December 31, 2023. There were missing invoices as well as duplicate invoice numbers in the Authority's sales invoice listing for clear and raw water. I could not perform alternative procedures to obtain reasonable assurance that all clear and raw water sales and corresponding trade receivables were properly recorded. I was therefore, unable to satisfy myself on the completeness and accuracy of clear and raw water sales. As a result, I could not determine the extent of adjustments necessary to revenue and trade receivables in the financial statements.

ii. Non-compliance with International Financial Reporting Standard (IFRS) 16 – “Leases” and International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”

Opening balances

An adverse opinion was issued on the financial statements for the year ended December 31, 2022. The adverse opinion was issued with respect to the unreconciled variances on trade payables, inventory, cash and cash equivalents and non-compliance with International Financial Reporting Standard (IFRS) 16– “Leases”. Management had not corrected the opening balances for trade receivables, trade payables, inventory, cash and cash equivalents, right of use assets and lease liabilities to resolve the matters which resulted in the adverse audit opinion in the prior period in accordance with the requirements of the International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”. Had the Authority corrected these misstatements, the current year financial statements and the comparative amounts could have been materially different.

Below are other material issues noted during the audit;

1. REVENUE COLLECTION AND DEBT RECOVERY

1.1. Sales invoices

Finding

The Authority's accounting system had inadequate invoicing validation controls. As a result, the system was creating duplicate invoices which were not in sequential order. For instance, 1 221 invoicing gaps were identified.

Risk / Implication

Misstatement of financial statements.

Irregular billing may compromise the integrity of data.

Recommendation

Appropriate invoice validation controls should be designed and implemented.

The Authority should investigate and address the system challenges on invoicing.

Management response

Observation noted. These are system errors which management will engage a consultant to identify the system challenges for corrective action.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority has made progress in addressing audit findings I raised in my 2020, 2021 and 2023 annual reports. I raised nine (9) audit findings in my 2023 annual report and followed up on three (3) audit findings outstanding in my 2020 and 2021 audit reports. Six (6) audit findings were addressed, four (4) findings were partially addressed and two (2) audit findings were not addressed as indicated below;

2.1. Completeness and accuracy of revenue and trade receivables

The finding was addressed. Debtor's confirmations and reconciliations are now being done at each service centre.

2.2. Completeness of trade payables

The finding was addressed. Monthly reconciliations for the major payables are now being done.

2.3. Existence and valuation of inventory

The finding was addressed. Corrections were done and the balance was investigated.

2.4. Cash and cash equivalents

The finding was addressed. Reconciliations are now being carried out.

2.5. Lease management

The finding was addressed. The contract was signed and now in place.

2.6. Raw water usage

The finding was not addressed. All farmers are targeted to be metered by 2026.

2.7. Shortages of operational vehicles

The finding was not addressed. The Authority has concluded a contract for the procurement of thirty-three (33) operational vehicles.

2.8. Cracks on segmentation water tanks

The finding was partially addressed. The Authority has concluded a contract for the supply of materials for sealing of cracks at forty-seven (47) water supply stations and seven (7) stations have already been attended to.

2.9. Chemical feeders for water supply stations

The finding was partially addressed. The Authority has concluded a contract for the supply of 343 chemical feeders, 45 have been delivered, and 23 have already been installed.

2.10. Provision of services

The finding was partially addressed. The Authority procured and deployed fifty-six (56) generators across key water supply stations to mitigate the impact of power outages. The Authority is also embarking on ongoing investments in backup power and pump infrastructure will significantly improve service delivery and minimize prolonged water supply disruptions.

2.11. Customer billings

The finding was partially addressed. The Authority was still identifying and reviewing inactivate consumer accounts, particularly those associated with water supply stations that have been transferred to Local Authorities for separation from the main database. In addition, the Authority was migrating from post-paid to prepaid metering to improve billing efficiency and revenue collection.

2.12. Configuration of the billing system

The finding was addressed. The ERP, BIQ system has been configured to automatically add a character to a malfunctioned meter number when it is reintroduced into the system.

Background Information

Zimbabwe Parks and Wildlife Management Authority was incorporated in terms of the Parks and Wildlife Act [*Chapter 20.14*]. The functions of the Authority are to control, manage and maintain national parks, botanical reserves and gardens, sanctuaries, safari areas and recreational parks.

I have audited the financial statements of the Zimbabwe Parks and Wildlife Management Authority for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Parks Wildlife Management Authority as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Authority incurred an operating loss of ZWL\$17.3 billion (2022: ZWL\$21.4 billion). In addition, the Authority had a net current liability position of ZWL\$42.87 billion (2022: ZWL\$17.84 billion) as at December 31, 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Authority's ability to continue operating as a going concern. My opinion was not modified in respect of these matters.

1. GOVERNANCE ISSUES

1.1. Sustainability of service

Finding

The Authority was not generating enough cash flows during the year under review. It had a net current liability of ZWL\$ 42.87 billion and also recorded a loss of ZWL\$17.3 billion for the year ended December 31, 2023. As a result, the Authority had statutory obligations amounting to ZWL\$1.5 billion with no evidence of subsequent payment after year end.

Risk / Implication

Service delivery may be compromised.

Financial loss due to penalties and interest that may be levied.

Recommendation

The Authority should consider other turnaround strategies to improve its operational performance.

Management response

Audit observation is noted. The Authority inherited a lot of costs from the Covid era where revenues were depleted. The same situation prevailed in 2023 with possible recovery from 2025. However, the Authority has payment arrangements to clear statutory obligations.

1.2. Petty cash management

Finding

The Authority 's internal controls over processing of payments was inadequate during the period. For instance, officers were altering payment records and these alterations were not approved. This was contrary to section 5.5.3 of the Authority's policy and procedure's manual which requires alterations to be signed for by the supervisor. In addition, petty cash payments exceeding USD1 000 were processed contrary to the manual which requires processing of petty cash transactions not exceeding USD1 000. The table below refers;

Date	Detail	Amount USD
17/05/2023	School fees for 3rd term	8 800
9/5/2023	Annual DSTV subscriptions	4 620
3/4/2023	Tuition fees refund	1 200
21/3/2023	Apple iPhone ProMax 14	2 200
16/3/2023	Copper tips and wooden base	2 400
8/3/2023	Party gratuity	10 000
6/1/2023	Advance gratuity	10 000
3/11/2023	Contributions to the sites	1 354
17/10/2023	Staff loans	10 000
27/6/2023	Lion and leopard rug mount	4 550

Risk / Implication

Irregular transactions may not be detected on time.

Financial loss as cash is susceptible to theft and fraud.

Recommendation

The Authority should comply with the its policies and procedures manual.

The Authority should strengthen internal controls over petty cash management.

Management response

Audit observation is noted. Cash account reconciliations are performed by an independent person as a compensatory measure. The supervisors have investigated and signed for the cancellations. The policy has been amended to realistic limits. However, before payments all the necessary approvals are done.

1.3. Payment of gratuity

Finding

The Authority processed payments of gratuity to a former executive director amounting to USD183 995 and ZWL\$284.9 million without prior approval or ratification from the line Minister and the Minister responsible for finance. This payment was also not ratified by the shareholders or stakeholders at the annual meeting of the public entity concerned. This was contrary to section 21 (1) of the Public Entities and Corporate Governance Act [*Chapter 10:31*] which requires payment of gratuity or other terminal benefit to a former executive member or senior staff member in respect of his or her service to the entity after obtaining approval from the line Minister or the Minister responsible for finance, and approved or ratified by shareholders or stakeholders at the annual meeting of the public entity concerned.

Risk / Implication

Irregular payments may be processed.

Recommendation

The Authority should align its gratuity payments processes with Public Entities and Corporate Governance Act.

Management response

The observation is noted. Payment of the gratuity was processed through payroll at the conclusion of the contract. Calculations were done as per contract. Management will comply with the Public Entities and Corporate Governance Act going forward.

1.4. Fiscalisation of retail outlets

Finding

The Authority had not fiscalised all its retail outlets for operations in compliance with Value Added Tax (VAT) laws and regulations. In addition, some of the automated revenue collection machines were not functional, and receipts were manually processed outside the system.

Risk / Implication

Financial loss due to penalties from tax authority.

Recommendation

The Authority's should fiscalise all its retail outlets.

Management response

Audit observation noted. The Authority is still in the fiscalisation process which is almost complete. The shop at Hwange was fiscalised in 2024. The revenue collection systems make use of WIFI which is sometimes down due to the location of those areas.

2. MANAGEMENT OF ASSETS

2.1. Asset register

Finding

The Authority was not utilising its asset module in the system. In addition, some assets acquired during the year under review were not updated in the master asset register and the register did not capture serial numbers for twenty (20) laptops acquired during the year.

Risk / Implication

Material errors may go undetected.

Misappropriation of assets.

Recommendation

The Authority should utilise the asset register module in the system.

The Authority must record serial numbers of assets in the asset register.

Management response

Audit observation is noted. The Authority is in the process of automating all its functions. The master asset register has been updated with all additions and serial numbers have been captured.

3. PROCUREMENT OF GOODS AND SERVICES

3.1. Annual procurement plan

Finding

I was not availed with an approved annual procurement plan for the year ended December 31, 2023. Management indicated that they could not locate it. I was not able to confirm whether the Authority complied with section 22 of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] which requires procuring entities to produce annual procurement plan.

Risk / Implication

Procurement may not be done according to the approved plan.

Recommendation

The Authority should avail a copy of the approved annual procurement plan.

The Authority should strengthen its record keeping processes.

Management response

The annual procurement plan for the Authority for 2023 was done and submitted to PRAZ. Management is engaging PRAZ for a copy. The then procurement head was dismissed from the Authority hence we could not locate the plan.

3.2. Evaluation committee appointment

Finding

There was no evidence to support that the evaluation committees were appointed for the procurement above the threshold during the period under review. This was contrary to the Third Schedule section 18 (1) of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23]. In addition, there was no evidence to support that these procurement evaluation members were trained.

Risk / Implication

Financial loss due to penalties for non-compliance with the Act.

Recommendation

The Authority should train and get Procurement Regulatory Authority of Zimbabwe approval for appointed members of the evaluation committee for procurements above threshold.

Management response

We take note of the observation. However, whenever these committees sit, a trained procurement officer will be part of the committee to guide the procurement process. Management will organize training for the rest of the members by the end of third quarter 2024.

4. EMPLOYMENT ISSUES

4.1. Segregation of duties

Finding

The Authority's accounting policy and procedures manual did not have adequate procedures and controls over payroll processing. As a result, there was no segregation of duties as the payroll was being processed and authorised within the Human resources function only. In addition, there was no evidence that payroll calculations were being reviewed and authenticated periodically by a senior officer outside of the Human Resources function.

Risk / Implication

Fraud and errors may go undetected.

Recommendation

The Authority should put in place policies and procedures to enhance internal controls over payroll.

Management response

Management has noted the observation. Controls will be stepped up on the payroll processing.

5. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

The Authority made progress in addressing audit findings and recommendations raised in my 2020, 2022 and 2023 annual audit reports. I raised five (5) audit findings in my 2023 annual report and followed up on three (3) findings outstanding for 2020 and 2022 annual reports. Four (4) findings were addressed, one (1) was partially addressed and three (3) were not addressed as indicated below;

5.1. Submission of internal audit report

The finding was addressed. Audit reports were submitted.

5.2. Management of contracts

The finding was addressed. The engine was delivered.

5.3. Board of inquiries

The finding was addressed. The policy is now in place.

5.4. Management of joint arrangements

The finding was not addressed. The Authority has not yet updated its policies to include joint venture arrangements.

5.5. Lease arrangements and conservation support

The finding was not addressed. The Accounting Policy and Procedures Manual still has no guidance on accounting for assets from lease contracts.

5.6. Asset maintenance plan

The finding was partially addressed. The Authority has started major refurbishment processes of lodges.

5.7. Revenue system

The finding was not addressed. The revenue system is not yet integrated with the accounting system (Sun system).

5.8. Lease receivables

The finding was addressed. The Accounting procedures manual has now guidance on lease receivables.

Background Information

The Zimbabwe Tourism Authority was established in terms of the Tourism Act [*Chapter 14:20*] with a mandate of developing, managing, promoting and marketing Zimbabwe as a tourist destination in both the local and international markets.

I have audited the financial statements of Zimbabwe Tourism Authority for the year ended December 31, 2022 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Tourism Authority as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit

1. GOVERNANCE ISSUES

1.1 Audit Committee composition

Finding

The Authority's audit committee had no members with an accounting and financial background. This was contrary to the Public Entities Corporate Governance [*Chapter 10:31*] which requires Audit Committees to have at least one (1) member to have a financial and accounting background to enable effective discharge of the committee's mandate.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Authority should follow up with the appointing authority for the appointment of a member with financial expertise.

Management response

The audit observation is noted, and the Board will be advised to comply with the Public Entities Corporate Governance Act [*Chapter 10:31*].

1.2 Declaration of assets and interest

Finding

The Authority's board members did not declare assets within three (3) months of appointment. This was contrary to section 37 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires Board members to declare their assets and interests.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Board members should declare interests and their assets as required by the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The audit observation is noted. In future all board members will be requested to declare their assets and interests within the stipulated period of three (3) months of their appointment/re-appointment.

1.3 Internal audit function performance

Finding

There was no evidence to support that the performance of the internal audit function in the year 2022 was assessed by the Audit Committee. This was contrary to the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the performance of the internal audit function to be assessed annually by the Audit Committee.

Risk / Implication

Internal control weaknesses may not be detected on time.

Recommendation

The performance of the internal audit function should be annually reviewed by the Audit Committee.

Management response

The audit observation is noted. Committee will be reminded of the requirements of the terms of reference and will be advised to conduct a performance appraisal of the internal audit.

1.4 Annual General Meeting

Finding

The Authority did not conduct Annual General Meetings on time. This was contrary to the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Board of every public entity to convene an annual general meeting at least once a year.

Risk / Implication

Strategic decisions by the shareholder and stakeholders may not be made

Recommendation

The Authority should conduct annual general meetings as required by the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The first Annual General Meeting of the Authority was scheduled for March 2024. However, it was put on hold pending the finalization of the forensic audit.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Authority made some progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised three (3) audit findings in my 2023 report and followed up on one (1) audit finding that was outstanding from the 2021 annual report. Two (2) findings were addressed and two (2) findings were not addressed as indicated below;

2.1 Board remuneration

The finding was not addressed. The approval was not obtained.

2.2 Board charter and code of ethics

The finding was not addressed. The Board charter and the Code of Ethics are not yet in place.

2.3 Grocery allowances for employees

The finding was addressed. The employee fringe benefits are now processed through the payroll.

2.4 Internal audit staff complement

The finding was addressed. The internal audit department is now resourced.

PUBLIC ENTITIES UNDER THE CATEGORY OF BOARDS

Background Information

The Lotteries and Gaming Board was established in terms of the Lotteries and Gaming Act [Chapter 10:26]. The mandate of the Board includes regulating and controlling the development and operation of all lotteries and gaming activities, granting, renewing, transferring and terminating gaming licenses.

I have audited the financial statements of Lotteries and Gaming Board for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respect, the financial position of the Lotteries and Gaming Board at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment”.

The Board did not revalue its property, plant and equipment contrary to the requirements of International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” paragraph 31 which requires that revaluation should be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. I could not determine the extent of adjustment necessary to the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Fines and penalties

Finding

The Board was not levying interest and penalties on operators who submitted remittance forms after fourteen days after the end of each month. This was contrary to section 4 (2) of Lotteries and Gaming (Levies) Notice, 2008 which requires interest on the amount due to be charged at the prevailing base bank lending rate.

Risk / Implication

Potential revenue loss due to uncollected penalties and late payments.

Recommendation

Management should enhance internal controls to facilitate timely follow-up on late payments and establish a system for regularly reviewing compliance with remittance requirements.

Management response

The Board procured Pastel Sage 200 Evolution accounting software to enhance its accounting system in keeping with the adoption of the IPSAS financial reporting framework as adopted by the Government of Zimbabwe for full implementation by the financial year 2025. The system will be programmed to automatically charge a penalty fee on all accounts in default. Monthly statements will be produced by the system and sent to the respective operators as a reminder of what they owe the organisation.

1.2. Internal Audit Function

Finding

The Board did not have an internal audit function in place. This was contrary to Public Entities Corporate Governance Act [*Chapter 10:31*] section 223 which requires that the board through the audit committee to be assisted by a competent internal audit unit.

Risk / Implication

Oversight role may be compromised.

Errors and omissions may not be detected on time.

Recommendation

Internal audit function should be considered for the Board.

Management response

The Board expenditures are scrutinized and authorized by board committees and the full Board. Signatures for authorisation of Board expenditures resides with board members, whilst the Secretariat provide the technical and administrative input to validation of expenditures by the Board. The Board has authorised the recruitment of internal audit personnel to strengthen its oversight role through validation of the Board financial transactions as well as improve Board internal control environment.

1.3. Revaluation of assets

Finding

The Board did not revalue its property, plant and equipment contrary to the requirements of International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” paragraph 31 which requires that revaluation should be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Board should facilitate the processes that enable property, plant and equipment to be disclosed at fair value.

Management response

The value for assets were benchmarked on the valuation of assets conducted by Old Mutual in April 2023. Management will continue to assess the value of its assets.

1.4. Resource allocation**Finding**

The Board's significant portion of the resources were allocated towards business development expenses rather than socio-economic activities mandated by section 53(2) of the Lotteries and Gaming Act [Chapter 10:26]. The Act specifies that funds should primarily support private voluntary organizations, sports and recreation, arts and culture, social services, education, health, environmental preservation, and national monuments. However, current allocations reveal a misalignment with these statutory requirements.

Risk / Implication

Service delivery may be compromised.

Recommendation

The Board should align its budgetary processes to improve service delivery.

Management response

The Board focused on building resources and its capacity post COVID 19 period in-order to mobilize resources towards socio-economic support, Year 2023 (18.33% of total revenue) and Year 2022 (6.72% of total revenue). As the Lotteries and Gaming Board completes building its institutional capacity more resources will be channelled towards socio- economic support as recommended by the external auditors.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Board made progress in addressing audit findings raised in my 2022 annual report. I followed up on two (2) findings outstanding in my 2022 annual report. One (1) finding was addressed while the other was partially addressed as indicated below;

2.1. Board meetings

The finding was partially addressed. Board meetings are being held. Appointment of additional Board members is still in progress and being addressed by the appointing Authority.

2.2. Enterprise Risk Management Framework

The finding was addressed. The risk management policy is now in place.

Background Information

Zimbabwe Boxing and Wrestling Control Board was established through the Zimbabwe Boxing and Wrestling Control Act [Chapter 25:02]. The mandate of the Zimbabwe National Boxing and Wrestling Control Board are to facilitate the advancement of boxing and wrestling in Zimbabwe through regulation and promoting of the sport.

I have audited the financial statements of the Zimbabwe National Boxing and Wrestling Control Board for the year ended December 31, 2022 and I issued a Disclaimer of Opinion.

Disclaimer of Opinion

I do not express an opinion on the financial statements of the Zimbabwe National Boxing and Wrestling Control Board for the year ended December 31, 2022. Because of the significance of the matters described in the basis for disclaimer of opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

i. Unavailability of adequate and proper supporting evidence

I was not availed with supporting documentation for revenue amounting to ZWL\$ 46.7 million, Administration expenditure amounting to ZWL\$ 58.9 million, Employee costs amounting to ZWL\$ 13. 8million, additions to property and equipment amounting to ZWL\$ 35.93 million and cash balance amounting to ZWL\$0.69 million. As a result, I could not confirm the accuracy and completeness of amounts disclosed in the financial statements.

ii. Non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates and International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies.

The Board translated foreign denominated transactions and balances using the closing interbank rate as at December 31, 2022. The translation of foreign currency denominated transactions and balances had not met the requirements for translation of non-monetary items that are measured in terms of historical cost in a foreign currency in line with the requirements of IAS 21- “The Effects of Changes in Foreign Currency Exchange Rates” which requires that non-monetary items that are measured in terms of historical cost in a foreign currency to be translated using the exchange rate at the date of the transaction.

International Accounting Standard (IAS) 29- “Financial Reporting in Hyperinflation Economies” had been applied on current financial information which was not in compliance with IAS 21- “The Effects of Changes in Foreign Currency Exchange Rates”. Had the correct base numbers been used, most elements of the financial statements would have been materially different. The effects of the above departure from International Financial Reporting Standards (IFRSs) and lack of sufficient appropriate evidence was considered material and pervasive to the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Board composition

Finding

The Board did not have a member with finance expertise. This is contrary to section 79 of the first schedule of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires that, the board should be composed of persons with skills such as accounting or financial expertise, legal skills, business and managerial experience, industry knowledge and strategic planning experience.

Risk / Implication

Oversight role maybe compromised.

Recommendation

The Board should follow up with the appointing authority for the appointment of a member with financial expertise.

Management response

The Board has been trying to incorporate a member with financial expertise and the process is ongoing as instituted.

1.2 Foreign currency transactions

Finding

The Board translated foreign denominated transactions and balances using the closing interbank rate as at December 31, 2022. The translation of foreign currency denominated transactions had not met the requirements for translation of non-monetary items that are measured in terms of historical cost in a foreign currency as IAS 21- “The Effects of Changes in Foreign Currency Exchange Rates” requires that non-monetary items that are measured in terms of historical cost in a foreign currency to be translated using the exchange rate at the date of the transaction.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Board should comply with the requirements IAS 21- “The Effects of Changes in Foreign Currency Exchange Rates” on translation of foreign denominated transactions.

Management response

The observation has been acknowledged and the Board will comply with the requirements going forward.

1.3 Supporting documentation

Finding

I was not availed with supporting documentation for revenue amounting to ZWL\$ 46.7 million, Administration expenditure amounting to ZWL\$ 58.9 million, Employee costs amounting to ZWL\$ 13. 8million, additions to property and equipment amounting to ZWL\$ 35.93 million and cash balance amounting to ZWL\$0.69 million. As a result, I could not confirm the accuracy and completeness of amounts disclosed in the financial statements.

Risk / Implication

Misstatement of financial statements.

Fraudulent transactions might not be detected.

Recommendation

Management should come up with staff retention initiatives to reduce high staff turnover.

Controls over record management should be enhanced.

Management response

Due to a high staff turnover, there were no proper handover takeover procedures done in the departments resulting in missing documents. One of the dismissals was due to incompetence and this resulted in poor bookkeeping and filing. The Board will continue looking for the missing documents in retrospect but henceforth efforts have been made to ensure smooth transitions and handover and takeover processes efficiently.

1.4 Segregation of duties

Finding

The Board's finance department was not adequately staffed for instance, the department was only staffed by the finance manager carrying out the responsibility of receipting, payments, procurement and recording of transactions. These functions ordinarily would be performed by different officers.

Risk / Implication

Irregular transactions may go undetected.

Recommendation

Management should follow up with the Board of directors and treasury for approval of the organogram.

Key vacant posts in the finance department should be filled to enable segregation of duties.

Management response

The Board has a draft of a new organizational structure awaiting the Board and Treasury concurrence which will address the deficiencies.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Board did not make significant progress in addressing audit findings raised in my 2023 annual report. I raised four (4) audit findings and two (2) findings were addressed while the other two (2) findings were not addressed as indicated below:

2.1. Bank reconciliations

The finding was not addressed. Bank reconciliations were not prepared on regular basis.

2.2. Procedure manuals

The finding was not addressed. The procedure manuals are at draft stages.

2.3. Alignment with the accounting framework

The finding was addressed. The Board adopted the accrual basis of accounting to enable migration to IPSAS compliant reporting.

2.4. Procurement controls

The finding was addressed. The Board has since employed a procurement officer to address the anomalies and a procurement evaluation committee has been put in place. Internal systems have been put in place where all payments are being approved by management before processing.

PUBLIC ENTITIES UNDER THE CATEGORY OF COMMISSIONS

Background Information

The Forestry Commission was established in terms of the Forest Act [*Chapter 19:05*] and Communal Land Forest Produce Act [*Chapter 19:04*]. The functions of the Commission are administration, control and management of State forests, to provide for the setting aside of State forests and for the protection of private forests, trees and forest produce.

I have audited the financial statements of Forestry Commission for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Forestry Commission as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Declaration of assets

Finding

There was no documented evidence to support that three (3) board members appointed in 2023 declared their assets. This was contrary to section 37 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires appointed members to declare assets within three months from the date of appointment.

Risk / Implication

The oversight role, transparency and accountability may be compromised.

Recommendation

All Board members should comply with the requirements of section 37 of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Observation is noted. We will ensure all board members declare their assets upon their appointment or reappointment within the specified time.

1.2 Submission of internal audit reports

Finding

The Commission did not submit the internal audit reports to the Office of the Auditor General for the year ended December 31, 2023. This was contrary to section 80(5) of the Public Finance

Management Act [*Chapter 22:19*] which requires submission of copies of internal audit reports to the Auditor General.

Risk / Implication

Accountability will be compromised.

Recommendation

The Commission should comply with section 80(5) of the Public Finance Management Act [*Chapter 22:19*].

Management response

Observation is noted with appreciation. We will ensure internal audit reports are submitted to Auditor General with immediate effect.

1.3 Board meetings attendance

Finding

Review of the Board and Committee meeting attendance register revealed that one of the Board members attended twenty-five percent (25%) of the scheduled Board and Committee meetings during the year under review. This was contrary to the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*] paragraph 143 of the First Schedule which requires Board members to attend a minimum of seventy-five percent (75%) of all meetings during the year.

Risk / Implication

Board oversight role may be compromised.

Recommendation

Board members should be encouraged to attend meetings as scheduled. Exploring alternatives such as virtual attendance options for members facing scheduling conflicts may also assist.

Management response

The Ministry representative on the Board is the one who skipped three (3) Board meetings i.e. the 588th, 589th and the 590th. His apology was that he was overwhelmed with Ministry's duties as he was an acting Director for another department within the Ministry concurrently with his substantive duties.

1.4 Fiscalisation

Finding

The Commission had not yet implemented fiscalisation of its operations for the period ended December 31, 2023. This was contrary to Statutory Instrument 104 of 2010 as read together with Statutory Instrument 148 and 153 of 2016 which requires all Value Added Tax (VAT) registered

operators to be fiscalised.

Risk / Implication

Financial loss due to penalties that may be levied.

Recommendation

The Commission should fiscalise as required by the regulations.

Management response

Observation is noted, during the period under review the Commission had already initiated migration process from old ERP to new ERP therefore due to the costs involved to fiscalise, Management saw it prudent not to duplicate the exercise and comply with the fiscalisation requirement when the Commission rolls out the new ERP. A supplier has been engaged to do the ZIMRA FDMS integration exercise.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1 Revenue collection

Finding

The Commission's controls over the hunting bookings were inadequate during the period under review. For instance, a client completed the hunting process on October 24, 2023 but did not pay trophy fees amounting to USD18 330. This was contrary to the Commission's hunting bookings policy which requires clients to make full payments for hunting and observer fees before the hunting activities are carried out.

Risk / Implication

Loss of revenue.

Recommendation

Management should make efforts to recover the amount.

Management should strengthen its internal processes and adhere to its hunting policy.

Management response

Observation is noted. It's a case which we are currently pursuing.

3. MANAGEMENT OF ASSETS

3.1 Safeguarding of assets

Finding

The Commission was facing cashflows challenges during the period under review. As a result, fire suppression systems for the Commission's properties were not working due to lack of servicing. The fire suppression systems had last been serviced in September 2015.

Risk / Implication

Loss of property and lives in the event of fire.

Recommendation

The Commission should consider servicing its fire suppression systems.

The Commission should come up with strategies to generate cashflows.

Management response

Observation is noted. The Commission will ensure that its fire extinguishers are regularly serviced. The limitation has been funding constraints the Commission is currently facing.

4. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

The Commission made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised thirteen (13) findings in my 2023 annual report and followed up on two (2) findings outstanding in my 2022 annual report. Five (5) findings were addressed and ten (10) findings were not addressed as indicated below;

4.1 Withholding tax

The finding was addressed. The correct rate of 20% is now being applied.

4.2 Alignment of accounting processes

The finding was addressed. The Commission is now accounting for land and buildings separately. Library books were revalued and capitalized.

4.3 Sustainability of service

The finding was not addressed. The Commission's aged vehicles were not yet replaced, buildings were not maintained and statutory obligations were not yet settled.

4.4 Foreign trips

The finding was addressed. All cabinet authorities for foreign trips were now being properly filed.

4.5 Statutory obligations

The finding was not addressed. Statutory obligations were still not being paid on time.

4.6 Bank reconciliations

The finding was not addressed. Bank reconciliations were still not being prepared on time.

4.7 Contract management

The finding was not addressed. All the tenants still did not have valid lease agreements for the period under review.

4.8 Segregation of duties

The finding was not addressed. The Accounts clerk was not yet recruited.

4.9 Revenue management

The finding was not addressed. The Commission still did not have an ERP during the year under review.

4.10 Procurement committee meetings

The finding was addressed. Procurement committee meetings were now conducted.

4.11 Salary advance

The finding was not addressed. The Commission does not have salary advance policy in place.

4.12 Loan benefit

The finding was not addressed. The Commission has not yet taxed the loan benefit.

4.13 Engagement of contract employees

The finding was addressed. Staff requisitions are now being raised for all employees who are confirmed permanent to accompany the recommendations. Internal adverts are now also being flighted.

4.14 Medical aid scheme

The finding was not addressed. There was no evidence to support that the Commission's payment for medical expenses on behalf of its staff members had been approved by the Board.

4.15 Submission of financial statements

The finding was not addressed. The Commission has not yet submitted the 2024 financial statements to meet the statutory deadline.

Background Information

The Health Service Commission was established in terms of the Health Services Act [*Chapter 15:16*]. Its core function is to manage and provide the appropriate working environment, and conditions of service for medical staff working in Public Health Institutions.

I have audited the financial statements for Health Service Commission for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Health Service Commission, as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board of Commissioners

Finding

The Commission operated without a Board of Commissioners during the year under review. This was contrary to Section 5 of the Health Service Act [*Chapter 15:16*] which requires the Commission to appoint members of the Commission. As a result, key vacant posts, for instance the posts of Secretary and five (5) General Managers were not filled. In addition, Section 10 of the Health Service Act [*Chapter 15:16*] requires the Commission to appoint a Secretary and such other staff as may be necessary for the proper exercise of its function.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Commission should continuously follow up with the Appointing authority to fill the vacant posts.

Management response

The appointing Authority had not made the appointments.

1.2. Procedure manuals

Finding

The Commission did not have a Board of Commissioners. As a result, it was operating without an approved accounting procedures manual. This was contrary to Section 44 of the Public Finance Management Act [*Chapter 22:19*] which requires accounting authority to establish and maintain effective, efficient and transparent systems of financial and risk management and internal controls.

Risk / Implication

Inconsistencies in applying procedures.

Recommendation

The Commission should update its procedures manual.

Management response

The Finance and Administration procedure manual was updated in 2023 and the Commission will approve after their appointment on January 4, 2024.

1.3. Whistle-blower facility

Finding

The Commission had no whistle-blower policy in place. This was contrary to Section 259 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Commission to take measures to manage whistleblowing. As a result, grievances that would have not received redress using normal channels may remain unaddressed.

Risk / Implication

Fraud and corruption may not be identified on time.

Service delivery may be compromised.

Recommendation

Whistle blower policy should be drafted and approved by the Commission.

Management response

Noted. Whistle blower policy is not available. Efforts will be put to establish it in 2024.

1.4. Code of Ethics

Finding

I was not availed with the Commission's code of ethics contrary to Section 26(2)(b) of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Chief Executive officer of every public entity to prepare a code of ethics for the entity.

Risk / Implication

Lack of recourse in the event of unethical conduct by staff.

Recommendation

The Commission should put in place a code of ethics.

Management response

The Commission is in the process of crafting the Code of Ethics.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission addressed the audit finding raised in my 2023 annual audit report as indicated below;

2.1. Fuel reconciliation

The finding was addressed. Fuel reconciliation are now being done on time and stock cards are updated on every issue.

Background Information

The Commission was established in terms of the National Competitiveness Commission Act [Chapter 14:36]. Its core function is to enable a competitive environment for Zimbabwean businesses through the development, coordination, and implementation of key policy improvements.

I have audited the financial statements for National Competitiveness Commission for the year ended December 31, 2023 and I issued an unmodified / clean opinion with a report on going concern.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Competitiveness Commission as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Commission incurred deficit of ZWL\$ 2 billion (2022: ZWL\$ 272 million) and had a net liability of ZWL \$382.5 million as at December 31, 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt into Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Lease agreement

Finding

The Commission's internal control over management of leases were not adequate in that there was no valid lease agreement between the Commission and the landlord on the use of property for offices. The lease expired on December 31, 2022.

Risk / Implication

No legal recourse in the event of disputes.

Recommendation

Lease agreements should be renewed as soon as they expire.

Management response

The Commission requested for additional offices from the landlord in 2023. However, some offices were still being used by other tenants. Therefore, lease agreement was supposed be finalized between the landlord and National Competitiveness Commission after final allocation of additional offices.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission made progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised two (2) findings in my 2023 annual report and followed up on one (1) finding outstanding in my 2021 annual report. One (1) finding was addressed and two (2) findings were partially addressed as indicated below;

2.1 Board composition

The finding was partially addressed. Four (4) Board members were appointed effective June 1, 2024 but however they still await to be gazetted. Management was following up with the parent Ministry on the appointment of the remaining Board members.

2.2 Procurement process

The finding was addressed. Procurement procedures are now being followed.

2.3 Policy documents

The finding was partially addressed. Three (3) out of four (4) policy documents were approved.

Background Information

The Zimbabwe Anti-Corruption Commission was incorporated in terms of the Anti-Corruption Commission Act [*Chapter 9:22*]. The mandate of the Commission is to combat corruption, economic crimes, abuse of power and improprieties in Zimbabwe through public education, prevention and prosecution after thorough investigation.

I have audited the financial statements of Zimbabwe Anti-Corruption Commission for the year ended December 31, 2021 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Zimbabwe Anti-Corruption Commission as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”

Opening balances

The prior year financial statements did not comply with the requirements of International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”, as the Commission had been unable to use an appropriate exchange rate on change of functional currency. The Commission translated its comparative financial statements using the interbank rate which came into existence on February 22, 2019 through Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Commission used January 1, 2019 as the date of change in functional currency and translated its foreign denominated balances to Zimbabwe dollar at a rate of 1:1 per Statutory Instrument (SI) 33 of 2019 which prescribed that all assets and liabilities that were denominated in United States dollar before February 22, 2019 be deemed to be RTGS dollars at a rate of 1:1 and all transactions subsequent to February 22, 2019 at interbank rate. The Commission’s inability to assess the appropriateness of using the interbank rate in achieving fair presentation was primarily due to the need to comply with SI 33 of 2019 and the fact that there were no official exchange rates between October 2018 and February 2019 due to lack of an observable foreign exchange market. In that regard the Commission’s opening balances misstatements had an impact on the current year financial statements.

I followed up on audit findings raised in my 2022 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission made progress in addressing the audit findings raised in my 2022 annual report. I raised three (3) audit findings, two (2) were addressed while one (1) was partially addressed as indicated below;

1.1 Fuel register

The finding was addressed. The fuel register is now in place.

1.2 Motor vehicles

The finding was partially addressed. The remaining five (5) vehicles were not delivered and the issue is under litigation.

1.3 Expenditure

The finding was addressed. The payment vouchers are now being properly filed.

Background Information

Zimbabwe Media Commission was established in terms of the Zimbabwe Media Commission Act [Chapter 10: 34]. The Commission's function is the development and promotion of media ethics, the registration and regulation of mass media services, the accreditation of journalists, the improvement of media training and assessment, the improvement of citizen's access to information and the adjudication of media complaints and disputes.

I have audited the financial statements of Zimbabwe Media Commission for the year ended December 31, 2023 and I issued an unmodified / clean opinion with a report on going concern.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of Zimbabwe Media Commission as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Commission had a net current liability position of ZWL\$347.4 million during the year ended December 31, 2023. The condition indicates the existence of a material uncertainty that may cast significant doubt into the Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Board evaluation

Finding

The Commission's Board was not trained on performance evaluation. As a result, the performance of the board members was not evaluated. This was contrary to section 37 of the Second Schedule of Public Entities Corporate Governance Act [Chapter 10:31] which requires annual evaluation of board's performance.

Risk / Implication

Oversight role maybe compromised.

Recommendation

The Commission should train and evaluate its board members in line with the Public Entities Corporate Governance Act [Chapter 10: 31].

Management response

The observation is noted however, the Commission managed to do Board training and evaluation in November of 2024.

1.2 Complaints management

Finding

The Commission had seven (7) outstanding complaints cases from its stakeholders that were past one (1) year without being resolved due to lack of guiding framework. The Zimbabwe Media Commission Act [*Chapter 10:35*] section 8 as read with section 249(1) of the Constitution of Zimbabwe mandated the Commission to investigate complaints brought before it by the public. As a result, I could not evaluate effectiveness of the Commission on complaints management.

Risk / Implication

Inconsistencies in handling stakeholder complaints.

Reputational risk.

Recommendation

The Commission should put a framework in place to address stakeholder complaints on time.

Management response

At the moment there is no law providing for a framework for the resolution of such complaints. This being the case, the Commission cannot preside over any complaint to its logical conclusion. The repeal of the Access to Information and Protection of Privacy Act on July 1, 2020 through the promulgation of the Freedom of Information Act left a legal gap in dealing with disciplinary procedures. To address this gap, the Commission drafted disciplinary procedures in the form of a statutory instrument in 2022. The draft is still being considered. As a stop-gap measure, the Commission is handling such complaints in line with universal media guidelines. This being the case, there are no enforcement mechanisms to compel compliance.

1.3 Debtors management

Finding

The Commission's accounting procedures manual was not comprehensive enough to cover the management of trade receivables. As a result, the trade receivables balance increased significantly from ZWL\$13.7 million to ZWL\$ 53.16 million during 2023.

Risk / implication

Inconsistencies in the management of receivables.

Financial loss due to non-recovery of debts.

Recommendation

The Commission should have approved debtors' policy in place.

Management response

The Commission notes the observation. Currently the Commission does not have an approved debtors' policy and will work towards establishing such a policy as it is very crucial in its operations. The policy should be presented to the Board together with other outstanding policies by June 2025.

1.4 Key vacant posts

Finding

The Commission had key vacant post for the Director Legal and Corporate affairs and Director Public Information Compliance.

Risk / Implication

Service delivery maybe compromised.

Recommendation

The Commission should fill the key vacant posts.

Management response

The Commission notes the observation and the impact the absence of key people has on its operations. However, it is worth noting that the Commission only recruits after receiving Treasury Concurrence from the Ministry of Finance, Economic Development and Investment Promotion.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Commission made some progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised six (6) audit findings in my 2023 report and followed up on two (2) audit findings that were outstanding from the 2022 annual report. Four (4) findings were addressed, one (1) finding was partially addressed and three (3) findings were not addressed as indicated below;

2.1 Impairment of assets

The finding was addressed. The Commission now assess assets for impairment.

2.2 Submission of financial statements

The finding was not addressed. The 2023 financial statements were not submitted on time.

2.3 Board Charter

The finding was addressed. The Commission now have a Board Charter in place.

2.4 Board committees

The finding was addressed. The Commission now have a stand-alone risk committee in place.

2.5 Bank reconciliations

The finding was addressed. All bank reconciliation statements are now being signed by a senior member of management.

2.6 Contract management

The finding was partially addressed. The Commission received six (6) vehicles however, three (3) vehicles are still outstanding.

2.7 Composition of the Audit Committee

The finding was not addressed. The Audit Committee still had no member with accounting and financial background.

2.8 Whistle blower policy

The finding was not addressed. The Commission had no whistle blower policy as it was still at draft stage waiting for approval by the Board.

PUBLIC ENTITIES UNDER THE CATEGORY OF COMPANIES AND CORPORATIONS

Background Information

Airports Company of Zimbabwe (Private) Limited was incorporated in terms of Companies and Other Businesses Entities Act [*Chapter 24:03*] and Civil Aviation Amendment Act 10 of 2018. The Company is involved in the acquisition, development, maintenance, and management of airport operations in Zimbabwe.

I have audited the financial statements of Airports Company of Zimbabwe (Private) Limited for the period ended December 31, 2021 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Airports Company of Zimbabwe (Private) Limited as at December 31, 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard (IFRS) 9 – “Financial Instruments”

The Company had not complied with International Financial Reporting Standard (IFRS) 9 – “Financial Instruments” on the determination of allowance for credit loss of ZWL\$63 million disclosed in the financial statements. The allowance for credit loss was determined through historic trends and did not appropriately satisfy all IFRS 9 – “Financial Instruments” as the Company did not make use of probability weighted expected credit loss on the different scenarios and did not appropriately segment the trade receivables according to their different credit profiles. This was contrary to the requirements of IFRS 9- “Financial Instruments” paragraph 5.5.17(a) which requires that the use of probability weighted expected loss on determination of allowance for credit loss. I could not determine the extent of adjustment necessary.

ii. Non-compliance with International Financial Reporting Standard (IFRS) 16 – “Leases”

I was not availed with an agreement on use of land by the Company which was owned by the Civil Aviation Authority of Zimbabwe. Although Statutory Instrument 128 of 2022 required the two parties to agree on the rentals to be paid for use of the properties, the agreement was not availed for my inspection. The arrangement met the criteria for a leasing arrangement where the requirements of IFRS 16- “Lease” would apply, however, the arrangement had not been accounted for in the financial statements. As a result, I could not ascertain the completeness of disclosures on the use of land in line with IFRS 16 - “Leases”.

Report on going concern

I draw your attention to the fact that the Company’s current liabilities exceeded its current assets by ZWL\$17.7 billion. In addition, the Company did not service overdue loans inherited following Civil Aviation Authority of Zimbabwe (CAAZ) unbundling amounting to ZWL\$6.8 billion. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on

the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit:

1. GOVERNANCE ISSUES

1.1. Submission of financial statements

Finding

The Company was established and became operational effective August 1, 2021 following the unbundling of Civil Aviation Authority of Zimbabwe (CAAZ). However, the 2021 financial statements were submitted on July 30, 2024 which was three (3) years after statutory deadline. This was contrary to the requirements of the Public Finance Management Act [*Chapter 22:19*] Section 49 (1) c which require public entities to submit for audit the financial statements within sixty (60) days following the financial year end.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Company should submit financial statements within sixty (60) days following financial year end in line with Public Finance Management Act [*Chapter 22:19*].

Management response

Management notes the recommendation. However, the delay in the submission of the financial statements was a result of the finalization of the split issues between Civil Aviation Authority of Zimbabwe (CAAZ) and Airports Company of Zimbabwe (Pvt) Ltd (ACZ) which was concluded in 2024.

1.2. Allowance for credit losses

Finding

The Company did not comply with International Financial Reporting Standard 9 – “Financial Instruments” on the determination of allowance for credit loss of ZWL\$63 million disclosed in the financial statements which they should have considered through historic trends and application of probability of expected loss steps. The Company did not make use of probability weighted expected credit loss on the different scenarios and did not appropriately segment the trade receivables according to their different credit profiles.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should comply with International Financial Reporting Standard 9 – “Financial Instruments” on the determination of expected credit losses.

Management response

The computation for loss allowances was affected by debtors’ allocation. During the transitional period, some payments were made through CAAZ. Although the payments were receipted in the books of the Company, the paid amounts were not allocated directly to their respective invoices. This affected the computations for loss allowances.

Additionally, the Company’s multicurrency module was not fully functional, which affected the computation of loss ratios. We have since started to allocate payments to their respective invoices, and the multicurrency module is now fully functional. Going forward, the Company will be able to compute loss provisions considering forward looking information in line with International Financial Reporting Standard 9 – “Financial Instruments” requirements.

1.3. Leases management

Finding

The Company’s internal controls over management of leases were inadequate. As a result, the Company had no lease agreement with the lessee of the building and land. This was contrary to the requirements of Statutory Instrument 128 of 2022 which guided the split of Civil Aviation Authority of Zimbabwe (CAAZ) and Airports Company of Zimbabwe. As a result, the Company could not account for the right of use assets and lease liabilities in respect of these leases in terms of International Financial Reporting Standard 16 – “Leases”.

Risk / Implication

Misstatement of financial statements.

No legal recourse in the event of disputes.

Recommendation

The Company should regularise its lease arrangements and comply with IFRS 16 – “Leases”.

Management response

Management takes note of this finding. The issue of land rental has been a subject of ongoing engagement between the Civil Aviation Authority of Zimbabwe, the Company and the parent Ministry.

2. MANAGEMENT OF ASSETS

2.1. Staff housing

Finding

The Company's staff houses in one of the airports were in need of repairs. Some of the windows and roofs were broken and gutters were falling off and some of the properties outside walls were developing some cracks.

Risk / Implication

The health and safety of employees may be compromised.

Recommendation

Asset maintenance plan should be considered for the Company.

Management response

The observation is noted. In light of the need to renovate the staff housing management in 2024 went on to repaint the staff houses and in addition to that a staff welfare fund bank account has been opened to establish and raise funds for the renovation and repair of the staff housing across all ACZ airports in an effort to preserve the value of the properties.

Background Information

Air Zimbabwe (Private) Limited was incorporated in terms of the Air Zimbabwe Corporation Act [*Chapter 13:02*] and the Companies and Other Business Entities Act [*Chapter 24:31*]. The main business of the Company is to provide clients with passenger and cargo air transport, aircraft maintenance and technical commercial training courses.

I have audited the financial statements of Air Zimbabwe (Private) Limited for the years ended December 31, 2022 and 2023. I issued an unmodified / clean opinion with a report on going concern for both years.

Opinion 2022

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Air Zimbabwe (Private) Limited as at December 31, 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Company had accumulated losses amounting to USD116.8 million (2021: USD115.1 million) and that the Company's current liabilities exceeded its total assets by USD34.8 million (2021: USD45.3 million) as at December 31, 2022. In addition, there was a contingent liability amounting to approximately USD39 million arising from claims in connection with dispute over ownership of two (2) A320 aircrafts. These conditions indicated uncertainties which cast significant doubt on the Company's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Air Zimbabwe (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the Company had accumulated losses amounting to USD69.6 million (2022: USD116.8 million) and net current liability position of USD16.5 million (2022: USD69.4 million) as at December 31, 2023. In addition, there was a contingent liability amounting to USD39 million arising from claims being done over the ownership of ZWPN Airbus A320. These conditions indicated the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Investment property income

Finding

The Company was not maintaining one of its investment property due to cashflow challenges and the property was in need of refurbishment in order to match with standards of other properties in the area. As a result, the Company could not attract tenants for its property and it remained vacant during the year.

Risk / Implication

Loss of potential revenue.

Recommendation

The Company should enhance its revenue generation strategy.

Refurbishment of the property should be considered.

Management response

The property in question is in a vastly dilapidated state. Relative to standards in the property's neighborhood, the airline has failed to attract a suitable tenant. However, engagements are in progress with banks to secure a partnership deal that will see either the refurbishment of the house or the demolition of the old and the erection of a new structure.

1.2. Asset ownership

Finding

The Company disclosed nineteen (19) properties in the financial statements of which the title deeds were not registered in the Company's name.

Risk / Implication

Lack of legal recourse in case of disputes.

Recommendation

The Company should regularise the registration of the properties in its name.

Management response

The Company has engaged external legal counsel to assist with the process of having title deeds in the correct identity of the Company.

1.3. Value Added Tax

Finding

The Company was not generating enough revenue for the year under review to finance its operations. As a result, Value Added Tax payments were not being made on time. For instance, for the month of June the payment was done 17 days after the due date. This was contrary to section 28 of the Value Added Tax Act [Chapter 23:12] which requires VAT remittances to be made by the 25th of the first month commencing after the end of a tax period relating to the registered operator.

Risk / Implication

Financial loss due to fines and penalties.

Recommendation

The Company should enhance its revenue strategies.

Management response

The Board and management continues to engage the Shareholder to capitalise the Company which is facing cash flow constraints. However, all efforts are being made to timeously remit VAT payments.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2020, 2022 and 2023 annual reports. I raised three (3) in my 2023 annual report and followed up on three (3) findings outstanding in my 2020 and 2022 annual reports, four (4) findings were addressed while two (2) findings were partially addressed as indicated below;

2.1. Inventory

The finding was addressed. The Company conducted inventory counts during the period.

2.2. Travel and subsistence policy

The finding was addressed. The travel and subsistence policy is now in place.

2.3. Lease agreements

The finding was addressed. Lease agreements are now in place.

2.4. Bank reconciliations

The finding was partially addressed. Bank reconciliations were prepared monthly however, dates of preparation and review were not documented.

2.5. Key vacant posts

The finding was partially addressed. The Company is yet to recruit the four (4) remaining vacant posts.

2.6. Suspense balance

The finding was addressed. The suspense account was cleared.

Background Information

Allied Timbers Zimbabwe (Private) Limited was established in terms of Companies and Other Business Entities Act [Chapter 24:31]. The Company is involved in plantation, development harvesting, processing, marketing and selling of pine and gum timber.

I have audited the consolidated financial statements of Allied Timbers Zimbabwe (Private) Limited and its subsidiaries for the year then ended December 31, 2023 and I have issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the basis for Adverse Opinion section of my report, the consolidated financial statements do not present fairly, the financial position of Allied Timbers Zimbabwe (Private) Limited and its subsidiaries as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. Non-compliance with International Accounting Standard (IAS) 21 –“The Effects of Changes in Foreign Exchange Rates”

The Group presented its financial statements in Zimbabwean dollars (ZWL\$) which management had assessed to be the functional and presentation currency. The assessment by management did not comply with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates” as the functional currency indicators were not considered. My independent assessment based on the functional currency indicators confirmed conditions for a change in functional currency had been met. However, management maintained ZWL\$ as its functional currency. The non- compliance with IAS 21-“The Effects of Changes in Foreign Exchange Rates” was considered material and pervasive to the financial statements.

ii. Valuation of biological assets

The Group recognized fair value gains on biological assets amounting to ZWL\$ 455.2 billion in the financial statements. The Group performed valuation of its biological assets using internal resources and the valuation was determined in USD and translated to ZWL\$ using the interbank rate. In my view, this does not give a reasonable indication of fair value as defined by International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement”. IFRS 13 - “Fair Value Measurement” paragraph 2 defines fair value 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 (exit price). It is not likely that the ZWL\$ price derived from translating the USD value at the interbank exchange rate would be the price at which a ZWL\$ denominated transaction would occur.

Accordingly, I was not able to determine whether adjustments to the carrying amounts of biological assets and fair value gains were appropriate in these circumstances.

iii. Existence of trade receivables

Included in trade receivables is an amount of ZWL\$1 billion relating to unreconciled cash sales. These have been described as “cash debtors”. I could not establish why cash sales resulted in accounts receivable. I was not availed with the documents and information in support of the balance. As a result, I could not ascertain the existence and completeness of trade receivables disclosed in the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Creditors reconciliations

Finding

The Company was not preparing creditors reconciliations due to high staff turnover. As a result, there was a variance of ZWL\$ 203.5million between the Company records and confirmations by creditors.

Risk / Implication

Errors and omissions may not be detected on time.

Recommendation

The Company should prepare creditors reconciliations on time in order to report an accurate creditors' position.

Management response

Management will enhance controls in this area and ensure that the reconciliations are performed timeously. High staff turnover also affected performance in this area.

1.2. Cash sales

Finding

Included in trade receivables is an amount of ZWL\$1 billion relating to unreconciled cash sales. These have been described as “cash debtors”. I could not establish why cash sales resulted in accounts receivable. I was not availed with the documents and information in support of the balance. As a result, I could not ascertain the existence and completeness of trade receivables disclosed in the financial statements.

Risk / Implication

Fraud might be perpetrated and concealed in unreconciled balances.

Recommendation

The Company should implement a policy for regular and timely reconciliation of debtor balances.

Management response

Management have taken note of the finding. The account is still being reconciled to establish the causes of the variance. However disciplinary action is being taken against those who failed to ensure that the reconciliations are done timely and those who did not follow laid down cash sales procedures.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Receivables reconciliations

Finding

The Company was not preparing receivables reconciliations due to high staff turnover. As a result, the Company had written off debtors amounting to USD710 502 and BWP409 991 citing reasons of misposts, wrong matching of receipts and invoices and wrong setoffs being done in the system.

Risk / Implication

Errors and fraud may not be detected on time.

Recommendation

Management should prepare the receivables reconciliations to enhance the accuracy of the Company's receivables.

Management response

High staff turnover has resulted in discontinuity leading to non-preparation of reconciliations on time. This is one of the issues that resulted in the dismissal of the former Finance Manager. Measures have been put in place to ensure reconciliations are done timely going forward.

3. SERVICE DELIVERY

3.1. Sustainability of harvesting operations

Finding

The total hectares with timber above 8 years was 11 978 hectares, for the Company to continue its operations it has to harvest an average of 665 hectares of timber per year however, in the current year it harvested 1,074 hectares which is 62% above yearly average. In 2024 the Company planned to harvest 1,196 hectares, meaning that at the current harvesting rate, the Company is going to exhaust its timber resource in the next 10 to 11 years.

Risk / Implication

Unsustainable harvesting will lead to future going concern issues due to shortage of timber resources.

Recommendation

The Company should come up with a sustainable harvest plan which also considers availability of timber with its age distribution.

Management response

We have put in place measures to sustainably manage the forest, which include harvesting below the allowable cut and improving our harvesting and processing efficiencies.

The decline in biological assets reflect the resource that are mainly above +25 years which have more value as opposed to young trees.

4. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised one (1) audit finding in my 2023 annual report and followed up on two (2) findings outstanding in my 2021 annual report. One (1) finding was addressed while the other two (2) findings were not addressed as indicated below;

4.1. Contract milling obligations

The finding was addressed. All contractors are starting operations after payment of the deposit amount. Management will reword the contracts to indicate that payment must be done before commencement of operations as opposed to payment on contract signing.

4.2. Occupation of the Company's estates

The finding was not addressed. Key stakeholders were engaged and the matter is still outstanding.

4.3. Training of staff

The finding was not addressed. Training of staff was not conducted to minimise errors in processing of transactions.

Background Information

The Bindura University Printing Press was incorporated in terms of the Companies and other Business Entities Act [*Chapter 24:03*] with the sole purpose of providing lithographic and digital printing services to the Bindura University of Science Education and the general public. The Printing Press is a strategic business unit of Bindura University of Science Education.

I have audited the financial statements of the Bindura University Printing Press (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Bindura University Education Printing Press (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Valuation of equipment

In the prior year, the Company engaged an external valuer to value its equipment. The valuations were performed in ZWL\$ using ZWL\$ denominated inputs. The assumptions on capitalization rates, rentals and market prices applied were not supported by observable ZWL\$ market data as rentals and market prices were generally linked to USD values. The misstatements in the prior year were not corrected in line with requirements of International Accounting Standard (IAS) 8 “Accounting Policy, Changes in Accounting Estimates and Errors”. Consequently, I was not able to obtain sufficient appropriate evidence to support the appropriateness of the valuation of equipment in ZWL\$.

ii. Supporting documentation

I was not availed with the supporting documents for an amount of ZWL\$10.9 million included in the prior year cost of sales and an amount of ZWL\$2.6 million included in operating expenses. The misstatements in the prior year were not corrected in line with requirements of International Accounting Standard (IAS) 8 “Accounting Policy, Changes in Accounting Estimates and Errors”. As a result, I could not ascertain the completeness and accuracy of the opening balances for retained earnings and inventory.

iii. Unverified accounts receivable

Included in the opening balances of accounts receivables are debtors amounting to ZWL\$1.2 million and debtors with credit balances amounting to ZWL\$4.5 million which could not be verified through confirmations or subsequent receipts or any other alternative procedures. The misstatements in the prior year were not corrected in line with requirements of International Accounting Standard (IAS) 8 “Accounting Policy, Changes in Accounting Estimates and Errors”. As a result, I could not confirm the existence and completeness of opening balances of receivables disclosed in the financial statements.

iv. Unsupported accounts payables

Included in the opening balances of trade and other payables are trade accounts payable amounting to ZWL\$18.9 million and VAT payable amounting to ZWL\$2.9 million which could not be verified during the audit due to the unavailability of information. The misstatements in the prior year were not corrected in line with requirements of International Accounting Standard (IAS) 8 “Accounting Policy, Changes in Accounting Estimates and Errors”. As a result, I could not confirm the existence and completeness of opening balances of accounts payables disclosed in the financial statements.

v. Completeness of other revenue

Included in the prior year other revenue is photocopying income amounting to ZWL\$617 282 and tuck-shop sales amounting to ZWL\$676 278 that could not be verified during the audit due to the unavailability of information. The misstatements in the prior year were not corrected in line with requirements of International Accounting Standard (IAS) 8 “Accounting Policy, Changes in Accounting Estimates and Errors”. As a result, I could not ascertain the accuracy of the retained earnings disclosed in the financial statements.

vi. Non-compliance with International Accounting Standard (IAS) 2 - “Inventories”

Included in the opening inventories balances are finished goods inventories with a carrying amount of ZWL\$2.1 million IAS 2 - “Inventories”. The Company was valuing its finished goods at selling price per unit in contravention of the IAS 2 - “Inventories” requirement that inventories should be stated at the lower of cost or net realizable value. The misstatements in the prior year were not corrected in line with requirements of International Accounting Standard (IAS) 8 “Accounting Policy, Changes in Accounting Estimates and Errors”. As such, the opening balance of inventory and retained earnings may contain misstatements that could be material to the current period financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board meetings

Finding

The Company’s Board met two (2) times during the 2023 financial year. This was contrary to the Public Entities Corporate Governance Act [*Chapter 10:31*] section 33 which requires the Board to meet at least once every three (3) months.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Board should conduct all the meetings as required by Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Noted. Management will ensure that the Board meets at least four times per year as is required by the Public Entities Corporate Governance Act [*Chapter 10:31*].

1.2. Submission of annual returns

Finding

The Company had not submitted all statutory returns on a yearly basis to the Registrar of Companies since February 2016. This was contrary to section 165 (2) of the Companies and other Business Entities Act [*Chapter 24:31*] which requires every company to file annual returns every year. In addition, the Company did not effect changes in directorship on its registration documents. As a result, the registered directors and company secretary who were no longer associated with the Company were still registered as the Company directors.

Risk / Implication

Financial loss as fines and penalties maybe levied.

Recommendation

The Company should comply and file annual returns with the Registrar of Companies in line with section 165(2) of the Companies and other Business Entities Act [*Chapter 24:31*].

Management response

The Printing Press management has engaged a consultant to assist with the filing of the company secretarial returns and to also re-register the Company as is required by the company's registration office.

Background Information

CMED (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. Its mandate is to provide transport and operate transport services, plant and equipment hire for the construction of roads, dams, bridges and other infrastructure.

I have audited the financial statements of CMED (Private) Limited for the years ended December 31, 2022 and 2023. I issued an unmodified / clean opinion for both years.

Opinion on the consolidated financial statements 2022

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of CMED (Private) Limited as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Company financial statements 2022

In my opinion, the financial statements present fairly, in all material respects, the financial position of CMED (Private) Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Consolidated Financial Statements 2023

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of CMED (Private) Limited as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Company's Financial Statements 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of CMED (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Vehicle and equipment fleet

Finding

The Company was not adhering to its asset replacement policy, resulting in inadequate vehicles and equipment across provinces for instance, Masvingo Province had twenty-nine (29) non-functional vehicles and one bus, Marondera Province had obsolete vehicles and outdated equipment vehicles that had exceeded their lifespan and experienced frequent break downs and

Mutare Province had vehicles which had been recommended for auctioning, however, no board of survey had been conducted.

Risk / Implication

Service delivery and the capacity to generate sufficient cash flows may be compromised.

Recommendation

Management should enhance its revenue generation and collection strategies in order to generate sufficient cash flows for asset replacement.

Management response

The Company has set fleet life spans on which the fleet must be disposed and replaced at, however the Company's recapitalization drive is being affected by shortage of foreign currency, insignificant movement of our debtor's book and high interest rates charged on loans.

1.2. Working capital management

Finding

The working capital position of CMED consisted of majority of receivables that had been long outstanding. The Company had long outstanding receivables of ZWL\$41 billion as at December 31, 2023. As a result, the Company was owing key suppliers affecting the progress of the road construction, development of stands and infrastructural maintenance.

Risk / Implication

Service delivery may be comprised.

Financial loss due to failure to recover amounts owed by customers.

Recommendation

Management should engage all its customers and the parent Ministry and negotiate for payment to prevent disruptions of construction and other services.

Management response

95% of the above receivables are government debts, government will eventually pay as evidenced by receipts from all in 2024. Management is continuously engaging Treasury and Ministry Finance Directors while taking legal action necessary on private debtors.

1.3. Due diligence

Finding

The Company's due diligence process when getting into contracts with other entities were not effective. As a result, the Company was charged USD5.6 million in relation to duty and penalties

by the Zimbabwe Revenue Authority for supporting bills of entry with documents that were not authentic.

Risk / Implication

Financial loss due to penalties and interest.

Recommendation

Management should exercise due diligence before entering into agreements.

Management response

The company disputes the indebtedness and has filed an application for the review of the order issued by ZIMRA holding CMED accountable. The agent has accepted liability for the duties and penalties, thus exonerating CMED. Despite this, ZIMRA continues to hold CMED liable.

The company's position is that the agent should pay for the duty and penalty since they agreed on a payment plan with ZIMRA and also since they agreed that they used fake documents. The payment plan is in file.

2. MANAGEMENT OF ASSETS

2.1. Asset register

Finding

The Company's two (2) regional offices were not updating their asset registers as back up to the master asset register. As a result, they did not include locations and conditions of the assets and there were assets that had nil book value despite them still being in use. In addition, a staff bus BL50 and International Truck Horse were not in the asset register. This was contrary to section 100(1)(4) of the Public Finance Management (Treasury Instructions), 2019 which requires that fixed assets records kept at the Head office and within departments of an entity should be appropriate and up to date.

Risk / Implication

Misappropriation of assets.

Recommendation

The asset register should be updated regularly.

Management response

We take note and shall rectify that which needs to be realigned. The updating of assets locations exercise is in its final stages and is expected to be completed before the end of the year.

2.2. Board of inquiries

Finding

The Company did not conduct board of inquiries for three (3) accident damaged vehicles for one of its regional offices. This was contrary to the section 6.4 of the Driving and usage of company motor vehicles policy which requires board of investigation to be instituted whenever accidents occurred.

Risk / Implication

The Company may fail to account for all losses and damages on time.

Recommendation

Management should conduct board of inquiries within the stipulated time as required by the driving and usage of the company motor vehicles policy.

Management response

Management commits to convening boards of inquiry regardless of the motor vehicle accident circumstances going forward. This is being addressed with a view to ensuring completeness by holding boards of inquiry in terms of the company driving policy by year-end.

3. REVENUE MANAGEMENT AND DEBT RECOVERY

3.1. Vehicle hire billing

Finding

The Company at one of its regional office was not raising internal documents to record the opening and closing mileage for vehicles and equipment hired out as well as the nature of the hire. As a result, reliance was placed on customer submitted vehicle log sheets for raising sales orders and invoices.

Risk / Implication

Potential loss of revenue.

Recommendation

Management should strengthen controls over hiring of vehicles and equipment.

Management response

The observation was noted and recommendations thereof appreciated. Custom practice has seen the setting up of a committee to go through monthly billing schedules as a means to check the Customer Care office work by verifying all billing to be done including checking opening and closing mileage capturing before a printed sales order is attached to the original source document that is passed on to accounts for invoicing. This will

enable the team to have checks at every level of processing of the documents.

4. PROCUREMENT OF GOODS AND SERVICES

4.1. Procurement of motor vehicles

Finding

The Company's due diligence processes over procurement of goods and services were not effective during the period. As a result, the Company made prepayments amounting to USD1.1 million for the acquisition of twenty-three (23) vehicles from two (2) suppliers during the year. However, the vehicles were not delivered as at year end. This was contrary to the contracts terms which required the eight (8) vehicles from one supplier to be delivered by December 8, 2023 while the other supplier of fifteen (15) vehicles to deliver the vehicles within two (2) to six (6) weeks from the date of placement of the order.

Risk / Implication

Financial loss due to non-delivery of goods.

Service delivery may be compromised.

Recommendation

Management should follow up and recover the outstanding motor vehicles.

Management response

Management instituted legal action against one of the suppliers in 2023 and the matter is before an arbitrator.

The other supplier was engaged leading to delivery of two (2) more vehicles and now five (5) vehicles are left which we expect to be delivered before January 31, 2025 as per the commitment letter failing of which the Company will take legal action.

5. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company had made progress in addressing audit findings raised in my 2022 and 2023 annual report. I raised six (6) findings, four (4) were addressed, one (1) finding was partially addressed and one (1) finding was not addressed as indicated below;

5.1. Alignment of accounting processes to reporting framework

The finding was addressed. Revaluation of assets was performed for the financial year 2022 and 2023.

5.2. Delivery of goods and services

The finding was partially addressed. The supplier had not refunded the full amount of the remaining roller drum.

5.3. Payables

The finding was addressed. The Company managed to pay the long outstanding payables relating to utilities for the year ended December 31, 2021.

5.4. Alignment of governance processes

The finding was addressed. The Company realigned its Board committees in line with requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*].

5.5. Valuation of property, plant and equipment

The finding was addressed. Land was separated from buildings and revaluation of assets was performed for the financial year 2022 and 2023.

5.6. Corporate tax

The finding was not addressed. The Company still owed corporate tax amounting to ZWL\$10.77 billion.

CMED FUELS (PRIVATE) LIMITED 2022 AND 2023

Background Information

CMED Fuels (Private) Limited is a wholly owned subsidiary of CMED (Private) Limited and is incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24.31*]. Its mandate is to supply fuel to the government and the public on a commercial basis.

I have audited the financial statements of CMED Fuels (Private) Limited for the year ended December 31, 2022 and 2023 and I issued an unmodified / clean opinion for both years.

Opinion 2022

In my opinion, the financial statements present fairly, in all material respects, the financial position of CMED Fuels (Private) Limited as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of CMED Fuels (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings that I raised in my 2022 annual report and below is the status.

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings I raised in my 2022 and 2023 annual reports. I raised one (1) finding in my 2023 annual report and followed up two (2) findings outstanding in my 2022 audit report. All the three (3) findings were addressed as indicated below;

1.1 Valuation of property, plant and equipment

The finding was addressed. The asset revaluations were carried out in 2022.

1.2 Fuel coupons redemption

The finding was addressed. There was a policy change in the middle of the year 2022, where it was directed by the Government that Company should no longer serve the whole of government.

1.3 Fuel coupons redemption equipment

The finding was addressed. The Company streamlined the fuel business and it is now serving only one (1) government department thereby reducing the need for redemption machines.

Background Information

The Company was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The Company is an investment vehicle for Small and Medium Development Corporation (SMEDCO).

I have audited the financial statements of Conflor Investments (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Conflor Investments (Private) Limited as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Opening balances on the financial statements

The Company disclosed unaudited comparative amounts for retained income, deferred tax liability and operating income as financial statements for prior years had not been submitted for audit. As a result, I was not able to verify the opening balances to confirm accuracy and completeness.

ii. Non-compliance with International Financial Reporting Standard (IFRS) 16 – “Leases”

The Company’s building was occupied by Small and Medium Enterprise Development Corporation (SMEDCO), being the parent. I was not availed with a documented agreement supporting the arrangement. Although the arrangement pointed to a leasing arrangement where the requirements of International Financial Reporting Standard (IFRS) 16 – “Leases” would apply, the arrangement had not been accounted for in the financial statements. As a result, I could not ascertain the completeness of disclosures on the use of building by another entity in line with the requirements of International Financial Reporting Standard (IFRS) 16 – “Leases”.

iii. Completeness of expenditure

The Company had not accounted for operating expenditure incurred on its operations. The Company owned a building where service charges, maintenance costs and other rates would have been presented however, these were not presented in the financial statements. As a result, I could not ascertain the completeness of the amounts presented in the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Annual returns submission

Finding

The Company had no dedicated accounting staff. As a result, statutory returns were not submitted on a yearly basis to the Registrar of Companies. This was contrary to the requirements of section 165 (2) of the Companies and Other Business Entities Act [*Chapter 24:31*] which requires every registered company, including trading and non-trading to file annual returns at least once every year. All Company's returns from 2012 to 2023 were submitted in September 2024.

Risk / Implication

Financial loss as penalties, fines and interests may be levied.

Recommendation

The Company should file annual returns with the Registrar of Companies in line with section 165 (2) of the Companies and Other Business Entities Act [*Chapter 24:31*].

Management response

Observation noted. Steps have been taken to address the anomaly and the entity is now up to date with the annual returns submissions. Going forward, there will be full compliance.

1.2. Lease arrangements

Finding

The Company's internal controls over management of leases were inadequate. As a result, the Company had no documented agreement with its parent company, Small and Medium Enterprise Development Corporation (SMEDCO) on occupation and use of its building. As per standard practice a lease contract should be in place for the right of use of asset.

Risk / Implication

Misstatements of the financial statements.

Recommendation

Lease arrangement on the building should be regularised.

Management response

Observation noted. Efforts to comply are ongoing to ensure full compliance by December 31, 2024.

1.3. Board meetings

Finding

The Company's Board of Directors were not conducting board meetings since acquisition of the Company in 2002. This was contrary to the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*] section 33, which requires the Board to meet at least once every three months.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Board of directors should hold meetings at least once every three months as per requirements of section 33 of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Observation noted. The Company will ensure compliance going forward.

1.4. Submission of financial statements

Finding

The Company did not prepare and submit financial statements for audit on an annual basis from 2002 to 2022. This was contrary to the requirements of Public Finance Management Act [*Chapter 22:19*] section 49(1) (c) and Companies and Other Business Entities Act [*Chapter 22:31*] section 184 which requires financial statements to be prepared and submitted for audit. As a result, no annual general meeting was held for the Company.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

Financial statements should be submitted for audit annually in line with section 49(1) (c) of Public Finance Management Act [*Chapter 22:19*].

Management response

Observation noted. The Company will ensure that financials are prepared in line with the requirements.

1.5. Accounting for expenditure

Finding

The Company had not been accounting for expenditure in its financial statements. The Company owned a building that was being used by another entity, expenditure such as service charges, maintenance expenses and electricity charges could have been accounted for in the financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should account for expenditure incurred on its operations.

Management response

Observation noted. The Company will ensure correct allocation of expenses incurred by the parent company in running the property.

Background Information

The Company was incorporated under the Companies and Other Business Entities Act [*Chapter 24:31*]. Its main business is provision of courier services in Zimbabwe and beyond.

I have audited the financial statements of Courier Connect (Private) Limited for the year ended December 31, 2019 and I issued a Disclaimer of Opinion.

Disclaimer of Opinion

I do not express an opinion on the financial statements of the Courier Connect (Private) Limited for the year ended December 31, 2019. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

i. Non - compliance with International Accounting Standard (IAS) 36 - "Impairment of Assets"

The Company did not carry out an impairment assessment of assets as at December 31, 2019. This was contrary to IAS 36 - "Impairment of Assets" paragraph 9 which requires entities to assess assets for impairment at the end of each reporting period. If any such indication exists, the entity shall estimate the recoverable amount of the asset and recognise impairment loss where applicable. Had the Company assessed its assets for impairment, the property, plant and equipment of ZWL\$1.2 million could have been materially different.

ii. Asset register

The Company did not maintain a comprehensive fixed asset register contrary to the Public Finance Management Act [*Chapter 22:19*], section 45 (a) which requires the system of finance management and internal control established for the Company to be implemented. In addition, reconciliations of physical assets to assets recorded in the asset register were also not performed. I was therefore unable to perform all the planned audit procedures on the property, plant and equipment and to conclude on the possible effects on the Company's financial statements of any undetected misstatements related to the property, plant and equipment. I could not confirm completeness of assets disclosed in the financial statements.

iii. Vehicle mileage expenses

I was not availed with vehicle log books to ascertain whether the vehicles were being used in the manner required by the Company. I was therefore unable to determine the accuracy and completeness of vehicle mileage costs disclosed in the financial statements.

iv. Limitation of scope on inventories

I was not availed with a valuation report and signed stock count sheets for inventory amounting to ZWL\$14 609 disclosed in the financial statements as at December 31, 2019. As a result, I was unable to perform audit procedures to obtain sufficient appropriate audit evidence to provide a

basis for an opinion. I could not determine whether there were any adjustments that might have been found necessary in respect of recorded or unrecorded inventories recorded in the financial statements.

v. Limitation of scope on cash and cash equivalents

There were no responses from banks regarding bank confirmations sent to them for bank balances as at year-end and management could not avail corresponding bank statements. Therefore, I could not perform any alternative procedures to satisfy myself regarding accuracy of the cash and cash equivalent balances reported in the financial statements. I was not able to determine whether any adjustments might have been found necessary in respect of disclosed bank balances.

vi. Non-compliance with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment”

Property, plant and equipment was disclosed in the statement of financial position at ZWL\$1.1 million. The Company had not performed reassessment of useful life and residual values despite some of the Company’s assets being fully depreciated and still in use. This was contrary to the requirements of IAS 16 – “Property, Plant and Equipment” paragraph 51 which requires an entity to assess the useful life and residual values of its assets at each year end. I was not able to determine the extent of adjustments that might have been necessary in respect of reported property, plant and equipment and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

vii. Limitation of scope on journal testing

Management could not provide supporting documentation for journal entries selected for testing for the year ended December 31, 2019. As a result, I was unable to perform all the planned audit procedures on the journal entries and to conclude whether the possible effects on the Company’s financial statements of any undetected misstatements related to the journal entries, if any, could have been material and pervasive. I was therefore unable to obtain sufficient and appropriate audit evidence to serve as a basis for an audit opinion.

viii. Limitation of scope on litigations and claims against the entity

There were no responses on the legal confirmations from the Company’s lawyers regarding claims and possible claims with respect to which their advice or representation was sought during the period January 1 to December 31, 2019. As a result, no information pertaining to Company litigations was availed. I was therefore unable to obtain sufficient appropriate audit evidence regarding completeness of provisions and the related disclosures that might have been essential to fully comply with the requirements of International Accounting Standard (IAS) 37 – “Provisions, Contingent Liabilities and Contingent Assets”.

ix. General limitation of scope

The audit process was severely affected as management could not provide the requested information and documentation relating to ZIMRA and NSSA returns and payments. In addition, related party transactions and balances including management remuneration and benefits and bank reconciliation statements of four (4) bank accounts were not availed. I was therefore unable to obtain the corresponding sufficient appropriate evidence.

x. Non-compliance with International Accounting Standard (IAS) 29 - “Financial Reporting in Hyperinflationary Economies”

The Company did not restate its financial statements in terms of the measuring unit current at the end of the reporting period. This was contrary to IAS 29 - “Financial Reporting in Hyperinflationary Economies” which requires entities operating in hyperinflationary economies to apply the provisions of the standard to reflect the changing purchasing power of the functional currency. I was therefore unable to obtain sufficient and appropriate audit evidence to serve as a basis for an audit opinion.

xi. Non-compliance with International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”

The Company did not apply the requirements of IAS 21 – “The Effects of Changes in Foreign Exchange Rates” in the year 2019 financial statements due to unavailability of exchange rates in the period October 2018 to February 22, 2019. Transactions in Zimbabwe during that period had a three-tier pricing structure where a single product had different prices depending on the mode of payment, namely the United States Dollar cash, Bond Notes, electronic money or mobile money. This resulted in transactions bearing similarities to what one would expect with transactions that are undertaken in different currencies to which IAS 21 - “The Effects of Changes in Foreign Exchange Rates” would apply.

Statutory Instrument 33 of 2019 and monetary policy statement of February 20, 2019 all confirmed the parity of 1:1 between the USD cash, bond notes, mobile money and electronic money. This presented difficulties in ascertaining the fair values of the Company’s material assets and liabilities as at the reporting date. IAS 21 - “The Effects of Changes in Foreign Exchange Rates”, The Effect of Changes in Foreign Exchange Rates, requires the use of spot rate in accounting for transactions.

During the period, premiums and discounts were offered on the official exchange rate of 1:1 between the RTGS balances, bond notes and USD cash. Under International Financial Reporting Standards, the Company should have translated all transactions at spot rate. Had the Company applied the requirements of IAS 21 - “The Effects of Changes in Foreign Exchange Rates”, all expense items in the statement of profit or loss and other comprehensive income and all current assets, current liabilities and non-current liabilities stated on the statement of financial position would have been materially different. I was therefore unable to obtain sufficient and appropriate audit evidence to serve as a basis for an audit opinion.

xii. Limitation of scope on trade receivables

The total trade receivables on the trade receivables age analysis was ZWL\$2.2 million whilst the financial statements disclosed trade receivables of ZWL\$2.7 million giving a variance of ZWL\$0.5 million. Management could not reconcile the variance. As a result, I was unable to determine whether any adjustments might have been found necessary in respect of trade receivables and elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

xiii. Limitation of scope on trade and other payables

The total trade payables on the trade payables age analysis was ZWL\$700 703 whilst the financial statements disclosed trade payables of ZWL\$4.5 million giving a variance of ZWL\$3.8 million.

Management could not reconcile the variance. As a result, I was unable to determine whether any adjustments might have been found necessary in respect of trade payables and elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Impairment of property, plant and equipment

Finding

The Company did not carry out an assessment of impairment on its assets for the year under review. This was contrary to International Accounting Standard (IAS) 36 - "Impairment of Assets" paragraph 9 which requires entities to assess at the end of each reporting period whether there is any indication that an asset may be impaired.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should carry out an impairment assessment at the end of each reporting period.

Management response

Foreign currency volatility affected the asset values however management could not carry an independent evaluation of assets due to cash flow constraints.

1.2. Litigations and claims

Finding

There were no responses on the legal confirmations from the Company's lawyers regarding claims and possible claims with respect to which their advice or representation was sought during the period January 1 to December 31, 2019. As a result, no information pertaining to company litigations was availed for audit.

Risk / Implication

Misstatement of financial statements.

Recommendation

Audit request should be availed on time.

Management response

Management takes note of the need to liaise with lawyers regarding claims and possible claims documents are availed to the Auditors.

1.3. Provision of audit information

Finding

The audit process was severely affected as management could not provide the requested information and documentation relating to ZIMRA and NSSA returns and payments. In addition, related party transactions and balances including management remuneration and benefits and bank reconciliation statements of four (4) bank accounts were not availed.

Risk / Implication

Misstatement of financial statements.

Errors or omissions may not be detected.

Recommendation

Management should provide adequate information for the audit.

Management response

Monthly returns were done in the e- taxes however challenges were faced in extracting the returns in the system as the platform have been closed. Management is now keeping physical copies of the returns. The executive payroll was availed to the Auditors which shows all the remuneration and benefits for the executives.

1.4. Cash and cash equivalents

Finding

There were no responses from banks regarding confirmations sent for bank balances as at December 31, 2019. I was not also provided with the Company's bank statements for the year under review. As a result, I could not perform procedures to satisfy myself regarding accuracy of the cash and cash equivalent balances reported in the financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should follow up with the banks for the requested information.

Management response

Confirmation to the banks were sent however banks have taken time despite efforts to have the balances confirmed.

2. MANAGEMENT OF ASSETS

2.1. Asset register

Finding

The Company did not maintain a comprehensive fixed asset register contrary to the Public Finance Management Act [*Chapter 22:19*], section 45 (a) which requires the system of finance management and internal control established for the Company to be implemented. In addition, reconciliations of physical assets to assets recorded in the asset register were also not performed.

Risk / Implication

Misappropriation of assets.

Misstatement of financial statements.

Recommendation

The Company should regularly update the asset register with essential details.

Management response

The Company maintains its master asset register in the accounting system thus the asset register provided for audit was an extract from the accounting system.

Auditor's evaluation

The asset register availed was not comprehensive to include all essential details.

3. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

The Company did not address all the four (4) findings raised in my 2023 annual report as indicated below;

3.1. Bank reconciliations

The finding was not addressed. Bank reconciliations were not availed for audit.

3.2. Supporting documentation

The finding was not addressed. Supporting documents were not provided.

3.3. Trade payables and other payables

The finding was not addressed. Responses from creditors confirmations were not received for the current audit.

3.4. Trade receivables and other receivables

The finding was not addressed. Responses from receivables confirmations were not received for the current audit.

Background Information

EasyGo Car Hire and Travel (Private) Limited is a wholly owned subsidiary company of CMED (Private) Limited and is incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The main functions of the Company are to provide transport and driver training to the government and the public.

I have audited the financial statements of EasyGo Car Hire and Travel (Private) Limited for the years ended December 31, 2022 and 2023 and I issued an unmodified / clean opinion for both years.

Opinion 2022

In my opinion, the financial statements present fairly, in all material respects, the financial position of EasyGo Car Hire and Travel (Private) Limited as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of EasyGo Car Hire and Travel (Private) Limited as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings raised in my 2022 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings I raised in my 2022 and 2023 annual reports. I raised three (3) findings in my 2023 annual report and followed up one (1) finding outstanding in my 2022 audit report. All the four (4) findings were addressed as indicated below;

1.1 Accounting for land and buildings

The finding was addressed. Land was separated from buildings and this was presented separately in the 2023 financial statements.

1.2 Alignment of accounting processes to reporting framework

The finding was addressed. The Company performed valuation of assets in 2022 and 2023.

1.3 Debtors' policy

The finding was addressed. Debtors' policy was approved and now in place.

1.4 Valuation of property, plant and equipment

The finding was addressed. The assets revaluation was done in 2022.

Background Information

Hwange Electricity Supply Company (Private) Limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and the Electricity Act [*Chapter 13:19*]. The Company's core business is the generation of electricity and developing the Hwange Unit 7 and 8 expansion Project at Hwange Power Station.

I have audited the financial statements of Hwange Electricity Supply Company (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Hwange Electricity Supply Company (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair value measurement”

The valuation of the property, plant and equipment was performed by management as at December 31, 2023. The property, plant and equipment valuations were determined in USD and then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2023. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirement of IFRS 13 – “Fair value measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars. I could not determine the extent of the adjustments that were necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of financial statements

Finding

The Company submitted the 2023 financial statements on July 29, 2024 which was five months after statutory deadline. This was contrary to the requirements of the Public Finance Management Act [*Chapter 22:19*] Section 49 (1) c which require public entities to submit for audit the financial statements within sixty (60) days following the financial year end.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

The Company should submit financial statements within the stipulated statutory deadlines.

Management response

The audit preparations were affected by forensic audit that was running concurrently with financial audit preparations.

1.2. Valuation of property, plant and equipment

Finding

The valuation of the property, plant and equipment was performed by management as at December 31, 2023. The property, plant and equipment valuations were determined in USD and then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2023. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirement of IFRS 13 – “Fair value measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars.

Risk / Implication

Misstatement of financial statements.

Recommendation

Asset revaluations should be done in compliance with the requirements of IFRS 13 – “Fair Value Measurements”.

Management response

The USD valuation provides fair values of the assets which are due to their nature denominated in USD.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2023 annual report. I raised one (1) audit finding and it was not addressed as indicated below:

2.1. Statutory obligations

The finding was not addressed. In the current year, the Company still experienced cash flow challenges and could not remit PAYE on time.

Background Information

The Industrial Development Corporation of Zimbabwe was established in terms of Industrial Development Corporation Act [*Chapter 14:10*]. For its role in catalysing industrialization, the IDCZ is classified as a Development Finance Institution (DFI).

I have audited the consolidated financial statements of Industrial Development Corporation of Zimbabwe Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Industrial Development Corporation of Zimbabwe as at December 31, 2023, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Qualified Opinion

- i. **Non-compliance with International Accounting Standard (IAS) 21 – “The Effect of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”**

Opening balances

A modified opinion was issued on the consolidated financial statements for the year ended December 31, 2022. This was due to the use of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign currency denominated transactions and balances, as required by IAS 21 – “The Effects of Changes in Foreign Exchange Rates” and its effects on the hyperinflationary adjustments made in terms of international Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies”.

The non-compliance with IAS 21 - “The Effects of Changes in Foreign Exchange Rates” was from prior financial years and there have been no restatements to the prior year consolidated financial statements in accordance with International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”, as such, the retained earnings as at December 31, 2023 may contain misstatements. As a result, my opinion on the current year consolidated financial statements is modified because of the possible residual effects of the non-compliance with IAS 21 - “The Effects of Changes in Foreign Exchange Rates” and the comparability of the current period’s figures to that of the comparative period. The effects of this non-compliance were considered material but not pervasive to the consolidated financial statements.

- ii. **Consolidation of unaudited results of subsidiary**

The unaudited results of Ginhole Investments (Private) Limited, a 100% subsidiary of IDCZ, were consolidated in the Group’s financial statements for year ended December 31, 2023. I was unable to satisfy myself that all the necessary adjustments and disclosures have been made to the unaudited financial statements of Ginhole Investments (Private) Limited for the year ended December 31, 2023.

iii. Consolidation of un-restated historical cost results of associates into the Group's inflation adjusted financial statements in contravention of IAS 29 – “Financial Reporting in Hyperinflationary Economies”

Sable Chemicals Limited and Zimbabwe Grain Bag (Private) Limited did not prepare inflation adjusted financial statements. Unaudited historical results of Sable Chemicals Limited and audited historical cost results of Zimbabwe Grain Bag (Private) Limited were consolidated in the Group's financial statements without restating them for movements in inflation in accordance with the requirements of IAS 29 – “Financial Reporting in Hyperinflationary Economies”.

iv. Non-compliance of International Financial Reporting Standards (IFRS) – 17 “Insurance contracts”

The consolidated financial statements include the financial information of Allied Insurance Company (Private) Limited, a subsidiary of Chemplex Corporation Limited, a subsidiary of Industrial Development Corporation of Zimbabwe Limited. The financial information of Allied Insurance Company (Private) Limited has not been prepared using the requirements of the new IFRS 17 – “Insurance Contracts” which became effective for periods commencing on or after January 1, 2023 and was prepared on the basis of International Financial Reporting Standard (IFRS) 4 – “Insurance Contracts”, which was superseded by IFRS 17 - “Insurance Contracts”. The effect of this non-compliance was considered material but not pervasive to the consolidated financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Statutory obligations

Finding

The Company experienced cash flow challenges during the period under review to the extent that the Company was not remitting Standard Development Levy, PAYE, Value Added Tax and National Social Security Authority pension contributions. As a result, the Company had overdue arrears for Value Added Tax (VAT) which accumulated to ZWL\$223.7 million as of December 31, 2023. The payment plan lapsed in May 2023 because of failure to adhere to the terms of the payment plan. The Company had also overdue arrears for National Social Security Authority (NSSA) pension contributions which accumulated to ZWL\$24.4 million as of December 31, 2023. This was non-compliance with requirements of National Social Security Act [Chapter 17:04].

Risks / Implication

Financial loss due to fines and penalties which may be levied.

Recommendation

The Company should come up with revenue generating strategies to meet its obligations.

Management response

The Corporation has a payment plan in place with ZIMRA and NSSA. However, payments were delayed due to cash flow challenges. Plans are underway to pay up the statutory obligations. Meanwhile, resource mobilisation is being prioritised to clear the debts and be up to date.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised one (1) audit finding in my 2023 annual report and followed up on one (1) finding outstanding in my 2022 annual report. One (1) finding was addressed whilst the other one (1) was not addressed as indicated below;

2.1. Key vacant posts

The finding was addressed. The Corporation filled all the key vacant posts.

2.2. Procurement of motor vehicles

The finding was not addressed. Supporting documentation in form of Board approval and price variation was not availed on the procurement of the two (2) motor vehicles purchased in 2022.

Background Information

The Company was established in terms of the Companies and Other Business Entities Act [Chapter 24:31] and the Electricity Act [Chapter 13:19]. The Company's core business is the generation of electricity and implementing the project for the addition of Units 7 and 8 at Kariba South Power Station.

I have audited the financial statements of Kariba Hydro Power Company (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kariba Hydro Power Company (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair value measurement”

The valuation of the property, plant and equipment was performed by management as at December 31, 2023. The property, plant and equipment valuations were determined in USD and then translated to ZWL\$ using the interbank rate as at December 31, 2023. The determined property, plant and equipment ZWL\$ values did not meet the requirements of IFRS 13 - “Fair Value Measurement” as this did not meet the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$. I could not determine the extent of adjustments necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Loans

The Company experienced foreign currency cash flow challenges. As a result, the Company could not service one of its foreign loans. Principal repayments were being paid bi-annually. This was contrary to the contract repayment terms which required principal payments to be made on a monthly basis.

Risk / Implication

Financial loss due to interest which may be charged due to breach of contract terms.

Recommendation

The Company should enhance its revenue strategies to address cash flow challenges.

In the event of financial difficulties, a waiver should be sought in advance to avoid interests.

Management response

Noted. The Company has been facing severe USD cashflow challenges in order to effectively service the loan. In an effort to try and reduce the debt, a directive to ring-fence Kamativi Mining Company has been done. They are paying their electricity bills direct into the Company's escrow bank account. In addition, the Company is participating in the auction system and the monies are used to pay the loan on a monthly basis.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing the audit finding I raised in my 2023 annual report. I raised one (1) audit finding which was not addressed as indicated below;

2.1. Alignment of accounting processes to the reporting framework

This finding was not addressed. The Company did not carry out the review of useful life and residual values of its assets.

Background Information

The Minerals Marketing Corporation of Zimbabwe (MMCZ) was established in terms of the Minerals Marketing Corporation of Zimbabwe Act [Chapter 21:04]. Its functions are to act as the sole marketing and selling agent for all minerals, except gold and silver and to provide for the control and regulation of stock piling of minerals.

I have audited the consolidated financial statements of the Minerals Marketing Corporation of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion with a report on going concern.

Opinion on the Consolidated Financial Statements

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Minerals Marketing Corporation of Zimbabwe (MMCZ), as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Corporation Financial Statements

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Minerals Marketing Corporation of Zimbabwe, as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Report on going concern

I draw your attention to the fact that the subsidiary, Mellofieldde Chemicals (Private) Limited had no significant operations since its incorporation in April 2012. This condition indicates the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue operating as a going concern. My opinion is not modified in respect of this matter.

I followed up on audit findings raised in my 2020 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation made progress in addressing audit findings raised in my 2020 and 2023 annual reports. I raised two (2) audit findings in my 2023 annual report and I followed up on two (2) audit findings outstanding in my 2020 annual report. Once (1) finding was addressed, two (2) findings were partially addressed while one (1) finding was not addressed as indicated below;

1.1. Alignment of processes with legislative change

The finding was partially addressed. The Corporation is in the process of identifying bank accounts which need to be closed.

1.2. Delivery of laptops

The finding was addressed. The laptops were delivered in December 2023.

1.3. Strategic direction of Mellofieldde Chemicals (Private) Limited

The finding was not addressed. The Company is still dormant.

1.4. Assay laboratory

The finding was partially addressed. The Corporation is resourcing the Government Metallurgical Department and is also capacitating the Zimbabwe School of Mines laboratory for independent verification of assays.

Background Information

Mosi Oa Tunya Development Company (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The mandate of the Company is to develop tourism infrastructure in the country.

I have audited the financial statements of Mosi Oa Tunya Development Company (Private) Limited for the year ended December 31, 2022 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Mosi Oa Tunya Development Company (Private) Limited as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” and International Accounting Standard (IAS) 16 - “Property, Plant and Equipment”

The valuation of property, plant and equipment amounting to ZWL\$23.8 billion (2021: ZWL\$15.4 billion) was performed as at December 31, 2022. The property, plant and equipment valuations were determined in USD then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2022. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirement of IFRS 13 - “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars. I could not determine the extent of the adjustments that were necessary.

In addition, there was no evidence that the Company carried out an assessment of the remaining useful life and residual values of its assets. This was contrary to International Accounting Standard (IAS) 16 - “Property, Plant and Equipment” paragraph 51 which requires review of useful lives and residual values of assets at each year end. I was therefore unable to assess the reasonableness of the values determined for the property, plant and equipment.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Accounting procedures manual

Finding

The Company’s accounting procedures manual was last reviewed in 2019. This was contrary to section 1.5 (a) of the Company’s accounting procedure manual which requires the manual to be reviewed on a yearly basis. As a result, the accounting processes of the Company were not

aligned to accounting standards.

Risk / Implication

Material error due to inconsistent treatment of transactions.

Recommendation

The Company should review the accounting procedures manual in line with new development and changes in the accounting standards.

Management response

Observation noted, management is currently in the process of reviewing the procedure manual.

1.2. Monitoring of internal controls

Finding

The Company's internal control systems were not subject to review during the year 2022. This exercise should have been done by internal audit. However, the Company did not have arrangements to cover this requirement. This was contrary to the requirements of Public Entities Corporate Governance Act [*Chapter 10:31*] section 223 of the first schedule which requires internal audit arrangements to be put in place.

Risk / Implication

Financial loss as fraud and material irregularities may go undetected.

Recommendation

The Company should consider establishing an internal audit unit or outsourcing the function.

Management response

This is noted, considering the current structure, management will liaise with the line Ministry's internal audit until a time that the company employs or outsource the internal audit service.

1.3. Travelling and subsistence

Finding

The internal controls over travelling and subsistence advances were not adequate in that there was no evidence to support monitoring of outstanding advances. As a result, ZWL\$447 753 was not acquitted, contrary to the accounting policy and procedures manual which requires individuals to acquit within thirty (30) days on return to home station.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

Management should strengthen controls over travel and subsistence allowances.

Management response

Management will ensure that all acquittals are done in line with the accounting procedure manual.

1.4. Valuation of property, plant and equipment**Finding**

The valuation of the property, plant and equipment amounting to ZWL\$23.8 billion (2021: ZWL\$15.4 billion) was performed by management as at December 31, 2022. The property, plant and equipment valuations were determined in USD and then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2022. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirement of IFRS 13 - "Fair Value Measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars. I could not determine the extent of the adjustments that were necessary.

In addition, there was no evidence that the Company carried out an assessment of the remaining useful life and residual values of its assets. This was contrary to International Accounting Standard (IAS) 16 - "Property, Plant and Equipment" paragraph 51, which requires review of useful lives and residual values of assets at each year end. I was therefore unable to assess the reasonableness of the values determined for the property, plant and equipment.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should revalue its assets in line with International Financial Reporting Standard 13 – "Fair Value Measurement" and carry out an annual impairment assessment.

Management response

The valuation of land was at the official interbank rate in line with current regulations. However, this is not in compliance with IFRS13, as there is an arbitrage on the market between the interbank rate and the alternative market. Unfortunately, the company has no control over this and cannot use the alternative market rate for valuation as this is against the Country's regulations. On the valuation of other assets, the useful life did not change as the assets maintained at USD values were not yet fully depreciated.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing the audit finding raised in my 2023 annual report. The finding was not addressed as indicated below;

2.1. Valuation of property plant and equipment

The finding was not addressed. The Company did not comply with the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” when it revalued its assets in 2022.

Background Information

National Handicraft Centre (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The Company's core business is in retailing of handicraft products to both the local and foreign markets.

I have audited the financial statements of National Handicraft Centre (Private) Limited for the years ended December 31, 2019, 2020 and 2021 and I issued a Disclaimer of Opinion for all the three (3) years.

Disclaimer of Opinion 2019

I do not express an opinion on the financial statements of the National Handicraft Centre (Private) Limited for the year ended December 31, 2019. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

i. Absence of books of accounts

The Company did not maintain books of accounts to support financial statements for the period under review. As a result, revenue, employment costs, administration expenses, inventory, trade and other receivables, trade and other payables and cash and cash equivalents disclosed in the financial statements could not be verified. I was not able to satisfy myself by alternative means concerning the completeness of amounts include in the financial statements.

ii. Opening balances

The Company did not avail audited financial statements for the financial year ended December 31, 2018 and prior years. As a result, I could not satisfy myself on the accuracy and completeness of opening balances for 2019 financial year and the comparative year figures.

iii. Valuation of property, plant and equipment

The carrying amount of property, plant and equipment recognised in the financial statements did not agree to the asset register. In addition, there were no supporting documents for additions during the year ended December 31, 2019 amounting to ZWL\$41 346 (USD2 464). Therefore, I could not ascertain the completeness and accuracy of the property, plant and equipment recognized in the financial statements.

iv. Non-compliance with International Accounting Standard (IAS) 1 - "Presentation of Financial Statements"

The Company did not recognize the value of ordinary shares in the financial statements. This was contrary to International Accounting Standard (IAS) 1 – "Presentation of Financial Statements" paragraph 9 (c) which requires financial statements to provide information about an entity's equity. In addition, the accounting policies of the Company were generalized contrary to the requirements

of paragraph 117(c) which requires the entity to disclose accounting policy information, which is entity specific and more useful to the users. Had the Company applied the requirements of IAS 1 – “Presentation of Financial Statements”, the financial statements would have been materially different. The financial effects of this departure have not been determined.

v. Non-compliance with International Accounting Standard (IAS) 12 – “Income Taxes”

The Company did not provide tax computations and tax reconciliations for the corporate tax of ZWL\$31 334 recognised in the statement of profit or loss for the year ended December, 31 2019. This was contrary to International Accounting Standard 12 paragraph 81 (c)(i) which requires a disclosure of a numerical reconciliation. Had the Company complied with the requirements of IAS 12 - “Income Taxes”, the financial statements would have been materially different.

vi. Non-compliance with International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies”

The Company did not restate its historical cost financial statements at the end of the reporting period. This was contrary to IAS 29 – “Financial Reporting in Hyperinflationary Economies” paragraph 8, which requires financial statements of an entity whose functional currency, is the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the end of the reporting period. On October 11, 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement relating to the application of IAS 29 – “Financial Reporting in Hyperinflationary Economies”. The PAAB assessed and concluded that the factors and characteristics to apply IAS 29 – “Financial Reporting in Hyperinflationary Economies”, in Zimbabwe had been met.

Had the Company applied the requirements of IAS 29 – “Financial Reporting in Hyperinflationary Economies”, the financial statements would have been materially different and therefore the departure from the requirements of this standard was considered material and pervasive. The financial effects of this departure have not been determined.

Disclaimer of Opinion 2020

I do not express an opinion on the financial statements of the National Handicraft Centre (Private) Limited for the year ended December 31, 2020. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion 2020

i. Absence of books of accounts

The Company did not maintain books of accounts to support financial statements for the period under review. As a result, revenue, employment costs, administration expenses, inventory, trade and other receivables, trade and other payables and cash and cash equivalents disclosed in the financial statements could not be verified. I was not able to satisfy myself by alternative means concerning the completeness of amounts include in the financial statements.

ii. Opening balances

In the prior financial year, the Company had not availed the audited financial statements for the financial year ended December 31, 2018 and prior years. As a result, I could not satisfy myself on the accuracy and completeness of opening balances for 2019 which was the basis for 2020 comparative year figures.

iii. Valuation of property, plant and equipment

The carrying amount of property, plant and equipment recognised in the financial statements did not agree to the asset register. Therefore, I could not ascertain the completeness and accuracy of the property, plant and equipment recognized in the financial statements.

iv. Non-compliance with International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary economies”

The Company did not restate its historical cost financial statements at the end of the reporting period. This was contrary to IAS 29 – “Financial Reporting in Hyperinflationary economies” paragraph 8, which requires financial statements of an entity whose functional currency, is the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the end of the reporting period. On October 11, 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement relating to the application of IAS 29 – “Financial Reporting in Hyperinflationary Economies”. The PAAB assessed and concluded that the factors and characteristics to apply IAS 29 – “Financial Reporting in Hyperinflationary Economies”, in Zimbabwe had been met.

Had the Company applied the requirements of IAS 29 – “Financial Reporting in Hyperinflationary Economies”, the financial statements would have been materially different and therefore the departure from the requirements of this standard was considered material and pervasive. The financial effects of this departure have not been determined. My prior year opinion was modified based on the similar circumstances and due to the possible carry over effect in the current year’s financial statements as well as comparability of current year’s financial statements with that of the prior year.

Disclaimer of Opinion 2021

I do not express an opinion on the financial statements of the National Handicraft Centre (Private) Limited for the year ended December 31, 2021. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion 2021

i. Absence of books of accounts

The Company did not maintain books of accounts to support financial statements for the period under review. As a result, revenue, employment costs, administration expenses, inventory, trade and other receivables, trade and other payables and cash and cash equivalents disclosed in the financial statements could not be verified. I was not able to satisfy myself by alternative means concerning the completeness of amounts include in the financial statements.

ii. Prior year opening balances

In the prior financial year, the Company did not avail audited financial statements for the financial year ended December 31, 2018 and prior years. As a result, I could not satisfy myself on the accuracy and completeness of opening balances for 2020 which was the basis for 2021 comparative year figures.

iii. Valuation of property, plant and equipment

The carrying amount of property, plant and equipment of USD19 744 recognised in the financial statements did not agree to the asset register. I could not ascertain the completeness and accuracy of the property, plant and equipment recognized in the financial statements.

iv. Non-compliance with and International Accounting Standard (IAS) 8 – “Accounting Policies, Change in Accounting Estimates and Errors” and International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”

The Company changed its functional and presentation currency from the ZWL\$ to United States Dollars in 2021. However, management did not restate the prior period financial statements to reflect the new accounting policy. This was contrary to International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors” paragraph 19 (b) which requires retrospective application of a change in accounting policy.

In addition, the Company’s comparative financial statements were translated to United States through the direct conversion of historical cost figures to United States Dollars figures. This was contrary to IAS 21 - “The Effects of Changes in Foreign Exchange Rates” paragraph 43 which requires entities whose functional currency is the currency of a hyperinflationary economy to restate its financial statements in accordance with IAS 29 – “Financial Reporting in Hyperinflationary Economies” before applying the translation method set out in paragraph 42. I could not determine the extent of adjustments necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Books of accounts

Finding

The Company did not have adequate data back-up facilities. As a result, when its computer crashed, data could not be recovered and the hard copies of the financial records were not located. Revenue, employment costs, administration expenses, inventory, trade and other receivables, trade and other payables and cash and cash equivalents disclosed in the financial statements could not be verified. This was contrary to Public Finance Management Act [Chapter 22: 19] section 49(1) (a) which requires a public entity to keep full records of its financial affairs.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should invest in disaster recovery and back up facilities.

Management response

The hard copies appear to have been misplaced and the laptop that held the soft copies crashed.

1.2 Cash management

Finding

Controls over cash management were inadequate from 2019 to 2021. For instance, the Company made cash sales but there was no banking register or evidence of review of bank deposit slips. In addition, there were no records for cash disbursements on which recipients would acknowledge receipt of cash. Also, the Company did not maintain cashbooks for four (4) operational bank accounts for the three (3) years under review.

Risk / Implication

Misappropriation of cash.

Recommendation

Controls over cash management records should be enhanced.

Management response

Indeed, banking was done, however, not maintaining a register was a huge omission on the part of the company. Most of the transactions were done electronically. Very little amounts of cash were handled during this period. The COVID-19 pandemic and the resultant lockdowns further compounded the downward turn in business.

1.3 Opening balances

Finding

The Company did not avail audited financial statements for the financial years ended December 31, 2009 to December 31, 2018. As a result, there were no audit comparative financial statements to support the opening balances for 2019. This was contrary to International Accounting Standard (IAS) 1- "Presentation of Financial Statements" paragraph 38 which requires an entity to present comparative information in respect of the preceding period.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should have its financial statements audited annually.

Management response

There were no audited financial statements for either the period under review or any other period because the Centre was not financially sound and was working well below capacity. There was no structure and no Board of Directors in place.

1.4 Tax computations

Finding

The Company did not provide tax computations and tax reconciliations for the corporate tax amounting to ZWL\$31 334 and ZWL\$12 370 recognised in the statement of profit or loss for the years ended December 31, 2019 and 2020 respectively. This was contrary to International Accounting Standard (IAS) 12 – “Income Taxes” paragraph 81c (i) which requires disclosure of a numerical reconciliation between tax expense or income and the product of accounting profit multiplied by the applicable tax rate.

Risk / Implication

Financial loss due to penalties.

Misstatement of financial statements.

Recommendation

The Company should comply with the requirements of International Accounting Standard (IAS) 12 – “Income Taxes”.

Management response

Please note that the Company recorded a loss in the year 2021. Corporate tax for 2019 and 2020 will be availed. The previous Accountant will confirm the computations. The year 2021 recorded a loss.

1.5 Presentation of financial statements

Finding

The Company did not recognize the value of its two (2) ordinary shares in its financial statements since 2009. This was contrary to International Accounting Standard (IAS) 1 – “Presentation of Financial Statements” paragraph 9 (c) which requires the financial statements to provide information about an entity’s equity.

In addition, the Company did not restate its historical cost financial statements for the years ended December 31, 2019 and 2020. This was contrary to IAS 29 – “Financial Reporting in Hyperinflationary Economies” paragraph 8, which requires financial statements of an entity whose functional currency is the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the end of the reporting period.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should comply with the requirements of IAS 1 - "Presentation of Financial Statements".

The Company should comply with International Accounting Standard (IAS) 29 - "Financial Reporting in Hyperinflationary Economies".

Management response

Noted we will apply this in future.

1.6 Board appointment

Finding

The Company was operating without a Board of Directors since 2017. This was contrary to section 11 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires vacancies of the Board to be filled within ninety (90) days. As a result, it was operating without an approved organogram, strategic plan and policy manuals including the human resources and finance and administration policies for the period 2019, 2020 and 2021.

Risk / Implication

Service delivery maybe compromised.

Oversight role may be compromised.

Recommendation

Management should follow up with the appointing authority on the appointment of Board.

Management response

The parent Ministry in consultation with the management made the strategic decisions. As highlighted about the absence of Board of Directors, for that period under review, there was no Board to have those policies approved. Finance was guided by the operating standards for the accounting profession.

1.7 Submission of financial statements

Finding

The Company did not submit financial statements for periods 2009 up to 2018 while the 2019 to 2021 financial statements were submitted on October 17, 2023. This was contrary to section 49 (1) c of the Public Finance Management Act [*Chapter 22:19*] which require public entities to submit for audit the financial statements within two (2) months following the financial year end.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

The Company should submit financial statements within the stipulated statutory deadlines.

Management response

The information had not been completed. The issue of backlogs and financial challenges compounded the situation.

1.8 Segregation of duties**Finding**

The Company had no sufficient financial resources to recruit skilled personnel in key areas like marketing, accounting and logistical operations. The Company had twenty-six (26) vacant posts during the years under review. As a result, the available staff members performed several incompatible duties, functions ordinarily performed by different officers. For instance, the Acting General Manager was performing procurement, pricing and marketing duties.

Risk / Implication

Errors and fraud may go undetected.

Recommendation

The Company should recruit adequate staff in order for incompatible duties to be segregated.

Management response

Since its revival by the staff in 2010, the Centre never had any cash injection to rejuvenate it. Instead, it was allowed to lease part of its infrastructure so as to generate revenue to enable restocking of the gallery meet payroll obligations and start operations. Without capital resources, personnel skilled in key areas like marketing and accounting could not be hired, and logistical operations could not be executed effectively. So, the company had to rely on the existing staff to keep the company afloat during the difficult years. Vacant posts are as a result of funding constraints as the company was operating below capacity.

1.9 Pension scheme**Finding**

The Company was not registered with NSSA for the financial years 2019, 2020 and 2021. As a result, it did not make contributions to the National Social Security Authority (NSSA) for its employees. This was contrary to the provisions of the National Social Security Authority (Pension and Other Benefits Scheme) (Rates of Benefits) Notice, 1993 which requires permanent, seasonal, contract or temporary employees to be members of the Pension and Other Benefits Scheme.

Risk / Implication

Financial loss due to fines and penalties.

Recommendation

The Company should register with the National Social Security Authority.

Management response

After the collapse of the organization, there were no contributions made to NSSA or any other pension fund.

2 MANAGEMENT OF ASSETS**2.1 Asset register****Finding**

The Company's asset register was not regularly reviewed and updated to include essential details. As a result, the carrying amount of property, plant and equipment of USD19 744 in 2021 recognised in the financial statements did not agree to the asset register. This was contrary to Section 100(1)(4) of the Public Finance Management (Treasury Instructions), 2019 which requires the asset register to include dates of acquisition of assets, the depreciation charge for the year, additions to assets for the years, cost, accumulated depreciation and net book values.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should regularly review and update the asset register.

Management response

The omission is acknowledged. However, we look forward to rectifying and improving these omissions.

Background Information

National Handling Services (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] primarily for the provision of ground handling services for both passengers and cargo.

I have audited the financial statements of National Handling Services (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern on both the Company and the consolidated financial statements.

Qualified Opinion on the Company financial statements

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Handling Services as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 29 - “Financial Reporting in Hyperinflationary Economies”

The Company did not comply with the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies” in determining the closing value of inventory. The method that was applied in determining the inventory value did not consider the application of the index at the date of purchase of the inventory items. Inventory items were valued using a single price index rate for their date of purchase which is not in compliance with the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies”. The significance of the departure from the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies” is material to the financial statements.

Report on going concern

I draw your attention to the fact that the Company’s current liabilities exceeded its current assets by ZWL\$919 million. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. My opinion was not modified in respect of this matter.

Qualified Opinion on the consolidated financial statements

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the Consolidated financial position of National Handling Services and its subsidiary as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 29 - “Financial Reporting in Hyperinflationary Economies”

The Company did not comply with the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies” in determining the closing value of inventory. The method that was applied in determining the inventory value did not consider the application of the index at the date of purchase of the inventory items. Inventory items were valued using a single price index rate for their date of purchase which is not in compliance with the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies”. The significance of the departure from the requirements of IAS 29 - “Financial Reporting in Hyperinflationary Economies” is material to the financial statements.

Report on going concern

I draw your attention to the fact that the Group total liabilities exceeded its total assets by ZWL\$3.5 billion (2022: ZWL\$1 billion). This condition indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. My opinion was not modified in respect of this matter.

I followed up on audit findings raised in my 2022 and 2023 annual reports and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised three (3) audit findings in my 2023 annual report and followed up on the finding outstanding in my 2022 annual report. Two (2) findings were addressed while the other finding was not addressed as indicated below.

1.1 Accounting for subsidiary - (NHS CC) Namibia

Finding was addressed. The subsidiary was consolidated.

1.2 Utilization of the SAP system

Finding was addressed. Inventory and assets are now being maintained in the system.

1.3 Clearing accounts reconciliations

Finding was not addressed. Suspense had not been cleared.

NATIONAL HANDLING SERVICES CLOSE CORPORATION 2019, 2020, 2021 AND 2022

Background Information

National Handling Services Close Corporation was incorporated in terms of the Close Corporations Act, 1988 (Namibia). The Corporation provide handling of cargo and all related business and trading activities. The Company is a subsidiary of National Handling Services (Private) Limited.

I have audited the financial statements of National Handling Services Close Corporation for the years ended December 31, 2019, 2020, 2021 and 2022. I issued an unmodified/ clean opinion with a report on going concern for 2019 and a Qualified Opinion with a report on going concern for 2020, 2021 and 2022.

Opinion 2019

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Handling Services Close Corporation as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Report on going concern

I draw your attention to the fact that the Corporation incurred a net loss of N\$654 388 for the year ended December 31, 2019. The total liabilities of the Corporation exceeded its total assets by N\$654 338. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Qualified Opinion 2020

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Handling Services Close Corporation as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Storage fees

I was not provided with the supporting documentation for the storage fees revenue amounting to N\$131 583 disclosed in the financial statements. Therefore, I was unable to satisfy myself on the accuracy and completeness of the storage fees revenue disclosed in the financial statements.

Report on going concern

I draw your attention to the fact that the Corporation incurred a net loss of N\$5 million (2019: N\$654 388) for the year ended December 31, 2020 and had accumulated losses of N\$5.6 million (2019: N\$654 388). The total liabilities of the Corporation exceeded its total assets by N\$5.6 million (2019: N\$654 338). These conditions indicate that a material uncertainty exists that may

cast significant doubt on the Corporation's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Qualified Opinion 2021

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Handling Services Close Corporation as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Opening accumulated loss

I was not provided with the supporting documentation for the storage fees revenue amounting to N\$131 583 disclosed in the December 31, 2020 financial statements. Therefore, I was unable to satisfy myself on the accuracy and completeness of the opening accumulated loss disclosed in the financial statements. As a result, I could not determine the effects of the misstatements on the opening accumulated loss.

Report on going concern

I draw your attention to the fact that the Corporation incurred a net loss of N\$4.5 million (2020: N\$5 million) for the year ended December 31, 2021 and had accumulated losses of N\$10.2 million (2020: N\$5.6 million). The total liabilities of the Corporation exceeded its total assets by N\$10.2 million (2020: N\$5.6 million). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Qualified Opinion 2022

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Handling Services Close Corporation as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion 2022

Opening accumulated loss

I was not provided with the supporting documentation for the storage fees revenue amounting to N\$131 583 disclosed in the December 31, 2021 financial statements. Therefore, I was unable to satisfy myself on accuracy and completeness of the opening accumulated loss disclosed in the financial statements. As a result, I could not determine the effects of the misstatements on the opening accumulated loss.

Report on going concern

I draw your attention to the fact that the Corporation incurred a net loss of N\$3.5 million (2021: N\$4.5 million) for the year ended December 31, 2022 and had accumulated losses of N\$13.7 million (2021: N\$10.2 million). The total liabilities of the Corporation exceeded its total assets by N\$13.7 million (2021: N\$10.2 million). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of returns

Finding

The Corporation was not submitting Value Added Tax (VAT) returns on time. VAT returns for the 2020, 2021 and 2022 financial periods were submitted in December 2023. This was contrary to the requirements of the Namibian Value Added Tax Act 10 of 2000 which requires the returns to be submitted on the 25th of the following month.

In addition, the Corporation submitted Pay As You Earn (PAYE) returns for the 2022 financial year on December 19, 2023. This was contrary to the Namibia Income Tax Act 24 of 1981 which requires PAYE returns to be submitted on the 20th of each month following the month in which the PAYE was withheld.

Risk / Implication

Financial loss due to penalties and fines which may be levied.

Recommendation

The Corporation remit statutory returns in line with the stipulated deadlines.

Management response

Management has resolved to make sure all tax returns are submitted and any payments made before they fall due with Namibia Revenue Authority.

1.2. Storage fees records

The Corporation's internal controls over record keeping were not adequate. As a result, the Corporation did not have the supporting landing orders for the storage fees amounting to N\$ 131 583 for the financial year end December 31, 2019 to substantiate the amounts recorded in the general ledger.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should strengthen its record management controls.

Management response

New measures and controls have been implemented in the record keeping system to ensure that all supporting documentation is in place.

Background Information

The National Railways of Zimbabwe was incorporated in terms of the Railways Act [Chapter 13:09]. It was established to provide, operate and maintain an efficient system of public transportation of goods and passengers by rail.

I have audited the financial statements of National Railways of Zimbabwe for the year ended December 31, 2022 and I issued an Adverse Opinion with a report on going concern.

Adverse opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the National Railways of Zimbabwe as at December 31, 2022 and its financial performance, changes in reserves and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Adverse opinion

i. **Non- compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”**

Opening balances

The prior year financial statements were modified due to non-compliance with International Accounting Standard (IAS) 21- “The Effects of Changes in Foreign Exchange Rates”. The Company translated the foreign currency denominated transactions to ZWL\$ using the interbank exchange rates which were not considered appropriate spot rates for translation as required by International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”. The misstatements have not been corrected in the financial statements for the year ended December 31, 2021 in line with International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”. The effects of the above non-compliance with International Financial Reporting Standards were considered to be material but not pervasive to the financial statements.

ii. **Valuation of Property, plant and equipment and Investment property**

The Company had property, plant and equipment ZWL\$1.2 trillion (2021: ZWL\$1.3 trillion) and investment property ZWL\$9.9 billion (2021: ZWL\$ 7.8 billion) as at December 31, 2022. The valuations were determined in USD and then translated to ZWL\$ using the auction rate. The translated ZWL\$ were not in compliance with International Financial Reporting Standard 13 – “Fair Value Measurement” as they did not reflect the assumptions that the market participants would apply in valuing similar items of property and equipment in ZWL\$. The prior year opinion was modified in respect of this matter as there were no subsequent revaluations of investment property and property, plant and equipment, this matter continues to affect the financial statements for the year ended December 31, 2022.

iii. Right of use assets

The Company translated the foreign denominated right of use asset balance using the interbank rate. However, I could not obtain sufficient evidence to support the use of the closing exchange rate to determine the ZWL\$ fair value of the right of use assets without any adjustments to comply with IFRS 13 – “Fair Value Measurement”. The disclosed fair value may not accurately reflect what market participants would use to price similar assets.

iv. Valuation of Inventory

The Company did not perform impairment assessment for its spares. Included in the inventory balance as at December 31, 2022 of ZWL\$13.5 billion (2021: ZWL\$5.2 billion) are spares for antiquated, decommissioned equipment and rail infrastructure amounting to ZWL\$2.1 billion (2021: ZWL\$6 billion) for which management did not adequately perform an assessment of the spares. I was unable to obtain sufficient evidence to support the appropriateness of the inventory balances as at December 31, 2022, as well as the provision for obsolete spares presented in the statement of profit or loss.

v. Completeness, existence and accuracy of loans and borrowings

The Company’s loans and borrowings disclosed in the financial statements amounted to ZWL\$8.5 billion (2021: ZWL\$1.3 billion) as at December 31, 2022. Included in these loan balances are long overdue government guaranteed loans from foreign lenders totaling ZWL\$8.4 billion (2021: ZWL\$1 billion). However, on a loan from one financier, I was not availed with documentation relating to the loan terms and conditions and I could not confirm the terms and conditions of the loan by alternative means.

As a result, I could not obtain sufficient, appropriate audit evidence to verify the completeness, existence and accuracy of the loans, borrowings, interest expense and exchange gains/(losses) disclosed in the financial statements.

vi. Non-compliance with the Income Tax Act [Chapter 23:06]

The Company had not complied with the Income Tax Act [Chapter 23:06] which requires submission of separate tax returns where any part of income from trade or investment is earned in foreign currency. The Commissioner, based on the submitted returns would assess the proportions of tax to be paid in Zimbabwe dollars and in USD. As a result, I could not confirm the accuracy of income tax expense presented in the statement of profit or loss and other comprehensive income amounting to ZWL\$29.2 billion.

Report on going concern

I draw your attention to the fact that the Company had a net current liability position of ZWL\$12.8 billion (2021: ZWL\$18.1 billion) as at December 31, 2022. The Company also had locomotives and wagons leased from third parties denominated in United States dollars. Lease liabilities as at December 31, 2022 totalled ZWL\$1.2 billion (ZWL\$3.5 billion) of which ZWL\$867million falls due in the following financial year. Persistent negative working capital casts doubt on the Company’s ability to meet its financial obligations on the leases, thereby threatening the current business model which relies on leased locomotives.

In addition, the Company had loans amounting to ZWL\$8.5 billion (2021 ZWL\$4.8 billion) as at December 31, 2022 of which the current portion was ZWL\$8.5 billion (2021: ZWL\$1.3 billion) and the Company was not in a position to service these loans.

The Company also had a significant foreign exchange gap as at December 31, 2022 due to significant foreign exchange exposure in: USDs; British Pounds; Euros and South African Rands. As a result, the Company incurred significant exchange losses. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. My opinion was not modified in respect of these matters.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Measurement of Right of Use of Assets

Finding

The Company translated the foreign denominated right of use asset balance using the interbank rate. However, I could not obtain sufficient evidence to support the use of the closing exchange rate to determine the ZWL\$ fair value of the right of use assets without any adjustments to comply with IFRS 13 – “Fair Value Measurement”. The reported fair value may not accurately reflect what market participants would use to price similar assets.

Risk / Implication

Financial statements maybe misstated.

Recommendation

Management should determine the fair value of the right of use asset in compliance with IFRS 13 – “Fair Value Measurement”.

Management response

Observation is noted. The National Railways of Zimbabwe were using interbank exchange rates obtained from the corporate banker.

1.2. Lease management

Finding

The Company had not finalised the lease addendums pertaining to the proposed changes to a lease with a lessor as at December 31, 2022. However, the terms outlined in these draft addendums were being utilised in the recognition of the right of use asset despite the lack of signed agreements.

Risk / Implication

No legal recourse in the event of a dispute.

Recommendation

The Company should regularize the approval of the lease addendums.

Management should review and enhance internal controls surrounding the lease agreement process.

Management response

The case is a unique one and negotiations for an agreement are in progress, thus the reliance on agreed term sheets when the arrangements were proffered.

1.3. Maintenance of assets

Finding

The Company's asset management and maintenance practices were inadequate. For instance, properties physically verified during the audit were dilapidated and in need of repair and maintenance. The condition of some of the assets at the time of the audit were as follows;

Asset	Location	Condition
1st Class Coach	Victoria Falls	Not functional, and currently used as bedding shelter for NRZ Victoria Falls bridge maintenance workers.
Plant and machinery workshops general	Mutare	The asset has not been used and was not functional in the reporting period.
Oil store	Bulawayo	Oil store building not currently being maintained, and is dilapidated due to neglect.
Relay hut	Nenga	The building was totally dilapidated, lacking windows, no window frames, copper cables inside stolen, had no doors and was in an overall poor visual state and needs maintenance.

Risk / Implication

Health and safety of employees may be compromised.

Recommendation

Regular maintenance of the Company's assets.

Management response

Observation is noted. Management has adopted a phased approach to refurbish its buildings and rolling stock (locomotives and wagons). On buildings, a number of projects such as Gweru Book Off quarters, Broadway Residence, Elangeni Guest House and Eastlea Guest Houses have been refurbished to ensure the organisation gets value for money. On rolling stock, management engaged its freight customers to enter into Public Private Partnerships arrangements such that locomotives and wagons are refurbishment

up in lieu of their future railage.

1.4. Capacity utilisation of assets

Finding

The Company was not adequately capitalised during the period under review. As a result, locomotive and coach availability for the mainline was below the set target and limiting the capacity utilisation of the assets as detailed on the table below:

Item	Target	Actual
High sided iron wagon	2 472	1 628
Flatbed wagon	161	75
Tank (fuel)	281	278
Covered wagon	135	124
Standard coach	5	4
Cabooses	18	12
Power coach	5	2

Risk / Implication

Loss of potential revenue and clients.

Service delivery maybe compromised.

Recommendation

The Company should engage its shareholder for recapitalisation of its operations.

The Company should prioritise and put in place measures to increase capacity utilisation of the assets and ensure spares are always readily available to enable prompt servicing of wagons.

Management response

Observation is noted. The organisation is currently refurbishing wagons and locomotives in a phased approach by entering into Private Public Partnerships arrangements with its major freight customers. Management is also engaging Government through the parent ministry for recapitalisation support to address capacity challenges.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2019, 2020 and 2023 annual reports. I raised three (3) audit findings in my 2023 annual report and followed up on eight (8) findings outstanding in my 2019 and 2020 annual reports. Two (2) findings were partially addressed while nine (9) were not addressed as indicated below;

2.1. Trade and other receivables

The finding was not addressed. The Company was being owed ZWL\$9.22 billion which constituted 69% of total outstanding debt balances as at December 31, 2022.

2.2. Trade and other payables

The finding was not addressed. Management currently has an un-cleared suspense account with a total value of ZWL\$1.3 billion.

2.3. Valuation of inventories

The finding was not addressed. No independent valuer was engaged during the year under review, and the determination of obsolete stock was based on prior year values and trends in terms of movements of the inventory items.

2.4. Fraud and theft

The finding was not addressed. There were issues noted during 2022 audit relating to a pump which could not be physically verified.

2.5. Real estate management

The finding was partially addressed. The real estate registers were still being updated but not yet complete.

2.6. Loan documentation

The finding was not addressed. Management could not provide supporting documentation for the loans.

2.7. Weighing of goods

The finding was not addressed. Management has not implemented measures to have the goods weighed.

2.8. Loan valuation

The finding was partially addressed. The Government, through Ministry of Finance, Economic Development and Investment Promotion confirmed that the foreign loans were guaranteed. However, for the International Development for Central Africa Electrification Loan, I could not obtain the loan terms and conditions as per the loan agreements.

2.9. Valuation of property, plant and equipment

The finding was not addressed. No subsequent revaluation was performed in 2022.

2.10. Investment policy

The finding was not addressed. Investment policy is still awaiting Board approval.

2.11. Insurance on assets

The finding was not addressed. The assets are currently not insured.

Background Information

NetOne Cellular (Private) Limited was incorporated in terms of Companies and Business Entities Act [Chapter 24:31]. Its main focus and objective is to provide mobile telecommunications and related value added services.

I have audited the financial statements of NetOne Cellular (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of NetOne Cellular (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standards (IFRS) 13 - “Fair Value Measurement”

Opening balances

The prior year financial statements were modified due to non-compliance with IFRS 13 - “Fair Value Measurement”. Management performed valuation of property and equipment as at December 31, 2020. The valuations were determined in USD and then translated to ZWL\$ at the interbank rate as at December 31, 2020. The translated ZWL\$ values were not in compliance with IFRS 13 - “Fair Value Measurement” as they did not reflect the assumptions that the market participants would apply in valuing similar items of property and equipment in ZWL\$. I was unable to determine the extent of adjustments necessary to the financial statements.

Report on going concern

I draw your attention to the fact that the Company incurred a loss of ZWL\$768.3 billion (2022: ZWL\$ 192.3 billion) during the year ended December 31, 2023 and, as at that date, the Company’s total liabilities exceeded the total assets by ZWL\$922.2 billion (2022: ZWL\$153.9 billion). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. My opinion was not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Airtime disbursements

Finding

The controls over airtime disbursements were not adequate in that the Company experienced theft cases of airtime amounting to ZWL\$723.4 million and USD310 500 during the year under review. Included in the ZWL\$723.4 million was airtime worth ZWL\$634 million which was stolen by employees and this was not fully recovered.

Risk / Implication

Financial loss due to theft.

Recommendation

Management should enhance controls over generation, handling and storage of airtime.

Management should recover the airtime losses.

Management should investigate and address the incidences of loss of airtime to employees.

Management response

Observation well noted. The Company has revised its policies and procedures in a bid to strengthen its internal controls.

1.2. Motoring benefit

Finding

The Company did not account for output Value Added Tax amounting to ZWL\$197 011 arising from the deemed motoring benefits for November 2023 and December 2023 for employees who were allocated Company motor vehicles. This was contrary to the Value Added Tax Act [*Chapter 23:12*] which requires the motoring benefit to be accounted for as output value added tax.

Risk / Implication

Financial loss due to fines and penalties which may be levied.

Recommendation

The Company should make it a policy to ensure that all taxable benefits are declared under VAT.

Management response

Observation duly noted. Management has begun to declare VAT on deemed motoring benefit.

1.3. Supporting documentation

Finding

The Company was posting journals without adequate supporting documentation. As a result, I could not ascertain the validity of the adjustments. Below is a sample of journals processed without adequate supporting documentation;

Journal number	Date	Amount (ZWL\$)
19241	06/12/2023	28 027 022
19241	06/12/2023	4 000 000
19306	13/12/2023	(8 041 461)
19274	07/12/2023	(144 058 966)
19219	05/12/2023	862 133
18960	14/09/2023	6 572 288
18607	05/05/2023	897 566

Risk / Implication

Fraud or error may go undetected.

Recommendation

The Company should post journals with adequate supporting documentation.

Management response

Observation well noted. These were legacy accruals which no longer had balances in our module. These had no supporting documentation but had referenced an original journal number which had been used to post the transactions initially. The other balances pertain to stakeholder management costs. The suspense items were reversals for error batches being cleared from the suspense account.

1.4. Inventory variances

Finding

The Company had inventory variances on airtime vouchers and sim cards which were not fully investigated and resolved. The table below refers;

Inventory code	Inventory item	Variance in quantity
BBM049	Pure USD \$1	98 360
BBM050	Pure USD \$5	59
BBM051	Pure USD \$10	296
Simcards	Simcards	8 846
Simcards	Mixed range	10 046

Risk/ Implication

Fraud or error might go undetected.

Recommendation

The Company should investigate and address the inventory variances.

Management response

The audit observation is noted. Variances were investigated but took longer than anticipated. We will create a clear trail on resolution of variances.

1.5. Accounting for leases**Finding**

The Company's internal controls on lease management were not effective. For instance, the Company was computing lease liabilities on seventeen (17) leases using monthly rentals which were not on the lease agreements. In addition, the Company omitted two (2) leases for base stations in the lease register and lease computation schedule.

Risk / Implication

Fraud or error might go undetected

Recommendation

The lease records should be regularly updated and the inputs used in the determination of lease liability should be adequately supported.

Management response

Observation is noted. Lease agreements will be physically verified against the lease register to check accuracy. We will align to the lease register so as to include them on our lease liability computations.

1.6. Key vacant posts**Finding**

The Company had five (5) key vacant posts which were being occupied in acting capacity. These positions included Head Data Analytics and Software Development, IT Security and Governance Manager, Data Analytics Manager, IT Infrastructure Manager and Business Applications Support Manager.

Risk / Implication

Service delivery and decision making may be compromised.

Recommendation

The Company should fill all vacant posts.

Management response

Recruitment of IT Security and Governance Manager has been completed, now at contract stage. Recruitment of an Infrastructure Manager, Data Analytics Manager and Business Applications Support Manager is in progress.

1.7. Computer equipment upgrade

Finding

The Company was not upgrading its computer equipment in line with technological changes. As a result, the Company was not receiving various support services from the service providers on time.

Risk / Implication

Service delivery might be compromised.

Recommendation

Continuous upgrade of computer equipment in light of technological changes.

Management response

Audit comments are noted. The computer equipment indicated are part of the upgrades plan.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2021, 2022 and 2023 annual reports. I raised four (4) audit findings in my 2023 annual report and followed up one (1) finding outstanding in my 2022 report. Three (3) findings were addressed while the other two (2) findings were partially addressed as indicated below;

2.1. Lease agreements

The finding was partially addressed. The Company engaged landlords who signed lease agreements. However, renewal of expired leases was still on-going.

2.2. Bank reconciliations

The finding was addressed. Bank reconciliations were being reviewed and signed.

2.3. Post-paid customer lines

The finding was addressed. Customer lines are now being suspended when the account is not settled.

2.4. Unidentified deposits

The finding was addressed. The unidentified deposits were cleared during the 2023 financial year.

2.5. Residential property

The finding was partially addressed. The Company instituted legal proceedings which are still pending.

Background Information

New Ziana (Private) Limited was established in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The Company runs a news agency and provincial newspapers that fall under the ambit of the Community Newspaper Group.

I have audited the financial statements of New Ziana (Private) Limited for the year ended December 31, 2021 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of New Ziana (Private) Limited as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. Valuation of property, plant and equipment

In the prior year, management performed revaluation of property, plant and equipment through a desktop valuation exercise which resulted in a significant adjustment of the values by ZWL\$33.9 million in 2020. The fair values determined by management were not supported by adequate and traceable evidence to confirm how they arrived at the determined values. As a result, the opening balances as at January 1, 2021 had misstatements that materially affect the current period's financial statements of the Company and the effects of the misstatements were not appropriately accounted for in the current year.

In addition, the property, plant and equipment included land and buildings amounting to ZWL\$133.7 million which was being occupied by the Company. I was not availed with documentation supporting ownership of the building. I was therefore unable to ascertain the whether the building recognised in the financial statements was owned by the Company.

ii. Operating expenses

Operating expenses disclosed in the financial statements amounting to ZWL\$34.6 million consist of other expenses amounting to ZWL\$4.6 million that were not adequately supported. Management could not provide adequate information that include approvals, invoices, quotations, receipts and proof of payments for my inspection. Therefore, I could not validate the occurrence and accuracy of these expenses.

iii. Trade receivables

I could not ascertain the accuracy and completeness of trade receivables amounting to ZWL\$3.7 million disclosed in the financial statements as responses to the debtors' confirmations were not received. The balances not confirmed by the customers could not be traced to subsequent receipts.

iv. Accounts payables

I was not availed with supporting documents in the form of statements, proof of subsequent payments and or confirmations from suppliers to substantiate accounts payables of ZWL\$523 563 disclosed in the financial statements. Included in the trade payables amount were debit balances amounting to ZWL\$1.1 million which was also not supported with adequate evidence.

v. Cash and cash equivalents

The cash and cash equivalents amounting to ZWL\$8.3 million consist of cash on hand of ZWL\$125 700 which had no supporting documentation. The Company did not perform cash counts at year end and there was no information available to do alternative procedures to ascertain the correct balance for cash on hand as at the reporting date.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Key vacant post

Finding

The organisation did not have a stand-alone Managing Director who focuses on the operations and strategic activities of the company. The current Managing Director of the company is also the Managing Director of Zimbabwe Mass Media Trust.

Risk / Implication

Service delivery may be compromised.

Recommendation

The Company should appoint a stand-alone Managing Director.

Management response

The operations manager will be appointed in 2025 to oversee the operations of New Ziana and will be reporting to the Executive Secretary of Zimbabwe Mass Media Trust (ZMMT).

1.2. Supporting documentation

Finding

The Company did not avail supporting documentation in the form of invoices, quotations, receipts for expenditure amounting to ZWL\$4.6 million. The cash balance of ZWL\$125 700 was not also supported as management did not perform cash counts at year end. In addition, the payables account balance of ZWL\$4.6 million was reduced by an adjustment of ZWL\$1.1 million which was not adequately supported. The receivable balances were also not confirmed by the customers and could not be traced to subsequent receipts.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should strengthen record keeping controls and avail documents for audit.

Management response

Noted. Proper documentation and internal controls are now in place.

1.3. Contract management**Finding**

The Company's contract management processes were not adequate during the year. For instance, the Company leases properties and no contracts were made in regards to these leases.

Risk / Implication

No legal recourse in the event of litigation.

Recommendation

Valid contracts should be put in place.

Management response

Noted.

2. PROCUREMENT OF GOODS AND SERVICES**2.1. Procurement controls****Finding**

The Company's internal controls over procurement of goods and services were not adequate as the Company used quotations as receipts or invoices for payments. In addition, some transactions did not have both invoices and quotations.

Risk / Implication

Financial loss due to fraud and error.

Recommendation

The Company's internal controls should be strengthened such that all payments have adequate documentation.

Management response

Noted, proper documentation now being filed.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2023 annual report. I raised three (3) audit findings and they were not addressed as indicated below;

3.1. Alignment of accounting processes to reporting framework

The finding was not addressed. The Company had not yet performed the review of useful life and residual values of its assets.

3.2. Alignment to corporate governance framework

The finding was not addressed. The Company is still operating without a Board of directors.

3.3. Internal audit function

The finding was not addressed. The Company has not yet set-up an internal audit function

Background Information

The Company was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. Its core business is importation, distribution and retail of petroleum products in Zimbabwe.

I have audited the financial statements of Petrotrade (Private) Limited for the years ended December 31, 2022 and 2023. I issued a Qualified Opinion for 2022 and Unmodified / Clean Opinion in 2023.

Qualified Opinion 2022

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Petrotrade (Private) Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”

The Company recognised a defined benefit of ZWL\$680.2 million as at December 31, 2023. The defined benefit asset included investment property that was valued at ZWL\$467.8 million by independent professional valuers as at December 31, 2022. The property values were not determined in line with IFRS 13 - “Fair Value Measurement” principles. International Financial Reporting Standard (IFRS)13 – ‘Fair Value Measurement’, paragraph 2 defines fair value 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 (exit price). I could not determine the extent of adjustments necessary.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Petrotrade (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are other material issues noted during the audit;

1 GOVERNANCE ISSUES

1.1 Valuation of defined benefit asset

Finding

The Company recognised defined benefit asset amounting to ZWL\$680.2 million which included investment property that was valued by an independent professional valuer as at December 31,

2022. The property value of ZWL\$467.8 million was not determined in line with IFRS 13 - “Fair Value Measurement” principles. International Financial Reporting Standard (IFRS) 13 – ‘Fair Value Measurement’ paragraph 2 defines fair value 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 (exit price). The determined property value of ZWL\$467.8 million could not meet the assumptions that market participants would apply in valuing similar properties in ZWL\$.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should comply with the requirements of International Financial Reporting (IFRS) 13 - “Fair Value Measurement” when valuing its assets.

Management response

The Company will endeavour to comply with the requirements of International Financial Reporting Standards over and above the laws and regulations that govern our operations and financial reporting.

1.2 Internal audit

Finding

The Company did not have a board in place during the year ended 2022. As a result, Internal Audit operated without an approved annual audit plan. This was contrary to section 232 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires an internal audit plan to be agreed and approved by the audit committee.

Risk / Implication

Internal control review may be compromised.

Recommendation

The Company should liaise with the appointing authority for the appointment of the board.

Management response

The recommendation is noted. The board that was in place in 2022 was suspended before they approved the audit plan. We now have a board of directors in place, and it has since approved the 2023 audit plan.

1.3 Bank reconciliations

Finding

The Standard Operating Procedures manual covering bank reconciliations had no specific timelines on which reconciling items were to be cleared. As a result, there were long outstanding

reconciling items as at December 31, 2022 with some dating back to July 2018. The items included deposits not yet cleared of US\$6 661 and ZWL\$173 346.

Risk / Implication

Fraud and error may not be detected in time.

Recommendation

The Company should update its standard operating procedures to include timelines on which outstanding reconciling items are cleared.

Management response

We are in the process of revising our Standard Operating Procedures to specify the timelines and procedures for clearing outstanding items, allowing for corrective actions to be taken in accordance with the SOPs provisions. The revised SOPs are expected to be approved by the first quarter in 2025.

2 REVENUE COLLECTION AND DEBT RECOVERY

2.1 Coupon redemption gadgets

Finding

The Company had four (4) coupon redeeming sites without coupon redemption gadgets and the redeemed coupons were sent to head office for posting into the operational system. As a result, there were delays in posting coupons redeemed for the year ended December 31, 2022 into the system. This was against the Standard Operating Procedures manual which requires redeemed coupons from sites without gadgets to be submitted on weekly basis for posting in the system.

Risk / Implication

Financial loss due to misappropriation of fuel.

Recommendation

The Company should procure fuel redemption gadgets for all sites.

The Company should account for all fuel redeemed on time.

Management response

All sites now have coupon redemption gadgets in 2024.

3 MANAGEMENT OF ASSETS

3.1 Asset replacement and maintenance plan

Finding

The Company did not have an asset replacement and maintenance plan. As a result, fourteen (14) fuel pumps were not functional and there were old model forecourt pumps in use which no longer had spare parts readily available in the market.

Risk / Implication

Financial loss as service delivery maybe compromised.

Recommendation

The Company should put in place and implement an asset replacement and maintenance plan.

Management response

The company has procured new pumps and currently awaits delivery of the same.

4 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings raised in my 2021 and 2022 annual report. I raised two (2) findings in my 2022 annual report and followed up one (1) finding which was outstanding from my 2021 report. Two (2) findings were addressed and one (1) was not addressed as indicated below;

4.1 Board composition

The finding was addressed. Subsequent to the previous Board being dissolved, the current Board has members with accounting or auditing expertise.

4.2 Recruitment of senior posts

The finding was addressed. The senior posts for the Chief Operations Officer and Business Development Director were abolished and the Company now have a new Chief Executive Officer.

4.3 Ownership of property

The audit finding was not addressed. The Company has not yet regularized the ownership of this property.

Background Information

Powertel Communications (Private) Limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The core business of the Company is to provide Information and Communication Technology (ICT) connectivity services.

I have audited the financial statements of Powertel Communications (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Powertel Communications (Private) Limited as at December 31, 2023, and financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 - “Fair value Measurement”

The property, plant and equipment valuations were determined in USD using the December 31, 2019 revaluation results carried out by independent valuers. The Company translated the carrying amount of the USD valuation of its Property, plant and equipment as at December 31, 2023 to ZWL\$ using the auction rate. These values were subsequently depreciated on an annual basis and then translated to ZWL\$ using the auction rate as at December 31, 2023. The converted ZWL\$ fair values were not in compliance with the International Financial Reporting Standard (IFRS) 13 - “Fair value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of Property, plant and equipment in ZWL\$. The non-compliance was considered material but not pervasive.

Report on going concern

I draw your attention to the fact that the Company recorded a loss of ZWL\$ 32.3 billion (2022: ZWL\$ 5.8 billion) for the year ended December 31, 2023. In addition, the Company's current liabilities exceeded its current assets by ZWL\$60. 5 billion (2022: ZWL\$ 4.7 billion). These conditions indicate the existence of material uncertainty that may cast doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Leases agreement

Finding

The Company's internal controls over the management of contracts was not effective during the period. As a result, the Company had no lease contracts for some of the leases and there were no addendums availed to support reviews for contracts that had expired.

Risk / Implication

There may be no legal recourse in the event of disputes.

Recommendation

Valid lease agreement should be considered for the Company.

Management response

The organisation has been in constant engagement with lessors for review of rentals in line with its cost containment initiatives and as such changes to lease contracts is an ongoing exercise. Going forward, a process to update all expired addendums for leased properties will be expedited and the process will commence well in advance before the expiration date.

1.2. Fiscal tax invoices

Finding

The Company's internal controls over the procurement and selection of suppliers were not effective during the period. As a result, the Company had fiscal tax invoices from suppliers that were non-compliant for Value Added Tax (VAT) purposes. These fiscal tax invoices did not have the required features such as the Value-Added Tax numbers and the electronic signature as required by section 20 of the Value Added Tax Act [*Chapter 23:12*].

Risk / Implication

Financial loss due to fines and penalties which may be levied.

Recommendation

The Company should comply with the requirements of Value Added Tax Act [*Chapter 23:12*].

Management response

The observation is noted. The Company has already implemented the recommendations as procurement is only being done from suppliers that are VAT compliant. Only VAT compliant invoices will be processed for payment to eliminate possible prejudice to the organisation.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing audit findings that I raised in my 2022 and 2023 annual reports. I raised three (3) audit findings in the 2023 annual report and I followed up on two (2) findings outstanding in my 2022 annual report. Two (2) findings were addressed, one (1) finding was partially addressed and two (2) findings were not addressed as indicated below;

2.1. Service level agreement

The finding was addressed. The service level agreement for ZETDC was finalised on May 1, 2023.

2.2. Valuation of property, plant and equipment

The finding was not addressed. In the current year, the Company used the same revaluation process as in prior year and I have modified the audit opinion based on this non-compliance with IFRS 13 – “Fair value measurement”.

2.3. Sustainability of services

The finding was not addressed. The Company had a net current liability position as at December 31, 2023.

2.4. Data revenue usage reports

The finding was partially addressed. The system is being upgraded.

2.5. Billing system

The finding was addressed. The current ERP system (SAP) was capacitated with additional capabilities to allow it to bill and reconcile customer accounts regularly.

Background Information

Printflow (Private) Limited is a Company incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The main function of the Company is printing, publishing, buying and selling of all forms of office supplies.

I have audited the financial statements of Printflow (Private) Limited for the year ended December 31, 2023 and I issued an unmodified /clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of Printflow (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit:

1. GOVERNANCE ISSUES

1.1. Alignment of governance processes

Finding

The Company was not generating sufficient cashflows during the period under review. Amounts were tied up in receivables to the extent that the liquidity position could not allow the Company to incur board induction and other operational costs. As a result, the Board was not inducted and operated without an approved charter, terms of reference and code of ethics since its appointment in June 2023. This was contrary to section 182 and 26 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Company's Board to be inducted, draft the board charter, code of ethics and terms of references for the committees.

Risk / Implication

Oversight role of the Board may be compromised.

Recommendation

The Board should put strategies in place to generate sufficient cash flows.

Management response

The Board started work in the second half of 2023 and induction was affected by budgetary constraints. The Board induction was done in July 2024. Management will present to the Board the draft code of ethics for consideration and approval by 30 September 2024.

1.2. Board resolutions

Finding

The Board resolutions were not being submitted to the parent Ministry. This was contrary to section 35 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires board resolutions to be submitted to both the parent Ministry and Corporate Governance Unit.

Risk / Implication

Oversight role may be compromised thereby affecting service delivery.

Recommendation

The board resolutions should be submitted to the parent Ministry in line with section 35 of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

It was an oversight to only send Board resolutions to CGU only and not to the parent ministry. Sending Board resolutions to the parent ministry will be regularized in the first quarter of 2025. Will also in future ensure they are signed for acknowledgement.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Contracts management

Finding

The Company internal controls over contracts with customers were inadequate. The Company entered into a verbal engagement with a prospective customer and incurred costs amounting to USD475 313 in designing and prototyping. The prospective customer then withdrew from the engagement after funds had been committed. As a result, the Company did not recover the costs incurred.

Risk / Implication

Enforcement of verbal agreement may be difficult.

Financial loss as costs incurred without a written contract may not be recovered.

Recommendation

Management should continuously engage the customer to recover the costs incurred.

Management response

Management have redesigned their order form into a contract which has to be signed before a job goes into the factory.

3. PROCUREMENT OF GOODS AND SERVICES

3.1. Advance payments

Finding

The Company's controls over procurement processes were not adequate. As a result, the Company made advance payments to suppliers without receiving a security guarantee. This was contrary to section 82(5) (ii) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] which requires security guarantees for advance payments. The supplier subsequently did not deliver the goods and the Company was only able to recover ZWL\$3.6 million and ZWL\$2.8 million was still outstanding as at December 31, 2023.

Risk / Implication

Financial loss due to non-delivery of goods and services.

Recommendation

Management should comply with the requirements of the Public Procurement Disposal of Public Assets (PPDPA) Act in order to safeguard financial resources.

Management should also follow up and recover outstanding amount of ZWL\$2.8 million.

Management response

Observation is noted and the Company is already implementing the recommendations.

4. EMPLOYMENT ISSUES

4.1. Continuous professional development

Finding

There was no evidence to support that accounting staff were participating in continuous professional development and job-related trainings for the period under review. As a result, misstatements amounting to ZWL\$135.3 million were noted in the financial statements which were later adjusted.

Risk / Implication

Staff will lag behind in terms of changes in accounting standards.

Accountability and quality of financial statements submitted for decision making may be compromised.

Recommendation

Management should consider continuous professional development training for its personnel.

Management response

The Board is seized with the matter as part of increasing employee capacity and attracting and retaining staff. In the meantime, Management budgeted for training in 2025 which will partly alleviate the challenge.

4.2. Probation performance assessment

Finding

The Company did not have clearly documented performance assessment procedures for staff under probation period. I was therefore not availed with documentary evidence clearly indicating the set targets review and final performance of one of the officers who was terminated due to failure to meet performance targets at the end of the probation period.

Risk / Implication

The Company may lose talent or fail to retain competent staff which may stifle innovation.

Recommendation

The Company should put in place clear processes for setting and reviewing of performance targets during probation period.

Management response

Management will carry out the recommendations by first quarter of 2025.

5. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings and recommendations raised in my 2022 and 2023 annual reports. I raised three (3) findings in my 2023 report and followed up on two (2) findings outstanding in my 2022 annual report. One (1) finding was addressed, two (2) findings were partially addressed and two (2) findings were not addressed as indicated below:

5.1. Statutory obligations

The finding was partially addressed. ZIMRA and NSSA USD payments are up to date, except for NSSA ZWG payments.

5.2. Valuation of assets

The finding was addressed. The Company performed valuation which addressed the IFRS 13 - "Fair Value Measurement".

5.3. Management of contracts

The finding was partially addressed. USD13 683.06 was recovered and USD4 738.94 remains outstanding.

5.4. Prepayments

The finding was not addressed. The Company continued to pay advance payments to suppliers who do not deliver. In the current year the Company paid ZWL\$ 6.49 million in advance for the supply of Highway Code.

5.5. Employment contracts

The finding was not addressed. The contracts are not yet in place.

Background Information

Transmedia Corporation (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The main objective of the Corporation is to provide broadcasting signal transmission and telecommunication services.

I have audited the financial statements of Transmedia Corporation (Private) Limited for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Transmedia Corporation (Private) Limited as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Internal Audit Charter

Finding

The Internal Audit Department operated without a charter during the year under review contrary to Section 230 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires an approved internal audit charter to be put in place.

Risk / Implication

Oversight may be compromised.

Recommendation

The Corporation should put in place an Internal Audit Charter.

Management response

The Corporation will ensure that an Internal Audit Charter is established as recommended.

1.2 Lease agreements

Finding

The Corporation`s controls over lease management were inadequate. The lease agreements were not regularly reviewed to reflect lease fees which were charged during the year. As a result, I was not availed with lease addendums supporting the amounts charged.

Risk / Implication

Lack of legal recourse in case of disputes.

Recommendation

Management should regularize the lease agreements.

Management response

In addition to the price review notification letters we were sending to customers, we will ensure that Addendums are prepared for all price reviews.

1.3 Statutory payments**Finding**

The Corporation was facing cash flow challenges during the year ended December 31, 2023. As a result, statutory payments for PAYE and NSSA were not being remitted on time. This was contrary to the Income Tax Act [*Chapter 23:06*] and National Social Security Act [*Chapter 17:04*] which requires that payments should be made by the 10th of the following month.

Risk / Implication

Financial loss due to penalties and interest that may be levied against the Corporation.

Recommendation

Management should enhance their debt recovery and revenue generation strategies.

Management should come up with payment plans for settling statutory obligations.

Management response

The Corporation has continued to face cash flow challenges. However, strategies are being put in place to address the anomaly.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation made progress in addressing audit findings raised in my 2022 annual report. I raised one (1) finding and was partially addressed as indicated below;

2.1 Accounting for associate

The finding was partially addressed. Skynet Holdings Financial Statements for the years, 2022 and 2023 were received and audit is in progress.

Background Information

The Urban Development Corporation was established in terms of the Urban Development Corporation Act [Chapter 29:16]. The Corporation is mandated to spearhead harmonized and affordable housing delivery and infrastructure development.

I have audited the financial statements of the Urban Development Corporation for the year ended December 31, 2023 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Urban Development Corporation as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. **Non-compliance with International Financial Reporting Standards (IFRS) 13 – “Fair Value Measurement” and International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”**

The Corporation owns a portfolio of investment property with a total carrying value of ZWL\$2.9 billion (2022: ZWL\$2 billion). The properties were revalued in United States Dollars (USD) and translated to Zimbabwean Dollars (ZWL\$) using the interbank rate as at December 31, 2022. However, the translated ZWL\$ values were not in compliance with IFRS 13- “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of investment property in ZWL\$. The prior year financial statements were also modified in respect of this matter. No restatement of prior year balances was done in the current year in accordance with International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors” to correct the misstatements. I could not determine the extent of any adjustments necessary.

ii. **Non-compliance with International Accounting Standards (IAS) 21 – “The effects of Changes in Foreign Exchange Rates” and IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”**

Opening balances

The prior year financial statements were modified based on non-compliance with the requirements of IAS 21 - “The Effects of Changes in Foreign Exchange Rates”. The opening balances of assets and reserves had misstatements that materially affected the current period’s financial statements. The effects of the misstatements were not corrected in the current period in line with the requirements of IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors.” I could not determine the extent of adjustments necessary.

iii. **Non-compliance with International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies”**

The financial statements were adjusted for inflation in terms of IAS 29 – “Financial Reporting in Hyperinflationary Economies” based on misstated historical amounts. The comparability and misstatements’ effects have not been quantified. The misstatements were considered to be material and pervasive to the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of financial statements

Finding

The Corporation submitted its financial statements on August 23, 2024, six (6) months after the year end. This was contrary to section 49(1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires public entities to submit the financial statements for audit within sixty (60) days after the end of the financial year.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

The Corporation should submit financial statements within sixty (60) days following financial year end in line with Public Finance Management Act [*Chapter 22:19*].

Management response

The Corporation had been in arrears on audited financial statements for many years, and the management has worked tirelessly in the last four years to clear arrear accounts. The Corporation now expect that the 2024 financial statements will be submitted within the legislative timelines.

1.2. Value added tax

Finding

The Corporation was experiencing cash flow challenges. As a result, Value Added Tax (VAT) amounting to ZWL\$1 million was outstanding for more than three hundred and sixty five (365) days as at December 31, 2023. This was contrary to section 28 of the Value Added Tax Act [*Chapter 23:12*] which requires every registered operator to remit VAT by the 25th of the first month commencing after the end of a tax period relating to the registered operator.

Risk / Implication

Financial loss due to fines and penalties which may be levied.

Recommendation

The Corporation should enhance its revenue strategies to address cash flow challenges.

Management response

Observation noted. On some late remittances, the Corporation was facing some cash flow challenges in 2023. However, we duly made some agreed payment plan arrangements with ZIMRA.

1.3. Debtors' reconciliations

Finding

The Corporation was not performing reconciliations for its debtors' accounts during the year under review. As a result, payments for allocated stands amounting to ZWL\$190 million were recorded as unallocated deposits.

Risk / Implication

Errors and irregularities may not be detected on time.

Recommendation

The Corporation should perform debtors' reconciliations regularly and clear unallocated deposits on time.

Management response

The bulk of the payments in the unallocated accounts are bank deposits with no depositor's name on the bank statements. In some cases, where bank deposits have names, the name on the deposit may not be in the allocated stand list names so it's temporarily posted to unallocated pending further checks and confirmations. Some stand owners use someone to pay for their stand but do not communicate details to UDCORP. Work to clear these unallocated deposits is now in progress with view to allocate these to payments to the respective accounts.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation did not make progress in addressing audit findings raised in my 2023 annual report. I raised four (4) audit findings, two (2) findings were partially addressed and two (2) findings were not addressed as indicated below;

2.1. Stand sales policy

The finding was not addressed. The stand sales policy is not yet in place.

2.2. Statutory deductions

The finding was partially addressed. NSSA payments are now up to date however, the tax

obligations are still outstanding and the Corporation has a payment plan with the tax Authority.

2.3. Alignment of accounting processes to the reporting framework

The finding was not addressed. No restatement of prior year investment property balances was done in the current year.

2.4. Project management

The finding was partially addressed. The Corporation came up with a transformation strategy which was approved by the Board and is being implemented. Monitoring and evaluation is now being done on a quarterly basis. However, the advances amounting to ZWL\$939 354 were not recovered.

Background Information

The Company was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. It specialises in scientific research on gas, energy projects and production plants.

I have audited the financial statements of Verify Engineering (Private) Limited for the year ended December 31, 2022 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Verify Engineering (Private) Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. Non-compliance with International Financial Reporting Standard 16 (IFRS) – “Leases”

The Company was leasing premises for its Head Office on a 3-year lease with a 6-year extension option and the contract satisfied the recognition criteria for International Financial Reporting Standard 16 (IFRS) - “Leases”. Management had not yet adopted IFRS 16- “Leases” which became effective and mandatory on January 1, 2019 to recognise a right of use asset and a lease liability in the statement of financial position. As a result, rental expense of ZWL\$8.7 million was inappropriately recognised in the statement of profit or loss.

ii. Non-compliance with International Accounting Standard (IAS) 37 –“Provisions, Contingent Liabilities and Contingent Assets”

The Company recognised a provision for rehabilitation for its operations at Feruka amounting to ZWL\$10 000. The basis applied in determining the provision was not in line with IAS 37- “Provisions, Contingent Liabilities and Contingent Assets”. In addition, the Company did not provide for rehabilitation on its mining operations at Mkwesine site. I was therefore not able to satisfy myself on the completeness and valuation of the provision for rehabilitation.

iii. Other income

Included in other income is a recovery account with a total value of ZWL\$405.2 million. I was not availed with supporting documentation for the amount recognised. As a result, I could not satisfy myself as to the completeness and accuracy of other income.

iv. Inventories

There was a variance of ZWL\$791. 4 million between inventory ledger balance of ZWL\$216. 8 million and inventory valuation report of ZWL\$1 billion which had not been reconciled and cleared. Therefore, I could not satisfy myself as to the completeness and valuation of inventories.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Gas cylinder rentals and gas cylinder deposits

Finding

The Company did not have a policy to guide the administration of gas cylinders rentals and deposits.

Risk / Implication

Inconsistence in processing of transactions.

Recommendation

Management should put in place a policy that covers the administration of the gas cylinder rentals and deposits.

Management response

The policy is being reviewed so that it can address issues to do with cylinders which are being distributed through our appointed agencies.

1.2. Board composition

Finding

The Company had not aligned its corporate governance processes to the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*]. For instance, the Executive Director of Finance was not part of the Board. In addition, there was no gender balance on the board as there was only one (1) female out of six (6) members on the Board. This was contrary to sections 94 and 97 of the First Schedule of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires gender and skill balance and also the finance executive director to be part of the Board.

Risk / Implication

Oversight role may be compromised.

Recommendation

Board composition should be aligned to the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

In appointing the Board there were also economic considerations given that the company is still on growth phase. However, the shareholder/appointing authority (parent Ministry) is alive to the situation.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make significant progress in addressing audit findings raised in my 2023 annual report. I raised three (3) audit findings and one (1) was addressed while the other two findings were not addressed as indicated below;

2.1. Remittance of PAYE

The finding was addressed. The Company was now remitting PAYE on time.

2.2. Provision for rehabilitation

The finding was not addressed. The management committed to address the determination of provision for rehabilitation in 2023.

2.3. Taxation

The finding was not addressed. Management is pursuing an exemption from income tax.

Background Information

Woodlands Farm (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The Company was formed to enhance security of goats supply in the country and livestock products in Africa and beyond. The Company is a subsidiary of National Social Security Authority (NSSA) under the Pension and Other Benefits Scheme.

I have audited the financial statements of Woodlands Farm (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Woodlands Farm (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Qualified Opinion

i. Unsupported expenditure

The Company did not avail supporting documents for capital expenditure amounting to USD97 670 which was posted to work in progress. I was therefore unable to verify the occurrence, completeness and accuracy of the amounts recognized in the financial statements.

ii. Completeness of the wage bill

The Company did not provide the monthly payment schedules used to disburse salaries amounting to USD18 849 during the year. As a result, I could not satisfy myself on the completeness and accuracy of wages reported in the financial statements.

Below are other materials noted during the audit;

1. GOVERNANCE ISSUES

1.1 Records management

Finding

The Company's records management practice was not effective during the year under review. For instance, I was not availed with an approved budget for the year ended December 31, 2023. As a result, I could not ascertain whether the Company's budget was approved in line with to section 47(1) of the Public Finance Management Act [Chapter 22:19] which requires public entities to prepare and submit their budgets to the shareholder (NSSA) for approval at least 30 days before the start of the financial year.

Risk / Implication

Financial loss as expenditure incurred may not be in line with the budget.

Recommendation

The Company should improve on its document retention strategies.

Management response

The management notes the issues raised and will align with the statutes, the approved budget is there but we were failing to locate the signed copy.

1.2 Sustainability of operations**Finding**

The Shareholders were not availing funding as per the requirements of Clause 5 of the Memorandum of Agreement which provided that financing shall be provided in the form of a loan to cater for the fattening and breeding of goats and cropping activities for feeding of goats among other activities. As a result, the Company reported an average mortality rate of 22% as at December 31, 2023 which was above the normal loss of 15%.

Risk / Implication

Financial loss as the investment may fail to yield the expected returns.

Recommendation

Funding should be availed timeously as per the requirements and needs of the Company.

The Company should consider to install a backup water supply system to sustain its operations.

Management response

Management has taken note of the recommendation. Funding will be applied for timeously going forth and the board already assured us of partial funding whilst the balance is being processed to ensure smooth operations. The water supply project is already being worked on and bill of quantities have been sought and ZINWA was also engaged.

1.3 Attendance of meetings**Finding**

The Board members were paid sitting allowances amounting to USD6 353 however, I was not availed with board minutes to support that the board met during the year ended December 31, 2023. This was contrary to section 137 (f) (ii) of the Public Entities Corporate Governance Act [Chapter 10:31] which requires meeting proceedings to be recorded and minutes circulated and approved by the relevant Chairperson.

Risk / Implication

Irregular payments for services not rendered.

Recommendation

Board minutes should be prepared for every board meeting.

Management response

Management notes the recommendations and going forward we have resorted to have signed minutes from prior meeting as part of the board pack.

1.4 Bank reconciliations**Finding**

The internal controls over management of cash and bank were not effective during the year as bank reconciliations for the months August to December 2023 were not prepared. This was contrary to the requirements of the Company's Finance Policy and Procedures Manual section 1.3.3 which requires monthly bank reconciliations to be performed. As a result, there was a cumulative unreconciled balance of USD1 758 which remained un-cleared as at December 31, 2023.

Risk / Implication

Irregular transactions may not be detected on time.

Recommendation

Management should consider strengthening controls over cash and bank balances.

Management response

Management acknowledges the recommendations for implementation. Monthly bank reconciliations are now being signed effective 2024.

2 EMPLOYMENT ISSUES**2.1 Wage bills****Finding**

The Company did not provide the monthly payment schedules used to disburse salaries amounting to USD18 849 during the year. As a result, I could not satisfy myself on the completeness and accuracy of wages reported in the financial statements.

Risk / Implication

Misstatement of financial statements.

Irregular transactions may be processed.

Recommendation

Payments should be supported by relevant documentation.

Management response

Management has now procured a new payroll software and has discarded the excel based software effective September 01, 2024 to try and curb issues around salaries computations and lack of supporting documentation. The new service providers is currently in the process of assisting us to do payroll runs for prior periods starting from January 2024.

3 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF PRIOR YEARS RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2023 annual report. I raised seven (7) audit findings, two (2) were addressed, one (1) was partially addressed and four (4) were not addressed as indicated below;

3.1 Alignment of governance processes

The finding was partly addressed. Management now has a signed recruitment policy and committed to regularise the other policies which had missing signatures.

3.2 Board committees

The finding was not addressed. There are no board committees put in place.

3.3 Shareholders' loan

The finding was addressed. Loan agreements were signed in 2024.

3.4 Risk management

The finding was addressed. Firefighting equipment was procured and being serviced when due.

3.5 Unsupported expenditure

The finding was not addressed. There was unsupported expenditure amounting to USD97 670 in the 2023 financial year.

3.6 Shared procurement

The finding was not addressed. The Company has no documented shared procurement arrangement with its parent Company.

3.7 Handover and takeover procedure

The finding was not addressed. Management was still working on handover processes and some documents and financial records could not be availed during the year.

ZIMBABWE ACADEMIC RESEARCH CENTRE (PRIVATE) LIMITED (ZARNet) 2020 AND 2021

Background Information

Zimbabwe Academic and Research Network (Private) Limited (ZARNet) was incorporated in terms of the Research Act [*Chapter 10:22*] and the Companies and Other Business Act [*Chapter 24:31*]. The Company's functions are to provide reliable and sustainable Internet Connectivity and other converged ICT solutions to the Academic, Research and Education Institutions, and any other Government establishments in Zimbabwe.

I have audited the financial statements of the Zimbabwe Academic and Research Network (Private) Limited for the years ended December 31, 2020 and 2021 and I issued a Qualified Opinion for both years with a report on going concern.

Qualified Opinion 2020

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Academic and Research Network (Private) Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates"

The prior year financial statements did not comply with the requirements of International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates", on the opening balances as the Company was unable to use an appropriate exchange rate on change of functional currency. The Company translated its comparative financial statements using the interbank rate which came into existence on February 22, 2019 through Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Company adopted January 1, 2019 as the date of change in functional currency and translated its foreign denominated balances to ZWL\$ at a rate of 1USD: 1 ZWL\$. Statutory Instrument 33 of 2019 prescribed that all assets and liabilities that were denominated in US\$ before February 22, 2019 be deemed to be RTGS dollars at a rate of 1:1 and all transactions subsequent to February 22, 2019 at interbank rate starting at USD: 2.5 ZWL\$. The Company's inability to assess the appropriateness of using the interbank rate in achieving fair presentation was primarily due to the fact that there were no observable foreign exchange market rates between October 2018 and February 2019.

In that regard, the Company's 2020 opening balances misstatements have an impact on the current year financial statements. Had the financial statements been prepared in accordance with the requirements of IAS 21 - "The Effects of Changes in Foreign Exchange Rates", many elements would have been materially affected. As a result, the impact of the Company's inability to comply with IAS 21 - "The Effects of Changes in Foreign Exchange Rates" has been determined as significant.

Qualified Opinion 2021

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Academic and Research Network (Private) Limited as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting (IFRSs).

Basis for Qualified Opinion

i. Non - compliance with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” and International Accounting Standard (IAS) 36 – “Impairment of Assets”

The Company did not review the useful lives of its assets in line with IAS 16 - “Property, Plant and Equipment” paragraph 51 which requires residual value and the useful life of each asset to be reviewed at each financial year-end. In addition, the Company did not provide evidence of impairment assessment contrary to IAS 36 - “Impairment of Assets” paragraph 9 which requires impairment assessment of assets to be carried out at each reporting period. Had the Company reviewed the useful lives of its items of property, plant and equipment and carried out an assessment of impairment, the carrying amount of property, plant and equipment would have been materially different.

ii. Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimated and Errors”

During the prior financial years, the foreign currency denominated transactions and balances of the Company were translated into ZWL\$ using the interbank exchange rates /foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21 – “The Effects of Changes in Foreign Exchange Rates”. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in line with the requirements of IAS 8 - “Accounting Policies, Changes in Accounting Estimated and Errors”. The opinion on the current year is modified because of the possible effects of non-compliance with IAS 21 - “The Effects of Changes in Foreign Exchange Rates” on the accumulated funds of the Company as at December 31, 2021 and on the comparability of the current year’s figures to those of the comparative period. Had the financial statements been prepared in accordance with the requirements of IAS 21 - “The Effects of Changes in Foreign Exchange Rates”, many elements would have been materially different. The effects of the above non-compliance with International Financial Reporting Standards were considered to be material but not pervasive to the financial statements.

Report on going concern

I draw your attention to the fact that the Company had not serviced its foreign denominated debt which resulted in accumulation of interest amounting to USD 4.2 million during the year ended December 31, 2021. In addition, the Company’s current liabilities exceeded its current assets by ZWL\$1.4 billion (2020: ZWL\$1.0 billion). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Declaration of assets

Finding

The Company did not align its governance processes with the Public Entities Corporate Governance Act [*Chapter 10:31*]. As a result, Board members and senior management did not declare their assets. This was contrary to section 37 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Board and senior members to declare their assets.

Risk / Implication

Oversight role, transparency and accountability may be compromised.

Recommendation

The Company should align its governance processes with the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The observation has been noted. Management will align with section 37 of the Public Entities Corporate Governance Act [*Chapter 10:31*] going forward.

1.2. Foreign loan

The Company was facing cash flow challenges as its current liabilities exceeded the current assets by ZWL\$1.9 billion (2020: ZWL\$1.04 billion). As a result, it was unable to service its foreign loan of USD19 million which matured on November 30, 2019 and had incurred default interest of USD4.2 million as at December 31, 2021.

Risk / Implication

Financial loss due to accumulation of interest.

Recommendation

The Company should come up with revenue generating strategies to address the cash flow challenges.

Management response

The observation has been noted and management wrote to the parent Ministry for the Government position regarding the pending transaction. In view of this, management submits that Government had been seized with this issue and to date there had been significant developments for the closure of this transaction.

1.3. Internal audit

Finding

The Company had no internal control review arrangements. As a result, its internal controls were not subject to review by the internal audit during the period under review. This was contrary to the requirements of section 223 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Company to have internal audit arrangements.

Risk / Implication

Fraud and errors may not be detected on time.

Recommendation

The Company should put internal audit arrangements in place.

Management response

The observation has been noted and in order to comply with the Public Entities Corporate Governance Act [*Chapter 10:31*], ZARNet fully employed someone who is responsible for audit and risk in August 2022.

1.4. Review of useful life and impairment assessment

Finding

The Company did not review the useful lives of its assets in line with IAS 16 - "Property, Plant and Equipment" paragraph 51 which requires residual value and the useful life of each asset to be reviewed at each financial year-end. In addition, the Company did not provide evidence of impairment assessment contrary to IAS 36 - "Impairment of Assets" paragraph 9 which requires impairment assessment of assets to be carried out at each reporting period.

Risk / Implication

Misstatement of financial statements.

Recommendations

Management should perform impairment review in line with International Accounting Standards (IAS) 36- "Impairment of Assets."

Review of useful life and residual values of the assets should be carried out in line with International Accounting Standards (IAS) 16- "Property, Plant and Equipment."

Management response

The observation to the above has been noted, Management carried out asset revaluation and asset inventory verification on 31 December 2020 and in that view, Management did not review useful lives nor carry out an impairment assessment for the period ended 31 December 2021 based on the assumption that maintaining the prevailing useful lives of

PPE would cover ZARNet capitalization gap. In addition, Management did not identify any external and internal indications for impairment on December 31, 2021 given the timeframe between the asset verification, that is December 31, 2020 and the date of reporting 31 December 2021. Considering the above observation, in the future Management was going to ensure compliance with IAS 36 by regular asset impairment assessment and constant review of the useful lives of these assets.

1.5. Utilisation of Government grant

Finding

The Company was allocated a grant of ZWL\$30 million to deliver network services to Government schools. The Company requested for the release of funds in March 2021 however, these funds were only received in June 2021. The Company then purchased a stand for the construction of its Head Office without the parent Ministry concurrence. This was contrary to the appropriated purpose and the approved budget, which designated the funds exclusively for network service delivery.

Risk / Implication

Misappropriation of funds.

Recommendation

The Company should always seek concurrence from the parent Ministry before making changes to the approved budget.

Management response

The observation has been noted and we reveal that a complete telecommunications network for provision of telecommunications services comprises of the following major components; permanent building structure that houses the National Call Centre and National Network Data Base facility, telecommunications network hardware and software infrastructure being installed and commissioned in the ten (10) provinces country wide and the internet bandwidth to operationalize the telecommunication network.

In light of the above, we further share that the 3 items listed above had a required budget estimate of ZWL\$529 million in 2021 financial year, of which ZWL\$30 million was a Blue Book allocation, implying that ZARNet received 6% of the requested budget estimates, thereby suffering a budget deficit of 94%. The ZWL\$30 million was below the minimum funds required to make a deposit for initiating procurement of the hardware and software infrastructure as foreign commodities from the supplier who was also demanding payment in forex. Implying that the project was temporarily derailed, in that 2021 financial year.

The Company assessed the need to hedge against the inflationary environment by purchasing the commercial stand in question meant for provision of National Call Centre and National Network Data Base facility mentioned above since this was budgeted in the 2020 financial year. What we do not have is written explicit concurrence from parent Ministry.

1.6. Annual tax returns

Finding

The Company had not submitted its 2019 and 2020 annual tax returns on time contrary to section 37A of the Income Tax [*Chapter 23:06*] which requires returns to be submitted not later than four (4) months after the year end. The returns were submitted on December 13, 2022.

Risk / Implication

Financial loss due to fines and penalties.

Recommendation

Tax returns should be submitted within the statutory deadline.

Management response

The observation has been noted. Currently all our tax returns are up to date.

1.7. Accounting and procedures manual

Finding

The Company was not updating its accounting and procedures manual with current changes in the International Financial Reporting Standards (IFRSs). For instance, the issue of leases was not included in the Company's manual.

Risk / Implication

Inconsistencies in accounting processes.

Recommendation

The Company should timeously update its accounting and procedures manual to cater for current changes in the International Financial Reporting Standards.

Management response

Management takes note of this observation and Management would include continuous training and development in order to align with the changes in IFRS. Further to this, Management take note of the need to regularly review its accounting policies and the review process has since been initiated.

2. MANAGEMENT OF ASSETS

2.1 Assets records

Finding

The Company procured two (2) laptops during the year, however none of them was recorded as an addition to the property, plant and equipment. In addition, one (1) laptop was reported stolen however, no police report was provided to support this claim. This was contrary to the requirements of Public Finance Management Act [*Chapter 22:19*] section 45 (a) and the Company's laptop policy which requires management to ensure that the system of financial management and internal control established for the entity is implemented.

Risk / Implication

Misappropriation of assets.

Recommendation

Management should investigate and recover the missing laptop and update its asset register with all additions.

Management response

The observation has been noted and Management will improve its asset policy in order to safeguard company assets.

3. PROCUREMENT OF GOODS AND SERVICES

3.1 Declaration of interests

Finding

There was no evidence to support that declaration of interests were being done by members involved in the procurement processes. This was contrary to section 71(2) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] which requires declaration of interests to be done by those involved in the procurement for an entity.

Risk / Implication

Irregular procurements may go undetected.

Recommendation

The procurement committee should declare their interests.

Management response

The observation has been noted and Management shall implement the Audit recommendation going forward in order to comply with section 71(2) of the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*].

4. EMPLOYMENT ISSUES

4.1 Terminations

Finding

The Company's termination of employment process was not in line with its human resources policy. As a result, there was no evidence of clearance of dues and returning of Company assets by six (6) employees who were discharged during the year under review. This was contrary to the Company's human resources policy number 13 of the ZARnet employee handbook which requires employees terminating employment to be formally cleared.

Risk / Implication

Misappropriation of assets.

Recommendation

All employees must clear with all departments before leaving the Company, evidenced by a clearance certificate.

Management response

The observation is noted. In future employees will be cleared through a formal clearance process.

5. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company made progress in addressing the audit finding raised in my 2022 annual report. I raised one (1) audit finding and it was addressed as indicated below;

5.1 Board of Directors

The finding was addressed. The Board was appointed in 2021.

Background Information

The Zimbabwe Broadcasting Corporation was established in terms of the Broadcasting Services Act [*Chapter 12:06*]. Its core function is to carry out broadcasting services for the information, education and entertainment of listeners in and outside Zimbabwe.

I have audited the financial statements of Zimbabwe Broadcasting Corporation for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Broadcasting Corporation as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Completeness of revenue

The Corporation's listeners' customer history or database was in manual form. As a result, the Corporation was not in a position to reliably ascertain amounts due from listeners. Amounts recorded were based on cash collected to determine the revenue from listener's licenses. The manual system was making it difficult to keep track of customers' payment history. I could not therefore ascertain the completeness of revenue recorded in the financial statements. My prior year opinion was modified based on this matter.

ii. Non-compliance with International Accounting Standard (IAS) 16 - "Property, Plant and Equipment"

I could not ascertain the completeness of the assets of the Corporation as the asset register was not up to date with serial numbers or bar codes, number plates for some motor vehicles and location details for some were not recorded. There were also assets which were not recorded in the asset register.

In addition, the Corporation did not review the residual values and useful lives of property, plant and equipment as at December 31, 2023 in accordance with IAS 16 - "Property, Plant and Equipment" paragraph 51 which requires the review of residual values and useful lives to be carried out at the end of each financial year. The Corporation last carried out a revaluation of its assets in 2016. This was contrary to IAS 16 - "Property, Plant and Equipment" paragraph 31 which requires revaluations to be performed with sufficient regularity to ensure carrying amounts do not differ materially from fair values. Had the assets been revalued and useful lives reviewed, the property, plant and equipment carrying amounts could have been materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Bring your own device policy

Finding

The Corporation allows its employees to bring in their own devices within the premises. However, there was no Bring Your Own Device Policy that gave guidance on personal device usage within the corporate network.

Risk / Implication

Misappropriation of assets.

Recommendation

The Corporation should put in place a documented policy guidance on the use of personal gadgets.

Management response

The Corporation now has a draft Bring Your Own Device policy and is awaiting submission to the Board of Directors for approval.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation made some progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised six (6) findings in my 2023 annual report and followed up on three (3) outstanding in my 2022 annual report. Two (2) findings were addressed, one (1) partially addressed and six (6) were not addressed as indicated below;

2.1. Alignment of accounting processes to the reporting framework

The finding was not addressed. The Corporation had not performed valuation of assets and review of useful life and residual value of assets in the current year.

2.2. Lease agreements

The finding was addressed. Lease agreements with third parties were now in place.

2.3. Bank signatories

The finding was addressed. Bank signatories have been updated to exclude former employees.

2.4. Ownership of assets

The finding was partially addressed. Not all assets are registered in the name of the Corporation.

2.5. Collections from listener's licenses

The finding was not addressed. The listeners' collections were accounted on cash basis as the database is still manual.

2.6. Employee files

Finding not addressed. Employee files are still not updated.

2.7. ICT Steering Committee

The finding was not addressed. Review of the Information and Communication Technology (ICT) policy was in progress.

2.8. Receivables

The finding was not addressed. The Corporation still had debtors aged 90 days or more amounting to ZWL\$5.2 billion of which ZWL\$0.8 billion relates to 2020 to 2022 period.

2.9. Trade and other payables

The finding was not addressed. The Corporation had not cleared all the long outstanding payables.

Background Information

Zimbabwe Consolidated Diamond Company (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. The Company is involved in the mining of diamonds and alluvial gold.

I have audited the financial statements for the Zimbabwe Consolidated Diamond Company for the year ended December 31, 2023 and I issued an Adverse Opinion with an emphasis of matter paragraph.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the Company as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard (IAS) 21- “The Effects of Changes in Foreign Exchange Rates”

The financial statements for the year ended December 31, 2023 have been presented in Zimbabwe Dollar (ZWL\$) which is the functional and presentation currency of the Company. Management’s assessment of functional currency had not considered the functional currency indicators highlighted on International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange rates”. IAS 21 – “The Effects of Changes in Foreign Exchange rates” paragraph 9 and 17-18 requires the Company to assess its functional currency that reflects the underlying transactions, events, and conditions and to change the functional currency where there is a change in underlying transactions, events, and conditions. The effects of the non-compliance with IAS 21 – “The Effects of Changes in Foreign Exchange Rates” could not be quantified but is considered to be material and pervasive to the financial statements.

Emphasis of matter

I draw your attention to the fact that the Company’s wholly-owned subsidiary DTZ -OZGEO (Private) Limited is currently not operational and has been classified as a project due to the unresolved issues following the cancellation of its Special Mining Grants 5267 and 4955 under the Government Policy on the consolidation of the diamond industry in Zimbabwe. As a result, the financial results of DTZ-OZGEO have not been consolidated into the Company’s financial statements. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Diamonds processing

Finding

The Company's equipment on processing of diamonds was in need of upgrading. As a result, the Company had a processing loss of 29% (1 440 507 carats) which was 7.58% above the Company policy limit of a cleaning loss.

Risk / Implication

Financial loss due to the processing losses.

Recommendation

Management should invest in more efficient equipment for its diamond processing.

Management response

Management agrees with the audit finding and recommendation. The issue was resolved in December 2023. A detachment plant was bought for the cleaning of diamonds in December 2023. To further reduce cleaning losses, an investment in deep boiling facility at the mine is being done in 2024.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised two (2) findings in my 2023 annual report and followed up on three (3) findings outstanding in my 2022 annual report. One (1) finding was partially addressed while four (4) were not addressed as indicated below;

2.1 Submission of tax returns

The finding was not addressed. The Company's statutory returns for January 2023 to April 2023 were submitted after the statutory deadlines.

2.2 Board composition

The finding was partially addressed. The Chief Finance Officer (CFO) was appointed whilst the Board member with legal expertise is yet to be appointed.

2.3 Mining areas

The finding was not addressed. Management will engage the parent Ministry to recover the costs incurred by the Company.

2.4 Debt management

The finding was not addressed. The Company had two suppliers who were owed USD 575 527

and ZWL \$15 million.

2.5 Related parties

The finding was not addressed. To date, none of the former miners have been liquidated to enable Company to recover the outstanding debts from former miners.

ZIMBABWE ELECTRICITY TRANSMISSION AND DISTRIBUTION COMPANY (PRIVATE) LIMITED (ZETDC) 2023

Background Information

The Zimbabwe Electricity Transmission and Distribution Company (Private) Limited was established in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. Its business is the distribution and retail of electricity to final users.

I have audited the financial statements of the Zimbabwe Electricity Transmission and Distribution Company (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Electricity Transmission and Distribution Company (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13- “Fair Value Measurement”

The Company performed valuation of property, plant and equipment as at December 31, 2023. The values of the property were determined in USD and translated to ZWL\$ using the closing auction rate. The translated ZWL\$ could not meet the fair value requirements of IFRS 13- “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$. The prior year financial statements were modified in respect of this matter. The non-compliance was considered material but not pervasive to the financial statements. I could not determine the extent of any adjustments necessary in the current period.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Valuation of property, plant and equipment

Finding

The Company translated the carrying amount of the USD valuation of its property, plant and equipment as at December 31, 2023 to ZWL\$ using the auction rate. However, the translated ZWL\$ values were not in compliance with IFRS 13 - “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should comply with the requirements of IFRS 13 - "Fair Value Measurement".

Management response

As has been acknowledged by the auditors, the management revaluation model in use derives its values from the last asset revaluation, which was conducted by an external independent valuer. Management considers the valuation report produced by the independent valuer multiplied by foreign currency interbank exchange rate to be the most reliable base for continued management revaluations. Revaluation of assets by an independent external valuer is due and the issue will be fully addressed.

1.2. Asset records**Finding**

The Company's internal controls over the recording and management of assets were not adequate as there were deficiencies in the description and identification of assets in the asset register for computers, motor vehicles and tools and equipment. For instance, computer equipment was captured without serial numbers or asset numbers. Motor vehicles had mismatches in engine capacities and no chassis numbers while there were no clear specifications relating to work done and locations for additions for distribution subs and lines.

This was contrary to the Company's Asset Procedure Manual which require asset numbers on the asset register to match with the numbers on the physical asset for identification purposes.

Risk / Implication

Misappropriation of assets.

Recommendation

The asset register should be updated with all the essential information of the assets.

Management response

The Audit observation is acknowledged and noted. The process to clean up the asset register to make sure that the asset descriptions can be identified easily is ongoing with the following actions being taken. Correction of asset descriptions and insertion of serial numbers for computers, correction of the descriptions in the asset register to match the vehicle registration book details, correction of asset descriptions to include unique identifiers for similar assets like ladders and the Region is to revisit the asset descriptions to come up with standard nomenclature, within the SAP character restrictions, which makes it easier to positively identify the assets.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

I followed up on five (5) audit findings in my 2022 annual report and two (2) findings in my 2020 annual report. Two (2) findings were addressed, four (4) findings were partially addressed and one (1) finding was not addressed as indicated below:

2.1. Allocated funds in the cash account

The finding was partially addressed. Out of the balance of ZWL\$1.7 billion as at December 31, 2022, ZWL\$0.7 billion of the funds have not been traced.

2.2. Remittance of rural electrification levy

The finding was partially addressed. The outstanding rural electrification levy for 2020 and 2021 was cleared and the rural electrification levy is now being remitted based on collections. However, the outstanding balances will be cleared when cash flows improve.

2.3. Operational vehicles

The finding was partially addressed. The Company ordered 1 152 operational vehicles and so far 231 have been delivered.

2.4. Transmission losses

The finding was addressed. Monitoring of losses is being done in line with the Distribution code to remain within acceptable deviation from the set standard.

2.5. Fuel and electricity allowance

The finding was partially addressed. The Company investigated the cases and has engaged the Information Technology section to retrieve the data for the period in question to finalise the issue.

2.6. Statutory and other obligations

The finding was not addressed. The Company continued to have cash flow challenges. However, once the cash flows improve, statutory contributions will be paid on time.

2.7. Electricity fringe benefits

The finding was addressed. The depot and suburb details of the employees were updated.

Background Information

ZESA Enterprises (Private) Limited, was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and the Electricity Act [*Chapter 13:19*]. It is mainly involved in the manufacturing, repairing of power, distribution of transformers, line material design, construction and commissioning of high voltage substations, power lines, civil and mechanical works, provision of transport logistics, supply and distribution of high quality hardware, domestic and industrial electrical equipment, provision of information technology and support services.

I have audited the financial statements for ZESA Enterprises (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern.

Qualified Opinion

In my opinion, except for effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of ZESA Enterprises (Private) Limited as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair value measurement”

The Company revalued its property, plant and equipment as at December 31, 2019. In order to determine the fair value of the property, plant and equipment as at December 31, 2023, USD inputs were used and then translated into ZWL\$ using the closing interbank exchange rate. The translated ZWL\$ fair values were not in compliance with IFRS 13 - “Fair value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of Property, plant and equipment in ZWL\$. The non-compliance was considered material but not pervasive.

ii. Non-compliance with International Accounting Standard (IAS) 16 - “Property, plant and equipment”

The Company did not review the residual values and the useful lives of assets as there were assets with nil values that were still in use. This was contrary to the requirements of IAS 16 – “Property, plant and equipment” paragraph 51 which requires the review of residual values and useful lives to be carried at the end of each financial year end. I was unable to quantify adjustments that would have been necessary.

Report on going concern

I draw your attention to the fact that the Company had an accumulated loss of ZWL\$99.2 billion (2022: ZWL\$ 53.1 billion) as at December 31, 2023. In addition, the Company had a net current liability position of ZWL\$111.3 billion (2022: ZWL\$51.6 billion). These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company’s ability to continue operating as a going concern. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Valuation of property, plant and equipment

Finding

The Company last performed its revaluation of property, plant and equipment in USD as at December 31, 2019. In order to determine the fair value of the property, plant and equipment as at December 31, 2023, USD inputs were used and then translated into ZWL\$ using the closing interbank exchange rate. The translated ZWL\$ fair values were not in compliance with IFRS 13 - "Fair value Measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should comply with the requirements of IFRS13 – "Fair Value Measurement".

Management response

The year under review allowed for multicurrency transacting in USD and ZWL\$. IFRS 13 – "Fair value measurement" requires that a fair value be determined for assets valuation. For property, plant and equipment, the market for local currency was not available as active buyers and sellers in local currency could not be found. It is against this background that the Company valued its assets in USD given an active participation on the USD Market. Conversion to local currency was then derived through application of the prevailing official exchange rate to comply with local currency reporting.

1.2. Pension fund contributions

Finding

The Company experienced cash flow challenges during the period under review and could not settle the long outstanding pension fund contributions. As a result, the Company accrued interest of ZWL\$2.7 billion due to a long outstanding debt for pension contribution. This was contrary to the Pension Fund Rules which require the contributions to be remitted within fourteen (14) days after month end.

Risk / Implication

Financial loss due to interest charges.

Pensioners may face challenges in accessing their pensions upon retirement.

Recommendation

The Company should enhance its revenue generating strategies and remit pension contributions within prescribed timelines.

Management response

Late remittances to the pension fund was due to cash flow challenges emanating from depressed business, high inflation, low tariff, high interest rates coupled with high exchange rates. However, ZENT through the ZESA Group has engaged the pension fund and came up with a payment plan running into three years to extinguish the long outstanding debt to minimise penalties and interest.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company addressed the audit finding that I raised in my 2023 annual report as indicated below;

2.1. Bank signatories

The finding was addressed. The bank signatories were updated.

Background Information

ZESA Holdings (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and the Electricity Act [*Chapter 13:19*]. The Company manages its 100% owned subsidiaries which are, Zimbabwe Power Company (Private) Limited, Zimbabwe Electricity Transmission and Distribution Company (Private) Limited, Powertel Communications (Private) Limited and ZESA Enterprises (Private) Limited.

I have audited the consolidated financial statements of ZESA Holdings (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern on both the Group and the Company.

Qualified Opinion on the consolidated financial statements

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, the consolidated statement of financial position of ZESA Holdings (Private) Limited and its subsidiaries as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion on the consolidated financial statements

Non-compliance with International Financial Reporting Standards (IFRS) 13 – “Fair Value Measurement”

The Group performed valuation of investment property and property plant and equipment as at December 31, 2023. The values of the property were determined in USD and translated to ZWL\$ using the interbank rate. The translated ZWL\$ could not meet the fair value requirements of IFRS 13- “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$. The prior year financial statements were modified in respect of this matter. The non-compliance was considered material but not pervasive to the financial statements. I could not determine the extent of any adjustments necessary in the current period.

Qualified Opinion on the Company financial statements

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the statement of financial position of ZESA Holdings (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion on Company financial statements

Non-compliance with International Financial Reporting Standards (IFRS) 13 – “Fair Value Measurement”

The Company performed valuation of investment property and property plant and equipment as at December 31, 2023. The values of the property were determined in USD and translated to

ZWL\$ using the closing interbank rate. The translated ZWL\$ could not meet the fair value requirements of IFRS 13- "Fair Value Measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$. The prior year financial statements were modified in respect of this matter. The non-compliance was considered material but not pervasive to the financial statements. I could not determine the extent of any adjustments necessary in the current period.

Report on going concern

I draw your attention to the fact that the Group and the Company's current liabilities exceeded its current assets by ZWL\$5.7 trillion (ZWL\$3.3 trillion) and ZWL\$356.5 billion (ZWL\$183.9 billion) respectively. In addition, the Group and the Company also incurred a loss before tax of ZWL\$3.6 trillion (ZWL\$1.7 trillion) and ZWL\$132.7billion (ZWL\$44.8 billion) respectively for the year. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue operating as a going concern. My opinion is not modified in respect of this matter.

I followed up on findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2023 annual report. I raised three (3) audit findings, two (2) were partially addressed and one (1) was not addressed as indicated below;

1.1. Statutory deductions

The finding was partially addressed. NSSA and PAYE returns are now being submitted on time. However, the Company continues to experience cash flow challenges and remittance of ZIMDEF levy.

1.2. Valuation of assets

The finding was not addressed. The valuation of assets was not in compliance with requirements of IFRS 13- "Fair Value Measurement".

1.3. Loan payments

The finding was partially addressed. The Government is currently re-engaging the creditors and development partners.

Background Information

Zimbabwe Mining Development Corporation (ZMDC) was established in terms of the Zimbabwe Mining Development Corporation Act [Chapter 21:08]. The main business of the Corporation and its subsidiaries, which are incorporated in Zimbabwe, is that of minerals extraction and sales.

I have audited the financial statements of Zimbabwe Mining Development Corporation for the year ended December 31, 2023 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Corporation as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance to International Accounting Standards (IAS) 21 – “The Effects of Changes in Exchange Rates”

The financial statements for the year ended December 31, 2023 have been presented in Zimbabwe Dollar (ZWL\$) which is the functional and presentation currency of the Corporation. Management’s assessment of functional currency had not considered the functional currency indicators highlighted on IAS 21 – “The Effects of Changes in Foreign Exchange rates”. IAS 21 – “The Effects of Changes in Foreign Exchange rates” paragraph 9 and 17-18 requires the Corporation to assess its functional currency that reflects the underlying transactions, events, and conditions and to change the functional currency where there is a change in underlying transactions, events, and conditions. The effects of the non-compliance with IAS 21 – “The Effects of Changes in Foreign Exchange Rates” could not be quantified but is considered to be material and pervasive to the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Lease management

Finding

The Corporation’s internal controls over lease management were inadequate during the period under review. For instance, I was not availed with signed lease contracts for two (2) tenants occupying the property of the Corporation.

Risk / Implication

Lack of legal recourse in case of disputes.

Possible financial loss due to payment of rentals which are not market related.

Recommendation

Management should put in place lease contracts with tenants.

Management response

The contract for one (1) tenant has since been rectified and on file and the contract for the other tenant could not be located by both parties, we have since engaged the tenant to rectify this since they are making quarterly payments into our account.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised one (1) finding in my 2023 annual report and followed up on three (3) audit findings outstanding in my 2022 annual report. All the four (4) findings were addressed as indicated below;

2.1 Statutory obligations

The finding was addressed. The Corporation is now registered with the Standard Development Fund and payments and returns are now up to date.

2.2 Payables

The finding was addressed. The Corporation has managed to clear all the outstanding debt and has now positive cash flows after partial privatisation and restructuring of its balance sheet.

2.3 Service level agreement

The finding was addressed by terminating the contract as this was no longer serving the purpose.

2.4 Performance of subsidiaries and joint venture

The finding was addressed. Non-performing entities like Jena have since been privatised for recapitalization and the remaining entities like Sabi Mine are performing well and under constant monitoring to ensure that they do not fold.

Background Information

Zimbabwe Post Properties (Private) Limited is a real estate company that provides dynamic property solutions to today's customers. It was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*].

I have audited the financial statements of Zimbabwe Posts Properties (Private) Limited for the year ended December 31, 2019 and I issued a Disclaimer of Opinion.

Disclaimer of Opinion

I do not express an opinion on the financial statements of the Zimbabwe Post Properties (Private) Limited as at December 31, 2019. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

i. Non-compliance with International Accounting Standard (IAS) 36 – “Impairment of Assets”

There was no evidence that the Company carried out an impairment assessment of its property, plant and equipment as at December 31, 2019. This was contrary to International Accounting Standard (IAS) 36 – “Impairment of assets” paragraph 9 which requires entities to assess at the end of each reporting period whether there is any indication that any asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset and recognise impairment loss where applicable.

ii. Asset register

The Company did not maintain a comprehensive fixed assets register contrary the requirements of the Public Finance Management Act [*Chapter 22:19*], section 45 (a) which requires that the system of financial management and internal control established for the Company is implemented. In addition, reconciliations were not performed between the excel record of assets and the physical assets in 2019.

I was therefore unable to perform all the planned audit procedures on property, plant and equipment and to conclude on the possible effects on the Company's financial statements of any undetected misstatements related to the property, plant and equipment. I could not confirm the completeness of assets disclosed in the financial statements.

iii. Supporting documentation for vehicle travel / mileage logbooks

Management could not provide vehicle log books for inspection to ascertain if the vehicles were being used in the manner required by the Company. I was therefore unable to determine the accuracy and completeness of vehicle mileage costs disclosed in the financial statements. Accordingly, I had not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

iv. Limitation of scope on inventories

The Company could not provide inventory valuation report and signed stock count sheets for inventory amounting to ZWL\$9 300 disclosed in the financial statements. Consequently, I was unable to perform audit procedures to obtain sufficient appropriate audit evidence to provide a basis for an opinion. I was unable to determine whether any adjustments might have been found necessary in respect of inventory.

v. Limitation of scope on cash and cash equivalents

There were no responses from banks regarding bank confirmations sent to them for confirmation of bank balances as at year-end. In addition, management could not avail the corresponding bank statements. I was therefore unable to perform any alternative procedures to satisfy myself regarding accuracy of the cash and cash equivalent balances reported in the financial statements. Therefore, I could not determine whether any adjustments might have been found necessary in respect of recorded bank balances.

vi. Non-compliance with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment”

The Company had not reviewed the residual values of its property, plant and equipment at the reporting date. This was contrary to the requirements of IAS 16 – “Property, Plant and Equipment” paragraph 51 which requires the review of residual value and useful life carried at the end of each financial year end. As a result, the majority of the Company’s assets were fully depreciated and still in use. I could not determine the extent of adjustment necessary.

vii. Limitation of scope on journals

Management could not avail supporting documentation for journal entries selected for testing for the year ended December 31, 2019. I was therefore unable to perform all the planned audit procedures on the journal entries and unable to conclude whether the possible effects on the Company’s financial statements of any undetected misstatements related to the journal entries, if any, could have been material and pervasive.

viii. Limitation of scope on litigations and claims against the entity

There were no responses from the Company’s lawyers regarding claims and possible claims with respect to which their advice or representation was sought during the period January 1, 2019 to December 31, 2019. Accordingly, I have not been able to obtain sufficient appropriate audit evidence regarding completeness of provisions recognised and the related disclosures that might have been essential to fully comply with the requirements of International Accounting Standard (IAS) 37- “Provisions, Contingent Liabilities and Contingent Assets” to provide a basis for an audit opinion.

ix. Contingent liability relating to the pension fund deficit

The Company contributed to a defined benefit pension fund. This pension fund is a multi-employer fund and had a deficit of ZWL\$26.4 million as at December 31, 2019. The Company’s portion of this deficit has not yet been determined. I was therefore unable to ascertain the impact of this deficit on the Company including its impact on the financial statements.

x. General limitation of scope

I was not able to obtain the supporting documentation that include NSSA returns and payments, ZIMRA VAT and PAYE returns and payments, budgets, bank reconciliation statements, related party transactions and balances including management remuneration and benefits. As a result, the audit process was severely impeded.

xi. Non-compliance with International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies”

The Company did not prepare inflation adjusted financial statements as the historical costs were not restated in terms of the measuring unit current at the end of the reporting period. This was contrary to the requirements of IAS 29 – “Financial Reporting in Hyperinflationary Economies” paragraph 8 which requires entities operating in hyperinflationary economies to apply the provisions of the standard to reflect the changing purchasing power of the functional currency.

xii. Inclusion of unaudited financial statements of a subsidiary

The consolidated financial statements include unaudited financial statements of Post Microfinance which is a subsidiary of Zimbabwe Posts Properties (Private) Limited. As a result, I was unable to satisfy myself that all the necessary adjustments and disclosures have been made to the unaudited financial statements of Post Microfinance for the year ended December 31, 2019. Accordingly, I was unable to determine the effect of this departure on the consolidated financial statements of Zimbabwe Posts Properties (Private) Limited for the year ended December 31, 2019.

xiii. Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”

The Company did not apply the requirements of IAS 21 – “The Effects of Changes in Foreign Exchange Rates”, in the year 2019 financial statements because of the unavailability of exchange rates in the period October 2018 to February 22, 2019. Transactions in Zimbabwe during that period had a three-tier pricing structure where a single product had different prices depending on the mode of payment, namely the United States Dollar cash, bond notes, electronic money or mobile money. This resulted in transactions bearing similarities to what one would expect with transactions that are undertaken in different currencies to which IAS 21 - “The Effects of Changes in Foreign Exchange Rates” would apply. Statutory Instrument 133 of 2016, Statutory Instrument 33 of 2019 and monetary policy statement of February 20, 2019 all confirmed the parity of 1:1 between the United States dollar cash, bond notes, mobile money and electronic money. This presented difficulties in ascertaining the fair values of the Company’s material assets and liabilities as at the reporting date. IAS 21 – “The Effect of Changes in Foreign Exchange Rates”, requires the use of spot rate in accounting for transactions. I could not determine the extent of the adjustments necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of financial statements

Finding

The Company submitted the financial statements for the year ended December 31, 2019 in June 2024, five (5) years after the statutory deadline. This was contrary to Section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires the accounting officer of a public entity to submit the financial statements for audit within two months after the end of the financial year.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Council should submit financial statements on time as required by the Public Finance Management Act [*Chapter 22:19*].

Management response

Management is working on finalising outstanding audits.

1.2. Alignment of accounting processes to the reporting framework

Finding

There was no evidence that the Company carried out an impairment assessment of its property, plant and equipment as at December 31, 2019. This was contrary to International Accounting Standard (IAS) 36 – “Impairment of assets” paragraph 9 which requires entities to assess at the end of each reporting period whether there is any indication that any asset may be impaired.

In addition, the Company had not reviewed the residual values of its property, plant and equipment at the reporting date. This was contrary to the requirements of IAS 16 – “Property, Plant and Equipment” paragraph 51 which requires the review of residual value and useful life carried at the end of each financial year end. As a result, the majority of the Company’s assets were fully depreciated and still in use

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should align its accounting processes to the reporting framework.

Management response

Management did an impairment test and assets were revalued in compliance with the reporting framework in 2024.

1.3. Policy and procedure manual documents

Finding

I was not availed with the approved Recruitment and selection policy, Accounting and procedure manual, Risk assessment policy and Assessed credit loss policy for audit. This was contrary to Public Finance Management Act [*Chapter 22:19*] section 44 (1) which requires a public entity to establish and maintain an effective, efficient and transparent systems of financial, risk management and internal controls.

Risk / Implication

Inconsistencies in the processing of transactions.

Recommendation

Essential policy documents should be considered.

Management response

Management will have the policies signed and we are still looking for a signed Risk Assessment policy.

1.4. Asset register

Finding

The Company did not maintain a comprehensive fixed assets register contrary to the requirements of the Public Finance Management Act [*Chapter 22:19*], section 45 (a) which requires that the system of financial management and internal control established for the Company is implemented. In addition, reconciliations were not performed between the excel record of assets and the physical assets in 2019 due to staffing challenges.

Risk / Implication

Misappropriation of assets.

Recommendation

The Company should maintain an updated asset register in compliance with the Public Finance Management Act [*Chapter 22:19*].

Management response

The asset register is maintained in excel since we migrated to Apogee system. Buildings are fixed and the location is known and Post Properties has one Head Office where it is

easy to track asset movement.

1.5. Valuation of inventories

Finding

The Company did not provide inventory valuation report and signed stock count sheets for inventory amounting to ZWL\$9 300 disclosed in the financial statements. As a result, I could not substantiate the completeness, accuracy and valuation of inventory disclosed in the financial statements.

Risk / Implication

Misstatements in the financial statements.

Recommendation

Management should provide all documents and information requested by auditors.

Management response

Management is still looking for documentation since all staff who were working in the finance department resigned.

1.6. Accounting for subsidiary

Finding

The Company's internal controls over monitoring of its investments were inadequate. For instance, the consolidated financial statements included unaudited financial statements of Post Microfinance which is a subsidiary of Zimbabwe Posts Properties (Private) Limited. As a result, I was unable to satisfy myself that all the necessary adjustments and disclosures have been made to the unaudited financial statements of Post Microfinance for the year ended December 31, 2019.

Risk / Implication

Misstatements of financial statements.

Recommendation

The Company should consolidate audited results of its subsidiary.

Monitoring of investments should be enhanced.

Management response

Consolidation of Post Microfinance has been done.

Audit evaluation

The management did not provide audited financial statements of the subsidiary to the audit team and therefore I did not obtain reasonable assurance on the completeness and accuracy of the numbers that were incorporated in Post Properties financial statements through the consolidation.

1.7. Investment property

Finding

The Company was not performing reconciliations for investment property. As a result, the Company had an unexplained movement in the company's investment property of ZWL\$49 501.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should investigate and clear the unexplained movement.

Management response

The movement of investment property is being investigated by management.

2. MANAGEMENT OF ASSETS

2.1. Staff houses status

Finding

The Company was not regularly maintaining its staff houses. As a result, some staff houses had deteriorated and needed repairs. For instance, the structures showed significant signs of deterioration included crumbling walls, damaged roofs, broken windows and the outdated plumbing systems.

Risk / Implication

Financial loss as further delays would result in costly repairs.

The health and safety of employees may be compromised.

Recommendation

The Company should regularly maintain and repair its properties.

Management response

Management has put up a rehabilitation plan for all Post Offices and residential properties. Repairs are being done on phased approach because of the huge capital outlay which is required.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings that I raised in my 2023 annual report. I raised four (4) audit findings in my 2023 annual report and one (1) finding was addressed while the other three (3) findings were not addressed as indicated below;

3.1. Supporting documents

The finding was not addressed. The Company did not provide the supporting documentation in the form of invoices.

3.2. Prior period errors

The finding was not addressed. The Company has not corrected the prior period errors.

3.3. Supporting documents for accrued balances

The finding was addressed. The provision on security services was reversed following the termination of the contract for the security services.

3.4. Expected credit loss

The finding was not addressed. No evidence was provided on how the Company adopted and implemented IFRS 9 - "Financial Instruments".

Background Information

Zimbabwe Power Company (Private) Limited was incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and the Electricity Act [*Chapter 13:19*]. The Company's core business is the generation of electricity.

I have audited the financial statements of Zimbabwe Power Company (Private) Limited for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Power Company (Private) Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”

The valuation of the property, plant and equipment was performed by management as at December 31, 2023. The revaluations were determined in USD and then translated to ZWL\$ using the auction rate as at December 31, 2023. The translated ZWL\$ balances were not in compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” as this did not meet the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$. I could not determine the extent of adjustments necessary.

ii. Non - compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”

The functional currency of Zimbabwe Power Company (Private) Limited was Zimbabwe Dollars (ZWL\$). In the year 2023, the Company had transactions that were in United States Dollars and were translated using the interbank rate. However, the interbank rate applied did not meet the criteria of a spot rate required by the International Accounting Standard (IAS) 21– “The Effects of Changes in Foreign Exchange Rates” paragraph 8. Management did not correct the misstatements in the opening balances in the current year in line with International Accounting Standard (IAS) 8- “Accounting Policies, Changes in Accounting Estimates and Errors”.

Had management adjusted the opening and current year balances, the financial statements could have been materially different. I could therefore not determine the extent of the adjustments necessary.

Report on going concern

I draw your attention to the fact that the Company incurred a loss of ZWL\$2.4 trillion (2022: ZWL\$490.5 billion) during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets by ZWL\$2.98 trillion (2022: ZWL\$1.7 trillion). These

conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion was not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of financial statements

The Company submitted the 2023 financial statements on July 5, 2024 which was four (4) months after the statutory deadline. This was contrary to the requirements of the Public Finance Management Act [*Chapter 22:19*] section 49 (1) c which requires public entities to submit for audit the financial statements within sixty (60) days following the financial year end.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Company should submit financial statements in line with Public Finance Management Act [*Chapter 22:19*].

Management response

The delays were caused by other external audits in place including forensic audit and currency migration exercise.

1.2. Board evaluation

Finding

The Company's governance processes were not aligned with the Public Entities Corporate Governance Act [*Chapter 10:31*]. The Board did not conduct an annual review of the Board performance during the year under review. This was contrary to section 169 (c) of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Board to undertake an annual evaluation of its own performance and that of its committees and individual directors.

Risk / Implication

Oversight role may be compromised.

Recommendation

The Company should engage the parent Company to align with Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The ZESA Group Subsidiary Companies are currently run by Management Boards. The carrying out of board evaluations on Management Boards could be improper, considering that performance of the Board is a derivative of Management input. In our case however, the same management whose performance is evaluated through performance contracts would be subjected to board evaluation. There appears to be an apparent conflict. The ZESA Group re-bundling exercise has now commenced and a new independent ZESA Holdings Board is now in place. The ZESA Group subsidiary Management Board will be dissolved once the re-bundling process is completed in the next 12 months. Meanwhile the issue of board evaluation was referred to ZESA Holdings for a way forward since it affects all the subsidiary companies in the ZESA Group.

1.3. Payables

Finding

The Company experienced cash flow challenges to the extent that its current liabilities exceeded the current assets by ZWL\$2.98 trillion. As a result, the Company was not remitting withholding tax, Value Added Tax (VAT) and Pay As You Earn (PAYE) on time. In addition, the Company was not filing returns on time. There was no evidence to support that VAT returns were being reviewed prior to submission to the tax authority as VAT refundable was being captured as payable.

In addition, the Company had long outstanding payables which were ninety (90) days past due amounting to USD1 million.

Risk / Implication

Financial loss due to avoidable fines and penalties which may be levied.

Service delivery maybe compromised.

Recommendation

The Company should come up with revenue strategies to improve on liquidity challenges.

Tax returns should be reviewed prior to submission to the tax authority.

Management response

The delays in remitting tax obligations were mainly due to cash flow issues. However, the Company is now up to date in terms of tax payments and no penalties have been levied against the Company.

Failure to clear long outstanding items was mainly due to cash flow constraints. However, Efforts are being made to clear of the outstanding bills given the introduction of a near cost reflective tariff which came into effect towards the end of year and coupled with the improved local currency cash flows, there has been a remarkable improvement on the status of outstanding payables.

1.4. Bank reconciliations

Finding

The Company's bank reconciliations were not being prepared and reviewed on time. Bank reconciliations were being prepared after an average of two (2) months while the reviews were being done after more than ten (10) days from date of completion of the bank reconciliations.

Risk / Implication

Fraud or errors may go undetected.

Recommendation

The Company should prepare and review bank reconciliations in a timely manner.

Management response

Noted. Efforts are being made to timeously do the reconciliations.

1.5. Valuation of property, plant and equipment

Finding

The valuation of the property, plant and equipment was performed by management as at December 31, 2023. The revaluations were determined in USD and then translated to ZWL\$ using the auction rate as at December 31, 2023. The translated ZWL\$ balances were not in compliance with International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement” as this did not meet the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL\$.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should comply with the requirements of IFRS 13 – “Fair Value Measurement.

Management response

Noted. The USD valuation provides fair values of the assets which are due to their nature denominated in USD.

1.6. Foreign transactions

Finding

The foreign currency denominated related party transactions amounting to USD75 681 were not translated to ZWL\$ at year end using the closing rate. This was contrary IAS 21 – “The Effects of Changes in Foreign Exchange Rates” paragraph 23 which requires foreign currency monetary

amounts to be translated using the closing rate.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Company should comply with the requirements of IAS 21 – “The Effects of Changes in Foreign Exchange Rates”.

Management response

Observation well noted. The bigger amounts refer to Zimbabwe Electricity Distribution Company's (ZETDC) electricity sales which the Company converts using the exchange rate regulated by Zimbabwe Energy Regulatory Authority (ZERA) at the beginning of every month and this rate would not change up to the following month. ZERA has since gave directive to Zimbabwe Electricity Supply Authority (ZESA) to start tracking the movements of the interbank rate and convert the balances thereof on a monthly basis.

2. PROCUREMENT OF GOODS AND SERVICES

2.1. Advance payments

Finding

The Company made advance payments amounting to USD1.4 million to various suppliers for the purchase of two (2) transformers, two (2) ground resistors, refurbishment of turbine hall cranes bottom blocks, heater tubes, electromagnetic belt weighers, conveyor gearbox spares, refurbishment of stage and carbon seals. Some of these payments were made as far back as 2014. However, the equipment was not delivered as at December 31, 2023.

Risk / Implication

Financial loss due to non-delivery.

Service delivery maybe compromised.

Recommendation

The Company should follow up on the deliveries of the outstanding equipment.

The Company follow up on funds received through the lawyers.

Management response

Most of the suppliers have closed. One (1) of the suppliers on the prepayment recovery list went through the courts and was refunded through the Company's lawyers but we are yet to receive the funds. Management will consider seeking a write off authority on the prepayment balances for those suppliers that have closed and liquidated as recoverability has proved fruitless.

3. SERVICE DELIVERY

3.1. Electricity generation

Finding

The Company generated 5 929.53 GW of electricity against a budget of 7 923.633 GW due to the aging equipment at its thermal power stations leading to an under-generation of 1 994.113 GW during the year.

Risk / Implication

Service delivery maybe compromised.

Recommendation

The Company should explore other methods of generating electricity.

Management response

Production performance was negatively affected by low water levels at Kariba and ageing equipment at small thermals and Hwange Power station.

4. PROGRESS TOWARDS ADDRESSING OF PRIOR YEAR FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Company did not make progress in addressing audit findings raised in my 2023 annual report. I raised three (3) audit findings and followed up on two (2) outstanding findings from my 2022 annual report. Two (2) findings were partially addressed and three (3) findings were not addressed as indicated below;

4.1. Completion of projects

The finding was partially addressed. Fourteen (14) out of twenty (20) houses for middle management were about 90% complete and were expected to be completed by January 31, 2025.

4.2. Ownership of properties

The finding was partially addressed. The certificates of occupation have been obtained from the Municipality of Kariba. Title deeds will be processed after completion of servicing of the residential areas.

4.3. Generators

The finding was not addressed. The station was closed and management will look for new ways to use these generators.

4.4. Insurance premiums

The finding was not addressed. The Company had long outstanding insurance premiums as at December 31, 2023.

4.5. Capacity utilization

The finding was not addressed. The station has ceased production and has since been earmarked for repurposing.

PUBLIC ENTITIES UNDER THE CATEGORY OF COUNCILS

Background Information

The Allied Health Practitioners Council of Zimbabwe was established in terms of the Health Professions Act [Chapter 27:19]. The functions of the Council are to regulate, control and supervise all matters affecting the training of persons in, and the manner of the exercise of, the professions and callings specified as Allied Health Practitioners.

I have audited the financial statements of Allied Health Practitioners Council of Zimbabwe for the years ended December 31, 2022 and 2023. I issued an unmodified / clean opinion for both years.

Opinion 2022

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Allied Health Practitioners Council of Zimbabwe as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Allied Health Practitioners Council of Zimbabwe as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1 GOVERNANCE ISSUES

1.1 Statutory obligations

Finding

The Council had not facilitated registration of all its employees for National Social Security Authority (NSSA) contributions. As a result, the Council remitted contributions for three (3) out of its eight (8) employees during the year. This was contrary to Statutory Instrument 393 of 1993 section 4 (2) which requires employers to register their employees on NSSA schemes within thirty (30) days of employment.

Risk / Implication

Employees may not claim compensation in the event of work-related accidents.

Financial loss through penalties and interest from NSSA.

Recommendation

The Council should register all its employees with NSSA.

Management response

Noted, the Council Staff who were not registered for Accidents Prevention and Workers Compensation Scheme have so far being opted in with effect from January 2024.

2 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council did not make progress in addressing audit findings I raised in my 2022 and 2023 annual reports. I raised two (2) findings in my 2023 annual report and followed up on one (1) finding outstanding in my 2022 annual audit report. One (1) finding was addressed while the other two (2) findings were not addressed as indicated below;

2.1 Supporting documents

The finding was not addressed. The supporting documents for expenditure amounting to ZWL\$133 530 were not availed for the year ended December 31, 2023.

2.2 Staff costs

The finding was not addressed. The ratio of staff costs to revenue exceeded the 30% threshold provided for in section 20 (2) of Public Entities Corporate Governance Act [*Chapter 10:31*].

2.3 Bank reconciliations

The finding was addressed. Bank reconciliations are now being prepared.

Background Information

The Agricultural Research Council was established in terms of the Agricultural Research Act [Chapter 18:05]. The Council has a role of coordinating, keeping under review, promoting and monitoring all aspects of agricultural research in Zimbabwe.

I have audited the financial statements of the Agricultural Research Council for the year ended December 31, 2022 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Agricultural Research Council as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. **Non-compliance with International Accounting Standard (IAS) 16- “Property, Plant and Equipment”**

The Council had not accounted for vehicles and equipment in its financial statements despite the assets being under its control. The Council's accounting policy was not aligned to the International Financial Reporting Standards (IFRSs) reporting framework in that the Council's policy expensed the assets upon acquisition. This was contrary to the requirements of International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” paragraph 6 which requires recognition of assets used for administrative purposes, production of goods and services and rental to others for more than one period as property, plant and equipment. As a result, I could not determine the extent of the adjustments necessary.

ii. **Staff costs**

The Council had not accounted for staff costs incurred for the period May 2022 to December 2022 in the financial statements. As a result, I could not ascertain the completeness of staff costs presented in the financial statements.

Below are other material issues noted during the audit;

1. **GOVERNANCE ISSUES**

1.1 **Submission of financial statements**

Finding

The Council submitted its financial statements in August 2024 contrary to Section 49(1) c of the Public Finance Management Act [Chapter 22:19] which requires public entities to submit its financial statements for audit within sixty (60) days after the end of the financial year.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

The Council should submit financial statements within sixty (60) days following financial year end in line with Public Finance Management Act [Chapter 22:19].

Management response

The observation is fully acknowledged and efforts to update the outstanding audits is being pursued. The problem resulted from the 2020 when SAGE Pastel did not renew the licenses for the Council and staffing was not available. The Council has been granted the authority to recruit one more person in Finance and Administration.

1.2 Asset register

Finding

The Council did not update its asset register with all the essential details. For instance, details such as date of purchase, asset description, purchase amount, unique asset identification tag numbers such as laptop serial numbers on some assets was not recorded. This was contrary to section 100 (4) of the Public Finance Management (Treasury Instructions), 2019 which requires an asset register to be maintained with all the essential details pertaining to assets.

Risk / Implication

Assets may be misappropriated.

Recommendation

The Council should update its assets register with all essential details.

Management response

The Council maintains a soft copy of all the assets with a hard copy signed by the responsible officer for tracking by the Administration. Office furniture and equipment is assigned to users. Administration ensures the assets are maintained in good functional state. Insurance and service is overseen by Administration. The Council has very few items for common use and hence its very easy to track assets as they are mostly on personal issue basis.

1.3 Staff costs

Finding

The Council's internal control over records management were inadequate as staff costs records for the period May 2022 to December 2022 were not availed for audit and were also not presented in financial statements.

Risk / Implication

Misstatement of financial statements.

Transparency and accountability may be compromised.

Recommendation

The council should account for all the staff costs incurred during the year.

Management response

The Council is acknowledging the salaries paid directly by Government from May 2022 just as a note to avoid duplication/double counting as these are already in Ministry audited financials. ARC recognize income on receipt and has not adopted the deemed income concept, so there will be no income to cover the associated expenditure. It is our considered view that there is no risk of financial statements being misstated as the Note will clearly indicate to the Users the funding source. The recommendation is noted and will be applied under the deemed income principle as provided by IPSAS principles. The transitional 2024 IPSAS financial will incorporate the proposed changes.

1.4 Non-current assets

Finding

The Council had not accounted for vehicles and equipment in its financial statements despite the assets being under its control. The Council's accounting policy was not aligned to the International Financial Reporting Standards (IFRSs) reporting framework in that the Council's policy expensed the assets upon acquisition. This was contrary to the requirements of International Accounting Standard (IAS) 16 – "Property, Plant and Equipment" paragraph 6 which requires recognition of assets used for administrative purposes, production of goods and services and rental to others for more than one period as property, plant and equipment.

Risk / Implication

Misstatements of financial statements.

Recommendation

All assets for the Council should be disclosed in the financial statements in compliance with IAS16 -"Property, plant and equipment".

Management response

The Council is grant aided and from time immemorial the assets have been expensed in the year of purchase. The Council maintains a memorandum register which is checked at least twice a year for vehicles, field equipment/implements and office furniture/equipment. Assets procured in 2022 were recorded on procurement but expensed at yearend. The assets such as vehicles are procured under the Parent Ministry tender and accordingly the registration books are issued in their name. The vehicles belong to the Council and are duly insured and serviced by the Council as

reflected in the financials. Office furniture and equipment is listed by individual offices and signed for by the respective staff members. The furniture was procured prior to 2004 under the Agricultural Services Management Programme. Only laptops have been replaced and are assigned to the respective staff members.

Auditor's evaluation

I acknowledge Management's comment on expensing assets, however this practice is not compliant with the reporting framework.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council made progress in addressing the audit finding raised in my 2023 annual report. I raised one (1) audit finding and it was partially addressed as indicated below:

2.1 Key vacant posts

The finding was partially addressed. The Council received treasury concurrence for the filling of vacant posts and recruitment is in progress.

ENVIRONMENTAL HEALTH PRACTITIONERS COUNCIL OF ZIMBABWE (EHPCZ) 2022 AND 2023

Background Information

Environmental Health Practitioners Council of Zimbabwe was established in terms of the Health Professions Act [*Chapter 27:19*]. The function of the Council is to uphold and promote high standards for environmental health care in Zimbabwe through the co-ordination and regulation of all environmental health practitioners in an ethical, efficient and professional manner.

I have audited the financial statements of Environmental Health Practitioners Council of Zimbabwe for the years ended December 31, 2022 and 2023. I issued an Adverse Opinion.

Adverse Opinion 2022

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly in all material respects, the financial position of the Council as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. **Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”**

During the current and prior financial years, the foreign currency denominated transactions and balances of the Council were translated into ZWL\$ using the interbank exchange rates which were not considered appropriate spot rates for translations as required by IAS 21- “The Effects of Changes in Foreign Exchange Rates”. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended December 31, 2022 in compliance with International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”.

Had the financial statements been prepared in accordance with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates” and also International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”, many elements would have been materially different. I could not determine the extent of the adjustments necessary.

ii. **Non-compliance with International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies”**

The Council applied the requirements of International Accounting Standard (IAS) 29- “Financial Reporting in Hyperinflationary Economies” on prior period financial information which was not in compliance with International Accounting Standard (IAS) 21- “The Effects of Changes in Foreign Exchange Rates”. Had the correct base numbers and start date been used, most elements of the financial statements would have been materially different. The impact of the departure from the requirements of these standards were considered material but not pervasive to the financial statements for the year ended December 31, 2021. Consequently, the monetary loss of ZWL\$ 17.99 million (2021: ZWL\$ 3.67 million) on the statement of profit or loss and other comprehensive income was impacted.

iii. Revenue recognition

The Council recognised fees for the year amounting to ZWL\$ 80.47 million on receipt basis as opposed to the accruals concept of accounting. Billing was being done upon receiving fees from members. This was contrary to the accrual concept of accounting which requires transactions to be recorded in the accounting periods when they actually occur, rather than in the periods when cash flows associated with them are received. My opinion on the current and prior year is modified due to the effects of the above on revenue and receivables.

iv. Non-compliance with International Financial Reporting Standard (IFRS) 9 - “Financial Instruments”

The Council recognized trade receivables amounting to ZWL\$ 4.89 million as at December 31, 2022. However, the Council did not conduct a reassessment of credit loss, contrary to the requirements of IFRS 9 - “Financial Instruments” paragraph 5.5.9 which requires an annual assessment of changes in credit risk of financial instrument to be carried out. The determination of expected credit loss relies on a relative assessment of credit risk, looking at how current and future economic conditions affects the probability of default. As a result, I could not to satisfy myself on the valuation of trade receivables as at December 31, 2022.

v. Unallocated deposits

Included in revenue are unallocated deposits amounting to ZWL\$4.46 million. The Council did not conduct follow ups or reconciliations to allocate the amounts received to their respective members’ accounts. As a result, I could not confirm the accuracy and completeness of revenue amounts presented in the financial statements. My opinion is modified due to the implications of the above matter on receivables and other payables.

Adverse Opinion 2023

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly in all material respects, the financial position of the Council as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”

During the current and prior financial years, the foreign currency denominated transactions and balances of the Council were translated into ZWL\$ using the interbank exchange rates or foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21- “The Effects of Changes in Foreign Exchange Rates”.

My opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in line with the requirements of IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors” in the financial statements for the year ended December 31, 2023.

Had the financial statements been prepared in accordance with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates”, many elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates”, have been considered to be material and pervasive to the financial statements.

ii. Revenue and receivables

The Council recognised fees amounting to ZWL\$1. 2 billion on a cash basis instead of the accruals basis of accounting. The accruals concept of accounting requires transactions to be recorded in the accounting periods when they actually occur, rather than in the periods when cash flows associated with them are received. Billing was being done upon receiving fees from members. My opinion was modified due to the effects of the above matter on revenue and receivables. The prior year financial statements were also modified with respect to this matter.

iii. Valuation of property, plant and equipment

The Council has recognised property, plant and equipment valued at ZWL\$1.3 billion which constitutes 90% of total assets. The Council engaged an independent valuer to conduct the valuation of the property, plant and equipment. This valuation was performed by an external valuer who is not registered with the Valuers Council of Zimbabwe, contrary to section 37 of the Valuers Act [*Chapter 27:18*] which prohibits unregistered persons from carrying out valuation work. As a result, I could not assess their competence, objectivity, or compliance with professional standards in determining the fair values of the property, plant and equipment. Consequently, I was unable to obtain sufficient appropriate audit evidence regarding the valuation methodology, assumptions used, and whether adjustments to the carrying amount of property, plant and equipment were necessary. The effect of this matter is considered material and pervasive to the financial statements.

iv. Unallocated deposits

Included in payables are unallocated deposits amounting to ZWL\$19.6 million. The Council did not conduct follow ups or reconciliations to allocate the amounts received to their respective members’ accounts. As a result, I could not determine the extent of misstatements on receivables and other payables.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Exchange rates

Finding

During the prior and current financial year, the foreign currency denominated transactions and balances were translated into ZWL\$ using interbank rates. This was contrary to International Accounting Standard (IAS) 21- “The Effects of Changes in Foreign Exchange Rates” which requires spot rates used for translation to be those obtained in a market where foreign currency is available for immediate delivery.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Council should adhere to the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates”.

Management response

Management will seek assistance on implementation as we opted to comply with the Exchange Control Directive.

1.2. Bank reconciliations**Finding**

The Council’s accounting policy procedures manual was not comprehensive as it did not provide guidance on the frequency of preparation of bank reconciliation statements. As a result, inconsistencies were noted on bank reconciliations during 2022 as most of the bank reconciliations for 2022 were prepared in 2023.

Risk / Implication

Fraud and errors may go undetected.

Recommendation

The Council should prepare and review bank reconciliation statements on time.

Management response

We are currently working on updating and capturing transactions in the system so that we will be able to prepare the reconciliations on time.

1.3. Statutory deductions**Finding**

The Council was withholding tax on sitting allowances paid to its Council members, however there was no evidence to confirm that the withheld amounts were remitted to ZIMRA. This was contrary to section 2 (1) of the 33rd Schedule of the Income Tax Act [*Chapter 23:06*] which requires withholding tax to be remitted on or before the 10th of the following month.

In addition, the Council did not remit NSSA deductions for the month of April, June, September and December despite being deducted from the payroll. This was contrary to the NSSA Act [*Chapter 17:04*] which requires remitting the full amount collected to the relevant authority on or before the 10th of the following month.

Risk / Implication

Financial loss due to penalties and fines.

Recommendation

The Council should remit NSSA deductions and withholding taxes within the required statutory deadlines.

Management response

The Council has since recruited a competent accounting personnel to mitigate the issue.

2. REVENUE COLLECTION AND DEBT RECOVERY**2.1. Unallocated deposits****Finding**

The Council did not conduct follow ups or reconciliations to allocate the amounts received to their respective members' accounts. As a result, the Council had unallocated deposits amounting to ZWL\$19.6 million (2022: ZWL\$4.46 million). This was contrary to section 42 (1) of Statutory Instrument 144 of 2019, Public Finance Management (Treasury Instructions), 2019 which requires authorities to ensure that there are adequate systems in place for the proper management of public funds.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Council should consider engaging its members and banks to clear unallocated deposits.

Management response

Council is making efforts to continuously remind practitioners to provide sufficient information when they make their deposits and introduced a payment system to include their full details including registration numbers upon making payments.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council made some progress in addressing audit findings that I raised in my 2022 and 2023 annual reports. I raised eight (8) audit findings in my 2023 annual report and followed up on one (1) finding outstanding in my 2022 annual report. Four (4) findings were addressed, one (1) was partially addressed and four (4) findings were not addressed as indicated below;

3.1. Valuation of property, plant and equipment

The finding was not addressed. The Council conducted a revaluation exercise of their assets and this did not comply with the requirements of Valuers Act [*Chapter 27:18*].

3.2. Alignment of accounting processes to the reporting framework

The finding was partially addressed. The policy was updated to provide expected credit loss at 5% of all debtors and probability of default was not incorporated in the determination.

3.3. Policy documents

The finding was addressed. All policies including IT policy, risk management policy and anti-money laundering procedures were reviewed and updated in 2023.

3.4. Asset register

The finding was not addressed. The Council had not yet updated the asset register.

3.5. Asset verification

The finding was addressed. The Council did not conduct any asset verification exercise during 2023.

3.6. Statutory obligations

The finding was not addressed. Statutory returns were not remitted on time during the year in 2023.

3.7. Investment policy

The finding was addressed. The Council now had an investment policy in place which was approved by the Council in March 2023.

3.8. Revenue recognition

The finding was not addressed. The Council still recognised its revenue on a cash basis during the year.

3.9. Sourcing of quotations

The finding was addressed. The Council has since employed a procurement officer.

Background Information

The Medical and Dental Practitioners Council of Zimbabwe was established in terms of Section 29 of the Health Professions Act [*Chapter 27:19*] to regulate the medical and dental professions in Zimbabwe. The functions of the Council are to register, educate, and discipline the medical and dental professions.

I have audited the financial statements for Medical and Dental Practitioners Council of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Medicines and Dental Practitioners Council of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

I made a follow up on two (2) audit findings raised in my 2023 annual report. One (1) was addressed while the other one (1) was not addressed as indicated below;

1.1. Translation of foreign denominated balances

The finding was not addressed. Prior year error has not been corrected in line with IAS 8 – “Accounting policies, Changes in Accounting Estimates and Errors”.

1.2. Asset register

The finding was addressed. A physical asset verification was done to reconcile all the assets with the asset register. An updated asset register is now in place.

Background Information

The Medical Laboratory and Clinical Scientists Council of Zimbabwe was established in terms of the Health Professions Act [*Chapter 27:19*]. Its core function is to protect the health of the population of Zimbabwe through the co-ordination and regulation of all medical laboratory practitioners in an ethical and professional manner.

I have audited the financial statements of the Medical Laboratory and Clinical Scientists Council of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly the financial position of Medical Laboratory and Clinical Scientists Council of Zimbabwe as at December 31, 2023, and the financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Bank reconciliations

Finding

The Council's management did not provide bank reconciliations for the period under review for its foreign currency bank account. This was contrary to the accounting standard operating procedures section 5.5.5 which requires bank reconciliations to be prepared on or before the 10th of the following month.

Risk / Implication

Errors and fraud may not be detected on time.

Recommendations

Management should prepare bank reconciliations for all the bank accounts in line with their accounting policies and procedures.

Management response

Noted, and the matter has now been rectified in 2024.

1.2. Authorisation of payments

Finding

The Council incurred unauthorised expenditure amounting to ZWL\$11.8 million. This was contrary to the Standard Operating Procedures (SOPs) section 6 which requires all expenses to be approved by the Registrar and the Council's business and finance committee chairperson.

Risk / Implication

Fraudulent payments may go undetected.

Recommendation

All payments should be authorised by the Registrar and Business and Finance chairperson before they are made.

Management response

Noted, all payments are now being processed after all the documents have been checked and signed.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council made some progress in addressing audit findings I raised in my 2023 annual report. I raised two (2) audit findings in my 2023 annual report and one (1) finding was addressed while one (1) was not addressed as indicated below;

2.1. Segregation of duties

The finding was not addressed. The Council has not been able to raise sufficient funds to recruit and retain staff in order to facilitate segregation of duties.

2.2. Income recorded inclusive of VAT

The finding was addressed. Medical goods and services are now exempted from Value Added Tax.

MEDICAL REHABILITATION PRACTITIONERS COUNCIL OF ZIMBABWE (MRPCZ) 2023

Background Information

Medical Rehabilitation Practitioners Council of Zimbabwe was established in terms of part XI, section 57 of the Health Professions Act [*Chapter 27:19*]. The functions of the Council are to regulate, control and supervise all matters affecting the training of persons in, and the manner of the exercise of the professions and callings specified as Medical Rehabilitation Practitioners.

I have audited the financial statements of Medical Rehabilitation Practitioners Council of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Medical Rehabilitation Practitioners Council of Zimbabwe as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Vehicle registration

Finding

I was not availed with proof of ownership of one (1) of the motor vehicles recorded in the asset register. The vehicle was still registered in the name of the seller instead of the Council as at December 31, 2023. This was contrary to Vehicle and Registration Act [*Chapter 13:14*] which requires a new vehicle owner to register change of ownership not later than fourteen (14) days after the vehicle is acquired.

Risk / Implication

Lack of legal recourse in case of disputes.

Recommendation

The Council should regularize the registration of motor vehicle.

Management response

This is noted. We will work on the vehicle registration.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council has not made progress in addressing audit findings I raised in my 2021 and 2023 annual reports. I raised two (2) audit findings in my 2023 annual report and followed up on one (1) audit finding outstanding in my 2021 annual report. Two (2) audit finding were addressed while

the other one (1) was not addressed as indicated below;

2.1. Statutory returns

The finding was addressed. The returns are now being submitted electronically on time for both NSSA and PAYE.

2.2. Debtors reconciliations

The finding was not addressed. The Council was not preparing debtors' reconciliation during the year under review.

2.3. Acknowledgement of purchases

The finding was addressed. All purchases are now confirmed through goods received vouchers.

Background Information

The National Aids Council was established in terms of the National AIDS Council Act [Chapter 15:14]. The function of the Council is to provide measures to combat the spread of Human Immunodeficiency Virus (HIV) and management, coordination and implementation of programmes that reduce the impact of HIV and AIDS.

I have audited the financial statements of National Aids Council for the year ended December 31, 2023 and I have issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National AIDS Council as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting (IFRSs).

Basis for Qualified Opinion

i. **Non-compliance with International Accounting Standard (IAS) 16 - “Property, Plant and Equipment” and International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement”**

The property, plant and equipment have not been revalued for the past five years, despite significant changes in the operating environment. IAS 16 - “Property, Plant and Equipment” paragraph 31 requires that revaluations be conducted with sufficient regularity to ensure that the carrying amounts of property plant and equipment does not materially differ from their fair value at the reporting date. The lack of revaluation has resulted in the carrying amounts of some items of property, plant and equipment not reflecting their current fair values as defined by IFRS 13- “Fair Value Measurement.” IFRS 13- “Fair Value Measurements” paragraph 2 defines fair value as a 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. Had the Council revalued its property, plant and equipment, the carrying amount could have been materially different.

ii. **Non-compliance with International Financial Reporting Standard (IFRS) 15 - “Revenue from Contract with Customers” and International Financial Reporting Standard (IFRS) 16 - “Leases”**

The Council did not recognise revenue from its leases which were running during the year ended December 31, 2023. As a result, the Council did not comply with IFRS 15 - “Revenue from Contract with Customers” and IFRS 16 - “Leases” on accounting for its revenue from its leases. Had the Council reviewed its lease contracts and invoiced all its customers, the revenue could have been materially impacted.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of financial statements

Finding

The Council submitted the 2023 financial statements on May 31, 2024. This contravened section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires financial statements to be submitted within two months after the end of the financial year.

Risk / Implication

Accountability and transparency may be compromised.

Recommendation

Management should submit financial statements on or before the prescribed deadline.

Management response

The observation is noted. The delay was caused by changes in the reporting framework from IFRS to IPSAS transition.

1.2. Lease revenue

Finding

The Council did not recognize revenue from its leases which were running during the year ended December 31, 2023. As a result, the Council did not comply with IFRS 15 - "Revenue from Contract with Customers" and IFRS 16 - "Leases" on accounting for its revenue from its leases as well as the lease receivable.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Council should update its lease contract with client and account for lease fees as required by IFRS 16 and IFRS 15.

Management response

The contract between the Council and mobile operator was technically cancelled in 2014, due to the failure by the tenant to fulfil the terms of the lease. The then Chief Executive Officer of the Council wrote to mobile operator in December 2013 advising of the breaches and automatic termination of the lease if they failed to comply. Recognition of the lease receivable whose contract had been cancelled would have resulted in overstating of revenue which is against the prudence concept. The contract was no longer satisfying IFRS 15 paragraph 9(a) and (e).

Auditor's evaluation

Although management is of the view that the contract was technically cancelled the base station was still there.

2. EMPLOYMENT ISSUES

2.1. Statutory deductions

Finding

The Council was not remitting contributions to National Social Security Authority (NSSA) and Pay As You Earn (PAYE) on time. Payments were made within a range of five (5) to twelve (12) days after the due date. This was contrary to the Income Tax Act [*Chapter 23:06*] and National Social Security Act [*Chapter 17:04*] which requires that payments should be made by the 10th of the following month.

Risk/ Implication

Financial loss due to penalties and fines.

Recommendation

The Council should pay and remit NSSA and PAYE by the 10th of the month following the deduction.

Management response

The observation is noted. The Council has taken steps to ensure timeous remittance of all statutory deductions.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF PRIOR YEAR RECOMENDATIONS

The Council made progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised four (4) audit findings and followed up on one (1) finding. Three (3) audit findings were addressed and two (2) findings were not addressed as indicated below;

3.1. Board meetings

The finding was addressed. The Ministry representative attended the committee and Board meetings.

3.2. Board fees

The finding was addressed. The full amount was deducted in November 2023.

3.3. Alignment of accounting processes to reporting framework

The finding was not addressed. The Council was qualified for not addressing IFRS 15 and 16 issues.

3.4. Accounting for inventory

The finding was resolved. All the inventory held in 2023 by the Council was disclosed as required by the standard.

3.5. Constitution of the Board

The finding was not addressed. Youth and Commerce are still not represented, however follow ups were being made through the appointing Authority.

NURSES COUNCIL OF ZIMBABWE (NCZ) 2021 AND 2022

Background Information

Nurses Council of Zimbabwe was established in terms of the Health Professions Act [Chapter 27:19]. Its core function is to assist in the promotion of health by regulating, controlling and supervising all matters affecting the training of nurses, and of the manner of the exercise of, the professions.

I have audited the financial statements of the Nurses Council of Zimbabwe for the years ended December 31, 2021 and 2022 and I issued Qualified Opinions for both years.

Qualified Opinion 2021

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Nurses Council of Zimbabwe as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion 2021

Unclassified deposits

The Council had not receipted and classified bank deposits from clients amounting to ZWL\$51.7 million as at December 31, 2021. These deposits were not allocated to the relevant individual trade receivable accounts due to insufficient payment details and had been disclosed as payables in the financial statements. As a result, the trade payables and receivables had not been adjusted in respect of these unclassified deposits. Had the unclaimed deposits have been cleared, trade payables and receivables could not have been materially misstated.

Qualified Opinion 2022

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Nurses Council of Zimbabwe as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion 2022

Unclassified deposits

The Council had not receipted and classified bank deposits from clients amounting to ZWL\$20.9 million as at December 31, 2022. These deposits were not allocated to the relevant individual trade receivable accounts due to insufficient payment details and had been disclosed as payables in the financial statements. The trade payables and receivables had not been adjusted in respect of these unclassified deposits. Had the unclaimed deposits have been cleared, trade payables and receivables could not have been materially misstated.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Board charter

Finding

The Council did not have a Board Charter contrary to the requirements of Public Entities Corporate Governance Act [*Chapter 10: 31*] section 26(2) (a) which requires that every public entity to prepare a board Charter and have it approved by the parent Ministry.

Risk / Implication

Board oversight role maybe compromised.

Recommendation

The Council should develop a Board Charter and be approved by line Ministry as per requirement of Public Entities Corporate Governance Act [*Chapter 10: 31*].

Management response

The finding has been noted and the Nurses Council will comply with the provisions of the Public Entities Corporate Governance Act [*Chapter 10: 31*].

1.2. Board performance evaluation

Finding

The Council did not carry out evaluation of its board members for the year ended December 31, 2022. This was contrary to the provisions of section 37 of the Second Schedule of Public Entities Corporate Governance Act [*Chapter 10:31*] which requires boards of public entities to carry out an annual evaluation to appraise their performance, both collectively and for individual members.

Risk / Implication

Oversight role and decision making maybe compromised.

Recommendation

The evaluation of Board should be done annually in line with the provisions of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The finding has been noted and the Nurses Council will comply with the provisions of the Public Entities Corporate Governance Act [*Chapter 10: 31*].

1.3. Board composition

Finding

The Board had no member with financial or accounting expertise. As a result, the Council's Audit and Risk Committee did not have a member with financial or accounting expertise. This was contrary to the provisions of section 94 of the first Schedule of Public Entities Corporate Governance Act [Chapter 10:31] which requires skills balance.

Risk / Implication

The oversight role of the Board may be compromised.

Recommendation

The Board should continuously engage the appointing Authority for the appointment of members with requisite skills.

Management response

Council wrote to the Ministry of Health and Child Care requesting for an appointment of a member with an accounting background to be part of the Audit and Risk Management Committee. The issue was also raised at the meetings with the Permanent Secretary. Council still awaits the appointment.

1.4. Declaration of interests and assets

Finding

The Council's Board members did not declare assets within three (3) months of appointment. This was contrary to the Public Entities Corporate Governance Act [Chapter 10:31] section 37 which requires declaration of assets and interests to be done by the Board and senior members of staff.

Risk / Implication

Conflict of interest in decision making.

Recommendation

Board and senior members of staff should declare their interests and assets in line with the Public Entities Corporate Governance Act [Chapter 10:31].

Management response

The finding has been noted and the Board members will be requested to declare their assets.

2. PROCUREMENT OF GOODS AND SERVICES

2.1. Supporting documentation

Finding

I was not availed with supporting documentations in form of invoices, quotations and goods received vouchers for expenditure amounting to ZWL\$1.1 million during the year ended December 31, 2022. This was contrary to section 69 (1) of the Public procurement and Disposal of Public Assets Act [Chapter 22:23] which requires procuring entity to keep separate record for each procurement for easy reference.

Risk / Implication

Financial loss due to irregular payments.

Recommendation

The Council should support all purchases and acquisitions with adequate documentation.

Management response

The contractor was paid based on a quotation and no follow-up was made for the actual invoice. In future management will ensure that all invoices are in place before final payment.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council made progress in addressing audit findings raised in my 2022 annual report. I raised five (5) audit findings in my 2022 annual report and three (3) audit findings were addressed and two (2) were partially addressed as indicated below;

3.1. Board appointment

The finding was addressed. The Board was appointed and inaugurated by the Minister of Health and Child Care in December 2021.

3.2. Policy and procedures manual

The finding was addressed. The accounting and procedures manual is now approved and in place.

3.3. Internal audit function

The finding was addressed. The Council has established an internal audit function.

3.4. Key vacant posts

The finding was partially addressed. The Council filled in some key vacant posts except for accounts clerk, registrar, public relations officer and registry and this have affected the preparation

of financial statements.

3.5. Trade receivables

The finding was partially addressed. Council has engaged more clerks on a temporary basis to assist with the receipting of Council funds. This will significantly reduce the level of unclassified deposits as some of these deposits were awaiting receipting.

Background Information

The Pharmacists Council of Zimbabwe was established in terms of the Health Professions Act [Chapter 27:19]. The functions of the Council are to regulate the practice of pharmacists, pharmacy technicians, and optometrists, dispensing opticians, hearing aid specialists and orthoptists in Zimbabwe.

I have audited the financial statements of Pharmacists Council of Zimbabwe for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements of Pharmacists Council of Zimbabwe present fairly, in all material respects the financial position of the Council as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- i. **Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”**

Opening balances

The prior year financial statements were modified due to non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”. The Council used foreign exchange rates that were not considered to be appropriate spot rates for translation of foreign currency denominated transactions and balances as required by IAS 21- “The Effects of Changes in Foreign Exchange Rates”. The misstatements had not been corrected in line with the International Accounting Standard (IAS) 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”. I could not determine the extent of adjustment necessary on the current year financial statements.

- ii. **Revenue recognition**

The Council recognised revenue from practitioners amounting to ZWL\$1.5 billion for the year ended December 31, 2023. The revenue was recognized on cash basis and billing was performed upon receiving cash from practitioners. This was contrary to International Financial Reporting Standard (IFRS) 15 – “Revenue from Contracts with Customers” paragraph 31 which requires revenue to be recognized when an entity satisfies a performance obligation by transferring a promised good or service to a customer. The non-compliance was considered material but not pervasive on the financial statements.

- iii. **Non-compliance with International Accounting Standard (IAS) 29 - “Financial Reporting in Hyperinflationary Economies”**

The Council used blended rates following the gazetting of Statutory Instrument 27 of 2023 which

made it mandatory for the use of a weighted average rate of inflation (blended rate) based on the use of Zimbabwe dollars and United States Dollars. The historical balances were translated using blended rates which was considered not compliant with the requirements of IAS 29 - "Financial Reporting in Hyperinflationary Economies" as it did not reflect the general purchasing power of ZWL\$. IAS 29 - "Financial Reporting in Hyperinflationary Economies" paragraph 37 requires restatement of financial statements using a general price index that reflects changes in general purchasing power.

My opinion is modified due to the possible effects on the accumulated fund and the comparability of the current period's financial statements with that of the prior year. I could not determine the extent of adjustments necessary.

I followed up on findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLIMENTATION OF RECOMMENDATIONS

The Council addressed all the two findings raised in my 2023 annual report as indicated below;

1.1. Sundry expenses

The finding was addressed. The Council has investigated and cleared all unsubstantiated balances.

1.2. Delivery of purchased assets

The finding was addressed. The Council received refund in 2023 amounting to ZWL\$342 million to cater for the purchase price of the vehicle, interest to cover financial loss in value of the money paid and legal costs associated with the arbitration.

Background Information

The Research Council of Zimbabwe (RCZ) was established in terms of the Research Act [*Chapter 10:22*] with powers relating to the, inter alia, promotion, direction, supervision and coordination of research for national development.

I have audited the financial statements of Research Council of Zimbabwe for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Research Council of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Qualified Opinion

i. Non-compliance with International Accounting Standards (IAS) 38 – “Intangible Assets”

The Council did not review the useful life of its finite intangible assets contrary to the requirements of International Accounting Standard (IAS) 38 – “Intangible Assets” paragraph 104 which requires the Council to review the amortisation period and the amortisation method of intangible asset with a finite useful life at least at each financial year-end. As a result, the Council had its intangible assets which were still in use and were carried at nil values. Had the amortisation period and amortisation method been reviewed the carrying amount of intangible assets could have been materially different.

ii. Non-compliance with International Accounting Standards (IAS) 16 – “Property, plant and equipment”

The Council did not review the useful life and residual values of its property, plant and equipment contrary to the requirements of International Accounting Standard (IAS) 16 – “Property, plant and equipment” paragraph 51 which requires entities to review the residual value and the useful life of assets at each financial year end. As a result, the Council had general equipment which was still in use and was carried at nil values. I could not determine the extent of adjustments necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Alignment of processes to the reporting framework

Finding

I was not availed with evidence of annual review of useful life and residual values of the Council’s assets during the year. This was contrary to the requirements of the International Accounting Standard (IAS) 16 – “Property, plant and equipment” paragraph 51 which requires entities to

review the residual value and the useful life of an asset at each financial year end. As a result, the Council had general equipment which was still in use and was carried at nil values.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Council should review the useful life and residual values of assets at each reporting date.

Management response

The observation is noted. Our general equipment has nil residual values and past their useful lives as per our management assessment and general recommendations of the manufacturer. We just use them as we are underfunded and cannot replace them with more functional and efficient equipment.

1.2. Accounting for intangible assets

Finding

The Council did not review the useful life of its finite intangible assets contrary to the requirements of International Accounting Standard (IAS) 38 – “Intangible Assets” paragraph 104 which requires review the amortization period and the amortization method of intangible assets with a finite useful life at least at each financial year-end. As a result, the Council had its intangible assets which were still in use and were carried at nil values.

Risk / Implication

Misstatement of intangible assets.

Recommendation

The council should review the amortisation period for intangible assets with a finite useful life at each financial year end.

Management response

The observation is noted. Our assets have nil residual values and past their useful lives as per our management assessment and general recommendations of the manufacturer. We just use them as we are underfunded and cannot replace them with more functional and efficient equipment.

2. PROCUREMENT OF GOODS AND SERVICES

2.1. Declaration of interests

Finding

There was no evidence of declaration of interests by members when evaluating bids, contrary to the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*] section 71 (2) (d) which requires declaration of interests to be done during the procurement process.

Risk / Implication

Irregular purchases may go undetected.

Recommendation

Members of the Procurement Committee should always declare their interests during the evaluation process.

Management response

The Council do the initial sourcing of quotations and submit to the Procurement Management Unit at the Parent Ministry for processing. Before this is done, all the paperwork is submitted to Internal Audit for due diligence and value for money audit. However, we have since migrated from the manual procurement processes and we are now using the e-government procurement online system which helps eliminate the highlighted possible risks.

Auditor's comment

I acknowledge that due diligence was being performed however, the process focuses on value for money but this may not eliminate procurement from suppliers which may not deliver due to conflict of interest.

2.2. Authorisation of payments

Finding

There was no evidence to support that the Council's payments were checked and approved by the responsible officers contrary to the Council's policy. In addition, the comparative schedules attached were not adequately detailed for the selection process. Although management attested that the payment process went through exhaustive scrutiny for checks, there was no evidence to support that this process was being adhered as a number of payment vouchers processed between May and September 2023 were not checked by the Accountant and approved by the Executive Director.

In addition, some payroll payments for the period June, July, October and December 2023 lacked the necessary approvals from all designated officers.

Risk / Implication

Financial loss due to uneconomic purchases.

Financial loss due to payment of unauthorized salaries.

Recommendation

Management to put in place internal controls for the payment procedures to be adhered to.

Management response

The observation is well noted. The Council did not have the Chief Accountant during the period in which these identified payments were made. The payments go through exhaustive scrutiny for checks on accuracy, completeness and adherence to procurement processes and procedures.

As for the payroll payments, management will ensure that there's delegation of approval and authorisation responsibilities in case the designated officers are away on leave. Payments files will also undergo regular reviews by management and internal audit so that these issues are identified and addressed timeously.

Background Information

Traffic Safety Council of Zimbabwe was established in the terms of the Traffic Safety Council Act [*Chapter 13:17*]. The Council's function is to promote safety on roads, disseminate information on road safety, publish the highway Code, establish standards of practice to be observed by driving schools.

I have audited the financial statements of Traffic Safety Council of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion the financial statements present fairly, the financial position of Traffic Safety Council of Zimbabwe as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of financial statements

Finding

The Council's financial statements for the year ended December 31, 2023 were not submitted on time. The financial statements were submitted on May 5, 2024. This was contrary to section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires financial statements to be submitted within sixty (60) days after year end.

Risk / Implication

Lack of timely oversight from the shareholder and stakeholders.

Recommendation

The Council should comply with the requirements of section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*].

Management response

The Council made a decision to early adopt IPSAS as its reporting framework. However, there was a delay of the Zimbabwe Financial Reporting manual which we were trying to comply with but was not finalized. We are also working with the Ministry of Finance to ensure full compliance with IPSAS earlier than the prescribed year 2025 that we have managed to achieve.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council did not make progress in addressing audit findings and recommendations raised in my 2022 annual report. I raised one (1) audit finding and was not addressed as indicated below;

2.1 Road accident fund

The finding was not addressed. The Council is still waiting on responses and feedback from the parent Ministry.

Background Information

The Valuers Council of Zimbabwe was established in terms of the Valuers Act [*Chapter 27:18*] to provide for the registration of valuers and the regulation of the practice of valuers in Zimbabwe.

I have audited the financial statements of the Valuers Council of Zimbabwe for the year ended December 31, 2022 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly the financial position of the Valuers Council of Zimbabwe as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. **Non-compliance with International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”**

Opening balances

During the current and prior financial years, the foreign currency denominated transactions and balances of the Council were translated into ZWL\$ using the interbank rate. These were not considered appropriate spot rates for translation of foreign currency transactions as required by IAS 21- “The Effects of Changes in Foreign Exchange Rates”. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the years ended December 31, 2021. Had the financial statements been prepared in accordance with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates”, many elements of the financial statements would have been materially different. The effects of the non-compliance with the requirements of IAS 21- “The Effects of Changes in Foreign Exchange Rates” have been considered to be material and pervasive to the financial statements as a whole.

The International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies” was applied based on prior and current periods’ financial information which was not in compliance with IAS 21- “The Effects of Changes in Foreign Exchange Rates”. Had the correct base numbers and start date been used, most elements of the financial statements would have been materially different.

ii. **Non-compliance with International Financial Reporting Standards (IFRS) 9 – “Financial Instruments”**

The Council recognised trade receivables amounting to ZWL\$ 42.5 million as at December 31, 2022. Allowance for credit loss had not been determined contrary to the requirements of IFRS 9 - “Financial Instruments” paragraph 5.5.1 which requires credit losses to be measured and recognised using the expected credit losses (ECL) approach. The non-calculation of expected credit losses was therefore considered material despite the impact of not being quantifiable. I could not determine the extent of the adjustments necessary.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Allowance for credit loss

Finding

The Council recognised trade receivables amounting to ZWL\$ 42.5 million as at December 31, 2022. Allowance for credit loss had not been determined contrary to the requirements of IFRS 9 - "Financial Instruments" paragraph 5.5.1 which requires credit losses to be measured and recognised using the expected credit losses (ECL) approach. The omission of expected credit losses calculation was therefore considered material despite the impact of not being quantifiable.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Council should comply with the requirements of IFRS 9 – "Financial Instruments".

Management response

In December 2023, after concerted follow ups on long outstanding debtors, some receivables were classified as doubtful and a provision for doubtful debts was created as there was risk of irrecoverably.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council did not make progress in addressing audit findings that I raised in my 2023 annual report. I raised three (3) audit findings, one (1) finding was addressed and two (2) were not addressed as indicated below;

2.1. Policies and procedures manual

The finding was not addressed. The policies and procedures manual was still in draft form.

2.2. Alignment of accounting processes to the requirements of reporting framework

The finding was not addressed. The assessment of residual values, useful life and revaluation of assets was not carried out.

2.3. Tax clearance certificates

The finding was addressed. All payments to suppliers were now being supported by valid tax clearance certificates.

Background Information

The Zimbabwe Council for Higher Education was established in terms of the Zimbabwe Council for Higher Education Act [*Chapter 25:27*]. The functions of the Council are to promote and coordinate education provided by institutions of higher education and to act as a regulator in the determination and maintenance of standards of teaching, examinations, academic qualifications and research in institutions of higher education.

I have audited the financial statements of Zimbabwe Council for Higher Education for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Council for Higher Education as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Submission of Board resolutions

Finding

There was no evidence to support that 2023 Board resolutions were submitted to the Parent Ministry and Corporate Governance Unit. This contravened the provisions of section 35 (4) of the Public Entities and Corporate Governance Act [*Chapter 10:31*] which stipulates that a copy of every board resolution of the entity, signed by the Board Chairperson of the meeting, should be sent to the line minister and Corporate Governance Unit.

Risk / Implication

Oversight role may be compromised.

Recommendation

The management should submit all board resolutions in line with the provisions of Public Entities and Corporate Governance Act.

Management response

Observation is noted. The Council resolutions will be submitted to the Ministry and Corporate Governance Unit.

2. EMPLOYMENT ISSUES

2.1. Taxation on allowances

Finding

The Council did not remit tax on time in relation to holiday allowance amounting to USD7 000. The payment was made six (6) months later contrary to the requirements section 73 and (8) (1) (f) of the Income Tax Act [*Chapter 23:06*].

Risk / Implication

Financial loss due to penalties and fines that may be levied by the tax authority.

Recommendation

The Council should remit taxes within prescribed time.

Management response

The observation is noted. The tax on holiday allowance is a cost to the employer which is calculated by grossing-up the net figure of the holiday allowance. The tax due has been calculated and remitted to ZIMRA on the 15th July 2024. The holiday allowance will be processed through the payroll for taxation purposes for contracts that are still running. The government has since abolished holiday allowances in all new contracts.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council did not make progress in addressing audit findings and recommendations raised in my 2022 and 2023 annual reports. I raised one (1) finding in my 2023 report and followed up three (3) findings in my 2022 report. One (1) finding was addressed and three (3) findings were not addressed as indicated below:

3.1. Valuation of assets

The finding was addressed. The Council engaged three (3) experts to value its property and equipment as at December 31, 2022.

3.2. Council Charter

The finding was not addressed. The Charter was not approved.

3.3. Accounting procedures manual

The finding was not addressed. The Accounting procedures manual was not reviewed.

3.4. Procurement of motor vehicles

The finding was not addressed. The motor vehicles that were paid for in 2021 were not delivered. The issue is now at arbitration with Procurement Regulatory Authority of Zimbabwe.

Background Information

The Zimbabwe National Family Planning Council was established in terms of the Zimbabwe National Family Planning Council Act [Chapter 15:11]. The objectives of the Council are to provide subsidized contraception to the nation, teaching and training aides in family planning to members of the community and family planning awareness and services to the community.

I have audited the financial statements of Zimbabwe National Family Planning Council for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe National Family Planning Council as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Independence of the internal audit function

Finding

The Council's Internal Audit Manager was involved in institutional resource mobilization activities, functions which are ordinarily performed as part of administration activities therefore outside the scope of the internal audit function. This was contrary to section 224 of Public Entities Corporate Governance Act [Chapter 10:31] which requires independent quality assurance review on entities by the internal audit.

Risk / Implication

Independence of the Internal audit may be compromised.

Recommendation

Internal audit function should not be involved in administrative activities outside the scope of audit.

Management response

Observation noted. Management will address the anomaly.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council did not make progress in addressing the audit findings raised in my 2021, 2022 and 2023 annual reports. I raised three (3) findings in my 2023 annual report and followed up on five (5) audit findings outstanding in my 2021 and 2022 annual reports. Three (3) audit findings were

addressed, two (2) audit findings were partially addressed and three (3) audit findings were not addressed as indicated below;

2.1. Board charter

The finding was addressed. The board charter is now in place.

2.2. Receivables

The finding was not addressed. The Board recommended management to make an effort to recover the outstanding amounts in the year 2024.

2.3. Tax clearance certificates

The finding was addressed. Tax clearance certificates were submitted. The Procurement Management Unit is now supervising compliance by all our revenue centres.

2.4. Board composition

The finding was not addressed. Communication was sent to the parent Ministry regarding the need to appoint additional board members for the Council.

2.5. Restructuring exercise

The finding was not addressed. The post of Executive Director was vacant and had to be filled first before finalizing the restructuring process.

2.6. Accounting procedures manual

The finding was partially addressed. The Accounting procedures manual is still a draft and may need a few adjustments to make it IPSAS compliant before it is approved.

2.7. Alignment of governance processes

The finding was addressed. The Board Charter was approved.

2.8. Vacant post

The finding was partially addressed. Interviews for the post of Executive Director were done in January 2024 and awaiting appointment of the successful candidate. In the mean-time the Acting Executive Director will be in post until appointment of a substantive Executive Director.

Background Information

The Council was established in terms of the Zimbabwe School Examinations Council Act [Chapter 25:18]. Its core mandate is to organise and conduct examinations for primary and secondary education, award certificates and to review rules and regulations relating to examinations.

I have audited the financial statements of Zimbabwe School Examinations Council for the year ended December 31, 2023 and I issued an unmodified / clean opinion

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe School Examinations Council as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council made progress in addressing audit findings raised in my 2023 annual report. I raised two (2) findings, one (1) finding was addressed while the other was not addressed as indicated below;

1.1. Bank signatories

The finding was addressed. The Council has updated its bank signatories to exclude former employees.

1.2. Motor vehicles hiring policy

The finding was not addressed. The motor vehicles hiring policy is not yet in place.

Background Information

The Zimbabwe Youth Council was established in terms of the Zimbabwe Youth Council Act [Chapter 25:19] to facilitate the empowerment and participation of the youth.

I have audited the financial statements of the Zimbabwe Youth Council for the year ended December 31, 2022 and I issued a Qualified Opinion.

Qualified Opinion 2022

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Youth Council as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard 13 - “Fair Value Measurement”

The valuation of property, plant and equipment amounting to ZWL\$94.1 million was performed as at December 31, 2022. The property, plant and equipment valuations were determined in USD then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2022. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirement of IFRS 13 - “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars. I could not determine the extent of the adjustments that were necessary.

ii. Posting of transactions in the accounting system

I was unable to obtain sufficient appropriate audit evidence regarding the opening balances of retained earnings and the revaluation reserve. The Council had unreconciled variances of ZWL\$1.69 million for retained earnings and ZWL\$168 622 for the revaluation reserve between the prior year's audited financial statements and the balances in the accounting system. In addition, the financial statements were prepared outside the system, and prior year audit adjustments were not incorporated into the Council's accounting system. I was unable to satisfy myself as to the accuracy and completeness of these line items as disclosed in the financial statements.

iii. Cash and cash equivalents

I was not availed with bank statements and responses to bank confirmation for the Council's two (2) bank accounts which were inactive for the period under review. The two (2) accounts had a total of ZWL\$1 324 in the financial statements. As a result, I was unable to ascertain the accuracy and completeness of cash and cash equivalents disclosed in the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Posting of transactions in the accounting system

Finding

The internal controls over the recording of transactions in the accounting system were not adequate during the year. For instance, there were unreconciled variances on the opening balances between the prior year financial statements and the balances in the Council's accounting system. The financial statements were prepared outside the system and audit adjustments for the prior years were not captured in the Council's accounting system. Retained earnings had a variance of ZWL\$1.69 million while revaluation reserve had a variance of ZWL\$168 622 between the system generated trial balance and prior year financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

Controls over recording of transactions in the accounting system should be enhanced.

Management response

Observation noted, management is currently investigating the issue with a view to correcting the balances which may have emanated at the data capturing stage and corrections will be made in the 2023 reporting period.

1.2 Bank accounts

The Council had two (2) dormant bank accounts with two (2) banks which were inactive for the period under review. One (1) of the bank accounts had a balance of ZWL\$975 while the other bank account had ZWL\$349 in the financial statements. I was not availed with either bank statements or responses to the bank confirmations on the two (2) bank accounts due to non-availability of signatories of the respective accounts.

Risk / Implication

Fraud and error might go undetected.

Misstatement of financial statements.

Recommendation

Management should assess its banking requirements.

Management response

Observation noted, management is expediting the closure of the respective bank accounts.

1.3 Submission of financial statements

Finding

The Council submitted the 2022 financial statements on November 15, 2024 which was one (1) year eight (8) months after the statutory deadline. This was contrary to section 49 (1) c of the Public Finance Management Act [*Chapter 22:19*] which requires public entities to submit for audit the financial statements within sixty (60) days following the financial year end.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Council should submit financial statements within sixty (60) days following financial year end in line with Public Finance Management Act [*Chapter 22:19*].

Management response

Observation noted. Management is working on ensuring that the accounts are up to date, all outstanding financials will be cleared by August 30, 2025.

1.4 Internal audit

Finding

The Council did not have internal audit arrangements during the year under review. As a result, the Council's internal controls on financial reporting were not subject to review by the internal audit function. This was contrary to the Public Finance Management Act [*Chapter 22:19*], section (80)(1)(a) which requires the Council to have an internal audit function.

Risk / Implication

Fraud and errors may go undetected.

Recommendation

The Council should consider to have internal audit arrangements in place.

Management response

Observation noted, the Council applied for treasury concurrence for the filling in of the internal audit position and is awaiting approval. Once approved the post will be filled as a matter of urgency.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Council made some progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised three (3) audit findings in my 2023 annual report and followed up on one (1) finding from my 2021 annual report. One (1) finding was addressed, one (1) finding was partially addressed and two (2) findings were not addressed as indicated below;

2.1 Supporting documents

The finding was addressed. All expenditure was now supported with relevant documents.

2.2 Key vacant post

The finding was not addressed. The post of Executive Director remains vacant.

2.3 Valuation of property, plant and equipment

The finding was not addressed. The valuation of property, plant and equipment was done but it did not comply with the requirements of IFRS 13 - "Fair Value Measurement".

2.4 Oversight role

The finding was partially addressed. Twelve (12) out of fifteen (15) board members were in place.

PUBLIC ENTITIES UNDER THE CATEGORY OF FINANCIAL INSTITUTIONS

Background Information

The Small and Medium Enterprises Development Corporation was incorporated in terms of the Small and Medium Enterprises Act [*Chapter 24:12*]. The nature of business of the Corporation is providing loan finance to upcoming and existing small to medium scale enterprises and that of property letting and investment activities.

I have audited the financial statements of Small and Medium Enterprises Development Corporation for the year ended December 31, 2023 and issued an unmodified / clean opinion.

Opinion on the consolidated financial statements

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Small and Medium Enterprises Development Corporation as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Opinion on the Corporation's Financial Statements

In my opinion, the financial statements present fairly, in all material respects, the financial position of Small and Medium Enterprises Development Corporation as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES**1.1. Submission of board resolutions****Finding**

The Corporation was not compiling and signing off board minutes during the year in a timely manner. As a result, I was not availed with supporting evidence that board resolutions were submitted to the Parent Ministry and Corporate Governance Unit. This was contrary to the provisions of section 35 (4) of the Public Entities and Corporate Governance Act [*Chapter 10:31*] which requires submission of copies of every board resolutions of public entities be sent to the line Minister and Corporate Governance Unit.

Risk / Implication

Oversight role may be compromised.

Recommendation

Board resolutions should be submitted in time to the Ministry and Corporate Governance unit.

Management response

Observation noted. The resolutions have been compiled and now awaiting signing by the Board Chairperson.

1.2. Submission of financial statements

Finding

The Corporation did not submit financial statements for audit on time. The financial statements for 2023 were submitted on March 23, 2024. This was contrary to the requirements of Section 49 (1) c of the Public Finance Management Act [*Chapter 22:19*] which requires the accounting authority of a public entity to submit the financial statements within two (2) months after the end of the financial year for audit.

Risk / Implication

Transparency and accountability might be compromised.

Recommendation

Management should prepare and submit the financial statements in line with the requirements of the Public Finance Management Act [*Chapter 22:19*].

Management response

Observation noted. The Corporation has made milestones towards ensuring full compliance through a reduction of the turnaround time from one year to less than three months. The Corporation will achieve full compliance by February 28, 2025. Measures being put in place to ensure full compliance include procurement of a new loans management system, adequately resourcing the finance department and proposal to conduct an interim audit during each fiscal year.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Debt management

Finding

The Corporation's debt recovery or collection procedures were not adequate. A review of rental collections revealed instances of tenants who were not remitting rental payments within the Corporation's stipulated timeframe. As a result, the Corporation receivables amounting to ZWL\$17.6 million included long-outstanding balances dating back to 2019. This was contrary to the established rental payment policy requires rental payments in advance, due within the first week of each month.

Risk / Implication

Financial loss due to non-recovery of outstanding amounts.

Recommendation

Management should make constant follow up on receivables and put in place a policy to manage receivables.

Management response

Observation noted. Follow ups being done in line with the current credit policy with a full collection target of December 31, 2024. All accounts deemed irrecoverable will be written off and blacklisted. On rental debtors tenants cleared arrears in January 2024.

3. EMPLOYMENT ISSUES

3.1. Housing allowances

Finding

The Corporation did not have a policy or guidelines on the payment of housing allowance. Staff members staying in the Corporations' houses were also receiving housing allowance during the year ended December 31, 2023.

Risk / Implication

Inconsistencies in the payment of housing allowance.

Recommendation

The Corporation should have a policy in place on the payment of housing allowance to members of staff staying in the Corporation's houses.

Management response

Observation noted. The policy will be implemented by December 31,2024.

4. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Corporation did not make progress in addressing audit findings that I raised in my 2020 and 2023 annual reports. I raised one (1) audit finding in my 2023 report and followed up on one (1) finding outstanding in my 2020 annual report. All the two (2) findings were not addressed as indicated below;

4.1. Delivery of procured goods

The finding was not addressed. The vehicle paid for in 2022 has not been delivered.

4.2. Taxation of accommodation

The finding was not addressed. The Corporation target to address this in 2024.

PUBLIC ENTITIES UNDER THE CATEGORY OF FUNDS

Background Information

The Aviation Infrastructure Development Fund was established through Statutory Instrument 7 of 2012, Civil Aviation [Aviation Infrastructure Development Fund Fee] Regulations, 2012. The objective of the Fund is to collect aviation infrastructure development fees towards a fund maintained for the purpose of infrastructure development and modernisation.

I have audited the financial statements of the Aviation Infrastructure Development Fund for the year ended December 31, 2021 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Aviation Infrastructure Development Fund as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of financial statements

Finding

The Fund submitted the 2021 financial statements on July 30, 2024 which was three (3) years after statutory deadline. This was contrary to the requirements of the Public Finance Management Act [*Chapter 22:19*] section 49(1) (c) which requires financial statements to be submitted for audit within sixty (60) days following the financial year end.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The Fund should submit financial statements within sixty (60) days following the financial year end in line with Public Finance Management Act [*Chapter 22:19*].

Management response

Management notes the recommendation. However, the delay in the submission of the financial statements was a result of the finalization of the split issues between Civil Aviation Authority of Zimbabwe (CAAZ) and Airports Company of Zimbabwe (Private) Ltd (ACZ) which was concluded in 2024.

Background Information

The Investor Protection Fund was established in terms of the Securities Act [*Chapter 24:25*] for the purpose of providing compensation to investors for losses suffered as a direct result of a licensed contributor being unable to meet its liabilities through insolvency or malpractice. Thus, an investor will have recourse to the Fund where a licensed contributor is unable to pay its liabilities, in the event of a contributor having insufficient assets to meet its liabilities or insolvency declared by a competent court in Zimbabwe.

I have audited the financial statements for the Investor Protection Fund for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Investor Protection Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. REVENUE COLLECTION AND DEBT RECOVERY

1.1. Investor protection levy

Finding

The Fund's controls and guidance over the collection of the investor protection levy were inadequate. For instance, the Fund did not perform reconciliations for the monthly remittance. As a result, the Fund charged a USD investor protection levy rate of 0.01% and ZWL\$ investor protection levy rate of 0.02%. This was contrary to the requirements of section 3 of Statutory Instrument 108 of 2014 which requires the investor protection levy rate to be 0.025%.

Risk / Implication

Misstatement of investor protection levy revenue.

Recommendation

Investor protection levy should be levied in line with the rates prescribed in the prevailing regulations.

Management response

The Accounts Manager to reconcile monthly remittances and raise queries promptly whenever such discrepancies occur. In respect of the 2023 prejudice, Accounts Manager to do a reconciliation to assess the loss and write stockbrokers requesting payment on terms agreed upon by the Board.

Background Information

Rhodes Matopo Estate Fund was established in terms of Rhodes Estates Act [*Chapter 20:14*]. The functions of the Fund are to control, manage and maintain national parks, botanical reserves and gardens, sanctuaries, safari areas and recreational parks.

I have audited the financial statements of Rhodes Matopo Estate Fund for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Rhodes Matopo Estate Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit:

1. GOVERNANCE ISSUES

1.1 Statutory obligations

Finding

The Fund was not remitting NSSA contributions for its sixty-two (62) casual workers who were employed during 2023. The employees had not been registered to enable remittance of the NSSA contributions. This was contrary to section 3 (2) (a) of the National Social Security Act [*Chapter 17:04*] which requires registration of employers and employees liable for contribution in any NSSA scheme. In addition, I was not availed with evidence of remittance of withholding tax on board fees and allowances amounting to ZWL\$ 4.05 million withheld during the year. This was contrary to 33rd Schedule of the Income Tax Act [*Chapter 23:06*] which requires withholding tax to be remitted as prescribed.

Risk / Implication

Financial loss due to penalties that might be levied.

Recommendation

The Fund should remit statutory obligations on time.

Management response

In 2023 the Fund did not have a NSSA account specifically for Matopo, therefore, payments were ceased waiting for opening of the Fund NSSA account. The account was only opened in 2024 and we have since started paying and filing returns.

2. EMPLOYMENT ISSUES

2.1 Leave days

Finding

The Fund had staff shortages during the year and employees were not utilising their leave days. As a result, out of ninety-six (96) employees, thirty-eight (38) had reached the maximum leave of 90 days on their leave records as at December 31, 2023.

Risk / Implication

Service delivery may be compromised.

Recommendation

The Fund should make sure that employees take leave days regularly.

Management response

Due to the shortage of manpower currently affecting the Fund, management of both leave days and time offs was compromised. There was a positive trade-off between leave days and time offs. However, we are gradually reducing staff leave days by granting them.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS.

The Fund made progress in addressing audit findings raised in my 2021 and 2022 annual reports. I followed up on two (2) findings which were outstanding in my 2021 and 2022 annual reports. One (1) finding was addressed while the other finding was partially addressed as indicated below;

3.1 Lease management

The finding was partially addressed. The Fund engaged ZIMPARKS Legal section for assistance and some of the leases are now in place.

3.2 Asset replacement policy

The finding was addressed. The policy is now in place.

Background Information

The State Lotteries Fund was established in terms of the Lotteries and Gaming Act [*Chapter 10:26*]. The Fund's principal activity is the sale of lottery tickets and scratch cards and donating proceeds to charity.

I have audited the financial statements of State Lotteries Fund for the years ended December 31, 2022 and 2023. I issued a Qualified Opinion for both years.

Qualified Opinion 2022

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of State Lotteries Fund as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement"

The property, plant and equipment valuations were determined in USD and then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2022. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirements of IFRS 13 – "Fair Value Measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars. I could not determine the extent of the adjustments that were necessary.

Qualified Opinion 2023

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of State Lotteries Fund as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement"

In the prior year, the Fund did not comply with the requirements of International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement" and the misstatements had not been corrected in line with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". The Fund's valuation was performed in United States dollars (USD) and then translated to Zimbabwe dollars (ZWL\$) using the interbank as at December 31, 2022. The translated property, plant equipment values in Zimbabwean Dollars could not meet the fair value requirement of IFRS 13 - "Fair Value Measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwean dollars. Had the Fund correctly applied IAS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" the financial statements would be materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Valuation of property, plant and equipment

Finding

The property, plant and equipment valuations were determined in USD and then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2023. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirements of IFRS 13 – “Fair Value Measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars.

Risk / Implication

Misstatements of financial statements.

Recommendation

The Fund should comply with the requirements of International Financial Reporting Standard (IFRS) 13 – “Fair Value Measurement”.

Management response

Inputs and assumptions used to arrive at a particular figure will be availed in all future asset valuation exercises in line with paragraph 22 of International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement”.

1.2. Trade payables reconciliations

Finding

The Fund’s internal controls over payables management were not effective in that the Fund did not make timeous follow ups on supplier’s statements. As a result, the Fund did not perform trade payables reconciliations due to the delayed receipt of supplier statements. This was contrary to the instructions manual which requires monthly reconciliation of trade payables.

In addition, the Fund was not settling its trade payables on time as one of the creditors was owed ZWL\$12 million which was outstanding for over 360 days.

Risk / Implication

Errors and omissions may not be detected on time.

Recommendation

Management should follow up on supplier statements and prepare creditors reconciliations monthly in line with the accounting manual.

Management should satisfy its obligation and reconcile with the service provider.

Management response

Trade payables reconciliations were not being done timeously due to delayed receipt of respective account statements from our suppliers. The Fund’s relationship with the

creditor owed ZWL\$12 million has irretrievably broken down to extent of cutting all communication lines which were in existence and there is no hope of salvaging it.

1.3. Asset replacement policy

Finding

The Fund did not have an asset maintenance and replacement policy. As a result, furniture and fittings, which were dilapidated, could not be replaced.

Risk / Implication

Service delivery may be compromised.

Recommendation

Management should have an asset replacement policy.

Management response

The failure to have an asset maintenance and replacement policy was because we were waiting to receive guidance from our parent Ministry as they indicated that the main policy document was being aligned with the Zimbabwe Financial Reporting Manual as we prepare to adopt the IPSAS reporting framework by December 31, 2025.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Fund made progress in addressing audit findings raised in my 2023 annual report. I raised six (6) audit findings, three (3) audit findings were addressed and three (3) findings were not addressed as indicated below;

2.1 Internal control review

The finding was not addressed. The Fund is still awaiting feedback from its parent Ministry regarding the request for Internal Auditors.

2.2 Cash management

The finding was not addressed. Cash was still not being banked on time.

2.3 Annual budget

The finding was addressed. The 2023 and 2024 budgets were approved by the parent Ministry.

2.4 Accounting manual

The finding was not addressed. The accounting manual was not updated.

2.5 Asset valuation

The finding was addressed. Non-current assets revaluation was done.

2.6 Ticket sellers

The finding was addressed. All employees now have employment contracts in place, and a system has been implemented to ensure continuous updates of their residential information.

Background Information

The Zimbabwe Manpower Development Fund was established in terms of the Manpower Planning and Development Act [Chapter 28:02]. The Fund's objective is to finance the cost of any scheme of manpower development or such other costs in connection with vocational education or training through levy imposed on certain employers and also to finance the training and employment of apprentices in specified industries.

I have audited the financial statements of the Zimbabwe Manpower Development Fund for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of Zimbabwe Manpower Development Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Wage bill levy

Finding

The Fund did not align its enabling statute to collect levies from employers to the current operating environment in that the exemptions have not been reviewed in line with microeconomic developments. As a result, the threshold of less than ZWL\$ 20 000 was no longer appropriate due to the inflationary environment. According to statutory instrument 74 of 1999, amended by SI 392/99, employers are liable to pay 1% of the monthly wage bill to ZIMDEF and that an employer whose wage bill is less than was exempt ZWL\$ 20 000 from paying the levy.

Risk / Implication

Reputational risk.

Recommendation

The Fund should lobby for the realignment of the statutory instrument 74 of 1999.

Management response

Noted, the threshold in the S.I. 74/1996 was set in 1996 when the S.I. was promulgated. ZIMDEF has already prepared thresholds proposal for presentation to the Board for approval. After the Board approval, the proposal will then be submitted to the parent Ministry so that the Statutory Instrument is amended to capture proposed changes.

1.2. Bank reconciliations

Finding

The Fund was not preparing bank reconciliations on time. For instance, some bank reconciliations were prepared twenty-nine (29) days after month-end contrary to section 3.5.2 of

the Fund's procedures manual, which requires bank reconciliation statements to be prepared and reviewed as at the end of each month. As a result, the Fund had deposits amounting to ZWL\$179.4 million from clients which were not receipted and allocated to any revenue head as at December 31, 2023.

Risk / Implication

Fraud and error may not be detected on time.

Recommendation

Bank reconciliations should be prepared and reviewed on time.

Management response

Observation noted. The Fund will recast the policy statement relating to bank reconciliations so that the timeliness for completion of bank reconciliations is clearly spelt out.

The Fund is working with banks to clear the unclassified deposits and also in the process of collaborating with banks so that it can have an integration through ICT systems. The integration will ensure that levy deposits will not be processed in the bank without the levy depositor's identification number. The integration will make it mandatory for every levy depositor to input a business partner number.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

I followed up on two (2) findings, which were outstanding from my 2021 and 2022 annual reports. The Fund did not address the audit findings as indicated below:

2.1. Investments

The finding was not addressed. Title deeds for stands are not yet in place.

2.2. Delivery of motor vehicles

The finding was not addressed. The supplier is yet to deliver the four (4) motor vehicles.

PUBLIC ENTITIES UNDER THE CATEGORY OF HOSPITALS

Background Information

Ingutsheni Central Hospital is a body corporate established in terms of the Health Service Act [Chapter 15:16] and Mental Health Act [Chapter 15:12] as a psychiatry Health Institution. Its operations are guided by the Mental Health Regulations of 1999 and the Zimbabwe Mental Health Policy of 2004.

I have audited the financial statements of Ingutsheni Central Hospital for the year ended December 31, 2021 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of the report, the accompanying financial statements do not present fairly, in all material respects, the financial position of the Hospital as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

i. **Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates” and non-compliance with International Accounting Standard IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”**

During the period February 22, 2019 to December 31, 2020, the foreign currency denominated transactions and balances were translated into ZWL\$ using the official interbank exchange rate which was not considered an appropriate spot rate for transactions as required by International Accounting Standard (IAS) 21 – “Effects of Changes in Foreign Exchange Rates”. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended December 31, 2021 in accordance with IAS 8, and therefore the corresponding figures remain misstated on the financial statements of the Hospital for the year ended December 31, 2021.

ii. **Non-compliance with International Accounting Standard (IAS) 29 – “Financial Reporting in Hyperinflationary Economies”**

The Hospital applied the IAS 29 – “Financial Reporting in Hyperinflationary Economies” with effect from January 1, 2019 to December 31, 2021. However, its application was based on prior year financial information which was not in compliance with as described above. Had the correct base numbers been used, majority elements of the financial statements would have been materially different. Effect of the departure from the requirements of these standards is considered material to the financial statements.

iii. **Non-compliance with International Accounting Standard (IAS) 16- “Property, Plant and Equipment”**

The Hospital did not perform a revaluation exercise to determine the fair value of its property, plant and equipment. This was contrary to the requirements to the requirements of International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” paragraph 31 which requires revaluations to be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the reporting date. I was unable to satisfy myself regarding the valuation of property, plant and equipment using other audit procedures. Consequently, I was not able to determine whether any adjustment to the amount of property, plant and equipment was necessary.

iv. Inventory records

Expenses in respect of inventory issued and related expenditure was not supported by underlying records. The absence of underlying records limited my scope.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Hospital management board

Finding

The Hospital was operating without a management board for the period under review. This was contrary to the provision of the Health Service Act [*Chapter 15:16*] section 19 and the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the Hospital to have a management board.

Risk / Implication

Oversight role may be compromised.

Recommendation

Management should engage the relevant authorities to facilitate the appointment of the Hospital management board.

Management response

It is noted. The relevant authority responsible for regularization of the Hospital Management Boards shall be advised accordingly, before December 2024.

1.2 Accounting system

Finding

The Hospital was not fully utilizing its accounting system in place. For instance, inventory and revenue ledger accounts were being maintained and updated outside the accounting system using excel. Cashbooks availed for audit were prepared manually using the manual analysis books instead of the accounting system.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Hospital should automate all its accounting records.

Management response

It is noted. Currently for the years, 2021, 2022 and 2023, the Hospital is producing financials based on manual accounting system, because our accounting system was down during the period under review. We expect to produce the system-based financials as from the year 2024, as our accounting system is now up running.

1.3 Inventory records

Finding

The Hospital's controls over inventory management were not adequate. As a result, there were variances between the physical stock count quantities and the quantities reflected in the records. The table below refers;

Code	Description	Group	Quantity on records (a)	Physical quantity (b)	Variance (b-a)
11/0840 D	Gauze bandages 8 cm P/10	Pharmacy	179	30	(149)
24/9710	Zinc copack 20mg 10'S with ORS	Pharmacy	2 000	0	(2 000)
24/7425D	Phenobarbitone 30mg box/100	Pharmacy	1 611	0	(1 611)
IG0147	Fuel diesel	Fuel	4 491	5 425	934
IG0148	Fuel petrol	Fuel	6 060	4 820	(1 240)
IG0193	Laundry powder 25kg	Cleaning	7	48	41
IC0087	Bread	Catering	4 257	0	(4 257)
IC0032	Sugar brown case(10x2kg)	Catering	131	153	(22)

In addition, expenses in respect of inventory issued and related expenditure was not supported by underlying records. The absence of underlying records limited my scope.

Risk / Implication

Misstatement of financial statements.

Service delivery may be compromised due to misappropriation of inventories.

Recommendation

The Hospital should conduct regular inventory reconciliations to ensure physical stock matches system records.

The Hospital should enforce compliance with its policies on the use of issue vouchers on all project sales.

Management response

Noted. The anomalies shall be verified and be corrected accordingly.

Audit observations are noted and shall be implemented as provided. The stock management which requires the use of the accounting system shall be rectified in the 2024 financial year as the system is now operational.

2. MANAGEMENT OF ASSETS

2.1 Valuation of property, plant and equipment

Finding

The Hospital did not perform a revaluation exercise to determine the fair value of its property, plant and equipment. This was contrary to the requirements to the requirements of International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” paragraph 31 which requires revaluations to be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the reporting date.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Hospital should revalue its assets in line with requirements of International Accounting Standard (IAS) 16- “Property, Plant and Equipment”.

Management response

Noted. We will make sure regular assets assessments and reviews are implemented in the next financial reporting year.

3 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Hospital did not make progress in addressing audit findings raised in my 2023 annual report. I raised seven (7) findings in my 2023 annual report and they were not addressed as indicated below;

3.1 Inventory count

The finding was not addressed. The Hospital did not perform an inventory count during the period under review.

3.2 Issue vouchers

The finding was not addressed. The Hospital did not consistently utilize issue vouchers when dispatching goods in accounting for proceeds from project sales. In many instances, goods were being dispatched without proper documentation.

3.3 Donations register

The finding was not addressed. The Hospital did not have donations register in place.

3.4 Asset register

The finding was not addressed. The Hospital had not updated its asset at the time of our audit in 2024.

3.5 Asset revaluation

The finding was not addressed. The Hospital did not perform revaluation of its non-current assets.

3.6 Management of accounts receivables

The finding was not addressed. The Hospital did not maintain receivables age analysis, there were no customer statements and also no evidence on follow up of accounts receivables.

3.7 Valuation of trade receivables

The finding was not addressed. The Hospital did not have a clear stated or written down policy to provide for overdue accounts receivable balances, hence no provision for credit losses was determined on long outstanding balances in the year under review.

Background Information

Mpilo Central Hospital was established in terms of the Health Service Act [*Chapter 15:16*]. The Hospital is involved in the provision of hospitalisation and medical services to the Southern region of Zimbabwe.

I have audited the financial statements of Mpilo Central Hospital for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mpilo Central Hospital as at December 31, 2023, and financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**i Completeness and valuation of donations**

The Hospital recognised donations amounting to ZWL\$2.15 billion. Management could not provide supporting schedules to substantiate the valuation of these recorded donations. As such, I could not satisfy myself on the valuation and completeness of donations and determine if any adjustments were necessary to the statement of profit or loss and other comprehensive income and statement of financial position.

ii Completeness of other income

Management did not provide supporting documentation for revenue disclosed in the financial statements amounting to ZWL\$554 million relating to incinerator, transcript and utilities income. As a result, I could not satisfy myself on the completeness of the revenue amount recognised in the financial statements.

iii Valuation, completeness and existence of property, plant and equipment

The Hospital did not review the residual values and useful lives of property, plant, and equipment at year end in accordance with International Accounting Standard (IAS) 16 – “Property, plant, and equipment” paragraph 51 which requires an entity to review the useful life and residual value of an asset at each year end.

In addition, the Hospital maintained a fixed asset register which did not have values and a formal identification system of assets (tagging and serial numbers). As such, I could not satisfy myself on the valuation, completeness and existence of the property, plant and equipment recognized in the financial statements amounting to ZWL\$38.18 billion.

iv Occurrence of inventory consumed

Management could not provide supporting documents of items of inventory consumed during the year amounting to ZWL\$2 billion. As such, I could not satisfy myself on the occurrence of the amounts expensed in the financial statements and determine if any adjustments were necessary to the statement of profit or loss and other comprehensive income and statement of financial position.

v Valuation of trade receivables

The Hospital did not apply the principles of International Financial Reporting Standard (IFRS) 9-“Financial Instruments” in that the use of probability weighted of expected credit loss and the segmentation of the trade receivables according to their different credit profiles was not done. This was contrary to the requirements of International Financial Reporting Standard (IFRS) 9-“Financial Instruments” paragraph 5.5.17(a) which requires that the use of probability weighted expected loss on determination of allowance for credit loss. The Hospital elected to apply the simplified approach and used the provision matrix in determining the expected credit loss (ECL) allowances as at year end which amounted to ZWL\$5.33 billion. I could not determine the extent of adjustments necessary as a result of this non-compliance with IFRS 9 – “Financial Instrument”.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Supporting documentation

Finding

The internal controls over record management were not adequate during the period under review. For instance, management could not provide supporting documentation for expenditure amounting to ZWL\$2.20 million, inventory items amounting to ZWL\$16.10 million and receivable balance amounting to ZWL\$13.65 million. As a result, I was unable to confirm the accuracy, occurrence and completeness of the amounts disclosed in the financial statements.

In addition, there was no record of the assets auctioned, the approval, relevant supporting documentation from the auctioneer and transfer of ownership despite the Hospital having received ZWL\$25.37 million as disposal proceeds through its bank account. As such, the fixed asset ledgers and asset register were not updated with the assets auctioned.

Risk / Implication

Misstatement of financial statements.

Irregular transactions may be processed resulting in financial losses.

Recommendation

The Hospital should enhance its controls over record management.

Management response

Noted. We will improve on our documentation process.

1.2 Completeness of incinerator, transcript and utilities income

Finding

The Hospital’s revenue from incinerator, transcript and utilities was recognised on a cash basis contrary to the International Financial Reporting Standards (IFRSs), a reporting framework which requires accrual accounting. As a result, I could not ascertain the completeness of revenue recorded in the financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

Management should recognise income on accrual basis consistent with the Hospital's reporting framework.

Management response

Management will implement the recommendations on income from utilities. Accrual basis can be difficult if there is no contract on the incinerator revenue. Transcripts are only issued on request making it difficult to accrue for every nurse who would have graduated at Mpilo. Management is to review the policy since it has proved very difficult to collect money from doctors.

2. EMPLOYMENT ISSUES

2.1 Payment of former employees

Finding

The Hospital's managers and heads of department were not submitting monthly staff returns to the Human Capital department. As a result, four (4) employees who resigned during the reporting period continued to receive salaries amounting to ZWL\$40.62 million several months after leaving Hospital employment.

Risk / Implication

Financial loss due to irregular payments.

Recommendation

The Hospital should communicate all resignations to the Salary Service Bureau well on time so as to ensure that former employees are removed from the payroll as soon as they leave the hospital.

Management response

Management has put in place a system to strengthen the submission of monthly employee returns by line managers / HODs. The consolation fact is that the former employees have paid back the outstanding amounts.

2.2 Employees not physically verified

Finding

A sample of employees was circularized by the Human Resources department on June 5, 2024 where the selected individuals were asked to positively identify themselves to the auditors as part of the physical verification process. As of August 16, 2024, the employees listed below had not availed themselves for the verification process. In addition, the Human Resources department could not produce leave forms to prove that the said individuals were on paid vacation leave or a duty roster showing that the listed employees had been assigned to night duty.

EC Number	Department
6123270C	Radiographer/senior/principal/diagnostics
6120360P	Radiographer/senior/principal/diagnostics
1647154J	HOD Specialists
1652837L	HOD Specialists
0156501J	Doctors
3003287R	Nurse Aide

Risk / Implication

Non-existent employees may be paid leading to financial loss to the Hospital.

Recommendation

Management should ensure that reconciliations between the individuals included in the payroll and individuals who actually clock in for work are performed with sufficient regularity.

The Human Resources department should ensure that paid time off is properly documented and duty rosters are maintained and retained at all times.

Management response

These are all present senior employees of the Hospital. However, they failed to present themselves to the auditors on request.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Hospital did not make progress in addressing audit findings and recommendations raised in my 2020, 2021 and 2023 annual reports. I raised three (3) audit findings in my 2023 annual report and followed up on seven (7) findings outstanding in my 2020 and 2021 annual reports. One (1) finding was addressed and nine (9) were not addressed as indicated below;

3.1 Bank signatures

This was addressed. The Hospital's former employees of the Hospital were removed from the bank signatory panel.

3.2 Foreign denominated creditors balance

The finding was not addressed. The Hospital had no creditors ageing analysis for the year ended December 31, 2023 as it was using manual system.

3.3 Accounting procedures

The finding was not addressed. The Hospital did not maintain aged receivables and payables and reconciliations during the year ended December 31, 2023.

3.4 Internal audit function

The finding was not addressed. The Hospital has not yet established the internal audit function.

3.5 Supporting documents

The finding was not addressed. The Hospital recognised donations amounting to ZWL\$2.15

billion during the 2023 financial year and management could not provide supporting schedules to substantiate the valuation of these recorded donations.

3.6 Inventory variance

The finding was not addressed. Variances amounting to ZWL\$161.4 million were noted in the 2023 financial statements

3.7 Non- compliance with IAS 16 - “Property, plant and equipment”

The finding was not addressed. The Hospital did not perform revaluation of assets for the year ended December 31, 2023.

3.8 Board of management

The finding was not addressed. The Board of management was not yet appointed in 2023.

3.9 Shortage of manpower

The finding was not addressed. The Hospital was still facing manpower challenges during 2023.

3.10 Non- compliance with IFRS 9- “Financial Instruments”

The finding was not addressed. The Hospital did not apply the requirements of IFRS 9 - “Financial Instruments” in determining the expected credit loss for the 2023 financial year.

Background Information

Parirenyatwa Group of Hospitals was established in terms of the Health Service Act [*Chapter 15:16*]. The Hospital is a principal referral centre situated in Harare. The Group of Hospitals consists of Mbuya Nehanda Maternity Hospital, Sekuru Kaguvi Eye Unit, Annex Hospital for the Mentally Disabled and the Main Hospital.

I have audited the financial statements of Parirenyatwa Group of Hospitals for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Parirenyatwa Group of Hospitals as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Accounting Standard (IAS) 16 - “Property, plant and equipment” and International Financial Reporting Standard (IFRS) 13- “Fair Value Measurement”

The Hospital did not comply with the requirements of the IAS 16 - “Property, plant and equipment” as there was no evidence that the Hospital performed a revaluation assessment exercise to present assets at their fair values as at December 31, 2023 either by engaging an independent valuer on carrying out a management valuation. The Hospital last performed a revaluation exercise in 2009. This was contrary to the requirements of IAS 16 - “Property, plant and equipment” paragraph 31 which requires that revaluation of assets should be carried out regularly so that the carrying amount of an asset does not differ materially from its fair value at the date of financial statements.

Given the economic changes that occurred from the last revaluation, it is likely that the carrying value of property, plant and equipment amounting to ZWL\$ 5.02 billion as at year end was materially and fundamentally different from that which would have been determined through a revaluation exercise in line with IAS 16 - “Property, plant and equipment” as well as IFRS 13 - “Fair value measurement”. I therefore could not satisfy myself on the appropriateness of the value of property, plant and equipment as disclosed in the financial statements. The prior year financial statements were also modified in respect of this matter.

ii. Non-compliance with International Accounting Standard (IAS) 36 – “Impairment of Assets”

The Hospital did not carry out an annual impairment assessment for its assets as required by International Accounting Standard (IAS) 36 – “Impairment of assets” paragraph 9 which requires that assets be assessed at the end of each reporting period, whether there is any indication that an asset may be impaired and if there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated. I could not determine the extent of adjustments necessary.

iii. Existence and valuation of receivables

The Hospital had no evidence of monthly debtor's reconciliations with key medical aid institutions. Receivables confirmations responded to revealed unresolved variance amounting to ZWL\$0.53 billion between the Hospital records for receivables and debtors' confirmations. Since the Hospital did not provide reconciliations for accounts receivable, I was unable to perform other alternative procedures to verify the accuracy of the reported balances. Had the Hospital had been conducting reconciliations, the receivables balances could have been materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Alignment of accounting processes to reporting framework

Finding

The Hospital did not carry out an annual impairment assessment for its assets as required by International Accounting standard (IAS) 36 – "Impairment of assets" paragraph 9 which requires assets to be assessed at the end of each reporting period. In addition, the Hospital had not reviewed the residual value and useful life of its assets in 2023 contrary to the requirements of International Accounting Standard (IAS) 16 – "Property, plant and equipment" paragraph 51 which requires review of the residual value and useful life of assets to be performed annually.

Risk / Implication

Misstatement of financial statements.

Recommendation

Review of the residual values and the useful life of assets should be carried out in line with International Accounting Standards 16 – "Property, plant and equipment".

The Hospital should perform an impairment review in line with International Accounting Standards (IAS) 36 – "Impairment of assets".

Management response

The Hospital is finalising the asset verification exercise as on 23 September 2024 in preparation for IPSAS adoption. Thereafter, an asset status report will be prepared which will assist in assessment of impairment of assets. The asset status report will be part of the year end procedures in order to address impairment of assets.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Existence and valuation of receivables

Finding

There was no evidence to support that the Hospital was performing monthly debtor's reconciliations with key medical aid institutions. Receivables confirmations responded to revealed unresolved variance between the Hospital records for receivables and what was confirmed by the medical aid institutions. None of the customers agreed with the amounts of the Hospital system. The disagreement was significant for instance one debtor with system balance of ZWL\$5.48 billion as compared to the confirmed balance of ZWL\$4.96 billion.

Risk / Implication

Receivables figure may be materially misstated.
Inadequacy of year end procedures.

Recommendation

The Hospital should perform monthly reconciliations and send statements periodically.

Management response

One of the Medical Aid Society advised that the balance they had confirmed as outstanding debt was actually an amount which was ready for payment in the system.

The outstanding debt according to Medical Aid Society was ZWL\$4.96 billion instead of ZWL\$1.32 billion. The amount which was outstanding as at December 31, 2023 according to the Hospital was ZWL\$5.48 billion and this figure excludes claims which had not been submitted to the Medical Aid Society for 2023 financial year. Please refer to the attached letter. Given below is the table which shows the correct position: -

Medical Aid	Amount Outstanding According to Parirenyatwa Group of Hospitals (ZWL)	Debtor's Confirmation (ZWL\$)	Variance (ZWL\$)
Medical Aid Society 1	5.48 billion	4.96 billion	0.51 billion

The Medical Aid Society confirmed an amount which excludes rejections / shortfalls of ZWL\$1.05 billion. Medical Aid Society outstanding debt is based on the Medical Aid Society capture / received date whereas the Hospital is based on treatment date and this is the major reason for the variance between the two organisations.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Hospital did not make progress in addressing audit findings and recommendations raised in my 2021, 2022 and 2023 annual reports. I raised three (3) findings in my 2023 annual report and followed up on nine (9) findings outstanding in my 2021 and 2022 annual report. One (1) finding was addressed, four (4) were partially addressed and seven (7) findings were not addressed as indicated below;

3.1. Lease agreements

The finding was addressed. The amended policy was approved and implemented. The lease arrangements are now on one-year basis.

3.2. Kitchen ceiling and equipment

The finding was not addressed. Treasury disbursed ZWG 400 205 in 2024 and there has been slow progress on capital projects in 2024.

3.3. Storage space

The finding was not addressed. Inadequate funding negatively affected the construction of the warehouse. It is still at planning stage.

3.4. Key vacant posts

The finding was partially addressed. The Hospital now has a substantive Chief Executive Officer and Chief Medical Laboratory Scientist. However, the Operations Director is yet to be appointed by the Health Service Commission.

3.5. Settling of debts

The finding was partially addressed. The Hospital is charging patients on cost recovery basis except consultation fees for under 5 and over 65 years old and mental health patients. This has resulted in improved cash inflows. The Hospital engaged Treasury for significant disbursement to clear the outstanding debt.

3.6. Exemption of grants

The finding was partially addressed. The free user policy has not been reviewed. However, the National Health Insurance scheme will cover all the patients. The National Health Insurance is at Bill stage.

3.7. Operational fleet

The finding was partially addressed. The aged vehicles were disposed off as per regulations. The procurement of two (2) new utility vehicles is in progress.

3.8. Residential accommodation

The finding was not addressed. The Hospital has not received capital grant for residential accommodation and it has no capacity to refurbish the buildings using its resources.

3.9. Maintenance of Hospital facilities

The finding was not addressed. The Medical equipment budget is not adequate to cover Hospital requirements. However, relevant authorities are being engaged to ensure that the Hospital gets the critical equipment.

3.10. Analyzing tools

The finding was not addressed. The Hospital is still waiting for budgetary support for the analyzing tools.

3.11. Valuation of property, plant and equipment

The finding was not addressed. Management will carry out management valuation using internal resources.

3.12. Board of Directors

The finding was not addressed. The parent Ministry in consultation with the Health Service Commission is still to appoint the Board of Directors.

Background Information

The United Bulawayo Hospitals is a central hospital established in terms of the Health Service Act [Chapter 15:16] and Medical Services Act [Chapter 15:13]. The Hospitals is a principal referral center which provides high specialist health care. This Hospital consists of four (4) Hospitals that have different service lines which are; Richard Morris Eye Unit, Lady Rodwell Maternity Hospital, Robbie Gibson Infectious Diseases Hospital and the Main hospital.

I have audited the financial statements of the United Bulawayo Hospitals for the year ended December 31, 2023 and I issued a Disclaimer of Opinion with a report on going concern.

Disclaimer of Opinion 2023

I do not express an opinion on the financial statements of United Bulawayo Hospitals for the year ended December 31, 2023. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

i. Non- compliance with International Public Sector Accounting Standard (IPSAS) 45 – “Property, Plant and Equipment”

The Hospital carries its property, plant and equipment on a revaluation model. However, except for land and buildings, all other items of property, plant and equipment were last revalued on December 31, 2014. Given the economic changes that occurred from 2014 to the reporting date, it is likely that the carrying amount of property, plant and equipment amounting to ZWL\$201.1 billion as at year end was materially different from that which would have been determined through a revaluation exercise. This was contrary to IPSAS 45 – “Property, Plant and Equipment” paragraph 29 which requires revaluations to be carried out with sufficient regularity to ensure that the carrying amount do not differ materially from the current value at the end of each reporting period.

In addition, management did not provide information of the valuer’s experience and qualifications, inputs, assumptions and methods which were applied by the valuer in arriving at the valuation of the land and buildings as at the reporting date.

ii. Infrastructure assets

The Hospital’s infrastructure, which includes road networks, underground sewer pipes and water pipes amongst others, were not recognised in the financial statements. This was contrary to IPSAS 45 – “Property, Plant and Equipment” paragraph 6, which requires assets that meet the definition of property, plant, and equipment to be accounted for in financial statements. The impact of non-compliance with the standards was considered material and pervasive to the financial statements. Had the infrastructure assets been recognised, the amounts disclosed in the financial statements would be materially different.

iii. Asset register

The Hospital had an unreconciled material variance of ZWL\$741.2 million between the carrying amount of property, plant and equipment disclosed in the financial statements and the amount recorded in the asset register. As a result, I could not satisfy myself on the valuation, existence, completeness and accuracy of property and equipment with a carrying amount of ZWL\$201. 1 billion as at the reporting date.

iv. Inventory

I was not able to verify the accuracy, valuation and completeness of inventories amounting to ZWL\$43.6 billion due to lack of adequate supporting documents.

v. Revenue and accounts receivables

I was not availed with supporting documents which were used in computing the amounts that were billed to patients and subsequently recognised as medical services revenue throughout the year. In addition, there were material audit differences on the amounts billed and recorded in the ledger. As a result, I could not satisfy myself on the completeness, accuracy, valuation and occurrence of the medical services revenue amounting to ZWL\$119. 1 billion as well as the related accounts receivable amounting to ZWL\$2. 8 billion as at December 31, 2023.

vi. Expenses

I could not satisfy myself on the completeness, validity and accuracy of expenses amounting to ZWL\$1. 2 billion which were included in the statement of financial performance due to lack of adequate supporting documents.

vii. Trade payables

I was not provided with adequate supporting documents to enable me to verify the completeness and valuation of trade payables amounting to ZWL\$3.1 billion as at December 31, 2023.

viii. Non- compliance with International Public Sector Accounting Standards (IPSAS) 41 – “Financial Instruments”

The Hospital elected to apply the simplified approach and used the provision matrix in determining the expected credit loss (“ECL”) allowances as at year end which amounted to ZWL\$4.7 billion. The Hospital did not use relevant, reasonable and supportable forward-looking information in establishing loss rates in accordance with IPSAS 41 – “Financial instruments”. The Hospital also did not make use of probability weighted expected credit losses on the different scenarios and appropriately segment the accounts receivables according to the differing credit risk profiles. I was therefore unable to satisfy myself on the accuracy of the ECL and the valuation of accounts receivables as at the reporting date.

Report on going concern

The Hospital had cash and receivables totaling ZWL\$3.3 billion that excludes inventory against payables amounting to ZWL\$15 billion registering a negative net liquid position of ZWL\$11.7 billion. These conditions indicate the existence of material uncertainty that may cast significant doubt on the Hospital's ability to continue operating as a going concern.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Practicing certificates

Finding

The Hospital's record management processes were not adequate during the year. As a result, there were practitioners who had no valid practicing certificates in their personnel files. This was contrary to sections 92 and 95 of the Health Professions Act [*Chapter 27:19*], which requires every practitioner to carry out the business of the profession with a valid practicing certificate.

Risk / Implication

Financial loss due to fines and penalties that may be levied.

Service delivery may be compromised.

Recommendation

Management should put measures to enforce filing of practicing certificates by all medical practitioners.

Management response

Recommendations have been noted for implementation.

1.2. Creditors reconciliations**Finding**

I was not availed with creditors statements to support that monthly creditors reconciliations were being done. This was contrary to section 29(1) c of the Health Services Board (HSB) Manual which requires monthly creditors reconciliations to be prepared between suppliers' statements and the creditors general ledgers.

Risk / Implication

Errors and irregularities may go undetected.

Recommendation

Management should obtain supplier statements and prepare monthly creditors reconciliations on a regular basis.

Management response

Management acknowledges findings and will implement the recommendations going forward.

1.3. Valuation of inventory**Finding**

I was not able to verify the accuracy, valuation and completeness of inventories amounting to ZWL\$43.6 billion due to lack of adequate supporting documents such as supplier invoices and goods received vouchers.

Risk / Implication

Inventories may be misappropriated.

Misstatement of financial statements.

Recommendation

Inventory must be adequately supported.

Management response

Recommendations have been noted for implementation.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Expected credit losses

Finding

The Hospital's accounting staff did not receive enough training to accurately apply complex standards. As a result, the Hospital was unable to provide expected credit losses computation which complies with IPSAS 41 – "Financial Instruments". In addition, the Hospital's accounting system was not configured to assist the Hospital in gathering data as well as capturing voluminous transactions and quantifying amounts that should be recognised as expected credit losses.

Risk / Implication

Misstatement of financial statements.

Recommendation

Staff should be trained on complex transactions and the Hospital should consider liaising with the system provider for any possibility of upgrading the accounting system.

Management response

Management acknowledges the observation. Management will provide the necessary training to employees and also avail the IT tools required.

3. SERVICE DELIVERY

3.1. Radiology department

Finding

The Hospital had a total of three (3) X-ray machines of which two (2) were not functional. In addition, there was one (1) Computed Tomography (CT) scan which was not operational because the Hospital was installing an air conditioning system.

Risk / Implication

Revenue losses.

Service delivery may be compromised.

Recommendation

The Hospital should consider to engage the parent Ministry for funding support.

Management response

Management acknowledges the findings and will implement the recommendations. In addition, lobby for funding will be initiated.

4. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Hospital did not make significant progress in addressing audit findings that I raised in my 2021, 2022 and 2023 annual reports. I raised ten (10) audit findings in the 2023 annual report and followed up on thirteen (13) findings I raised in my 2022 report and before. Four (4) findings were addressed, one (1) was partially addressed and eighteen (18) were not addressed as indicated below;

4.1. Termination of employment for senior management

The finding was addressed. There were no terminations of senior management during 2023.

4.2. Creditors management

The finding was not addressed. There were no creditors reconciliations during 2023.

4.3. Inventory adjustments

The finding was not addressed. There were inventory misstatements during 2023.

4.4. Management of property, plant and equipment

The finding was not addressed. The Hospital is yet to develop a comprehensive asset register in 2025.

4.5. Patient billing rates

The finding was not addressed. This will be implemented with effect from the 2025.

4.6. Training of accounting staff

The finding was not addressed. Management will provide the necessary training to employees and also avail the IT tools required in 2025.

4.7. Payments without supporting documents

The finding was not addressed. Key documents were taken by the Internal Auditors for their special audit and are yet to be retained to the Hospital.

4.8. Performance security

The finding was not addressed. The regulations will be implemented from 2024 onwards.

4.9. Fix and supply of equipment

The finding was partially addressed. Implementation is still work in progress.

4.10. Inventory returns

The finding was addressed. Management was keeping proper records pertaining to inventory items returned to suppliers in 2023.

4.11. The Hospital's Board of Management

The finding was not addressed. The issue has been submitted to the parent Ministry for consideration. Management was waiting for a response on the same.

4.12. Monitoring of internal controls

The finding was not addressed. This is expected to be implemented once funds permit during 2025.

4.13. Recording of Government of Zimbabwe (GOZ) funding

The finding was not addressed. The Hospital was not recording Government of Zimbabwe funding and this will be resolved in 2024.

4.14. Information Communication Technology department

The finding was addressed. This is now being done through Hospital 263 application that is used to submit claims from the Hospital to the Medical Aid Societies.

4.15. Stock management

The finding was not addressed. This issue remains unresolved as key documents were taken by the Internal Auditors for their special audit and are yet to be retained to UBH.

4.16. Valuation of Inventory at year end

The finding was not addressed. The issue will be addressed in 2025.

4.17. Custody of assets and impairment of assets

The finding was not addressed. To be adopted as part of full IPSAS implementation in 2024 into 2025.

4.18. Revenue completeness, accuracy, cutoff and occurrence

The finding was not addressed. Completeness accuracy, cutoff and occurrence of revenue was still an issue and management intend to address this from 2025.

4.19. Provision for expected credit losses

The finding was not addressed. The Hospital management will provide the necessary training to employees and also avail the IT tools required.

4.20. Donation receiving register

The finding was addressed. Donations are now being received in the donations register in 2023.

4.21. Alignment of accounting processes to new developments

The finding was not addressed. The Hospital Management are exploring ways of implementing these recommendations from 2025 going forward.

4.22. Doctors' accommodation

The finding was not addressed. The Hospital has not yet constructed adequate staff accommodation.

4.23. Brain drain

The finding was not addressed. There was still high staff turnover hence brain drain has not been resolved.

PUBLIC ENTITIES UNDER THE CATEGORY OF UNIVERSITIES AND TERTIARY INSTITUTIONS

Background Information

The University was established in terms of the Bindura University of Science Education Act [Chapter 25:22]. The main objectives of the University include contributing to the development of Zimbabwe through the advancement of knowledge and skills in science education.

I have audited the financial statements of Bindura University of Science Education for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion, section of my report, the financial statements present fairly, the financial position of Bindura University of Science Education as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**i. Non-compliance with International Financial Reporting Standard (IFRS) 10- “Consolidated Financial Statements”**

The University did not consolidate the financial statements of its subsidiary, Bindura University Printing Press (Private) Limited. The University accounted for this investment at net asset value in the financial statements. This was contrary to International Financial Reporting Standard (IFRS) 10 - “Consolidated Financial Statements” paragraph 4, which requires an entity to consolidate entities it controls. I could not quantify the misstatement as a result of the failure to consolidate the subsidiary.

ii. Non-compliance with International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement”**Opening balances**

In the prior year, the University engaged an external valuer to value its property, plant and equipment. The valuations were performed in ZWL\$ using ZWL\$ denominated inputs. The assumptions on capitalisation rates, rentals and market prices applied were not supported by observable ZWL\$ market data as rentals and market prices were generally linked to USD values. As a result, I was unable to obtain sufficient appropriate evidence to support the appropriateness of the valuation of property, plant and equipment in ZWL\$. I could not quantify the potential misstatements in the opening revaluation reserve and property, plant and equipment balances. As such, the opening revaluation reserve and property, plant and equipment balances may contain misstatements that could be material to the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES**1.1. Billing and student debtors****Finding**

The University’s controls over billing were not adequate in that billing of semester fees was not done on time. For instance, ten (10) students were not billed for the first semester fees despite

attending lectures and sitting for examinations. In addition, the University was not enforcing its policy on registration of students as the ten (10) students also registered for the second semester without paying at least 60% of the fees payable. This was contrary to the University's policy which requires a student to be registered if they pay at least 60% of the fees payable. I was not availed with documentary evidence to support this deviation.

Risk / Implication

Cash flow problems for the University due to inconsistency in billing.

Recommendation

Management should consider integrating the accounting and registry systems so that all students accounts are kept up to date through automated billing and receipting.

In addition, the University should formulate ways of restricting access to its facilities for all students with overdue accounts or with no account records at all.

Management response

Automatic billing is now fully operational.

1.2. Information technology policies

Finding

The University's Information Technology Framework comprised of some policies, procedures, guidelines and manuals that were in draft format. These policies covered the key aspects of the University's Information Technology management which include risk and controls and change management. This was contrary to the IT governance framework adopted by the University which emphasized the need for these policies to be approved by relevant stakeholders, including executive management, to ensure alignment with organizational objectives.

Risk / Implication

Inconsistency in the interpretation and implementation of the IT policies and procedures.

Inconsistency in the processing of transactions.

Recommendation

All ICT policies and procedures should be formally approved to demonstrate leadership commitment and to establish clear accountability.

Management response

The University will develop and table the above-mentioned Information Communication Technology (ICT) policies in the next ICT Committee meeting to be held on October 8, 2024.

1.3. System user accounts

Finding

The University was not updating user profiles in one of its systems. As a result, there were twenty-six (26) employees who left the University but remained active in the system.

Risk / Implication

Data integrity may be compromised.

User accounts for terminated employees may be used to commit fraud.

Recommendation

Management should remove terminated employees immediately from the system.

Management response

An automated deactivation process that will sync with resignations will be implemented in 2024 when the HR module in the system is activated. Manual verification processes will be done every quarter till the end of 2024; and the admin account is protected by a password at the moment. We are engaging the consultants on how to deactivate the account and issue administrative rights to a known user.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University made progress in addressing one (1) audit finding raised in my 2023 annual report as indicated below;

2.1. Bank accounts

The finding was addressed. The account has since been closed.

Background Information

The University was established in terms of the Chinhoyi University of Technology Act [*Chapter 25:23*]. The main objectives of the University include the advancement of knowledge and the development and practice of design and technology. The University also run a Hotel and Farm under Trust Deeds.

I have audited the consolidated financial statements of Chinhoyi University of Technology for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the financial position of Chinhoyi University of Technology and its Trusts as at December 31, 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Accounting Standard (IAS) 21 – “The Effects of Changes in Foreign Exchange Rates”

The University had the ZWL\$ as its functional currency as most of its transactions and balances were in ZWL\$. The University had reviewed and came to the conclusion that the interbank rate is the applicable rate to use on conversion of transactions and balances from any other currency to the functional currency. During the year the University had transactions and balances in USD and other currencies whose translation may not be at the spot rate as defined in IAS 21– “The Effects of Changes in Foreign Exchange Rates”. The impact of the difference if any, of the exchange rate used by the University on translation and conversion and the spot rate as per IAS 21– “The Effects of Changes in Foreign Exchange Rates” has not been quantified and therefore not adjusted for.

ii. Non-compliance with International Financial Reporting Standards (IFRS) 11 - “Joint Venture Arrangements ‘

At the time of reporting, the financial information of the University’s joint venture results for the year ended December 31, 2023 were not available hence the financial statements have been prepared without incorporating the joint venture results. No alternative procedures could be performed to determine the financial impact of the joint venture, if any, to be consolidated.

iii. Non – compliance with International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement”

Opening balances

The University performed a revaluation of property, plant and equipment as at December 31, 2021. The ZWL\$ valuations were determined using the interbank rate which is a deviation from the IFRS 13 - “Fair Value Measurements” requirement of determining the fair values of the property, plant and equipment. IFRS 13 - “Fair Value Measurement” requires that a fair value be determined using the assumption that market participants would use when pricing the asset, assuming market participants act in their economic best interest and the fair value should reflect the price that would be received to sell the asset in an orderly transaction in the principal market, regardless of whether the price is directly observable or estimated using another valuation

technique. As at December 31, 2021, there was no sufficient evidence to support the appropriateness of applying the closing interbank rate to determine the ZWL\$ fair value of property, plant and equipment without any further adjustments to reflect how economic conditions within the country as the measurement date would impact the assumptions that market participants would use in pricing the assets.

The valuation of the comparative property, plant and equipment has not been adjusted for the effect of this, if any, as well as the carry over effect in the current year's property, plant and equipment valuation.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of the financial statements

Finding

The financial statements for the University for the year ended December 31, 2023 were submitted in September 29, 2024, seven (7) months after the statutory deadline. This was contrary to section 49 (1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires the accounting authority of public entity to submit the financial statements within sixty (60) days after the end of the financial year. The table below shows the late submissions:

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

Financial statements should be submitted for audit within (sixty) 60 days after the year end as required by section 49(1) c of the Public Finance Management Act [*Chapter 22:19*].

Management response

We take note of the observation to present the financial statements within the confines of Public Finance Management Act [*Chapter 22:19*]. The financial statements of the University had the amalgamation effect with the CUT Agro Industrial Park which needed to resolve the related party issues.

1.2 Income tax

Finding

The University applied a Value Added Tax (VAT) rate of 14.5% despite changes by the regulatory authority to 15%. This was contrary to Section 29 of the Finance Act as read with schedule to Chapter 4 of the Value Added Tax Act [*Chapter 23:12*].

Risk / Implication

Financial loss due to penalties and overpayments.

Recommendation

The University should account for VAT in line with the approved rates.

Management response

We take note of the observation to adjust timeously tax rates in the accounting system. The Commercial Units are start-up projects which are under the control of Schools and are meant to assist students with projects.

1.3 Declaration of assets and interest

Finding

The University's Executive Council did not complete and sign annual declaration of assets and interest during the year. This was contrary to the section 37 (3) of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires written declaration of assets and interests annually.

Risk / Implication

Oversight role may be compromised due to conflict of interest.

Recommendation

The annual declaration of interest for the Council should be declared and documented.

Management response

We take note of the observation and will ensure that this annual declaration is put in place.

2. PROCUREMENT OF GOODS AND SERVICES

2.1 Delivery of goods

Finding

The University's procurement controls were not adequate. For instance, the University made a prepayment for purchase of two (2) generators for ZAR51 853, on February 8, 2023 to which no delivery was made as at December 31, 2023.

Risk / Implication

Financial loss due to non-delivery of goods.

Recommendation

The University should follow up on generators not received.

The University should exercise due diligence when procuring from suppliers outside the country.

Management response

The issue of the purchase of generators is being handled by Interpol for possible recovery of funds.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University made progress in addressing audit findings raised in my 2023 annual report. I raised four (4) audit findings in my 2023 annual report, three (3) findings were addressed while one (1) finding was not addressed as indicated below:

3.1 Accounting for the joint arrangement

The finding was not addressed. In the current year the accounts for the Joint Venture are not yet in place and this has been on the qualification issues for the 2023 opinion.

3.2 Suspense account (unclassified deposits)

The finding was addressed. The unclassified deposits were cleared in the current year.

3.3 Asset register

The finding was addressed. Asset register is now up to date.

3.4 Accounting system configuration

The finding was addressed. Accounts statements now added into the application.

Background Information

Great Zimbabwe University was established in terms of the Great Zimbabwe University Act [*Chapter 25:24*]. Its purpose is to provide the advancement of knowledge through teaching, research and learning; and the nurturing of the intellectual, aesthetic, social and moral growth of the students.

I have audited the financial statements of Great Zimbabwe University for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Great Zimbabwe University as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Submission of financial statements

Finding

The University's financial statements for the year ended December 31, 2023 were submitted on May 6, 2024. This was contrary to section 35 (6) of the Public Finance Management Act [*Chapter 22:19*] which requires that financial statements should be submitted within sixty (60) days after year end.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

The University should submit the financial statements within the statutory deadlines.

Management response

Noted, in future the financial statements will be submitted as per the statutory timelines. However, the University introduced payments of 50% fees in USD and the system was not integrated resulting in manual capturing of payments for the 11 000 students. The system was finally integrated in February 2024.

1.2 Livestock

The University's farm was not properly fenced and the paddocks were not properly constructed. As a result, three calves and one cow could not be physically verified.

Risk / Implication

Financial loss due to theft.

Recommendation

Management should put proper paddocking and fencing at the farm.

Management response

Attempts will be made to locate the missing cattle and take necessary action to ensure that all livestock are accounted for daily.

2. EMPLOYMENT ISSUES

2.1 Statutory obligations

Finding

The University was not submitting PAYE and NSSA returns on time due to staffing challenges. The University was taking 9 to 12 days after the deadline to submit the returns. This was contrary to section 1.7.4 of the University's bursary department procedure manual which requires that, all PAYE and NSSA returns should be made on or before the 10th of the following month.

Risk / Implication

Financial loss due to fines and penalties from regulatory bodies.

Recommendation

PAYE and NSSA remittances should be remitted on time.

Management response

The remittances are now being done timeously as the salary's office is now adequately staffed.

2.2 High staff turnover

Finding

The University's staff retention strategies were inadequate. As a result, the University experienced high staff turnover during the year with thirty-eight (38) employees resigning in February alone.

Risk / Implication

Service delivery may be compromised.

Recommendation

Management should enhance and implement its staff retention strategies.

Management response

The University will continue to engage the Government to improve the working conditions of University employees.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised one (1) audit finding in my 2023 annual report and followed up three (3) findings outstanding in my 2022 annual report and all the four (4) findings were addressed as indicated below:

3.1 Translation of foreign denominated transactions

The finding was addressed. The correct rates were used in the 2023 period and the accounting system rates were being reviewed and updated accordingly.

3.2 Tax on business activities

The finding was addressed. The profit-making projects did not meet the required threshold to be eligible to register for VAT as per the Act as the income was immaterial.

3.3 Student accounts

The finding was addressed. The balances were cleared by recognising the outstanding amounts as sundry revenue.

3.4 Purchase of motor vehicles

The finding was addressed. The University procured a few vehicles in 2023 and breaches of procurement regulations were avoided.

Background Information

Harare Institute of Technology was established in terms of the Harare Institute of Technology Act [Chapter 25:26]. The objectives of the Institute are the advancement of knowledge and technology through the preservation, dissemination and enhancement of academic and practical knowledge as well as skills development.

I have audited the financial statements of Harare Institute of Technology for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Harare Institute of Technology as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Risk assessment and business impact analysis

Finding

The Institute did not conduct the risk assessment or business impact analysis of its Information Technology (IT) systems during the year. This was contrary to the Institute's Information Communication and Technology (ICT) policy which requires the Institute to conduct the risk assessment or business impact analysis of its Information Technology (IT) systems.

Risk / Implication

The information system environment of the Institute may be compromised.

Recommendation

Management should perform regular risk assessments in relation to their Information Technology (IT) environment.

Management response

Observation has been noted. This was due to vacancies for relevant personnel to carry out such tasks. The University has now recruited staff with the necessary skills and work is in progress in addressing the issue.

1.2. Taxation of employee benefits

Finding

The accounting personnel of the Institute were not receiving regular continuous professional development during the year under review. As a result, allowances paid to non-executive University Council members were being subjected to Pay As You Earn (PAYE) instead of withholding taxes at the rate of 20%. This was contrary to the Finance Act, 2021 which excluded from PAYE any amounts given to non-executive directors effective January 1, 2023.

In addition, the University provided some of its employees with housing and educational benefit. However, the benefits were not subjected to Pay As You Earn (PAYE) in line with section 8 (1) (f) of Income Tax Act [Chapter 23:06] which requires benefits gained from employment to be subjected to tax.

Risk / Implication

Financial loss due to fines and penalties which may be levied.

Recommendation

The Institute should comply with the requirements of the Finance Act, 2021.

The Institute should provide continuous professional development programmes to its accounting personnel.

Management response

Observation noted. We take note that an incorrect tax head (PAYE) was being paid and remitted instead of withholding tax. The recommendation will be adopted.

This was a management oversight as this was a single transaction and may have been overlooked on the changeover of personnel handling the executive payroll. This will be reviewed and rectified accordingly. Corrective measures will be implemented.

1.3. Business ventures

Finding

The Institute derives revenue from partnership with students and staff members on business ventures. However, revenue received from the ventures was not included in income tax computations. This was contrary to the Finance Act, 2015 paragraph which amended Section 14 of the Finance Act [Chapter 23:04]. This also contravenes section 8 of the Income Tax Act [Chapter 23:06].

Risk / Implication

Financial loss due to fines and penalties which may be levied.

Recommendation

Management should account for corporate income tax on income derived from trade and investments.

Management response

Observation noted. University strategic business units engaged in commercial activities will be registered for the relevant income taxes.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Institute made progress in addressing audit findings raised in my 2021, 2022 and 2023 annual reports. I raised two (2) audit findings in my 2023 annual report and followed up on three (3) findings which were outstanding in my 2021 and 2022 annual reports. Three (3) findings were

addressed, one (1) finding was partially addressed and one (1) finding was not addressed as indicated below;

2.1. Trade and other payables reconciliation

The finding was not addressed. Trade and other payables reconciliations for some other suppliers were not done for the year under review.

2.2. Unclassified deposits

The finding was addressed. Student direct receipts are now being reconciled by the Student Accountant and reviewed by the Deputy Financial Director.

2.3. Students caution fees

The finding was addressed. The Institute notified former students to collect their unclaimed deposit fees within 90 days after which unclaimed fees will be forfeited to other income.

2.4. Tax on allowances

The finding was addressed. The allowances are now being processed through payroll system and subjected to PAYE.

2.5. Internal audit

The finding was partially addressed. The audit function now has four (4) staff members, however the post of Chief internal auditor remained vacant.

Background Information

Lupane State University was established in terms of the Lupane State University Act [*Chapter 25:25*] to advance knowledge through teaching, research and learning and nurturing of intellectual, aesthetic, social and moral growth of the students.

I have audited the financial statements of Lupane State University for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Lupane State University as at December 31, 2023 and its financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Completeness, accuracy and occurrence of academic fees

I was not availed with accurate and complete students' statistics to confirm the accuracy and completeness of academic fees amounting to ZWL\$34.3 million presented in the financial statements. The University was unable to provide the necessary data regarding the number of billable students and the authorized fee structure for each program per semester. I could not perform alternative audit procedures to confirm the completeness, accuracy, and occurrence of the academic fees income during the audit.

ii. Non-compliance with International Financial Reporting Standard (IFRS) 13- "Fair Value Measurement" and International Accounting Standard (IAS) 8- "Accounting Policies, Changes in Accounting Estimates and Errors"

The prior year financial statements were modified due to non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurement". The University performed valuation of property, plant and equipment as at December 31, 2021 in USD. The values were translated to the presentation currency (ZWL) using the interbank rate. The determined amounts did not meet the requirements of IFRS 13 - "Fair Value Measurement" as it did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment. Management did not correct the misstatements in the opening balances in the current year in line with the requirements of International Accounting Standard (IAS) 8 - "Accounting Policies, Changes in Accounting Estimates and Errors".

Had management adjusted the opening balance, the value of property, plant and equipment, revaluation reserve would have been materially different. I was unable to determine the extent of misstatement and adjustments necessary to correctly account for these amounts.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Travel and subsistence allowances

Finding

The University was not enforcing the controls over acquittal of travel and subsistence allowances by staff. As a result, outstanding travel and subsistence advances amounted to ZWL\$27.3 million as at December 31, 2023. This was contrary to the University's accounting procedures manual which requires employees to account for advances through an acquittal process within a period of thirty (30) days upon return to home station.

Risk / Implication

Financial loss due non-recovery of travel and subsistence advances.

Irregular claims may not be detected.

Recommendation

The University should strengthen controls over acquittal of travel and subsistence allowances.

Management response

Reminders have been sent to all staff debtors and a policy is in place to recover outstanding travel advance.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University did not make progress in addressing audit findings raised in my 2021 and 2023 annual reports. I raised three (3) audit findings in my 2023 annual report and followed up on one (1) audit finding outstanding in my 2021 annual report. One (1) audit finding was addressed and three (3) audit findings were not addressed as indicated below:

2.1 Lease agreement

The finding was addressed. The bank lease was signed.

2.2 Valuation of property, plant and equipment

The finding was not addressed. No revaluation of property and equipment was performed during 2023.

2.3 Advance payments

The finding was not addressed. The remaining eight (8) heifers with a total value of ZWL\$7.69 million were undelivered as at December 31, 2023.

2.4 Staff turnover

The finding was not addressed. The shortage of staff in the Bursar's department persisted into year 2023.

Background Information

Management Training Bureau was established in terms of the Manpower Planning and Development Act [Chapter 28:02]. The mandate of the Bureau is to train and produce knowledgeable and skilled human capital for the industry focusing on programmes for strategic sectors including business, leadership and entrepreneurship development, information communication technology, innovation management, hospitality, international languages and diplomacy.

I have audited the financial statements of the Management Training Bureau, for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Management Training Bureau as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 13 - “Fair Value Measurement”

The Bureau disclosed property, plant and equipment with revalued amounts of ZWL\$ 44.4 billion as at December 31, 2023. The property, plant and equipment valuations were determined in USD and then translated to Zimbabwe dollars (ZWL\$) using the interbank rate as at December 31, 2023. The translated property, plant and equipment values in Zimbabwe dollar could not meet the fair value requirement of IFRS 13 – “Fair value measurement” as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in Zimbabwe dollars.

Had the Bureau revalued its assets in ZWL\$, its property, plant and equipment could have been materially different. I was therefore unable to determine whether revalued amounts effected on carrying amounts of property, plant and equipment and the revaluation surplus were appropriate and reasonable. The prior year financial statements were also modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Vacant posts

The Bureau had fourteen (14) vacant posts which included three (3) key posts for the Accountant, Internal Auditor, and Corporate Affairs manager. The vacancies could not be filled due to financial constraints.

Risk / Implication

Service delivery may be compromised.

Recommendation

Management should review its revenue generation strategies and prioritise filling of the vacant posts.

Management response

We recognize the challenges caused by vacant positions. To manage our resources effectively during this period of financial constraint, we are filling the positions in a phased approach and are committed to filling all open positions as soon as feasible. During the period from 2023 to date, the Bureau recruited the Executive Director on June 1, 2023, the Finance and Administration Manager on September 15, 2023, 2 Training Officers on September 15, 2023, and the Administration Officer on December 15, 2023. In 2024, other positions were filled, namely the Stores Officer, the Legal and Compliance Officer and two graduate trainees in Finance.

1.2. Bank reconciliations

Finding

The Bureau's bank reconciliations were not being reviewed by the responsible personnel during the year under review as the accounts department was under staffed.

Risk / Implication

Errors and irregularities may not be detected and corrected on time.

Recommendation

Bank reconciliations should be reviewed by the responsible personnel.

Management response

The observation is noted. During the period under review, the department was inadequately staffed with two Accounts Clerks and the Acting Accountant, hence the backlog and lack of segregation of duties. However, beginning 2024, after the Department recruited two graduate trainees and the Finance Manager, bank reconciliations are now being done and reviewed on time.

2. REVENUE COLLECTION AND DEBT RECOVERY

2.1. Internal controls over debt recovery

Finding

The Bureau's internal controls over debt management were inadequate as no evidence of debts follow-ups was availed for audit. As a result, the Bureau had long outstanding receivables amounting to over ZWL\$279.7 million which were over 365 days as at December 31, 2023.

Risk / Implication

Financial constraints may be worsened by non-recovery of long outstanding debts.

Recommendation

Concerted effort should be made to recover the outstanding debts.

Management response

The observation is noted. Debt reconciliation and cleaning of ledger accounts was not being done. Debt follow-ups were done through phone calls, emails and physical follow ups. However, much of the work was lagging behind because the Accounts department operated with only two Clerks and an Acting Accountant, who had a backlog dating from 2021. By the time the Executive Director joined MTB in June 2023, the 2021 and 2022 financial statements had not yet been prepared.

The department was still capturing 2022 transactions in the Pastel Accounting system. Work was done to produce the 2021 Financial Statements and get them audited. By the time the Finance Manager was hired on September 15, 2023, the audited 2021 Financial Statements were in place, and work began to produce the 2022 and 2023 financial statements while also processing financial transactions in the system. Concerted efforts have so far been made to recover debts, and the Bureau has intensified its debt follow-up and collection mechanism in line with the policy.

3. MANAGEMENT OF ASSETS

3.1. Asset register

Finding

The Bureau did not have an administration officer in place for the year under review. As a result, there was no updated asset register in place for the year ended December 31, 2023. The asset register had ICT equipment which included laptops, desktops and printers that had no asset numbers. In addition, one (1) of the Bureau's colour printer could not be located during physical verification process.

Risk / Implication

Misappropriation of assets.

Recommendation

The Bureau should prioritise the filling of the vacant post.

Management response

The Bureau did not have an Administration Officer during the period in question. However, the Acting Accountant for the purpose of reporting would update the manual asset register which is in excel. Due to a heavy workload and the staff shortage the system ledgers could not be updated. To this date the property, plant and equipment values and depreciation values are now captured in the Pastel ledgers for the annual period 2023.

4. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Bureau did not address the audit finding I raised in my 2023 annual report as indicated below;

4.1. Trade payables

The finding was not addressed. The Bureau had significant trade payables during the year 2023.

Background Information

Manicaland State University of Applied Sciences was established in terms of the Manicaland State University of Applied Sciences Act [Chapter 25:31]. The University specialises in applied sciences, mineral sciences, forestry sciences, agricultural sciences and tourism and hospitality, the advancement of knowledge through teaching, research and learning, and the nurturing of the intellectual, aesthetic, social and moral growth of the students.

I have audited the financial statements of Manicaland State University of Applied Sciences for the years ended December 31, 2022 and 2023. I issued Qualified Opinion for 2022 and unmodified / clean opinion for 2023.

Qualified Opinion 2022

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Manicaland State University of Applied Sciences as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates” and International Accounting Standard (IAS) 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”

Foreign currency denominated transactions and balances were translated into Zimbabwe Dollars (ZWL\$) using the interbank exchange rate which was not considered an appropriate spot rate for transactions as required by IAS 21 – “The Effects of Changes in Foreign Exchange Rates”.

The University has applied IAS 29 – “Financial Reporting in Hyperinflationary Economies” with effect from January 1, 2020 to December 31, 2021. However, its application was based on prior year financial information which was not in compliance with IAS 21 – “The Effects of Changes in Foreign Exchange Rates”. Had the correct base numbers been used, the elements of the financial statements would have been materially different. Management did not correct the misstatements in the opening balances in line with the requirements of International Accounting Standard (IAS) 8 - “Accounting Policies, Changes in Accounting Estimates and Errors”.

The effect of the departure from the requirements of these standards was considered material to the financial statements.

Opinion 2023

In my opinion, the financial statements present fairly, in all material respects, the financial position of Manicaland State University of Applied Sciences as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Key vacant post

Finding

The University had four (4) key vacant posts that were being occupied in acting capacity during the period under review. These positions included Pro Vice Chancellor, Librarian, Registrar and Bursar.

Risk / Implication

Service delivery may be compromised.

Recommendation

The University should fill key vacant posts as soon as they are vacant.

Management response

The pro Vice chancellor position has been vacant as far back as year 2022 and it has not yet been filled. The Librarian, Bursar and Registrar positions have also been vacant since year 2022 and these were filled in 2024.

1.2. System configuration

Finding

The University's accounting system was not appropriately configured. For instance, the system was charging VAT tax on purchases of stock items despite the University being exempted from VAT in line with section 11 (g) of the Value Added Tax [Chapter 23:12]. There were also suspense accounts that were not cleared at year end.

Risk / Implication

Financial statement and records may be materially misstated.

Recommendation

The accounting system should be reconfigured to generate accurate financial records.

Management response

We are still in the implementation phase of the Standard Enterprise Resource Planning (SERP) and issues of this sort are getting resolved as they are realized. We have engaged a more dedicated consultant firm that is helping us with the system configuration.

1.3. Councilors' allowances

Finding

The University incurred expenditure amounting to ZWL\$1.9 million in relation to Council sitting allowances which were not in line with the rates approved from the published government rates. The payments which were in excess of the approved rates amounted to ZWL\$ 976 439 during the year.

Risk / Implication

Irregular expenditure may be incurred.

Recommendation

Councilors should be paid in line with published government rates.

Management response

Reconciliations of all payments made to Councilors is underway and will be finalized by time the final report is presented to Council for adoption.

1.4. Inventory management**Finding**

The University's internal controls over recording of inventory from agricultural harvest were inadequate. For instance, the records of inventory in the Innovation-Agro Industrial Park (IAIP) were not automated and key details such as tonnage of agriculture yield were not recorded. In addition, the harvested crops were stored in the warehouse without being weighed for the record of harvest. This was contrary to section 44 (1) (a) of the Public Finance Management Act [Chapter 22:19] which requires management to establish sound internal controls.

Risk / Implication

Misappropriation of inventory.

Recommendation

Agricultural produce harvested should be weighed and recorded.

Management response

The University has invested in internet connectivity, that will enable the IAIP to access the University server and hence the Enterprise Resource Planning (ERP) to enable timely posting of transactions into the accounting ledgers for harvests, weights are recorded as estimates based on the number of bags packed.

1.5. Student representative council**Finding**

The University did not have a Student Representative Council (SRC). As a result, the student council was not represented in the University Council meetings held during the year. This was contrary to section 10 (e) of the Manicaland State University of Applied Sciences Act [Chapter 25:31] which requires the student representative council president to attend the University Council meetings as ex officio member.

Risk / Implication

Quality of decisions may lack inclusiveness.

Recommendation

The University should facilitate appointment of the Student Representative Council (SRC).

Management response

There was no Student Representative Council for the year under review.

2. MANAGEMENT OF ASSETS

2.1. Ownership of assets

Finding

I was not availed with supporting documentation confirming ownership by the University for the three (3) motor vehicles (two Ford Rangers and one Toyota Hilux) and a guest house.

Risk / Implication

Misappropriation of assets.

No legal recourse in the case of disputes.

Recommendation

The University should regularize the ownership of assets.

Management response

Work to get this done is being actively pursued by the University's Legal Department.

3. PROGRESS MADE TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University did not make progress in addressing the audit finding that I raised in my 2022 annual report as indicated below;

3.1. Internal audit

The finding was not addressed. The Internal audit function was not yet fully resourced as all recruited staff resigned.

Background Information

National University of Science and Technology was established in terms of the National University of Science and Technology Act [Chapter 25:13]. The mandate of the University is the advancement of knowledge with a special bias towards the diffusion and extension of science and technology through teaching, research and learning and, so far as is consistent with these objects, the nurturing of the intellectual, aesthetic, social and moral growth of the students of the University.

I have audited the financial statements of National University of Science and Technology for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National University of Science and Technology as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**Non-compliance with International Accounting Standard (IAS) 21 – “The Effect of Changes in Foreign Exchange rates”**

The University predominantly traded in Zimbabwe Dollars and the financial statements had been presented in Zimbabwe Dollars (ZWL\$). However, the University had some transactions and balances that were in foreign currency. The foreign currency transactions and balances were translated using the auction rate. The auction rates were, however, not in compliance with IAS 21 – “The Effect of Changes in Foreign Exchange rates” as they were not the exchange rates for immediate delivery.

The application of IAS 29 – “Financial Reporting in Hyperinflationary Economies” was based on current periods’ financial information which was not in compliance with IAS 21 – “The Effect of Changes in Foreign Exchange rates”. Consequently, the line item “monetary gain” on the statement of profit or loss and other comprehensive income was affected. The effects of the departure from IAS 21 – “The Effect of Changes in Foreign Exchange rates” was material but not pervasive to the financial statements.

Below are other material issues noted during the audit:

1. GOVERNANCE ISSUES**1.1 Student registrations****Finding**

The internal controls over the registration for examinations at the University was inadequate as some students who had not registered for the examinations were allowed to write the examinations. In addition, some students were allowed to register for the next semester without completing the registration process for the previous semester. This was contrary to the University Policy which requires that only registered students should write the examinations.

Risk / Implication

Financial loss as examination fees due might not be collected.

Recommendation

Management should strengthen registration procedures by implementing tighter controls over the registration processes.

Management response

The observation is noted. Engagements with Information Communication Technology Systems and the Registrar's Department will be made to ensure that this is enforced.

2. PROCUREMENT OF GOODS AND SERVICES**2.1 Payments processing system****Finding**

The Bursar's department authorised a payment of ZAR5. 02 million for the payment of tent from a supplier in South Africa. However, upon review of the proof of the payment, I noted that a payment of ZAR5. 22 million was made through telegraphic transfer. A variance of ZAR200 000 was noted as an overpayment to the supplier.

Risk / Implication

Fraudulent payments might be processed.

Recommendation

All payment that are made by the University should be authorised by proper payment vouchers that are signed by all signatories.

Management response

The recommendation is noted and agreed upon, and supervision in this area will be improved so that the Bursar will pass all foreign telegraphic transfers before submission to the bank.

2.2 Controls over processing of payments**Finding**

The University's controls over processing of payments was inadequate during the period under review. For instance, a supplier for the provision of tent during the graduation ceremony was incorrectly invoiced and the total on the invoice indicated USD53 411 while the sum of the detailed expenses listed on the invoice amounted to USD55 180 resulting in a variance of USD1 770. This discrepancy was not detected by the University at the time of payment.

Risk / Implication

Errors and omissions may not be detected and corrected on time.

Recommendation

The University should implement a review process for all incoming invoices, ensuring that multiple staff members verify the accuracy of charges before payment.

Management response

The recommendation is noted and agreed to. The casting of all documents will be improved to ensure they are correct before processing. This will be improved in line with an increase in our staffing levels.

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS – need to be redone

The University made progress in addressing audit findings raised in my 2020, 2021, 2022 and 2023 reports. I raised two (2) audit findings in my 2023 annual report and followed up twelve (12) audit findings from my 2020, 2021 and 2022 annual reports. Eight (8) audit findings were addressed, one (1) finding was partially addressed and five (5) findings were not addressed as indicated below;

3.1 Standard Operating Procedures Manual

The finding was addressed. The University has developed Standard operating procedures for the Bursar's department in 2023.

3.2 Supporting documentation

The finding was addressed. Supporting documentation for the purchase of motor vehicles was availed.

3.3 Library management system

The finding was addressed. The University changed its accounting policy on books and library collections and books or collections are now written off on the date of purchase and no longer property, plant and equipment.

3.4 Point of sale bank card

The finding was addressed. All the reconciling items have been updated.

3.5 Bank reconciliations

The finding was partially addressed. The huge backlog is due to staff shortages and efforts will be intensified to resolve these in 2024.

3.6 Student accounts receivables

The finding was not addressed. The University still had billing and accounting challenges during the 2023 financial year.

3.7 Prepayment for goods

The finding was not addressed. The University still made prepayments without obtaining an advance payment guarantee from the suppliers during the 2023 financial year.

3.8 Innovation Business Development (IDB) unit

The finding was addressed. The University ledgers had no reconciliation variances in the ledgers.

3.9 Alignment accounting processes to new developments

The finding was not addressed. Management has not upgraded the Navision accounting module so as to process the required IFRS 9 – “Financial Instruments” information.

3.10 Management of revenue

The finding was not addressed. Goods were still being sold without delivery notes and cash sales were still separated on walk in customers while not consistently done for customers who were buying some goods on credit.

3.11 Procurement of goods

The finding was not addressed. Requirement for sourcing of three (3) quotations was not being applied consistently in 2023.

3.12 Contact leave

The finding was addressed. The University employees were not being paid for contact leave on termination in 2023.

3.13 Demolition of prefabricated structures

The finding was addressed. This project was discontinued and is unlikely to be continued.

3.14 Non-compliance with International Financial Reporting Standard (IFRS) 9 “Financial Instruments”

The finding was addressed. The University’s expected credit loss calculation was done in compliance with IFRS 9 during the 2023 financial year.

Background Information

The University of Zimbabwe is a Higher Education Institution governed by the University of Zimbabwe Act [*Chapter 25:16*]. The University's core functions include teaching, research, community engagement, innovation and industrialisation and offers degrees, diplomas and certificates in various disciplines.

I have audited the financial statements of the University of Zimbabwe for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of University of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I followed up on audit findings raised in my 2022 and 2023 annual reports and below is the status;

1 PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The University made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised two (2) audit findings in my 2023 annual report and followed up one (1) outstanding finding in my 2022 annual report. Two (2) findings were addressed and one (1) was not addressed as indicated below;

1.1 Leases

The finding was addressed. The lease agreements are now in place.

1.2 Continuous professional development

The finding was addressed. Employees were trained on currency conversions and the SOP on accounting for foreign currency transactions is being adhered to.

1.3 Innovation hub chairs

The finding was not addressed. The chairs had not been delivered and the matter is still under investigation.

Background Information

University of Zimbabwe Specific Funds are donor funded projects and their main objective is the development of University programmes. The Fund is 100% owned by the University of Zimbabwe.

I have audited the financial statements of the University of Zimbabwe Specific Funds for the year ended December 31, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University of Zimbabwe Specific Funds as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

I made a follow up on findings raised in my 2023 annual report and below is the status;

1. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Fund made progress in addressing audit findings raised in my 2023 annual report. I raised two (2) audit findings which were all addressed as indicated below;

1.1. Supporting invoices for expenses

The finding was addressed. Supporting invoices for expenses in the current year were availed to the audit team.

1.2. Penalties

The finding was addressed. No penalties were charged in the subsequent financial year.

Background Information

Zimbabwe Foreign Service Institute was incorporated in terms of Statutory Instrument 151 of 2020 [*Proclamation 2 of 2020*]. The functions of the Institute are to provide training facilities and courses for foreign service officers and such officers from government departments in the fields of diplomacy, international relations, trade and tourism and any other field approved by the Board of Governors. The Institute commenced operations in July 2023.

I have audited the financial statements of the Zimbabwe Foreign Services Institute for the period ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Zimbabwe Foreign Services Institute as at December 31, 2023 and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**Existence, completeness and valuation of inventory**

During the period ended December 31, 2023, consumables amounting to ZWL\$28.8 million were recognised in the inventory on the financial statements. However, due to the absence of a physical inventory count, an updated inventory register, and a comprehensive inventory valuation report, I was unable to obtain sufficient audit evidence to support the existence, completeness, and valuation of the Institute's inventory. As a result, I was unable to determine whether any adjustments were necessary in respect of the inventory disclosed.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES**1.1. Composition of Board Committees****Finding**

The Institute's Director General was a member of the Audit and risk management committee and the Human resources committee. This was contrary to section 92 of the Public Entities and Corporate Governance Act [*Chapter 10:31*] which requires these committees to be composed only of independent non-executive members.

Risk / Implication

Oversight and independence of the committees may be compromised.

Recommendation

The Institute Should comply with provisions of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

The Director General will cease forthwith to be a member of the Audit and risk management committee.

Section 92 of the Public Entities and Corporate Governance Act (Chapter 10:31) which requires these Committees to be composed only of independent non-executive members or which such member are in the majority will be adhered to.

1.2. Board Charter

Finding

The Institute's Board had no Charter by December 31, 2023 although the Board was appointed in 2022. This was contrary to Provisions of section 26 (2) (a) of the Public Entities Corporate Governance Act [Chapter 10:31] which requires Boards to have a Board Charter.

Risk / Implication

Lack of guidance and direction to be followed by the Board and the subcommittees.

Recommendation

The Board should consider having a Board charter in place.

Management response

The Board is in the process of formulating a Board charter.

1.3. Board minutes and resolutions

Finding

The Board minutes availed were not signed to confirm record of proceedings. This was contrary to section 35 (3) of the Public Entities Corporate Governance Act [Chapter 10:31] which requires the Board minutes to be signed.

Risk / Implication

Irregular resolutions may be implemented.

Recommendation

Minutes of meetings of the Board and Committees should always be signed by the responsible Chairpersons.

Management response

The observation on Board minutes and resolutions is acknowledged. In future, Board minutes will be signed by the Chairperson and the Director General will ensure the Board resolutions will be signed by the Chairperson.

1.4. Staff compliment

Finding

The Institute started operating in July 2023 and was manned by two (2) members. By December 31, 2023, the Institute had not put in place structures that allowed effective segregation of duties as one (1) individual handled all the accounting, human resources, and procurement functions. As a result, a staff member was reimbursed ZWL\$781 222 for expenses which were not supported with adequate documentation such as authority to procure on behalf of the Institute and a goods received voucher to acknowledge receipt of goods.

In addition, the Institute did not prepare a procurement plan as it did not have a Procurement Management Unit. This was contrary to section 22 (1) of the Public Procurement and Public Assets Disposal Act [Chapter 22:23] which requires public entities to prepare a procurement plan.

Risk / Implication

Irregular transactions may be incurred and not detected on time.

Recommendation

The Institute should consider recruiting more staff to strengthen the internal control environment.

Management response

The Institute staff compliment is severely compromised. The Institute confirms that the Director General is supported by only one seconded member of staff from the Ministry who operates on a part time basis and literally does functions of accounting, human resources and procurement functions for the Institute. The Institute will continue to follow up with the relevant authorities to approve salary scales and authorities in order to recruit and to appoint staff members for the establishment.

1.5. Existence, completeness and valuation of inventory

Finding

The Institute's inventory records were not being updated on time. In addition, the inventory valuation report and schedules used to calculate inventory values were not availed for audit. As a result, I was not able to substantiate the valuation, existence and completeness of inventory amounting to ZWL \$28.8 million disclosed in the financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Institute should establish a system for updating inventory records on a regular basis.

Management response

The observation regarding inventory valuation is acknowledged. This was due to manpower shortage. In future the Institute will conduct a physical inventory count at least once a year. The Institute will also establish a system for updating inventory books on a regular basis.

2. MANAGEMENT OF ASSETS

2.1. Physical verification of assets

Finding

I was unable to verify one (1) of the HP laptops that the Institute owned valued at US\$950 and disclosed in the financial statements as this could not be availed for physical verification.

Risk / Implication

Misappropriation of assets.

Recommendation

The Institute assets should be available for inspection upon request.

Management response

The Institute will undertake internal disciplinary measures against the officer concerned.

3. EMPLOYMENT ISSUES

3.1. Approval of benefits to seconded staff

Finding

I was not availed with documentation in the form of signed resolution for the benefits paid to seconded staff during the period. This was contrary to section 35 of the Public Entities Corporate Governance Act [*Chapter 10:31*] which requires the resolutions to be signed.

Risk / Implication

Irregular processing of transactions may not be detected on time.

Recommendation

The Institute should have its resolutions documented and signed for audit trail.

Management response

The Institute will in future ensure that resolutions by the Board are properly documented and signed.

Background Information

The Institute was incorporated in Zimbabwe in terms of the Zimbabwe Institute of Public Administration and Management Act [*Chapter 25:17*]. The Institute is responsible for the dissemination of information relating to, and the promotion, teaching, direction, supervision, study and coordination of matters of administration and management with particular reference to the interest of the Public Service, Local Authorities, Parastatals and also the private sector.

I have audited the financial statements of Zimbabwe Institute of Public Administration and Management for the year ended December 31, 2023 and I issued a clean / unmodified opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Institute of Public Administration and Management as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. EMPLOYMENT ISSUES

1.1. Staff recruitment

Finding

I was not availed with evidence to support that recruited staff had undergone medical examination. This was contrary to the Institute's procedures and guidance manual section 5.1 which requires recruited staff to undergo medical examination. Management overlooked the issue as the employees were engaged on fixed term contracts.

Risk / Implication

Service delivery maybe compromised.

Recommendation

Management should comply with the Institution policies and national laws.

Management response

The recommendation has been noted. All new employees on fixed term contracts will be send for medical fitness with effect from May 2024 in compliance with Institutional policies and national laws.

1.2. Probation performance evaluation

Finding

The Institute's performance management system was inadequate as it did not include guidance on evaluation of employees at the end of probation period. As a result, there were six (6) employees that were confirmed to permanent employment without evidence of evaluation being conducted at the end of their probation periods. The Institute's procedures and regulations manual section 8.1 requires new employees to undergo a three-month probation from the date

of assumption of duty.

Risk / Implication

Service delivery maybe compromised.

Recommendation

Management should put in place a system for evaluation of employees at the end of the probationary period.

Management response

The recommendation has been noted. An evaluation template will be put in place for employee evaluation at the end of the probationary period. Currently management conducts verbal assessments then a recommendation is made to the Director General for employment confirmation.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Institute made progress in addressing audit findings raised in my 2020 and 2022 annual reports. I raised seven (7) findings in my 2022 annual report and followed up on two (2) findings raised in my 2020 annual report. Six (6) issues were addressed, two (2) finding were partially addressed and one (1) finding was not addressed as indicated below;

2.1. Annual budget

The finding was addressed. The 2023 annual budget was approved by parent Ministry.

2.2. Fuel receipt and storage

The finding was addressed. Fuel is received at the pump by the receiving clerk and fire suppression equipment is in place at the storage facility.

2.3. Debt management

The finding was partially addressed. Clients other than Government departments were paying deposits or full amounts.

2.4. Asset register

The finding was partially addressed. The updating of asset register was on going following the revaluation exercise carried in December 2023.

2.5. Asset maintenance and replacement

The finding was not addressed. The asset maintenance and replacement policy is yet to be put in place.

2.6. Sourcing of quotations

The finding was addressed. The Institute is now compliant with the Public Procurement and Disposal of Public Assets Act [Chapter 22:23]. The tender process method of procurement is being used for purchases above USD 10 000 threshold.

2.7. External facilitators

The finding was addressed. The framework governing remuneration and benefits of external facilitators is now in place. The Institute now have contracts with all the facilitators which are signed before the engagements.

2.8. Non-current assets

The finding was addressed. All items of property, plant, and equipment were tagged and therefore the numbers were included in the asset register.

2.9. Bank reconciliation statements

The finding was addressed. Bank reconciliations for all the Institute banks are now being prepared monthly and the cut-off date is the 5th of every ensuing month and this is in accordance with the ZIPAM Accounting Manual.

Background Information

The University was established in terms of the Proclamation of Zimbabwe National Defence University SI 38 of 2017. The University's principal activities include the advancement of knowledge through, teaching, research and multi-disciplinary programmes.

I have audited the financial statements of Zimbabwe National Defence University for the years ended December 31, 2017 and 2018. I issued an unmodified / clean opinion for 2017 and a Qualified Opinion for 2018.

Opinion 2017

In my opinion, the financial statements present fairly, the statement of financial position of Zimbabwe National Defence University as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Qualified Opinion 2018

In my opinion, except for effects of the matter described in the Basis of Qualified Opinion Section of my report the financial statements present fairly, in all material respects, the financial position of Zimbabwe National Defence University as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 16 - "Property, Plant and Equipment"

The University did not review the residual values and useful lives of property, plant and equipment items reported in the financial statements. This was contrary to the requirements of IAS 16 - "Property, Plant and Equipment" paragraph 51 which requires the residual value and the useful life of an assets to be reviewed at each annual reporting date. I could not ascertain whether assets were fairly presented in the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Asset management

Finding

The University's internal controls over assets management were inadequate. For instance, assets recorded in the asset register were not itemised rather they were recorded in batches. In addition, items of property, plant and equipment were not tagged and also there were no asset lists in offices.

Risk / Implication

Misappropriation of assets.

Recommendation

Master asset register should be maintained and regularly updated with all necessary information.

Management response

Observation noted. Assets were recorded in total as they were of the same description. They were accounted for by serial numbers and issued to particular users as indicated in the ledgers. The tagging and coding of property, plant and equipment is an ongoing exercise. Currently, the University is undergoing an inventory management exercise for verifying, recording and updating all asset lists in offices. Once that is done, tagging of assets commences. In due process, a master ledger will be updated and maintained.

1.2 Alignment of accounting process to reporting framework

Finding

The University did not review the useful lives of its assets in line with International Accounting Standard (IAS) 16 – “Property, Plant and Equipment” paragraph 51 which requires that the residual value and the useful life of an asset be reviewed at least at each financial year-end. As a result, property, plant and equipment with a carrying amount of ZWL\$97.09 million may be misstated in the financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

The University should review useful life and residual values of the assets in line with International Accounting Standards (IAS) 16- “Property, plant and equipment”.

Management response

Observation noted.

1.3 Asset replacement policy

Finding

The University had no asset replacement policy in place. An inspection of the vehicle status report and physical inspection of the vehicles indicated that the University was operating with motor vehicles that had exceeded their useful life. The vehicles had been in use for a period of more than five (5) years and the University was now incurring high repairs and maintenance costs.

Risk / Implication

Service delivery may be compromised.

Financial loss due to frequent repairs and maintenance.

Recommendation

Asset replacement policy should be considered.

Management response

Observation noted. The procurement and disposal of assets policy is currently being considered by Council. Awaiting Council approval

1.4 Segregation of duties

Finding

The Finance department was not adequately resourced. As a result, receipting and banking was done by one (1) officer, functions which ordinarily would be performed by different officers.

Risk / Implication

Errors and fraud may go undetected.

Recommendation

Management should make necessary arrangements to facilitate segregation of duties.

Management response

University personnel are seconded from the Air Force of Zimbabwe and the Zimbabwe National Army. Efforts to secure Finance Clerks from the Air Force of Zimbabwe and the Zimbabwe National Army have been futile. However, the University is currently awaiting authority to employ civilian personnel.

1.5 Accounting policy manual

Finding

The University did not have an accounting policy manual. This is contrary to section 44(1) of Public Finance Management Act [*Chapter 22:19*] which requires a public entity to establish and maintain effective, efficient and transparent systems of financial and risk management and internal controls.

Risk / Implication

Inconsistency in processing of transactions.

Recommendation

Accounting procedure manual should be considered for the University.

Management response

The University Council is currently considering a draft accounting policy.

Background Information

Zimbabwe School of Mines was established in terms of Mines and Minerals Act [*Chapter 21:05*]. The functions of the School are to provide technical education and training of persons leading to the award of diplomas, certificates and other qualifications relevant to the mining industry.

I have audited the financial statements of Zimbabwe School of Mines for the year ended December 31, 2023 and I issued a Qualified Opinion with a report on going concern.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Zimbabwe School of Mines as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Unclassified deposits

The School received a total of ZWL\$816.5 million in deposits from students for various programs. However, these amounts were not being receipted and allocated to the individual student account due to insufficient payment details as at December 31, 2023. As a result, individual amounts owed by students could not be adjusted affecting the debtors' balances. Had these amounts been allocated to the respective line items, the trade receivable balances and allowance for credit losses might have been materially different. The prior year financial statements were also modified in respect of this matter and the School did not correct this modification in the current year.

ii. Non-compliance with International Accounting Standard (IAS) 36 – “Impairment of assets”

The School did not perform an impairment assessment of its property, plant and equipment as at December 31, 2023. This was contrary to International Accounting Standard (IAS) 36 - “Impairment of Assets” paragraph 9, which requires assets to be assessed for impairment at the end of each reporting period. Had the School assessed its assets for impairment, the property, plant and equipment figure of ZWL \$20.23 billion could have been materially different. The prior year financial statements were modified in respect of this matter and the School did not correct this modification.

Report on going concern

I draw your attention the fact that the School had a net current liability position of ZWL\$10.38 billion as at December 31, 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the School's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1 Asset declaration

Finding

I was not availed with evidence of asset declaration by Board members. This was contrary to the provisions of section 37 of the Public Entities Corporate Governance Act [*Chapter10:31*] which requires appointed members of the Board to declare their personal assets within three (3) months.

Risk / Implication

Oversight role, transparency and accountability may be compromised.

Recommendation

Board members should declare their assets in line with section 37 of the Public Entities Corporate Governance Act [*Chapter 10:31*].

Management response

Noted. Assets declaration forms will be sent to all Board members for declaration.

1.2 Board meetings attendance

Finding

One (1) of the Board members had not attended three (3) of the four (4) scheduled board meetings during 2023. This was contrary to the requirements of the Public Entities Corporate Governance Act [*Chapter 10:31*] paragraph 143 of the First Schedule which requires board members to attend at least seventy-five percent (75%) of all board meetings.

Risk / Implication

Board oversight role may be compromised.

Recommendation

Board members should attend meetings as scheduled.

Management response

Noted, the Board member had international duties and this happened during his last year in office otherwise the said Board member had been participating and contributing to the School but he got some commitments mid-year. The School will ensure all board members attend minimum meetings in future.

1.3 Student Representative Council (SRC)

Finding

The School Charter was not aligned to the requirements of the Manpower Planning and Development Act [*Chapter 28:02*]. The School Charter did not incorporate the establishment and governance of the Student Representative Council (SRC) as required by section 6 (b) (2) of the Manpower Planning and Development [*Chapter 28:02*] (Amendment) No 12 of 2020.

In addition, there was no clear guidance on the percentage of tuition fee that should be allocated to SRC as in some instances no funds were allocated to SRC, in other circumstances 5.6%-6% was allocated.

Risk / Implication

Inconsistencies on the allocation of funds.

Misappropriation of funds.

Recommendation

The School should put in place a policy which outlines the establishment and operations of the Student Representative Council.

Management response

The School will develop a policy and standard operating standards to govern the establishment and operations of SRC.

1.4 Banking of cash

Finding

The receipting and banking functions at the School were not properly segregated as the officer responsible for receipting was also responsible for preparing the banking before the money was taken to the bank, functions ordinarily performed by different officers. As a result, the School did not deposit cash amounting to US\$4 970 with delays of up to 14 days. This was contrary to paragraph 2.5.1 of the School's Cash Management Policy which requires all cash collected to be deposited into the bank by the next banking day.

Risk / Implication

Misappropriation of cash.

Recommendation

All cash collected should be banked daily and intact.

Management response

Noted. The procedures will be adhered to.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The School made progress in addressing audit findings raised in my 2022 and 2023 annual reports. I raised ten (10) findings in my 2023 annual report and followed up on three (3) audit findings outstanding in my 2022 annual report. Six (6) findings were addressed, three (3) findings were partially addressed and four (4) were not addressed as indicated below:

2.1 Annual budgets

The finding was partially addressed. The School submitted budget for approval to the parent Ministry. However, the approved budget was not availed.

2.2 Alignment of accounting processes to the reporting framework

The finding was not addressed. In the current year the School did not avail evidence of impairment assessment.

2.3 Unclaimed deposits

The finding was not addressed. The School had unclassified deposits amounting to ZWL\$816.5 million which had not been receipted as at December 31, 2023. However, the School is implementing a college management system which will integrate with the banks to enable real-time reconciliations.

2.4 Withholding tax

The finding was addressed. The Procurement Management Unit now attaches necessary documents which include tax clearance when submitting to Finance for payment.

2.5 Donations policy

The finding was addressed. Donations register is now in place.

2.6 Fuel management system

The finding was addressed. Fuel management system has since been aligned and a fuel register is now in place

2.7 Petty cash management

The finding was addressed. All the cash receipts are banked intact.

2.8 Board of inquiry

The finding was addressed. Board of inquiries were now being conducted since 2023.

2.9 Travel and subsistence allowances

The finding was addressed. Travel and subsistence register for 2023 have been developed and staff are now acquitting travel and subsistence advances.

2.10 School's Procurement Management Unit

The finding was partially addressed. In 2023 the School's Procurement Management Unit had a procurement officer and a procurement clerk.

2.11 Policy documents

The finding was partially addressed. Fifty (50) out of fifty-three (53) policies were approved and the rest are at draft stage.

2.12 Impairment of assets

The finding was not addressed. No evidence of impairment assessment for the assets was carried out for the financial year ended December 31, 2023.

2.13 Purchase of laptops

The finding was not addressed. Batteries had not yet been supplied as replacement for the accessories paid for.

PUBLIC ENTITIES UNDER THE CATEGORY OF OTHER

Background Information

The Bindura University of Science Education Farm Trust was registered as a Trust in 2016. The Trust conducts research and training programs including advice on specific mechanisms as well as being a strategic business unit of the Bindura University of Science Education. The Farm main's activities include animal husbandry and crop farming for sale.

I have audited the financial statements of the Bindura University of Science Education Farm Trust for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Bindura University of Science Education Farm Trust as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**i. Valuation of inventory**

I could not satisfy myself as to the valuation of inventory with a carrying amount of ZWL\$86.3 million (2022: ZWL\$8.1 million) as at December 31, 2023. The weighted average cost of the inventory was being incorrectly computed throughout the year as well as in the prior year. As a result, the cost of sales and inventory was affected by the misstatement in the current and prior year. I could not determine the extent of adjustments necessary.

ii. Valuation of property, plant and equipment

In the prior year, the Trust engaged an external valuer to value its property, plant and equipment. The valuations were performed in ZWL\$ using ZWL\$ denominated inputs. The assumptions on capitalization rates, rentals and market prices applied were not supported by observable ZWL\$ market data as rentals and market prices were generally linked to USD values. As a result, I could not obtain sufficient appropriate evidence to support the appropriateness of the valuation of property, plant and equipment and the revaluation reserve in the prior year. I could not quantify the misstatements in the opening balances for property, plant and equipment and the revaluation reserve. As such, the opening balances for property, plant and equipment and the revaluation reserve may contain misstatements that could be material to the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES**1.1. Board of Trustees****Finding**

The Board of Trustees met once during the 2023 financial year contrary to the requirements of the Farm's Trust deed which requires the Trustees to hold not less than two meetings in any calendar year. In addition, the Board of Trustees had no approved charter.

Risk / Implication

Oversight role may be compromised.

Recommendation

Trustees' meetings should be held in accordance with a pre-agreed annual meetings schedule.

Management response

The Farm Trust is in the process of drafting the Board Charter which will help solve these governance issues.

Background Information

Chinhoyi University of Technology Farm Trust is owned by the University and was established in terms of the Deed of Trust number MA338/2007. The purpose of the Farm Trust is to maintain and administer the farm as a centre for practical training and research, with some commercial functions.

I have audited the financial statements of Chinhoyi University of Technology Farm Trust for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chinhoyi University of Technology Farm Trust as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**Non-compliance with International Accounting Standard (IAS) 21 - “The Effects of Changes in Foreign Exchange Rates”**

The Farm Trust determined Zimbabwe Dollar (ZWL\$) as its functional currency as most of its transactions and balances were in ZWL\$ in 2023. During the year the Farm Trust had transactions and balances in USD and other currencies that were translated to ZWL\$ using interbank rate which was considered not an appropriate spot rate as per the requirements of IAS 21 - “The Effects of Changes in Foreign Exchange Rates”. The impact of the non-compliance has not been quantified and therefore not adjusted for in the financial statements

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES**1.1 Submission of the financial statements****Finding**

The financial statements for the Farm Trust for the year ended December 31, 2023 were submitted for audit on July 29, 2024, five (5) months after the statutory deadline. This was contrary to section 49(1) (c) of the Public Finance Management Act [*Chapter 22:19*] which requires the accounting authority of public entity to submit the financial statements within sixty (60) days after the end of the financial year.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

Financial statements should be submitted for audit within sixty (60) days after the year end as required by section 49(1) c of the Public Finance Management Act [*Chapter 22:19*].

Management response

The delay was because of the opening balances which were not tallying with those of the financials.

2. MANAGEMENT OF ASSETS

2.1 Livestock management

Finding

The University was assigning casual workers to manage livestock and these employees were not adequately trained. In addition, the Farm Trust had inadequate infrastructure for livestock. As a result, biological assets had high mortality rates of 50% in goats, 56% in pigs, cattle 14% and sheep 31%.

Risk / Implication

Financial loss due to high mortality rates in biological assets.

Recommendation

The Farm Trust should improve the structures to curb the high mortality rates.

There should be adequate training of the staff taking care of livestock.

Management response

Most of our workers are casuals and there was no consistency in attending these animals. We are in the process of head hunting for a permanent qualified and experienced employee to attend to the animals

3. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Farm Trust made progress in addressing audit findings raised in my 2023 annual report. I raised two (2) audit findings and one (1) was addressed while the other one (1) was not addressed as indicated below;

3.1 Alignment of Accounting processes to the requirements of reporting framework

The finding was addressed. Impairment reviews were done in 2023 hence the issue was resolved.

3.2 Lease agreement

The finding was not addressed. There is no agreement on the land used by the Farm Trust from the University.

Background Information

Chinhoyi University of Technology Hotel Trust is owned by the University and was established in terms of the Deed of Trust number MA337/2007. The purpose of the Hotel is to advance the provision of knowledge through hands on learning for students from the School of Hospitality and Tourism, with some commercial activities.

I have audited the financial statements of Chinhoyi University of Technology Hotel Trust for the year ended December 31, 2023 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chinhoyi University of Technology Hotel Trust as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion**Non- Compliance with International Accounting Standard 21 – ‘The Effects of Changes in Foreign Currency Translations’**

The Hotel Trust determined Zimbabwe Dollar (ZWL\$) as its functional currency as most of its transactions and balances were in ZWL\$ in 2023. During the year the Hotel Trust had transactions and balances in USD and other currencies that were translated to ZWL\$ using interbank rate which was considered not an appropriate spot rate as per the requirements of IAS 21 - “The Effects of Changes in Foreign Exchange Rates”. The impact of the non-compliance has not been quantified and therefore not adjusted for in the financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES**1.1 Submission of the financial statements****Finding**

The financial statements for the Hotel Trust for the year ended December 31, 2023 were submitted for audit on July 19, 2024. This was contrary to section 49(1) (c) of the Public Finance Management Act [Chapter 22:19] which requires the accounting authority of public entity to submit the financial statements within sixty (60) days after the end of the financial year.

Risk / Implication

Transparency and accountability may be compromised.

Recommendation

Financial statements should be submitted for audit within 60 days after the year end as required by section 49(1) c of the Public Finance Management Act [Chapter 22:19].

Management response

Management acknowledges not complying with Public Finance Management Act [Chapter 22:19]. Going forward management is going to submit within the stipulated period of time.

1.2 Tax computation

Finding

The Hotel did not comply with the requirements of ZIMRA per Income Tax Act [Chapter 23:06] section 37AA, which requires tax payers to submit separate returns where any part of income from trade or investments is earned on foreign currency.

Risk / Implication

Financial loss due penalties.

Recommendation

The Hotel should prepare income and submit the returns as per the requirements of tax laws.

Management should undertake trainings so that personnel are aware and in compliance with the tax updates annually.

Management response

Noted for correction and adoption.

2. EMPLOYMENT ISSUES

2.1 Employee benefits

Finding

The Hotel Trust processed hardship allowance and bonus for employees outside the payroll and these were not subjected to PAYE in line with section 8 (1) (f) of Income Tax Act [Chapter 23:06] which requires allowances received from employment to be subjected to PAYE.

Risk / Implication

Financial loss due to fines and penalties due to non-compliance with ZIMRA.

Misstatements on calculation of PAYE.

Recommendation

The Hotel Trust should subject all employee allowances PAYE.

Management response

Observation noted. The Hotel Trust will ensure that all benefits are included in the payroll for taxation purposes. The Hotel has engaged ZIMRA liaison officer for taxation related workshops so as to ensure that relevant staff are up to date with tax matters.

3. PROGRESS TOWARDS ADDRESSING AND IMPLEMENTATION OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

The Hotel did not address the audit finding that I raised in my 2023 annual report as indicated below;

3.1 Asset register

The finding was not addressed. Revaluation was not done in the year 2023. Hence some assets are still in use with zero balances.

Background Information

The National Gallery of Zimbabwe was established in terms of the National Gallery of Zimbabwe Act [Chapter 25:09]. Its main objective is the establishment, management and control of galleries or museums of art, fostering and promotion of the fine and applied arts.

I have audited the financial statements of National Gallery of Zimbabwe for the year ended December 31, 2023 and I issued an Adverse Opinion.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of National Gallery of Zimbabwe as at December 31, 2023, and its financial performance and its cash flows, for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 10 - “Consolidated Financial Statements”

The Gallery acquired a 100% shareholding in Tengenenge (Private) Limited on February 23, 2021. However, the Gallery did not consolidate the financial results of Tengenenge (Private) Limited. This was contrary to International Financial Reporting Standard (IFRS) 10 - “Consolidated Financial Statements” paragraph 4 which requires an entity that is a parent to present consolidated financial statements.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Investment in a subsidiary

Finding

The Gallery did not consolidate its wholly owned subsidiary acquired in February. My visit to the centre on November 15, 2024 revealed that some commercial activities were taking place at the centre but were not accounted for in the Gallery’s financial statements. This was contrary to International Financial Reporting Standard (IFRS) 10 - “Consolidated Financial Statements” paragraph 4 which requires an entity that is a parent to present consolidated financial statements.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Gallery should prepare the consolidated financial statements in line with the requirements of International Financial Reporting Standard (IFRS) 10 - “Consolidated Financial Statements”.

Management response

Tengenenge is not operational. The Gallery has already applied for concurrence for deployment of staff members to the centre.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Gallery made some progress in addressing audit findings raised in my 2023 annual report. I raised four (4) findings. Two (2) findings were addressed and two (2) were partially addressed as indicated below;

2.1. Submission of financial statements

The finding was partially addressed. The 2023 financial statements were submitted. However, 2024 is still outstanding.

2.2. Valuation of property, plant and equipment

The finding was addressed. Land was separated from buildings and a revaluation exercise was carried out.

2.3. Policies and procedure manuals

The finding was partially addressed. The policies and procedure manuals are in draft form and most of them have been submitted to the Board for approval.

2.4. Bank reconciliations

The finding was addressed. The Gallery is now performing bank reconciliations timeously.

Background Information

The National Museums and Monuments of Zimbabwe was established in terms of the National Museums and Monuments Act [*Chapter 25:11*]. The Act established a Board of Trustees to provide for the establishment and administration of museums and to provide for the preservation of ancient, historical and natural monuments, relics and other objects of historical or scientific value or interest.

I have audited the financial statements of National Museums and Monuments of Zimbabwe for the year ended December 31, 2022 and I issued a Qualified Opinion.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Museums and Monuments of Zimbabwe as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 16 - “Property, Plant and Equipment”

The Museum did not revalue the entire class of asset as it revalued part of the buildings. This was contrary to the requirements of IAS 16 - “Property, Plant and Equipment” paragraph 36 which requires revaluation of an entire class of property plant and equipment whenever revaluation is performed.

In addition, the Museum did not revalue all other classes of its property, plant and equipment. This was contrary to paragraph 31 of International Accounting Standard (IAS) 16 - “Property Plant and Equipment” which requires revaluation of property plant and equipment to be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period. Had the other part of the buildings and the other classes of assets been revalued the amount disclosed in the financial statements would have been materially different.

Below are other material issues noted during the audit;

1. GOVERNANCE ISSUES

1.1. Valuation of property, plant and equipment

Finding

The Museum did not revalue the entire class of assets as it revalued part of the buildings. This was contrary to the requirements of International Accounting Standard (IAS) 16 - “Property, Plant and Equipment” paragraph 36 which requires revaluation of an entire class of property plant and equipment whenever revaluation is performed.

In addition, the other classes of property, plant and equipment were not subjected to revaluation despite changes in the economic environment. This was contrary to International Accounting Standard (IAS) 16 - “Property, Plant and Equipment” paragraph 31 which requires revaluation of property plant and equipment to be carried out with sufficient regularity to ensure that the carrying

amount does not differ materially from the fair value at the end of the reporting period.

Risk / Implication

Misstatement of financial statements.

Recommendation

The Museum should revalue its property, plant and equipment in line with International Accounting Standard (IAS) 16 - "Property plant and equipment".

Management response:

We acknowledge the identified discrepancy and regret the oversight. To ensure compliance with IAS 16, the institution will implement a comprehensive review and revaluation of the relevant asset classes. Your recommendation is valued, and we will take the necessary steps to rectify the matter.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Museum made progress in addressing audit findings raised in my 2020, 2022 and 2023 annual reports. I raised six (6) findings in my 2023 annual report and followed up on eight (8) findings outstanding in my 2020 and 2022 annual reports. Eight (8) findings were addressed, two (2) findings were partially addressed and four (4) findings were not addressed as indicated below:

2.1. Submission of financial statements

The finding was not addressed. The Museum is still behind in submitting its financial statements for audit and 2023 financial statements are still outstanding.

2.2. Bank reconciliation statements

The finding was partially addressed. The Museum is transitioning from Pastel V17 accounting software to Safe Evolution. This new system will enable us to work on multiple accounting periods. This will assist the preparation and checking of monthly bank reconciliations timeously.

2.3. Bank accounts

The finding was not addressed. The Museum still had dormant bank accounts during the year.

2.4. Continuous professional development

The finding was addressed. Professional development for accounting personnel is being facilitated through attendance to workshops and work-related training. The Museum is currently sponsoring 3 employees in the Department to undertake the conventional studies under Public Sector Professional Accountants (Zimbabwe).

2.5. Travel and subsistence

The finding was addressed. Approval of claim forms is now being done by designated senior personnel. There were no further claims that were approved by a junior officer.

2.6. Property, plant and equipment

The finding was addressed. All purchases are now being made in strict compliance with the Public Procurement and Disposal of Public Assets Act [*Chapter 22:23*].

2.7. Alignment of key processes to new developments client service charter

The finding was addressed. The Museum has updated their manuals and they are now aligned to new developments in statutory provisions and the accounting framework.

2.8. Tourism levy

The finding was not addressed. The accommodation facilities are currently not functioning to full capacity as they should due to the refurbishment which are yet to be completed. As a result, ZTA is yet to be engaged on the issue.

2.9. Client service charter

The finding was addressed. The Clients Charter is now in place.

2.10. Internal audit

The finding was not addressed. The Internal Audit function is being resourced according to the approved audit plan but is still guided by availability of financial resources.

2.11. Foreign trips

The finding was addressed. No further trips have been undertaken without Cabinet Authority.

2.12. Acquittals for travelling and subsistence

The finding was addressed. There has been a significant improvement in the acquittal of travel claims as staff now need to acquit previous travel claims first before being paid new travel advances.

2.13. Motor vehicles fleet

The finding was partially addressed. The Museum was granted authority to procure 7 new vehicles using retained revenues. Due to limited resources, Museum managed to procure 3 out of the 7 vehicles. It is anticipated that the remainder will be delivered once the funds are available.

2.14. Board of trustees

The finding was addressed. The Board of Trustees is now in place.

Background Information

The University of Zimbabwe Farm Trust was incorporated in terms of the National Trust Act [Chapter 2:12]. The Farm Trust's principal activities include supporting the University of Zimbabwe as a commercial and educational institution through commercial agriculture, research and training in agriculture.

I have audited the financial statements of the University of Zimbabwe Farm Trust for the year ended September 30, 2023 and I issued an unmodified / clean opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University of Zimbabwe Farm Trust as at September 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Below are material issues noted during the audit;

1. MANAGEMENT OF ASSETS

1.1. Maintenance of assets

Finding

The Farm Trust was not regularly maintaining its assets. As a result, staff quarters, ablution and administration blocks had deteriorated severely and needed urgent repairs.

Risk / Implication

Service delivery may be compromised.

The health and safety of employees may be compromised.

Financial loss as further delays would result in costly repairs.

Recommendation

The Trust farm should introduce property inspection and maintenance register.

Management response

Management acknowledges challenges relating to the maintenance of the Farm Trust's Assets.

2. PROGRESS TOWARDS ADDRESSING PRIOR YEAR AUDIT FINDINGS AND IMPLEMENTATION OF RECOMMENDATIONS

The Farm Trust did not make progress in addressing audit findings raised in my 2023 annual report. I raised two (2) audit findings in my 2023 annual report and there were not addressed as indicated below;

2.1. Inventory reconciliations

The finding was not addressed. The Farm Trust, with the assistance of the accounting software provider will be working on the Trust's full migration to the Inventory module.

2.2. Delivery of goods

The finding was not addressed. The goods have not been delivered as at December 31, 2023 year end.

ANNEXURES

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
1.	Agricultural and Rural Development Authority (ARDA)	2023	Unqualified	2021	Qualified due to non-compliance with IAS 8, IAS 21 and IAS 29, valuation of investment property and property, plant and equipment.	2020	Adverse opinion due to non-compliance with IAS 21, IAS 29 and IAS 41.	2019	Adverse due to non-compliance with IAS 21.	2014	Qualified due to impairment of investments.
		2024	Accounts not yet submitted.							2015	Qualified due to impairment of investments.
				2022	Qualified due to non-compliance with IFRS 13 and IAS 16.					2016	Qualified due to impairment of investments.
				2023	Accounts not yet submitted.					2017	Qualified due to impairment of investments.
										2018	Adverse due to non-compliance with IAS 21.
2.	Agricultural Marketing Authority (AMA)	2023	Qualified due to non-compliance with IPSAS 45, IPSAS 3 and valuation of	2022	Qualified due to non-compliance with IAS 40, IAS 8 and IAS 16.	2021	Qualified due to non-compliance with IAS 21 and IFRS 15.	-	-	2020	Adverse due to non-compliance with IAS 21.

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	property, plant and equipment. Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
3.	Broadcasting Authority of Zimbabwe (BAZ)	2021	Qualified due to unsupported expenditure and non-compliance with IAS 16.	2019	Adverse due to non-compliance with IAS 21 and IAS 16.	-	-	-	-	-	-
		2022	Accounts not yet submitted.	2020	Qualified due to non-compliance with IAS 21 and valuation of property, plant and equipment with report on going concern.						
		2023	Accounts not yet submitted.								
		2024	Accounts not yet submitted.	2021	Accounts not yet submitted.						
				2022	Accounts not yet submitted.						
				2023	Accounts not yet submitted.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
4.	Civil Aviation Authority of Zimbabwe (CAAZ)	2021	Qualified due to IFRS 16 with a report on going concern.	2020	Qualified due to non-compliance with IAS 21 with a report on going concern.	-	-	-	-	2019	Adverse due to non-compliance with IAS 21 with material uncertainty relating to going concern.
		2022	Unqualified with a report on going concern.	2021	Accounts not yet submitted.						
		2023	Unqualified with a report on going concern.	2022	Accounts not yet submitted.						
		2024	Accounts submitted and audit in progress	2023	Accounts not yet submitted.						
5.	Environmental Management Agency (EMA)	2021	Qualified due to non-compliance with IAS 21 on opening balances, IAS 7 and unsupported trade receivables.	2020	Qualified due to non-compliance with IAS 21.	-	-	-	-	2019	Qualified due to non-compliance with IAS 21.
				2021	Accounts submitted and audit in progress.						
				2022	Accounts not yet submitted.						
		2022	Qualified due to trade receivables,	2023	Accounts not yet submitted.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	trade payables and non-compliance with IAS 7 and IAS 8. Qualified due to trade receivables, trade payables and non-compliance with IAS 7, IAS 8 and IAS 16.								
		2024	Accounts not yet submitted.								
6.	Health Profession Authority of Zimbabwe (HPAZ)	2023	Unqualified	2022	Qualified due to non-compliance with IAS 16 and IFRS 13.	2021	Unqualified	-	-	2019	Adverse due to non-compliance with IAS 21.
		2024	Qualified due to unclassified deposits.	2023	Accounts submitted and audit in progress.					2020	Qualified due to non-compliance with IAS 21 on opening balances.
7.	Medicines Control Authority of Zimbabwe (MCAZ)	2023	Unqualified	2022	Unqualified	2021	Unqualified	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
		2024	Accounts submitted and	2023	Accounts submitted and audit in progress.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			audit in progress.								
8.	National Biotechnology Authority of Zimbabwe (NBA)	2021	Adverse due to non-compliance with IAS 16, IAS 36, IAS 20 and IAS 21 on opening balances with a report on going concern.	2021	Accounts submitted and audit is in progress.	-	-	2019	Adverse due to non-compliance with IAS 21.	-	-
		2022	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit is in progress.			2020	Qualified due to non-compliance with IAS 21 on opening balance.		
		2023	Accounts submitted and audit is in progress.	2023	Accounts not yet submitted.						
		2024	Accounts not submitted.								

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
9.	National Social Security Authority (NSSA)	2023	Qualified due to non-compliance with IFRS 13, IAS 28, IAS 16, inclusion of unaudited associate investees and completeness of property, plant and equipment.	2021	Qualified due to non-compliance with IFRS 13, IAS 21, IFRS 15, IAS 36 and IAS 16.	2020	Qualified due to non-compliance with IAS 21 on opening balances.	-	-	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
10.	Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ)	2023	Unqualified	2022	Unqualified	2021	Unqualified	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
		2024	Unqualified	2023	Accounts submitted and audit is in progress.						
11.	Procurement Regulatory Authority of Zimbabwe (PRAZ)	2023	Unqualified	2022	Qualified due to non-compliance with IFRS 13.	2021	Unqualified	-	-	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
					Accounts submitted and audit is in progress.						
12.	Radiation Protection Authority of Zimbabwe (RPAZ)	2023	Unqualified	2022	Unqualified	2021	Unqualified	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
13.	Rural Infrastructure Development Agency (RIDA)	2024	Accounts not submitted.	-	-	-	-	-	-	-	-
14.	State Enterprise Restructuring Agency	2024	Accounts submitted and audit is in progress.	-	-	-	-	-	-	-	-
15.	Zimbabwe Energy Regulatory Authority (ZERA)	2024	Unqualified	2023	Unqualified	2022	Unqualified	2021	Qualified due to non-compliance with IAS 21 on opening balances.	2020	Qualified due to non-compliance with IAS 21 on opening balances.
16.	Zimbabwe Investment Development Agency (ZIDA)	2024	Accounts submitted and audit is in progress.	2022	Qualified due to non-compliance with IFRS 13.	2021	Unqualified	-	-	2020	Qualified due to lack of revaluation of property plant and equipment.
				2023	Adverse due to IPSAS 46.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
17.	Zimbabwe National Geospatial and Space Agency (ZINGSA)	2020	Accounts submitted and audit is in progress.								
		2021	Accounts not yet submitted.								
		2022	Accounts not yet submitted.								
		2023	Accounts not yet submitted.								
		2024	Accounts not yet submitted.								
18.	Zimbabwe National Road Administration (ZINARA)	2023	Unqualified with a report on going concern.	2022	Qualified due to non-compliance with IFRS 13 with report on going concern.	2021	Adverse due to non-compliance with IAS 21, unrecorded tax liabilities.	2019	Adverse due to non-compliance with IAS 21.	-	-
		2024	Unqualified	2023	Accounts submitted and audit in progress.			2020	Qualified due to non-compliance with IAS 21.		
19.	Zimbabwe National Statistics	2023	Qualified due to IAS 16, IAS 8 and 36.	2022	Qualified due to non-compliance with IAS 8, IAS 16 and IAS 36.	2020	Qualified due to non-compliance with IAS 21 and IAS 16.	2019	Adverse due to non-compliance with IAS 21.	-	-

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
	Agency (ZIMSTATS)	2024	Accounts submitted and audit is in progress.	2023	Accounts not yet submitted.	2021	Unqualified				
20.	Zimbabwe National Water Authority (ZINWA)	2023	Adverse due to completeness of revenue and trade receivables and non-compliance with IFRS 16 and IAS 8.	2022	Adverse due to non – compliance with IFRS 16, revenue, trade receivables, trade payables, IAS 2, cash and cash equivalents with report on going concern.	-	-	2021	Unqualified	2020	Unqualified with an Emphasis of matter.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
21.	Zimbabwe Parks and Wildlife Management Authority (ZIMPARKS)	2023	Unqualified with a report on going concern.	2022	Unqualified	2021	Unqualified	-	-	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.					2020	Adverse due to non-compliance with IAS 21 and revenue.

	ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY										
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
22.	Zimbabwe Revenue Authority (ZIMRA)	2024	Unqualified	2023	Qualified due to non-compliance with IFRS 13.	2022	Qualified due to non-compliance with IFRS 16 and IAS 21.	2021	Unqualified	2020	Adverse due to non-compliance with IAS 21 and IAS 36.
23.	Zimbabwe Tourism Authority (ZTA)	2022	Unqualified	2021	Qualified due to non-compliance with IAS 21 and IAS 8.	-	-	2020	Adverse due to non-compliance with IAS 21 on opening balances.	2019	Adverse due to non-compliance with IAS 21
		2023	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit in progress.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
BOARDS											
24.	Grain Marketing Board (GMB)	2022	Accounts submitted and audit in progress.	2021	Qualified due to non-compliance with IAS 21 and valuation of buildings.	2020	Adverse opinion due to non-compliance with IAS 21 and IAS 16.	-	-	-	-
		2023	Accounts submitted and audit in progress.	2022	Accounts submitted and audit in progress. Accounts submitted and audit is in progress.						
		2024	Accounts submitted and audit is in progress.	2023							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
25.	Lotteries And Gaming Board	2023	Qualified due to non-compliance with IAS 16.	2022	Qualified due to non-compliance with IAS 21, IAS 8 and IAS 29.	2021	Qualified due to non-compliance with IAS 21 on opening balances.	2020	Adverse due to non-compliance with IAS 21 and IAS 16.	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts not yet submitted.	2023	Accounts submitted and audit is in progress.						
26.	Pig Industry Board	2023	Qualified due to non-compliance with IAS 36, IAS 40 and opening balance.	2021	Qualified due to non-compliance with IAS 21.	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.	2019	Qualified due to non-compliance with IAS 21.
		2024	Qualified due to IPSAS 41.	2022	Unqualified						
				2023	Accounts submitted and audit is in progress.						
27.	Tobacco Industry and Marketing Board (TIMB)	2024	Unqualified	2022	Qualified due to non-compliance with IFRS 13.	2021	Qualified due to non-compliance with IFRS 13 and valuation of land and building.	-	-	2019	Adverse due to non-compliance with IAS 21.
				2023	Unqualified					2020	Adverse due to non-compliance with IAS 21.

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
28.	Tobacco Research Board (TRB)	2024	Unqualified	2023	Unqualified	2021	Qualified due to non-compliance with IAS 21.	-	-	2019	Adverse due to non -compliance with IAS 21.
						2022	Qualified due to non-compliance with IAS 21 and IAS 8.			2020	Adverse due to non -compliance with IAS 21.
29.	Zimbabwe National Boxing and Wrestling Control Board	2022	Disclaimer due to IAS 21, IAS 29 and unavailability of adequate and proper supporting evidence.	2020	Qualified due to opening balances.	-	-	-	-	-	-
				2021	Unqualified						
				2022	Accounts submitted and audit is in progress.						
		2023	Accounts submitted and audit is in progress.	2023	Accounts not yet submitted.						
		2024	Accounts submitted and audit is in progress.								
COMMISSIONS											

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
30.	Competition And Tariff Commission	2023	Unqualified	2023	Accounts submitted and audit is in progress.	2021	Unqualified	-	-	2020	Qualified due to non- compliance with IAS 21.
		2024	Unqualified			2022	Unqualified				
31.	Consumer Protection Commission	2024	Unqualified	2021	Unqualified	-	-	-	-	-	-
				2022	Unqualified						
				2023	Unqualified						
32.	Forestry Commission	2023	Unqualified	2021	Qualified due to non - compliance with IAS 21 and IAS 8, IAS 16, IAS 36 and valuation of library books with report on going concern.	2019	Adverse due to non-compliance with IAS 21.	-	-	-	-
		2024	Accounts not yet submitted.			2020	Qualified Due to non-compliance with IAS 21.				
				2022	Qualified due to non-compliance to IAS 8 and IAS 21, IAS 36 and IAS 16.						
				2023	Accounts not yet submitted.						
33.	Health Service Commission (formerly	2023	Unqualified	2022	Unqualified	2021	Unqualified	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
		2024	Accounts submitted and	2023							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
	Health Service Board)		audit is in progress.		Accounts submitted and audit is in progress.						
34.	Insurance and Pensions Commission (IPEC)	2024	Unqualified	2023	Unqualified	2022	Unqualified	2021	Qualified due to non-compliance with IAS 21.	2020	Adverse due to non-compliance with IAS 21.
35.	National Competitiveness Commission (NCC)	2023	Unqualified with a report on going concern.	2022	Unqualified with report on going concern.	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21 on opening balances.	2018	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.					2019	Adverse due to non-compliance with IAS 21.
36.	Securities and Exchange Commission of Zimbabwe (SECZ)	2024	Unqualified with a report on going concern.	2023	Unqualified with a report on going concern.	2022	Unqualified	2021	Qualified due to non-compliance with IAS 21.	2020	Qualified due to non-compliance with IAS 21.
37.	Sports and Recreation Commission (SRC)	2024	Unqualified	2022	Qualified due to non-compliance with IAS 21.	2021	Qualified due to non-compliance to IAS 21.	2020	Adverse due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.
				2023	Unqualified						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
38.	Zimbabwe Anti-Corruption Commission (ZACC)	2021	Qualified due to non-compliance with IAS 21.	2021	Accounts submitted and audit in progress.	2019	Adverse due to non-compliance with IAS 21.	2018	Adverse due to non-compliance with IAS 21, and inadequate supporting documentation	2012 - 2017	Disclaimer due to various limitation of scope (incomplete records)
		2022	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit is in progress.	2020	Qualified due to non-compliance with IAS 21.				
		2023	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
		2024	Accounts submitted and audit is in progress.								
39.	Zimbabwe Electoral Commission (ZEC)	2023 and 2024	Opted for IPSAS transitional and appropriation account.	2022	Qualified due to non-compliance with IAS 16 and IAS 36.	2021	Qualified due to valuation of property, plant and equipment.	2019	Adverse due to non-compliance with IAS 21.	-	-
				2023	Accounts not yet submitted.			2020	Qualified due to non-compliance with IAS 21.		
40.	Zimbabwe Media Commission	2023	Unqualified with a report on going concern.	2022	Qualified due to non-compliance with IAS 36.	2021	Unqualified	2019	Adverse due to non-compliance with IAS 21.	-	-

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts not yet submitted.	2023	Accounts submitted and audit is in progress.			2020	Qualified due to non-compliance with IAS 21.		
COMPANIES AND CORPORATION											
41.	AFC Holdings Limited	2024	Qualified due to non-compliance with IFRS 13.	2023	Unqualified	2022	Qualified due to processing suspense accounts of the subsidiary.	-	-	-	-
42.	AFC Insurance (Private) Limited Company	2024	Qualified due to non-compliance with IFRS 13.	2023	Unqualified	2022	Unqualified	-	-	-	-
43.	AFC Leasing Company of Zimbabwe (Private) Limited	2024	Qualified due to non-compliance with IFRS 13.	2023	Unqualified	2021	Disclaimer due to accuracy of transactions.	-	-	-	-
						2022	Qualified due to opening balances.				
44.	Airports Company of Zimbabwe	2021	Qualified due to non-compliance with IFRS 9 and IFRS 16 with a report on going concern.	2021	Accounts not yet submitted.	-	-	-	-	-	-
				2022	Accounts not yet submitted.						
		2022	Accounts not yet submitted.	2023	Accounts not yet submitted.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	Accounts not yet submitted.								
		2024	Accounts not yet submitted.								
45.	Air Zimbabwe (Private) Limited	2022	Unqualified with a report on going concern.	2020	Adverse due IAS 8 and IAS 2 with report on going concern.	2019	Disclaimer due to various issues.	-	-	2018	Disclaimer due to various issues.
		2023	Unqualified with a report on going concern.	2021	Unqualified report on going concern.						
		2024	Accounts not yet submitted.	2022	Accounts submitted and audit in progress.						
				2023	Accounts not yet submitted.						
46.	Allied Timbers (Private) Limited	2023	Adverse due to non – compliance with IAS 21, valuation of biological assets and existence of trade receivables.	2022	Qualified due to IAS 41 and IAS 16.	2021	Qualified due to non-compliance with IAS 21.	2020	Adverse due to non -compliance with IAS 21 and absence of audited results of foreign subsidiary.	2019	Adverse due to non-compliance with IAS 21.
				2023	Accounts submitted and audit in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts submitted and audit is in progress.								
47.	Apple Bridge (Private) Limited	2015	Accounts not yet submitted.	2015	Accounts not yet submitted.	-	-	-	-	-	-
		2016	Accounts not yet submitted.	2016	Accounts not yet submitted.						
		2017	Accounts not yet submitted.	2017	Accounts not yet submitted.						
		2018	Accounts not yet submitted.	2018	Accounts not yet submitted.						
		2019	Accounts not yet submitted.	2019	Accounts not yet submitted.						
		2020	Accounts not yet submitted.	2020	Accounts not yet submitted.						
		2021	Accounts not yet submitted.	2021	Accounts not yet submitted.						
		2022	Accounts not yet submitted.	2022	Accounts not yet submitted.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.						
		2024	Accounts not yet submitted.								
48.	Bindura Printing Press (Private) Limited	2023	Qualified due to valuation of property, plant and equipment and supporting documents on opening balances.	-	-	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.								
49.	Chemplex Corporation Limited and its subsidiaries	2023	Qualified due to non-compliance with IFRS 17, and inclusion of unaudited Sable Chemical Industries Limited in the prior consolidated	2022	Qualified due to non-compliance with IAS 21 and inclusion of Sable Chemical Industries Limited financial statements.	-	-	2021	Adverse due to non-compliance with IAS 21 and IAS 29.	2020	Adverse due to non-compliance with IAS 21 and IAS 29.
				2023	Accounts submitted and audit is in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	year financial statements. Unqualified								
50.	CMED (Private) Limited	2022	Unqualified	2021	Qualified due to non-compliance with IFRS 13, IAS 16, IAS 36 and IAS 8.	2020	Qualified due to non-compliance with IAS 21 and IAS 16.	-	-	2019	Adverse due to non-compliance with IAS 21.
		2023	Unqualified								
		2024	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit is in progress.						
				2023	Accounts submitted and audit is in progress.						
51.	CMED Fuels (Private) Limited	2022	Unqualified	2021	Qualified due to non-compliance with IFRS 13, IAS 36 and IAS 8.	2020	Qualified due to non-compliance with IAS 21 and IAS 16.	-	-	2019	Adverse due to non-compliance with IAS 21.
		2023	Unqualified								
		2024	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit in progress.						
				2023	Accounts submitted and audit in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
52.	Conflor Investments (Private) Limited	2023	Qualified due to non-compliance with IFRS 16, opening balances and completeness of expenditure.	-	-	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.								
53.	Courier Connect (Private) Limited	2019	Disclaimer due to non-compliance with IAS 36, IAS 16, IAS 29, IAS 21, limitation of scope on assets.	2017	Disclaimer due to limitation of scope on journal entry testing, other payables, inventory, litigation and claims, absence of third-party confirmation on receivables, payables with report on going concern.	-	-	-	-	-	-
		2020	Accounts submitted and audit is in progress.								
		2021	Accounts submitted and audit is in progress.	2018	Disclaimer due to non-compliance with IAS 21, IFRS 9, limitation of scope on journal entry testing,						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2022	Merged into ZIMPOST from 2022.		other payables, inventory, litigation and claims, absence of third-party confirmation on receivables, payables with report on going concern.						
				2019	Accounts submitted and audit in progress.						
				2020	Accounts submitted and audit in progress.						
				2021	Accounts submitted and audit in progress.						
				2022	Accounts now reported under ZIMPOST.						
54.	Defold Mines (Private) Limited	2021	Accounts submitted and audit is in progress.	2020	Qualified due to non-compliance with IFRS 10.	-	-	-	-	-	-

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2022	Accounts not yet submitted.	2021	Accounts submitted and audit is in progress.						
		2023	Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
55.	Deven Engineering (Private) Limited	2024	Qualified due non-compliance with IFRS 13 with a report on going concern.	2023	Qualified due to non-compliance with IAS 21 and IAS 8 with report on going concern.	2022	Qualified due to non-compliance with IAS 21.	2021	Unqualified	2019	Adverse due to non -compliance with IAS 21.
										2020	Adverse due to non -compliance with IAS 21.
56.	Easy Go Car Hire and Travel (Private) Limited	2022	Unqualified	2021	Qualified due to non-compliance with IFRS 13, IAS 8, IAS 16 and IAS 36.	2020	Qualified due to non-compliance with IAS 21 and IAS 16.	-	-	2019	Adverse due to non -compliance with IAS 21.
		2023	Unqualified								
		2024	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit is in progress.						
				2023	Accounts submitted and audit is in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
57.	Genesis Energy (Private) Limited	2024	Unqualified	2022 2023	Unqualified Unqualified	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.
58.	Hotspeck Enterprises (Private) Limited	2023 2024	Qualified due to non-compliance with IAS 2. Unqualified	2022 2023	Qualified due to non-compliance with IAS 2. Accounts submitted and audit in progress.	2021	Qualified due to non-compliance with IAS 21, IAS 8 and IAS 29.	2020	Adverse due to non-compliance with IAS 21 on opening balances.	2019	Adverse due to non-compliance with IAS 21, 29 and IFRS 16.
59.	Hwange Electricity Supply Company (Private) Limited (HESCO)	2023 2024	Qualified due to non-compliance with IFRS 13. Accounts submitted and audit is in progress.	2022 2023	Qualified due to non-compliance with IFRS 13 and IAS 21. Accounts submitted and audit is in progress.	2021	Qualified due to non-compliance with IAS 21 and 29.	-	-	2020	Adverse due to non-compliance with IAS 21 on opening balances.
60.	Industrial Development Corporation of Zimbabwe (IDCZ)	2023	Qualified due to non-compliance with IAS 8, IAS 21, IAS 29, IFRS 17 and consolidation of unaudited results of subsidiary.	2022 2023	Qualified due to non-compliance with IAS 21, inclusion of unaudited financial statements for a subsidiary and IAS 29.	2021	Qualified due to non-compliance with IAS 21 on opening balances.	-	-	2020	Qualified due to non-compliance with IAS 21, 29 and IAS 8.

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts submitted and audit is in progress.		Accounts submitted and audit in progress.						
61.	Infralink (Private) Limited	2023	Unqualified with a report on going concern.	2022	Qualified due to non-compliance with IAS 21 on opening balances with a report on going concern.	2021	Adverse due to non-compliance with IAS 21 and unrecorded tax liabilities.	-	-	-	-
		2024	Unqualified	2023	Accounts submitted and audit in progress.						
62.	Kariba Hydro Power Company	2023	Qualified due to non-compliance with IFRS 13.	2022	Qualified due to non-compliance with IAS 21 and IFRS 13.	2021	Qualified due to non-compliance with IAS 21, IAS 8, IAS 29 and valuation of property, plant and equipment.	-	-	2020	Adverse due to non-compliance with IAS 21 on opening balances.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
63.	Mellofieldde Chemicals (Private) Limited	2023	Unqualified with report on going concern.	2022	Unqualified with report on going concern.	2021	Qualified due to non-compliance to IAS 21.	-	-	2020	Qualified due to non-compliance with IAS 21 and with an emphasis of matter.
		2024	Accounts submitted and	2023							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			audit is in progress.		Accounts submitted and audit is in progress.						
64.	Minerals Marketing Corporation of Zimbabwe (MMCZ)	2023	Unqualified with a report on going concern.	2022	Unqualified	2021	Qualified due to non-compliance to IAS 21.	-	-	2020	Qualified due to non-compliance with IAS 21 and with an emphasis of matter.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
65.	Mining Promotion Corporation (Private) Limited (MPC)	2024	Unqualified	2023	Unqualified	2022	Unqualified	2019	Adverse due to non-compliance with IAS 21.	-	-
								2020	Qualified due to non-compliance with IAS 21.		
								2021	Qualified due to non-compliance with IAS 21.		
66.	Mosi- Oa Tunya Development Company (Private) Limited	2022	Qualified due to non-compliance with IFRS 13 and IAS 16.	2021	Qualified due to non-compliance with IFRS 13.	2020	Qualified due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.	2016 & 2017	Qualified due to completeness of expenditure.
		2023		2022						2018	

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts submitted and audit is in progress. Accounts not yet submitted.	2023	Accounts submitted and audit is in progress. Accounts not yet submitted.						Adverse due to non-compliance with IAS 21.
67.	National Handling Services (Private) Limited	2023	Qualified due to non-compliance with IAS 29 with a report on going concern.	2022	Disclaimer due to non-compliance with IFRS 3, IFRS 10 and IAS 2.	2020	Adverse due to non-compliance with IAS 21, IAS16.	2019	Adverse due to non-compliance with IAS 21.	2018	Adverse due to non-compliance with IAS 21.
		2024	Accounts not yet submitted.	2023	Accounts submitted and audit is in progress.	2021	Adverse due to IAS 21, IAS 8, IAS 29, IFRS 3 and IFRS 10.				
68.	National Handling Services Close Corporation (CC)	2019	Unqualified with a report on going concern.	2019	Accounts submitted and audit in progress.	-	-	-	-	-	-
		2020	Qualified due to storage fees, not supported with a report on going concern.	2020	Accounts submitted and audit in progress.						
		2021	Qualified due to unsupported accumulated	2021	Accounts submitted and audit in progress.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2022	loss from prior year with a report on going concern. Qualified due to unsupported accumulated loss from prior year with a report on going concern.	2022 2023	Accounts submitted and audit in progress. Accounts not yet submitted.						
		2023	Unqualified with a report on going concern.								
		2024	Accounts submitted and audit is in progress.								
69.	National Oil Infrastructure Company (Private) Limited (NOIC)	2024	Unqualified	2022 2023	Qualified due to valuation of property, plant and equipment. Unqualified	2021	Unqualified	2020	Qualified due to non-compliance to IAS 21 on opening balances.	2019	Adverse due to non –compliance with IAS 21.

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
70.	National Pharmaceutical Company (NATPHARM)	2024	Unqualified	2022	Qualified due to non-compliance to IAS 8 and IAS 21.	-	-	2021	Qualified due to non-compliance to IAS 21 on opening balances.	2019	Adverse due to non –compliance with IAS 21.
				2023	Unqualified					2020	Adverse due to non –compliance with IAS 21.
71.	National Railways of Zimbabwe (NRZ)	2022	Adverse due to non-compliance with Income Tax Act, IAS 21, valuation property, plant and equipment and investment property, right of use assets, inventory valuation and completeness, existence and accuracy of loans and borrowings with a report on going concern.	2021	Adverse due to non – compliance with IAS 21, valuation of loans and borrowings, IAS 16, IAS 40, intangible assets, misstatement of receivables and revenue, payables and expenses, valuation of inventory, IAS 19 with report on going concern.	-	-	-	-	2020	Adverse due to non –compliance with IAS 21, valuation of loans and borrowings, valuation of property, plant and equipment, conversion losses and unrealized exchange gains on translation of foreign loans, accrued interest on loans, valuation of investment property, IAS 2, IAS 19 with material uncertainty regarding tax liability and with
		2023	Accounts not yet submitted.	2022	Accounts submitted and audit is in progress.						
				2023	Accounts not yet submitted.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts not yet submitted.								report on going concern.
72.	NetOne Cellular (Private) Limited	2023	Qualified due to non-compliance with IFRS 13 with a report on going concern.	2022	Qualified due to non-compliance to IAS 21, and valuation of property, plant and equipment with a report on going concern.	2021	Adverse due to non-compliance with IAS 21, IAS 29 and valuation of Property, plant and equipment	-	-	2020	Adverse due to non –compliance with IAS 21 and IAS 29.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
73.	New Ziana (Private) Limited	2021	Adverse due to valuation of property, plant and equipment, operating expenses, trade receivables, accounts payables, cash and cash equivalents.	2020	Adverse due to non – compliance with IAS 21 and valuation of property, plant and equipment with a report on going concern.	2019	Adverse opinion due to non-compliance with IAS 21, and valuation of assets.	-	-	-	-
				2021	Accounts not yet submitted.						
		2022	Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts not yet submitted. Accounts not yet submitted.								
74.	Petrotrade (Private) Limited	2022	Qualified due to non-compliance with IFRS 13.	2022	Accounts submitted and audit in progress.	2021	Qualified due to valuation of property, plant and equipment, IFRS 13.	2020	Qualified due to non-compliance with IAS 21 on opening balances.	2019	Adverse due to non-compliance with IAS 21.
		2023	Unqualified	2023	Accounts submitted and audit is in progress.						
		2024	Accounts submitted and audit is in progress.								
75.	Petrozim line (Private) Limited	2024	Unqualified	2022	Qualified due to valuation of property, plant and equipment.	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21 on opening balances	2019	Adverse due to non-compliance with IAS 21
				2023	Unqualified						
76.	Post Properties (Private) Limited	2019	Disclaimer due to IAS 21, IAS 29, IAS 36, IFRS 9, IAS 16, IAS 37, inclusion of unaudited financial statements of a	2017	Disclaimer due to IAS 16, cash and cash equivalents, trade and other receivables, payables, IAS 37 limitation of scope	-	-	-	-	-	-

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			subsidiary, asset register, supporting document for vehicle mileage books, limitation of scope on inventories, journals, cash and cash equivalents, trade payables, and contingent liability on the pension fund with a report on going concern.	2018	with a report on going concern. Disclaimer due to IAS 21, IFRS 9, IAS 16, IAS 37, cash and cash equivalents, trade payables, trade receivables, expenses, prepayments, contingent liability, limitation of scope with a report on going concern.						
		2020	Accounts submitted and audit in progress.	2019	Accounts submitted and audit in progress.						
		2021	Accounts submitted and audit in progress.	2020	Accounts submitted and audit in progress.						
		2022	Account now reported under	2021	Accounts submitted and audit in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			ZIMPOST starting 2022.	2022	Account reported now under ZIMPOST.						
77.	Powertel Communications (Private) Limited	2023	Qualified due to non-compliance with IFRS 13 with a report on going concern.	2022	Qualified due to valuation of property, plant and equipment with report on going concern.	2021	Qualified due to non-compliance with IAS 21, IAS 29 and revaluation of property, plant and equipment.	-	-	2020	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
78.	Printflow (Private) Limited	2023	Unqualified	2022	Qualified due to non-compliance with IFRS 13.	2021	Unqualified	-	-	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.					2020	Qualified due to non-compliance with IAS 21.
79.	Rainbow Tourism Group	2024	Unqualified	2023	Unqualified	-	-	-	-	-	-
80.	Road Motor Services (RMS)	2021	Accounts not yet submitted.	2021	Accounts not yet submitted.	-	-	2018	Adverse due to non-compliance with IAS 21 and with report on going concern.	-	-
		2022	Accounts not yet submitted.	2022	Accounts not yet submitted.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.			2019	Adverse due to non-compliance with IAS 21 and with report on going concern.		
		2024	Accounts not yet submitted.								
81.	Sabi Gold Mine (Kimberworth Investment) (Private) Limited	2024	Unqualified	2022	Unqualified	-	-	2017	Unqualified	-	-
				2023	Unqualified with report on going concern.			2018	Adverse due to non-compliance with IAS 21 with report on going concern.		
								2019	Adverse due to non-compliance with IAS 21.		
								2020	Adverse due to non-compliance with IAS 21.		
								2021	Qualified due to non-compliance with IAS 21 with report on going concern.		

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
82.	Silo Foods Industries (Private) Limited	2022	Accounts submitted and audit is in progress.	2022	Accounts not yet submitted.	2021	Qualified due to non-compliance with IFRS 16.	2020	Adverse due to non-compliance with IAS 21.	-	-
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.						
		2024	Accounts not yet submitted.								
83.	Sunway City (Private) Limited	2024	Unqualified	2022	Qualified due to non-compliance with IAS 21.	-	-	2021	Adverse due to non-compliance with IAS 21, IAS 29 and IFRS 13.	2020	Adverse due to non-compliance with IAS 21, IAS 29 and with an emphasis of matter.
				2023	Qualified due to non-compliance with IAS 21.						
84.	Technological and Commercial Information Promotion Systems (TIPS)	2024	Unqualified	2023	Unqualified	2022	Unqualified	-	-	-	-
85.	TelOne (Private) Limited	2024	Accounts submitted and audit is in progress.	2023	Unqualified with an emphasis of matter.	2022	Unqualified with a material uncertainty	2021	Unqualified with a material uncertainty	2020	Qualified due to non-compliance with IAS 21 on opening balances.

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
							relating to going concern.		relating to going concern.		
86.	Transmedia Corporation	2023 2024	Unqualified Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.	2022	Qualified due to investment in associate.	2021	Adverse due to non-compliance with IAS 21, IAS 29 and IAS 28.	2019 2020	Adverse due to non-compliance with IAS 21 and IAS 28. Adverse due to non – compliance with IAS 21, IAS 29 and IAS 28.
87.	Urban Development Corporation (UDCORP)	2023 2024	Adverse due to non-compliance with IFRS 13, IAS 8, IAS 21 on opening balances and IAS 29. Accounts submitted and audit is in progress.	2021 2022 2023	Adverse due to non-compliance to IAS 21, IAS 8, IAS 29 and IAS 40. Adverse due to non-compliance to IAS 21, IAS 8 and IFRS 13. Accounts submitted and audit in progress.	2020	Adverse due to non-compliance to IAS 21, IAS 8 and valuation of investment property.	-	-	2018 2019	Qualified due to non-compliance with IAS 21 Adverse due to non – compliance with IAS 21 and valuation of investment properties.
88.	Verify Engineering (Private) Limited	2022	Adverse due to supporting documents for other income, inventory variance and	2019	Adverse due to non-compliance with IAS 21, IAS 2, IAS 37 with report on going concern.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	non-compliance with IFRS 16 and IAS 37. Accounts submitted and audit is in progress.	2020	Adverse due to non-compliance with IAS 21, IAS 37, revenue and report on going concern.						
		2024	Accounts not yet submitted.	2021	Adverse due to non-compliance with IAS 21, IFRS 16, IAS 37, and report on going concern.						
				2022	Accounts submitted and audit in progress.						
				2023	Accounts not yet submitted.						
89.	Willowvale Motor Industries (Private) Limited	2024	Qualified due to misclassification of trade and other payables and posting errors in accounting receivables and cash control account.	2022	Qualified due to non-compliance with IAS 21.	2021	Adverse due to non-compliance with IAS 21.	-	-	2020	Adverse due to non-compliance with IAS 21.
				2023	Qualified due to non-compliance with IAS 21 with a report on going concern.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
90.	Woodlands Farm Private) Limited	2023	Qualified due to unsupported expenditure and completeness of wage bill.	2022	Qualified due to shareholder loan and unsupported expenditure.	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
91.	ZESA Enterprises (Private) Limited (ZENT)	2023	Qualified due to non-compliance with IFRS 13 and IAS 16 with a report on going concern.	2022	Qualified due to non -compliance with IAS 21.	2021	Qualified due to valuation of property, plant and equipment.	-	-	2020	Adverse due to non -compliance with IAS 21 on opening balances.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit in progress.						
92.	ZESA Holdings (Private) Limited	2023	Qualified due to non-compliance with IFRS 13.	2022	Qualified due to non-compliance with IFRS 13, IAS 29, IAS 21, and IAS 8 with report on going concern.	2021	Qualified due to non-compliance with IAS 21, IAS 29 and IFRS 13.	-	-	2020	Adverse due to non -compliance with IAS 21 on opening balances.
		2024	Accounts submitted and								

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			audit is in progress.	2023	Accounts submitted and audit in progress.						
93.	Zimbabwe Academic and Research Network (ZARNet) (Private) Limited	2020	Qualified due to IAS 21 on opening balances.	2020	Accounts submitted and audit in progress.	2018	Adverse due to non-compliance with IAS 21.	-	-	-	-
		2021	Qualified due to non-compliance with IAS 16, IAS 36, IAS 21 and IAS 8.	2021	Accounts not yet submitted.	2019	Adverse due to non-compliance with IAS 21, IAS 8.				
		2022	Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.						
		2024	Accounts not yet submitted.								
94.	Zimbabwe Broadcasting Corporation (ZBC)	2023	Qualified due to completeness of revenue and non-compliance with IAS 16.	2020	Adverse due to IAS 21.	2018	Adverse due to non-compliance with IAS 21.	-	-	-	-
		2024		2021	Qualified due to IAS 21, IAS 8, IAS 16, IAS 36, IFRS 16 and revenue.	2019	Adverse due to non-compliance with IAS 21.				

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			Accounts not yet submitted.	2022	Qualified due to IAS 21, IAS 8, IAS 16, IAS 36, IFRS 16 and revenue.						
				2023	Accounts not yet submitted.						
95.	Zimbabwe Consolidated Diamond Company (ZCDC)	2023	Adverse due to IAS 21 with an emphasis of matter.	2022	Adverse due to IAS 21.	2021	Adverse due to non-compliance with IAS 21.	-	-	2020	Unqualified with an emphasis of matter.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
96.	Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	2023	Qualified due to non-compliance with IFRS 13.	2022	Qualified due to non-compliance with IAS 21, IAS 29 and IFRS 13.	2021	Qualified due to non-compliance with IAS 21, IAS 8, IAS 29 and valuation of property, plant and equipment.	-	-	2020	Adverse due to non-compliance with IAS 21 on opening balances
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
97.	Zimbabwe Mining Development Corporation (ZMDC)	2023	Adverse due to non-compliance with IAS 21.	2022	Adverse due to non-compliance with IAS 21.	2021	Adverse due to non-compliance with IAS 21, IAS 28, IFRS 11 and IAS 8.	-	-	2020	Adverse due to non-compliance with IAS 21, 28 and 29.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
98.	Zimbabwe Post (Private) Limited (ZIMPOST)	2019	Accounts submitted and audit is in progress.	2017	Disclaimer due to IAS 16, cash and cash equivalents, limitation of scope with a report on going concern.	-	-	-	-	-	-
		2020	Accounts submitted and audit is in progress.	2018	Disclaimer due to IAS 21, IFRS 9, IAS 16, cash and cash equivalents, trade payables, trade receivables, expenses, prepayments, contingent liability, limitation of scope with a report on going concern.						
		2021	Accounts submitted and audit is in progress.								
		2022	Accounts submitted and audit is in progress.								
		2023		2019							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts submitted and audit is in progress.	2020	Accounts submitted and audit is in progress.						
			Accounts submitted and audit is in progress.	2021	Accounts submitted and audit is in progress.						
				2022	Accounts submitted and audit is in progress.						
				2023	Accounts submitted and audit is in progress.						
99.	Zimbabwe Power Company (Private) Limited (ZPC)	2023	Qualified due to non-compliance with IAS 21 and IFRS 13.	2022	Qualified due to non – compliance with IAS 21 with report on going concern.	2021	Qualified due to non– compliance with IAS 21, IAS 29, valuation of property, plant and equipment.	-	-	2020	Adverse due to non -compliance with IAS 21 on opening balances.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
100.	Zimbabwe United Passenger Company (ZUPCO)	2022	Accounts submitted and audit is in progress.	2021	Adverse due to with IAS 21, IAS 24, IAS 40, cost of sales, trade payables, trade receivables and private hire revenue with report on going concern.	2020	Adverse due to non-compliance with IAS 21, IAS 24, IAS 40, trade and other payables, cash and cash equivalents and revenue issues.	-	-	2019	Adverse due to non-compliance with IAS 21 and IAS 29.
		2023	Accounts not yet submitted.								
		2024	Accounts not yet submitted.								
				2022	Accounts submitted and audit in progress.						
				2023	Accounts not yet submitted.						
Councils											
101.	Agricultural Research Council of Zimbabwe (ARC)	2022	Qualified due to IAS 16 and staff costs.	2021	Qualified due to non-compliance with IAS 21.	2020	Qualified due to non-compliance with IAS 21.	2018	Adverse due to non-compliance with IAS 21.	2018	Adverse due to non-compliance with IAS 21.
		2023	Accounts submitted and audit is in progress.	2022	Accounts not yet submitted.						
				2023	Accounts not yet submitted.						
		2024	Accounts not yet submitted.								

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
102.	Allied Health Practitioners Council of Zimbabwe (AHPCZ)	2022	Unqualified	2021	Qualified due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.	-	-	2018	Adverse due to non-compliance with IAS 21.
		2023	Unqualified								
		2024	Accounts not yet submitted.	2022	Accounts submitted and audit in progress.	2020	Qualified due to non-compliance with IAS 21.				
				2023	Accounts not yet submitted.						
103.	Consumer Council of Zimbabwe (CCZ)	2024	Unqualified	2022	Unqualified	2021	Qualified due to non-compliance with IAS 21 on opening balances.	-	-	2020	Qualified due to non-compliance with IAS 21.
				2023	Qualified due to unsupported expenditure.						
104.	Environmental Health Practitioners Council of Zimbabwe (EHPCZ)	2022	Adverse due to revenue recognition, unallocated and non-compliance with IAS 21, IAS 29 and IFRS 9.	2021	Adverse due to non-compliance with IAS 21, IAS 16, revenue recognition, IFRS 9 and IAS 29.	2019	Adverse due to non-compliance with IAS 21.	-	-	-	-
		2023	Adverse due to IAS 21, IAS 8, revenue, valuation of property, plant and equipment.	2022	Accounts submitted and audit is in progress.	2020	Qualified due to non-compliance with IAS 21 on opening balances.				
				2023	Accounts not yet submitted.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts not yet submitted.								
105.	Food and Nutrition Council (FNC)	2024	Unqualified	2023	Unqualified	2022	Unqualified	-	-	-	-
106.	Medical and Dental Practitioners Council of Zimbabwe (MDPCZ)	2023 2024	Unqualified Accounts submitted and audit is in progress.	2022 2023	Qualified due to non-compliance with IAS 21, IAS 8 and IAS 29. Accounts submitted and audit is in progress.	2021	Qualified due to non-compliance with IAS 21, IAS 29 and IAS 8.	2020	Adverse due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.
107.	Medical Laboratory and Clinical Scientists Council of Zimbabwe (MLCSCZ)	2023 2024	Unqualified Accounts submitted and audit in progress.	2022 2023	Adverse due to non-compliance with IAS 21 and IAS 29. Accounts submitted and audit in progress.	2019 2020 2021	Adverse due to non-compliance with IAS 21 and IAS 16 valuation of property, plant and equipment. Adverse due to non-compliance with IAS 21 and IAS 16 valuation of property, plant and equipment.	-	-	-	-

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
							Adverse due to non-compliance with IAS 21, IAS 29 and IFRS 9.				
108.	Medical Rehabilitation Practitioners Council of Zimbabwe (MRPCZ)	2023	Unqualified	2021	Adverse due to non – compliance with IAS 16, IAS 21, IAS 29 and IFRS 13.	-	-	2019	Adverse due to non – compliance with IAS 21.	-	-
		2024	Accounts not yet submitted.	2022	Adverse due to non-compliance with IAS 21 and IAS 16.			2020	Adverse due to non- compliance with IAS 21.		
				2023	Accounts not yet submitted.						
109.	National AIDS Council of Zimbabwe (NAC)	2023	Qualified due to non-compliance with IFRS 13, IAS 16, IFRS 15 and IFRS 16.	2022	Qualified due to non - compliance with IAS 2, IAS 16, IAS 36 and IFRS 13.	2021	Unqualified	2020	Qualified due to non -compliance with IAS 21.	2019	Adverse due to non -compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
110.	National Arts Council of Zimbabwe	2022	Accounts submitted and	2021	Qualified due to IAS 21, IAS 8 and IAS 16.	-	-	2020	Qualified due to non -compliance with IAS 21.	2019	Adverse due to non -compliance with IAS 21.

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	audit is in progress. Accounts submitted and audit is in progress.	2022	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
111.	Nurses Council of Zimbabwe (NCZ)	2021	Qualified due to unclassified deposits.	2021	Accounts submitted and audit in progress.	2019	Adverse due to non – compliance with IAS 21.	-	-	-	-
		2022	Qualified due to unclassified deposits.	2022	Accounts submitted and audit is in progress.	2020	Qualified due to non- compliance with IAS 21, trade receivables.				
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.						
		2024	Accounts not yet submitted.								
112.	Pharmacists Council of Zimbabwe	2023	Qualified due to revenue recognition and non-compliance with IAS 21, IAS 8 and IAS 21.	2022	Qualified due to non-compliance with IAS 21, IAS 29 and unsupported sundry expenses.	2021	Adverse due to non-compliance with IAS 21, suspense account and	2020	Adverse due to non -compliance with IAS 21	2019	Adverse due to non -compliance with IAS 21

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	Accounts not yet submitted.	2023	Accounts submitted and audit in progress.		trade and other payables.				
113.	Research Council of Zimbabwe	2023	Qualified due to non-compliance with IAS 38 and IAS 38.	2022	Unqualified	-	-	2021	Unqualified	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.					2020	Qualified due to non-compliance with IAS 21.
114.	Traditional Medical Practitioners Council	2023	Qualified due to non-compliance with IAS 21 and IAS 8.	2022	Adverse due to non-compliance with IAS 1 and IAS 21.	-	-	-	-	-	-
		2024	Unqualified	2023	Accounts submitted and audit in progress.						
115.	Traffic Safety Council of Zimbabwe	2023	Unqualified	2023	Accounts submitted and audit in progress.	2021	Qualified due to non-compliance with IAS 21 on opening balances.	-	-	2020	Adverse due to non-compliance with IAS 21
		2024	Accounts submitted and audit is in progress.			2022	Unqualified				

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
116.	Valuers Council of Zimbabwe	2022	Qualified due to non-compliance with IAS 21 and IFRS 9.	2019	Adverse due to non-compliance with IAS 21, IAS 29, IFRS 9 and valuation of property, plant and equipment.	-	-	-	-	-	-
		2023	Accounts submitted and audit is in progress.	2020	Adverse due to non-compliance with IAS 21 on opening balances, IAS 29, IFRS 9 and valuation of property, plant and equipment.						
		2024	Accounts not yet submitted.	2021	Adverse due to non-compliance with IAS 21 on opening balances, IAS 29, IFRS 9 and valuation of property, plant and equipment.						
				2022	Accounts submitted and audit in progress.						
				2023	Accounts submitted and audit in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
117.	Zimbabwe Council of Higher Education (ZIMCHE)	2023 2024	Unqualified Accounts submitted and audit is in progress.	2022 2023	Qualified due to non-compliance to IFRS 13. Accounts submitted and audit is in progress.	2021	Qualified due to non-compliance to IAS 21, valuation of property, plant and equipment, depreciation of land and buildings.	2020	Qualified opinion due to non-compliance with IAS 21 on opening balances.	2019	Adverse due to non-compliance with IAS 21.
118.	Zimbabwe National Family Planning Council (ZNFPCC)	2023 2024	Unqualified Accounts submitted and audit is in progress.	2022 2023	Unqualified Accounts submitted and audit is in progress.	2021	Qualified opinion due to non-compliance with IAS 21.	2020	Qualified opinion due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.
119.	Zimbabwe School Examinations Council (ZIMSEC)	2023 2024	Unqualified Accounts yet not submitted.	2021 2022 2023	Qualified opinion due to non-compliance with IAS 21. Qualified opinion due to non-compliance with IAS 21. Accounts yet not submitted.	2019 2020	Adverse due to non-compliance with IAS 21. Qualified due to non-compliance with IAS 21.	-	-	-	-
120.	Zimbabwe Youth Council (ZYC)	2022	Qualified due to cash and cash equivalents, posting of	2020	Qualified due to non-compliance with IAS 21, IAS16 and	-	-	2018	Adverse due to non-compliance with IAS 21.	-	-

	ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY										
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	transactions in the accounting system and non-compliance with IFRS 13.	2021	supporting documents.			2019	Adverse due to non-compliance with IAS 21.		
		2024	Accounts yet not submitted.	2022	Qualified due to non-compliance with IAS 21, IAS16 and supporting documents.						
			Accounts yet not submitted.	2023	Accounts yet not submitted.						
					Accounts yet not submitted.						
FINANCIAL INSTITUTIONS											
121.	AFC Commercial Bank Limited (AFC)	2024	Qualified due to non-compliance with IFRS 13.	2023	Unqualified	2022	Qualified due to IT systems and impact on suspense accounts.	2021	Qualified due to impact of suspense accounts.	2020	Qualified due to non – compliance with IAS 21 and valuation of investment properties.
122.	AFC Land and Development Bank (Private) Limited	2024	Qualified due to non-compliance with IFRS 13.	2023	Unqualified	2022	Unqualified	-	-	-	-
123.	Deposit Protection	2024	Unqualified	2023	Unqualified	2021	Qualified due to non-compliance with IAS 21.	-	-	2020	Adverse due to non-compliance with IAS 21.

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
	Corporation (DPC)					2022	Qualified due to non-compliance to IAS 21, valuation of property, plant and equipment.				
124.	Empower Bank Limited	2024	Unqualified with a report on going concern.	2023	Qualified due to non-compliance to IAS 21, IFRS 13 and IAS 29.	2022	Qualified due to non-compliance to IAS 21, IAS 8 and IAS 29.	2021	Adverse due to non-compliance with IAS 21 and IAS 29.	2020	Adverse due to non-compliance with IAS 21 and IAS 29, valuation of assets and liabilities.
125.	Infrastructure Development Bank of Zimbabwe (IDBZ)	2024	Adverse due to non-compliance with IAS 29.	2023	Qualified due to valuation of investment property and valuation of unquoted shares.	2022	Qualified due to non-compliance with IFRS 13, valuation of property, plant and equipment and investment property, valuation of unquoted shares.	2021	Qualified due to valuation of investment property, valuation of deferred income.	2020	Qualified due to non-compliance with IAS 21.
126.	Lenderspark Finance (Private) Limited	2024	Unqualified	-	-	-	-	-	-	-	-
127.	National Building	2024	Qualified due to non-compliance	2022	Qualified due to non-compliance with IAS	2021	Qualified due to valuation of	-	-	2020	Qualified due to non-compliance

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
	Society (NBS)		with IAS 8 and IFRS 13.	2023	8 and IFRS 13, IAS 40, IFRS 2 and unsupported suspense account. Qualified due to IFRS 13, IAS 16, completeness of property, plant and equipment.		property, plant and equipment and valuation of stands.				with IAS 21 on opening balances.
128.	People's Own Savings Bank (POSB)	2024	Unqualified	2023	Unqualified	2022	Unqualified	2021	Unqualified	2020	Qualified due to non -compliance with IAS 21 on opening balances.
129.	Small and Medium Enterprise Development Corporation (SMEDCO)	2023 2024	Unqualified Accounts submitted and audit is in progress.	2022 2023	Unqualified Accounts submitted and audit is in progress.	2020 2021	Qualified due to non- compliance with IAS 21. Unqualified.	- -	- -	2019	Adverse due to non - compliance with IAS 21.
130.	Zimbabwe Women's Microfinance Bank (ZWMB)	2024	Unqualified with report on going concern.	2022 2023	Unqualified with report on going concern. Qualified due to IFRS 13 and IFRS 16.	2021	Unqualified	-	-	2020	Qualified due to non -compliance with IAS 21 on opening balances.
FUNDS											

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
131.	Agricultural Marketing Fund	2023	Qualified due to valuation of property, plant and equipment.	2022	Unqualified	2021	Qualified due to accounts receivable.	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
132.	Aviation Infrastructure Development Fund (AIDF)	2021	Unqualified	2020	Qualified due to IAS 21.	-	-	-	-	-	-
		2022	Accounts not yet submitted.	2021	Accounts not yet submitted.						
		2023	Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
133.	Investor Protection Fund (IPF)	2023	Unqualified	2023	Accounts submitted and audit is in progress.	2021	Qualified due to non-compliance with IAS 21.	-	-	2020	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.			2022	Unqualified				

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
134.	Lake Kariba Fisheries Research Institute	2023	Unqualified	2022	Unqualified	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21 on opening balances.	-	-
		2024	Unqualified	2023	Accounts submitted and audit is in progress.						
135.	Rhodes Matopos Estate Fund	2023	Unqualified	2022	Unqualified	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21 on opening balances.	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
136.	Rhodes Nyanga Estate Fund	2024	Unqualified	2022	Unqualified	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21.	-	-
				2023	Unqualified						
137.	Rural Electrification Fund (Former REA)	2023	Qualified due to valuation of investment property.	2022	Qualified due to IFRS 13 and land ownership.	2021	Adverse due to non-compliance with IAS 21 and IAS 29.	2020	Adverse due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21, 29 and IFRS 16.
		2024	Qualified due to non-compliance with IAS 16, IAS 36 and IFRS 13.	2023	Accounts submitted and audit in progress.						
138.	State Lotteries Fund	2022	Qualified due to non-compliance with IFRS 13.	2020	Qualified due to non-compliance with IAS 21 and IAS 16.	-	-	2019	Adverse due to non-compliance with IAS 21.	-	-

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	Qualified due to non-compliance with IFRS 13 on opening balances.	2021	Qualified due to non-compliance with IAS 21 and IAS 16 with report on going concern.						
		2024	Accounts submitted and audit is in progress.	2022	Accounts submitted and audit is in progress.						
				2023	Accounts submitted and audit is in progress.						
139.	Universal Services Fund (USF)	2023	Unqualified	2022	Unqualified	2021	Unqualified	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
		2024	Unqualified	2023	Accounts submitted and audit in progress.						
140.	Zimbabwe Manpower Development Fund (ZIMDEF)	2023	Unqualified	2022	Unqualified	2021	Unqualified	2020	Qualified due to non-compliance with IAS 21.	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
141.	Zimbabwe Tourism Fund	2022	Qualified due to completeness and accuracy of tourism levy	-	-	-	-	-	-	-	-

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	income and receivables. Accounts submitted and audit is in progress.								
		2024	Accounts not yet submitted.								
STATE HOSPITALS											
142.	Chitungwiza Central Hospital	2021	Accounts submitted and audit is in progress.	2020	Disclaimer due to completeness of accounting records, IFRS 15, Limitation of scope, IAS 16, IAS 21 and IAS 29, trial balance not agreeing with ledgers.	-	-	2019	Adverse due to non-compliance with IAS 21.	-	-
		2022	Accounts not yet submitted.								
		2023	Accounts not yet submitted.	2021	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2022	Accounts not yet submitted.						
				2023							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
					Accounts not yet submitted.						
143.	Ingutsheni Central Hospital	2021	Adverse due to non-compliance with IAS 21, IAS 8, IAS 29, IAS 16 and inventory records.	2020	Adverse due to non-compliance with IAS 21, IAS 16, inventory, IFRS 9 and IAS 29.	-	-	2018	Adverse due to non-compliance with IAS 21.	-	-
		2022	Accounts submitted and audit is in progress.	2021	Accounts submitted and audit is in progress.			2019	Adverse due to non-compliance with IAS 21.		
		2023	Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
144.	Mpilo Central Hospital	2023	Qualified due to completeness and valuation of donations, completeness of other income, valuation, completeness and existence of property, plant	2021	Adverse due to non-compliance with IAS 21, donations, property, plant and equipment, IFRS 9 and IAS 2.	-	-	2020	Adverse due to non-compliance with IAS 21, completeness of donations, completeness and valuation of trade payables, property, plant and equipment,	2019	Adverse due to non-compliance with IAS 21 and IAS 16.
				2022	Adverse due to non-compliance with IAS 21, donations, trade						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	and equipment, occurrence of inventory consumed, and valuation of receivables. Accounts not yet submitted.	2023	payables and receivables, property, plant and equipment, IFRS 9 and IAS 2. Accounts submitted and audit is in progress.				non-compliance with IFRS 9 and IAS 29, valuation and occurrence of inventory.		
145.	Parirenyatwa Group of Hospitals	2023	Qualified due to non-compliance with IFRS 13, IAS 16, IAS 36 and existence and valuation of receivables.	2022	Qualified due to non-compliance with IAS 16.	2021	Qualified due to non-compliance with IAS 21 and IAS 8 and valuation of property, plant and equipment.	2019	Adverse due to non-compliance with IAS 21.	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.			2020	Qualified due to non-compliance with IAS 21.		
146.	Sally Mugabe Central Hospital	2023	Accounts submitted and audit is in progress.	2022	Adverse due to non-compliance with IAS 21, trade receivables, IFRS 9, IAS 2 and donations valuations.	2020	Adverse due to non-compliance with IAS 21 and IAS 29.	2019	Adverse due to non-compliance with IAS 21 and IAS 29, misstatement of inventory.	-	-
		2024	Accounts not yet submitted.			2021	Adverse due to non-compliance				

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
				2023	Accounts not yet submitted.		with IAS 21 and IAS 29.				
147.	United Bulawayo Hospitals (UBH)	2023	Disclaimer due to non-recognition of infrastructure assets, unreconciled variances in the asset register, accuracy of inventory valuation, supporting documentation for revenue, accounts receivables, inventories and trade payables as well as non-compliance with IPSAS 45 and IPSAS 41 with a report on going concern.	2021	Disclaimer due to property, plant and equipment, working progress and completed capital projects, retention liabilities, IFRS 9, IAS 2, IFRS 15, trade receivables, donations and deferred income, trade payables and expense with report on going concern.	2020	Disclaimer due to various issues including accuracy of records and incomplete records.	2019	Adverse due to non-compliance with IAS 21.	-	-
		2024		2022	Disclaimer due to property, plant and equipment, working progress, retention liabilities, IFRS 9, IAS 2, IFRS 15, trade receivables, trade payables and expense with report on going concern.						
				2023							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			Accounts not yet submitted for audit.		Accounts not yet submitted for audit.						
TERTIARY INSTITUTIONS											
148.	Bindura University of Science Education	2023	Qualified due to non-compliance with IFRS 10 and IFRS 13.	2022	Qualified due to non - compliance with IFRS 10 and IFRS 13.	2021	Unqualified	-	-	2019	Adverse due to non -compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.					2020	Qualified due to non-compliance with IAS 21 on opening balances.
149.	Chinhoyi University of Technology (CUT)	2023	Qualified due to non- compliance with IAS 21, IFRS 11 and IFRS 13 on opening balances.	2022	Qualified due to non - compliance with IAS 21, IFRS 11 and IFRS 13.	2021	Adverse due to non- compliance with IAS 21and IFRS 13.	-	-	2020	Adverse due to non -compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit in progress.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
150.	Chinhoyi University of Technology Hotel Trust	2023	Qualified due to non-compliance with IAS 21.	2022	Qualified due to non-compliance with IAS 21.	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
151.	Great Zimbabwe University	2023	Unqualified	2022	Qualified due to non-compliance with IAS 20.	2021	Unqualified	-	-	2020	Unqualified with an emphasis matter on IAS 21
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
152.	Gwanda State University	2024	Accounts submitted and audit is in progress.	2022	Qualified due to valuation of property, plant and equipment.	2020	Disclaimer due to non-compliance with IAS 21, existence of biological assets, Accuracy of payables, completeness, accuracy and occurrence of fees income and	2019	Disclaimer due to non-compliance with IAS 21 Existence and accuracy of receivables Completeness and accuracy of revenue Occurrence and accuracy of expenditure.	2018	Adverse due to non-compliance with IAS 21.
				2023	Unqualified						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
						2021	occurrence and accuracy of expenditure. Qualified due to valuation of property, plant and equipment.				
153.	Harare Institute of Technology	2023 2024	Unqualified Accounts submitted and audit is in progress.	2022 2023	Unqualified Accounts submitted and audit in progress.	2021	Qualified due to non-compliance with IAS 21, IFRS 15 and IAS 24.	2020	Adverse due to non-compliance with IAS 21, valuation of Property, plant and equipment.	2019	Adverse due to non-compliance with IAS 21.
154.	Lupane State University	2023 2024	Qualified due to completeness, accuracy and occurrence of academic fees and non-compliance with IFRS 13 on opening balances. Accounts not yet submitted.	2022 2023	Disclaimer due to receivables, revenue and property, plant and equipment. Accounts submitted and audit in progress.	2021	Qualified due to valuation of property, plant and equipment.	-	-	2020	Adverse due to non-compliance with IAS 21 on opening balances.

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
155.	Management Training Bureau (MTB)	2023	Qualified due to IFRS 13.	2022	Qualified due to IFRS 13.	2021	Unqualified	-	-	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
156.	Manicaland State University of Applied Sciences	2022	Qualified due to non-compliance with IAS 21 on opening balances.	2021	Adverse due to non-compliance with IAS 21.	2020	Adverse due to non-compliance with IAS 21 and IAS 29.	-	-	-	-
		2023	Unqualified	2022	Accounts submitted and audit is in progress.						
		2024	Accounts submitted and audit is in progress.	2023	Accounts not yet submitted.						
157.	Marondera University of Agricultural Sciences and Technology	2024	Unqualified	2023	Unqualified	2020	Qualified due to due to non – compliance with IAS 21	2019	Adverse due to non-compliance with IAS 21	2017	Unqualified
						2021	Unqualified			2018	Adverse due to non-compliance with IAS 21
						2022	Unqualified				

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
158.	Midlands State University	2024	Unqualified	2023	Unqualified	2021	Qualified due to due to non – compliance with IAS 21.	-	-	2020	Qualified due to due to non – compliance with IAS 21 on opening balances.
						2022	Unqualified				
159.	National University of Science and Technology (NUST)	2023	Qualified due to non–compliance with IAS 21.	2022	Qualified due to non –compliance with IAS 21 and valuation of motor vehicles.	2021	Disclaimer due to various issues.	2020	Disclaimer due to various issues.	2019	Disclaimer due to various issues.
		2024	Accounts not yet submitted.	2023	Accounts submitted and audit is in progress.						
160.	School of Hospitality and Tourism	2021	Accounts not yet submitted.	2020	Adverse due to non – compliance with IAS 21, IAS 8, IAS 16 and IFRS 9.	-	-	-	-	2019	Adverse due to non -compliance with IAS 21.
		2022	Accounts not yet submitted.								
		2023	Accounts not yet submitted.	2021	Accounts not yet submitted.						
			Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
161.	University of Zimbabwe (UZ)	2023	Unqualified	2022	Qualified due to non-compliance with IFRS 13.	2021	Qualified due to property, plant and equipment	2020	Qualified due to non–compliance with IAS 21.	2019	Adverse due to non -compliance with IAS 21.
		2024									

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.		opening balances.				
162.	University of Zimbabwe Specific Funds	2023	Unqualified	2022	Qualified due to non-compliance with IAS 21.	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						
163.	Zimbabwe Centre for Higher Performance	2020	Accounts submitted and audit is in progress.	-	-	-	-	-	-	-	-
		2021	Accounts submitted and audit is in progress.								
		2022	Accounts submitted and audit is in progress.								
		2023	Accounts submitted and								

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	audit is in progress. Accounts not yet submitted.								
164.	Zimbabwe Foreign Services Institute	2023	Qualified due to existence, completeness and valuation of inventory.	-	-	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.								
165.	Zimbabwe Institute of Public Administration (ZIPAM)	2023	Unqualified	2023	Accounts submitted and audit is in progress.	2021	Unqualified	-	-	2019	Adverse due to non-compliance with IAS 21.
		2024	Accounts submitted and audit is in progress.			2022	Unqualified			2020	Qualified due to non-compliance with IAS 21.
166.	Zimbabwe National Defence University	2017	Unqualified	2017	Accounts submitted and audit in progress.	-	-	-	-	-	-
		2018	Qualified due to non-compliance with IAS 16.	2018							

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2019	Accounts not yet submitted.	2019	Accounts submitted and audit in progress.						
		2020	Accounts not yet submitted.	2020	Accounts not yet submitted.						
		2021	Accounts not yet submitted.	2021	Accounts not yet submitted.						
		2022	Accounts not yet submitted.	2022	Accounts not yet submitted.						
		2023	Accounts not yet submitted.	2023	Accounts not yet submitted.						
		2024	Accounts not yet submitted.	2023	Accounts not yet submitted.						
					Accounts not yet submitted.						
167.	Zimbabwe Open University (ZOU)	2024	Accounts submitted and audit is in progress.	2023	Unqualified	2021	Qualified due to non-compliance with IFRS 13.	-	-	2020	Qualified due to non-compliance with IAS 21
						2022	Qualified due to non-compliance with IFRS 13.				
168.	Zimbabwe School of Mines (ZSM)	2023	Qualified due to unclassified deposits and non-compliance	2022	Qualified due to un-receipted tuition fees, non-compliance with IAS	2020	Qualified due to non-compliance with IAS 21 on opening	2019	Adverse due to non-compliance with IAS 21.	-	-

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2024	with IAS 36 with a report on going concern. Accounts submitted and audit is in progress.	2023	36, donations, with a report on going concern. Accounts not yet submitted.	2021	balances, IAS 16 and IAS 36. Qualified due to non-compliance IAS 16 and IAS 36.				
OTHERS											
169.	Bindura University of Science Education Farm Trust	2023	Qualified due to valuation of inventory and property, plant and equipment.	-	-	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.								
170.	Chinhoyi University of Technology Farm Trust	2023	Qualified due to non-compliance with IAS 21.	2022	Qualified due to non-compliance with IAS 21.	-	-	-	-	-	-
		2024	Accounts submitted and	2023							

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			audit is in progress.		Accounts submitted and audit is in progress.						
171.	National Gallery of Zimbabwe	2023	Adverse due to non-compliance with IFRS 10.	2020	Adverse due to non-compliance with IAS 21.	-	-	-	-	-	-
		2024	Accounts not yet submitted.	2021	Qualified due to non-compliance with IAS 16 and IAS 21.						
				2022	Qualified due to non-compliance with IAS 16.						
				2023	Accounts submitted and audit in progress.						
172.	National Handicraft Centre	2019	Disclaimer due to absence of books of accounts, unaudited opening balances, valuation of property, plant	2019	Accounts submitted and audit is in progress.	-	-	-	-	-	-
				2020	Accounts submitted and audit is in progress.						
				2021							

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2020	and equipment and non-compliance with IAS 1, IAS 12 and IAS 29. Disclaimer due to absence of books of accounts, unaudited opening balances, valuation of property, plant and equipment and non-compliance with IAS 29.	2022	Accounts submitted and audit is in progress. Accounts not yet submitted.						
		2021	Disclaimer due to absence of books of accounts, unaudited opening balances, valuation of property, plant and equipment	2023	Accounts not yet submitted.						

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
			and non-compliance with IAS 29 and IAS 8.								
		2022	Accounts not yet submitted.								
		2023	Accounts not yet submitted.								
		2024	Accounts not yet submitted.								
173.	National Libraries and Documentation Services	2017	Accounts not yet submitted.	2017	Accounts not yet submitted.	-	-	-	-	-	-
		2018	Accounts not yet submitted.	2018	Accounts not yet submitted.						
		2019	Accounts not yet submitted.	2019	Accounts not yet submitted.						
		2020	Accounts not yet submitted.	2020	Accounts not yet submitted.						
		2021	Accounts not yet submitted.	2021	Accounts not yet submitted.						
		2022	Accounts not yet submitted.	2022	Accounts not yet submitted.						

ANNEXURE "A": STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
		2023	Accounted for under the Ministry of Primary and Secondary Education.	2023	Accounts not yet submitted.						
174.	National Museums and Monuments of Zimbabwe (NMMZ)	2022	Qualified due to IAS 16.	2020	Adverse due to non-compliance with IAS 21.	2019	Adverse due to non-compliance with IAS 21.	-	-	2018	Adverse due to non-compliance with IAS 21.
		2023	Accounts submitted and audit is in progress.	2021	Adverse due to non-compliance with IFRS 13.						
		2024	Accounts not yet submitted.	2022	Accounts submitted and audit is in progress.						
				2023	Accounts not yet submitted.						
175.	Scientific Industrial Research and Development Centre (SIRDC)	2024	Unqualified	2023	Unqualified	2021	Unqualified	-	-	2020	Qualified due to non-compliance with IAS 21 on opening balances.
						2022	Unqualified				

ANNEXURE “A”: STATE OWNED ENTERPRISES AND PARASTATALS AUDIT OPINIONS PER ENTITY											
	Public Entity	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued	FY	Opinion Issued
		2024 AG report		2023 AG report		2022 AG report		2021 AG report		2020 AG report	
176.	University of Zimbabwe Farm Trust	2023	Unqualified	2022	Qualified due to non-compliance with IAS 21 and IFRS 13.	-	-	-	-	-	-
		2024	Accounts submitted and audit is in progress.	2023	Accounts submitted and audit is in progress.						

ANNEXURE “B”: AUDITS IN PROGRESS AND BEING FINALISED

ANNEXURE “B”: AUDITS IN PROGRESS AND BEING FINALISED AS AT JUNE 3, 2025		
	ENTITY	YEAR
1.	Agricultural Marketing Authority (AMA)	2024
2.	Agriculture Marketing Fund (AMF)	2024
3.	Agriculture Research Council of Zimbabwe	2023
4.	Allied Timbers Zimbabwe (Private) Limited	2024
5.	Bindura Printing Press (Private) Limited	2024
6.	Bindura University of Science Education (BUSE)	2024
7.	Bindura University of Science Education Farm Trust	2024
8.	Chinhoyi University of Technology (CUT)	2024
9.	Chinhoyi University of Technology Farm Trust	2024
10.	Chinhoyi University of Technology Hotel Trust	2024
11.	Chitungwiza Central Hospital	2021
12.	Civil Aviation Authority of Zimbabwe (CAAZ)	2024
13.	CMED (Private) Limited	2024
14.	CMED Fuels (Private) Limited	2024
15.	Conflor Investments (Private) Limited	2024
16.	Consumer Council of Zimbabwe (CCZ)	2024
17.	Courier Connect (Private) Limited	2020-2021
18.	Defold Mines (Private) Limited	2021
19.	Easy Go Car Hire and Travel (Private)Limited	2024
20.	Grain Marketing Board (GMB)	2022 - 2024
21.	Great Zimbabwe University (GZU)	2024
22.	Gwanda State University (GSU)	2024
23.	Harare Institute of Technology (HIT)	2024
24.	Health Service Commission (HSC)	2024
25.	Hwange Electricity Supply Company (Private) Limited (HESCO)	2024

ANNEXURE “B”: AUDITS IN PROGRESS AND BEING FINALISED AS AT JUNE 3, 2025		
	ENTITY	YEAR
26.	Industrial Development Corporation of Zimbabwe (IDCZ)	2024
27.	Ingutsheni Central Hospital	2022
28.	Investor Protection Fund (IPF)	2024
29.	Kariba Hydro Power Company	2024
30.	Management Training Bureau (MTB)	2024
31.	Manicaland State University (MSU)	2024
32.	Medical and Dental Practitioners Council of Zimbabwe	2024
33.	Medical Laboratory and Clinical Scientists Council of Zimbabwe	2024
34.	Medicines Control Authority of Zimbabwe (MCAZ)	2024
35.	Mellofielde Chemicals (Private) Limited	2024
36.	Minerals Marketing Corporation of Zimbabwe (MMCZ)	2024
37.	Mosi oa Tunya Development Company (Private) Limited	2023
38.	National Aids Council (NAC)	2024
39.	National Arts Council of Zimbabwe	2022-2023
40.	National Biotechnology Authority of Zimbabwe (NBA)	2022 and 2023
41.	National Competitiveness Commission (NCC)	2024
42.	National Museums and Monuments of Zimbabwe	2023
43.	National Social Security Authority (NSSA)	2024
44.	National Social Security Authority (NSSA)	2024
45.	NetOne Cellular (Private) Limited	2024
46.	Parirenyatwa Group of Hospitals	2024
47.	Percentage Discount (Private) Limited	2024
48.	Petrotrade (Private) limited	2024
49.	Post Properties (Private) Limited	2020 and 2021
50.	Powertel Communications (Private) Limited	2024
51.	Procurement Regulatory Authority of Zimbabwe (PRAZ)	2024
52.	Radiation Protection Authority of Zimbabwe (RPAZ)	2024

ANNEXURE “B”: AUDITS IN PROGRESS AND BEING FINALISED AS AT JUNE 3, 2025

	ENTITY	YEAR
53.	Research Council of Zimbabwe (RCZ)	2024
54.	Rhodes Matopos Estate Fund	2024
55.	Road Motor Services (RMS)	2020
56.	Sally Mugabe Central Hospital	2023
57.	Silo Food Industries (Private) Limited	2022
58.	Small and Medium Enterprise Development Corporation (SMEDCO)	2024
59.	State Enterprises Restructuring Agency (SERA)	2024
60.	State Lotteries Fund	2024
61.	Telone (Private) Limited	2024
62.	Traditional Medical Practitioners Council	2024
63.	Traffic Safety Council of Zimbabwe (TSCZ)	2024
64.	Transmedia Corporation	2024
65.	University of Zimbabwe (UZ)	2024
66.	University of Zimbabwe Farm trust	2024
67.	University of Zimbabwe Specific Funds	2024
68.	Urban Development Corporation (UDCORP)	2024
69.	Valuers Council of Zimbabwe	2023
70.	Verify Engineering (Private) Limited	2023
71.	Woodlands Farm (Private) Limited	2024
72.	Zimbabwe Anti-Corruption Commission (ZACC)	2022-2024
73.	Zimbabwe Centre for High Performance Computing (ZCHPC)	2020-2023
74.	Zimbabwe Consolidated Diamond Company (ZCDC)	2024
75.	Zimbabwe Council for Higher Education (ZIMCHE)	2024
76.	Zimbabwe Development Agency (ZIDA)	2024
77.	Zimbabwe Electrical Supply Authority (ZESA) Holdings	2024
78.	Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	2024

ANNEXURE “B”: AUDITS IN PROGRESS AND BEING FINALISED AS AT JUNE 3, 2025		
	ENTITY	YEAR
79.	Zimbabwe Enterprises (Private) Limited (ZENT)	2024
80.	Zimbabwe Foreign Services Institute (ZFSI)	2024
81.	Zimbabwe Institute of Public Administration and Management (ZIPAM)	2024
82.	Zimbabwe Manpower Development Fund (ZIMDEF)	2024
83.	Zimbabwe Mining Development Corporation (ZMDC)	2024
84.	Zimbabwe National Boxing and Wrestling Control Board	2023-2024
85.	Zimbabwe National Family Planning Council (ZNFPC)	2024
86.	Zimbabwe National Geospatial and Space Agency (ZINGSA)	2020
87.	Zimbabwe National Statistical Agency (ZIMSTAT)	2024
88.	Zimbabwe National Water Supply Authority (ZINWA)	2024
89.	Zimbabwe Open University (ZOU)	2024
90.	Zimbabwe Parks and Wildlife Management Authority (ZIMPARKS)	2024
91.	Zimbabwe Post (Private) Limited (ZIMPOST)	2019-2024
92.	Zimbabwe Power Company (Private) limited (ZPC)	2024
93.	Zimbabwe School of Mines (ZSM)	2024
94.	Zimbabwe Tourism Authority (ZTA)	2023
95.	Zimbabwe United Passenger Company (ZUPCO)	2022

ANNEXURE “C”: AUDITS AT SIGNING STAGE

	PUBLIC ENTITY	YEAR
1.	Air Zimbabwe (Private) Limited	2023
2.	Civil Aviation Authority of Zimbabwe (CAAZ)	2023
3.	Competition and Tariff Commission	2024
4.	Deven Engineering (Private) Limited	2024
5.	EmpowerBank Limited	2024
6.	Environmental Health Practitioners Council of Zimbabwe	2023
7.	Health Professions Authority of Zimbabwe (HPAZ)	2024
8.	Hotspeck Enterprises (Private) Limited	2024
9.	Infralink (Private) Limited	2024
10.	Lake Kariba Fisheries Research Institute	2024
11.	Lenders Park Finance (Private) Limited	2024
12.	Marondera University of Agricultural Science and Technology	2024
13.	National Handicraft Centre (NHC)	2019 to 2021
14.	National Handling Services (Private) Limited	2023
15.	National Handling Services Close Corporation (NHS CC)	2019 to 2022
16.	National Oil Infrastructure Company (NOIC)	2024
17.	New Ziana (Private) Limited	2021
18.	Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ)	2024
19.	Rhodes Nyanga Estate Fund	2024
20.	Rural Electrification Fund (REF)	2024
21.	Sabi Gold Mine / Kimberworth Investments	2024
22.	Sports and Recreation Commission (SRC)	2024
23.	State Lotteries Fund	2023
24.	Tobacco Research Board (TRB)	2024
25.	United Bulawayo Hospital (UBH)	2023
26.	Universal Services Fund (USF)	2023
27.	Zimbabwe Anti-Corruption Commission (ZACC)	2021

	PUBLIC ENTITY	YEAR
28.	Zimbabwe Broadcasting Corporation (ZBC)	2023
29.	Zimbabwe National Road Administration (ZINARA)	2024
30.	Zimbabwe Parks and Wildlife Management Authority (ZIMPARKS)	2023
31.	Zimbabwe Posts (Private) Limited (ZIMPOST)	2019
32.	Zimbabwe Schools Examination Council (ZIMSEC)	2023
33.	Zimbabwe Women Microfinance Bank (ZWMB)	2024

ANNEXURE “D”: ACCOUNTS NOT SUBMITTED FOR AUDIT

ANNEXURE “D”: ACCOUNTS NOT SUBMITTED FOR AUDIT AS AT JUNE 3, 2025		
	PUBLIC ENTITY	YEAR
1.	Agricultural and Rural Development Authority (ARDA)	2024
2.	Agricultural Research Council (ARC)	2024
3.	Air Zimbabwe (Private) Limited	2024
4.	Airports Company of Zimbabwe (ACZ)	2022 - 2024
5.	Allied Health Practitioners Council of Zimbabwe (AHPCZ)	2024
6.	Apple Bridge Investments (Private) Limited	2015 - 2024
7.	Aviation Infrastructural Development Fund (AIDF)	2022 - 2024
8.	Broadcasting Authority of Zimbabwe (BAZ)	2022- 2024
9.	Chitungwiza Central Hospital	2022 - 2024
10.	Defold Mines (Private) Limited	2022 - 2024
11.	Environmental Health Practitioners Council Zimbabwe (EHPCZ)	2024
12.	Environmental Management Agency (EMA)	2024
13.	Forestry Commission	2024
14.	Ingutsheni Central Hospital	2023 - 2024
15.	Lotteries and Gaming Board	2024
16.	Manicaland State University of Applied Science (MSUAS)	2024
17.	Medical Rehabilitation Practitioners Council of Zimbabwe (MRPCZ)	2024
18.	Mosi- Oa Tunya Development Company (Private) Limited	2024
19.	Mpilo Central Hospital	2024
20.	National Arts Council of Zimbabwe	2024
21.	National Biotechnology Authority of Zimbabwe (NBA)	2024
22.	National Gallery of Zimbabwe	2024
23.	National Handcraft Centre	2009 - 2018 & 2022 - 2024
24.	National Handling Services (Private) Limited (NHS)	2024
25.	National Libraries and Documentation Services	2009 - 2021

ANNEXURE “D”: ACCOUNTS NOT SUBMITTED FOR AUDIT AS AT JUNE 3, 2025

	PUBLIC ENTITY	YEAR
		& 2017 - 2022
26.	National Museums and Monuments of Zimbabwe	2024
27.	National Railways of Zimbabwe (NRZ)	2023 - 2024
28.	National University of Science and Technology (NUST)	2024
29.	New Ziana (Private) Limited	2022 - 2024
30.	Nurses Council of Zimbabwe	2023 - 2024
31.	Pharmacist Council of Zimbabwe	2024
32.	Print flow (Private) Limited	2024
33.	Road Motor Services (RMS)	2021 - 2024
34.	Rural Infrastructure development Agency (RIDA)	2024
35.	Sally Mugabe Central Hospital	2024
36.	School of Hospitality and Tourism (SCHOTO)	2021 - 2024
37.	Silo Foods Industries (Private) Limited	2023 - 2024
38.	United Bulawayo Hospitals (UBH)	2024
39.	Valuers Council of Zimbabwe	2024
40.	Verify Engineering (Private) Limited	2024
41.	Zimbabwe Academic and Research Centre (ZARNet)	2022 - 2024
42.	Zimbabwe Broadcasting Corporation (ZBC)	2024
43.	Zimbabwe Centre for Higher Performance Computing	2024
44.	Zimbabwe Media Commission (ZMC)	2024
45.	Zimbabwe National Defence University (ZNDU)	2019 - 2024
46.	Zimbabwe National Geospatial and Space Agency (ZINGSA)	2021 - 2024
47.	Zimbabwe School Examination Council (ZIMSEC)	2024
48.	Zimbabwe Tourism Authority (ZTA)	2024
49.	Zimbabwe United Passenger Company (ZUPCO)	2023 - 2024
50.	Zimbabwe Youth Council (ZYC)	2023 - 2024

ANNEXURE “E”: SUBMISSION OF FINANCIAL STATEMENTS STATUS OF STATE-OWNED ENTERPRISES AND PARASTATALS 2018 - 2024

Key

√ - The financial statements have been submitted and the entity is up to date

x - The financial statements have not been submitted and the entity is in arrears for the years indicated in Annexure D

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
AUTHORITIES AND AGENCIES								
1.	Agricultural Rural Development Authority (ARDA)	x	√	√	√	√	√	Agriculture
2.	Agricultural Marketing Authority (AMA)	√	√	√	√	√	√	Agriculture
3.	Broadcasting Authority of Zimbabwe (BAZ)	x	x	x	√	√	√	Information, Publicity and Broadcasting Services
4.	Civil Aviation Authority of Zimbabwe (CAAZ)	√	√	√	√	√	√	Transport and Infrastructural Development
5.	Environmental Management Agency (EMA)	x	√	√	√	√	√	Environment, water and climate
6.	Health Professions Authority of Zimbabwe (HPAZ)	√	√	√	√	√	√	Health and child care
7.	Medicines Control Authority of Zimbabwe (MCAZ)	√	√	√	√	√	√	Health and child care
8.	National Biotechnology Authority (NBA)	x	√	√	√	√	√	Higher Tertiary Education Innovation Science and Technology Development
9.	National Social Security Authority (NSSA)	√	√	√	√	√	√	Public Service, Labour and Social Welfare
10.	Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ)	√	√	√	√	√	√	Regulator - Telecommunication

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
11.	Procurement Regulatory Authority of Zimbabwe (PRAZ)	√	√	√	√	√	√	Regulatory - Procurement
12.	Radiation Protection Authority of Zimbabwe (RPAZ)	√	√	√	√	√	√	Health and child care
13.	Rural Infrastructure Development Agency (RIDA)	x	Designated to be an SOE for the financial year starting 2024					Infrastructure Development
14.	State Enterprises Restructuring Agency (SERA)	√	Designated to be an SOE for the financial year starting 2024					
15.	Zimbabwe Energy Regulatory Authority (ZERA)	√	√	√	√	√	√	Energy and Power Development
16.	Zimbabwe Investment and Development Agency (ZIDA)	√	√	√	√	√	√	Finance, Economic Development and Investment Promotion
17.	Zimbabwe National Geospatial and Space Agency (ZINGSA)	x	x	x	x	√	Started operations in 2020	Higher and Tertiary Education, Innovation
18.	Zimbabwe National Road Administration (ZINARA)	√	√	√	√	√	√	Transport and Infrastructural Development
19.	Zimbabwe National Statistical Agency (ZIMSTAT)	√	√	√	√	√	√	Finance, Economic Development and Investment Promotion
20.	Zimbabwe National Water Authority (ZINWA)	√	√	√	√	√	√	Environment, water and climate
21.	Zimbabwe Parks and Wildlife Management Authority	√	√	√	√	√	√	Environment, water and climate
22.	Zimbabwe Revenue Authority (ZIMRA)	√	√	√	√	√	√	Finance, Economic Development and Investment Promotion
23.	Zimbabwe Tourism Authority (ZTA)	x	√	√	√	√	√	Tourism and Hospitality Industry

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
PUBLIC ENTITY		2024	2023	2022	2021	2020	2019	Sector / Industry
BOARDS								
24.	Grain Marketing Board (GMB)	√	√	√	√	√	√	Agriculture
25.	Lotteries and Gaming Board	x	√	√	√	√	√	Social welfare
26.	Pig Industry Board (PIB)	√	√	√	√	√	√	Agriculture
27.	Tobacco Industry and Marketing Board (TIMB)	√	√	√	√	√	√	Agriculture
28.	Tobacco Research Board (TRB)	√	√	√	√	√	√	Agriculture
29.	Zimbabwe National Boxing and Wrestling Control Board	√	√	√	√	√	Started in 2020	Sports Recreation Arts and Culture
COMMISSIONS								
30.	Competition and Tariff Commission	√	√	√	√	√	√	Industry and Commerce
31.	Consumer Protection Commission (CPC)	√	√	√	√	Started in 2021		Industry and commerce
32.	Forestry Commission	x	√	√	√	√	√	Environment, water and climate
33.	Health Service Commission (HSC)	√	√	√	√	√	√	Health and child care
34.	Insurance and Pensions Commission (IPEC)	√	√	√	√	√	√	Regulator – Pension and Insurance
35.	National Competitiveness Commission (NCC)	√	√	√	√	√	√	Industry and Commerce
36.	Securities and Exchange Commission of Zimbabwe	√	√	√	√	√	√	Financial services
37.	Sports and Recreation Commission (SRC)	√	√	√	√	√	√	Sports Recreation Arts and Culture
38.	Zimbabwe Anti-Corruption Commission (ZACC)	√	√	√	√	√	√	Justice and Legal

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
39.	Zimbabwe Electoral Commission (ZEC)- IFRS**	X	x	√	√	√	√	Justice and Legal
40.	Zimbabwe Media Commission (ZMC)	X	√	√	√	√	√	Information, Publicity and Broadcasting Services
COMPANIES AND CORPORATIONS								
41.	AFC Holdings Limited	√	√	√	Started in 2022			Financial services
42.	AFC Insurance Company (Private) Limited	√	√	√	Started in 2022			Financial services
43.	AFC Leasing Company of Zimbabwe (Private) Limited	√	√	√	√	Started 2021		Financial services
44.	Airports Company of Zimbabwe	X	x	x	√	The Company was established in 2021		Transport and Infrastructure Development
45.	Air Zimbabwe (Private) Limited	X	√	√	√	√	√	Transport and Infrastructure Development
46.	Allied Timbers (Private) Limited	√	√	√	√	√	√	Agriculture
47.	Apple Bridge (Private) Limited	X	x	x	x	x	X 2015-2018	Mines and Mining Development
48.	Bindura Printing Press (Private) Limited	√	√	√	√	√	√	Industry and Commerce
49.	Chemplex Corporation	√	√	√	√	√	√	Industry and Commerce
50.	CMED (Private) Limited	√	√	√	√	√	√	Transport and Infrastructural Development
51.	CMED Fuels (Private) Limited	√	√	√	√	√	√	Energy and Power Development

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
52.	Conflor Investments (Private) Limited	√	√	Started accounting in 2023				Financial Services
53.	Courier Connect (Private) Limited	N/A ¹			√	√	√	Information Communication Technology and Courier Services
54.	Defold Mines (Private) Limited	x	x	x	√	√	Started in 2020	Mines and Mining development
55.	Deven Engineering (Private) Limited	√	√	√	√	√	√	Industry and Commerce
56.	Easy Go Car Hire and travel (Private) Limited	√	√	√	√	√	√	Transport and Infrastructural Development
57.	Genesis (Private) Limited	√	√	√	√	√	√	Energy and Power Development
58.	Hotspeck Enterprises (Private) Limited	√	√	√	√	√	√	Energy and Power Development
59.	Hwange Electricity Supply Company (HESCO)	√	√	√	√	√	√	Energy and Power Development
60.	Industrial Development Corporation of Zimbabwe (IDCZ)	√	√	√	√	√	√	Industry and Commerce
61.	Infralink (Private) Limited	√	√	√	√	√	√	Transport and Infrastructural Development
62.	Kariba Hydropower Company	√	√	√	√	√	√	Energy and Power Development
63.	Mellofieldde Chemicals (Private) Limited	√	√	√	√	√	√	Mines and Mining Development
64.	Minerals Marketing Corporation of Zimbabwe (MMCZ)	√	√	√	√	√	√	Mines and Mining Development

¹ Courier Connect from 2022 merged with ZIMPOST

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
65.	Mining Promotion Corporation (MPC)	√	√	√	√	√	√	Mines and Mining Development
66.	Mosi oa Tunya Development Company	x	√	√	√	√	√	Tourism and Hospitality Industry
67.	National Handling Services (NHS)	x	√	√	√	√	√	Transport and Infrastructural Development
68.	National Handling Services CC (NHS CC)	√	√	√	√	√	√	Transport and Infrastructural Development
69.	National Oil Infrastructure Company (NOIC)	√	√	√	√	√	√	Energy and Power Development
70.	National Pharmaceutical Company (NATPHARM)	√	√	√	√	√	√	Health and Child care
71.	National Railways of Zimbabwe (NRZ)	x	x	√	√	√	√	Transport and Infrastructural Development
72.	NetOne Cellular (Private) Limited	√	√	√	√	√	√	Telecommunication
73.	New Ziana (Private) Limited	x	x	x	√	√	√	Information, Publicity and Broadcasting Services
74.	Petrotrade (Private) Limited	√	√	√	√	√	√	Energy and Power Development
75.	Petrozim Line (Private) Limited	√	√	√	√	√	√	Energy and Power Development
76.	Post Properties (Private) Limited	N/A ²			√	√	√	Property Development
77.	Powertel Communications (Private) Limited	√	√	√	√	√	√	Energy and Power Development

² Post properties from 2022 merged with ZIMPOST

³ Zimbabwe Electoral Commission - the commission used to prepare both IFRS and Appropriation financial statements. Starting 2023 the Commission chose to report under Appropriation Accounts only and transitional accounts

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
78.	Printflow (Private) Limited	X	√	√	√	√	√	Printing and Manufacturing
79.	Rainbow Tourism Group (RTG)	√	√	Previously considered under NSSA				Tourism and Hospitality
80.	Road Motor Services (RMS)	X	X	X	X	√	√	Transport and Infrastructure Development
81.	Sabi Gold Mine / Kimberworth Investments	√	√	√	√	√	√	Mines and Mining Development
82.	Silo Foods Industries (Private) Limited	X	X	√	√	√	√	Agriculture
83.	Sunway City (Private) Limited	√	√	√	√	√	√	Infrastructure Development
84.	Technological and Commercial Information Promotion Systems (TIPS)	√	√	√	The operations were being accounted for under SIRDC			Information Communication Technology and Courier Services
85.	Telone (Private) Limited	√	√	√	√	√	√	Telecommunications
86.	Transmedia Corporation	√	√	√	√	√	√	Information, Publicity and Broadcasting Services
87.	Urban Development Corporation (UDCORP)	√	√	√	√	√	√	Infrastructure Development
88.	Verify Engineering (Private) Limited	X	√	√	√	√	√	Industry and commerce
89.	Willowvale Mazda Motor Industries	√	√	√	√	√	√	Industry and commerce
90.	Woodlands Farm (Private) Limited	√	√	√	The Company started operations in 2022			Agriculture
91.	ZESA Enterprises (Private) Limited (ZENT)	√	√	√	√	√	√	Energy and Power Development
92.	ZESA Holdings	√	√	√	√	√	√	Energy and Power Development
93.	Zimbabwe Academic and Research Network (ZARNET)	X	X	X	√	√	√	Information Communication Technology and Courier Services

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
94.	Zimbabwe Broadcasting Corporation (ZBC)	X	√	√	√	√	√	Information, Publicity and Broadcasting Services
95.	Zimbabwe Consolidated Diamond Mining Company	√	√	√	√	√	√	Mining and Mining Development
96.	Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	√	√	√	√	√	√	Energy and Power Development
97.	Zimbabwe Mining Development Corporation (ZMDC)	√	√	√	√	√	√	Mining and Mining Development
98.	Zimbabwe Posts (Private) Limited (ZIMPOST)	√	√	√	√	√	√	Information Communication Technology and Courier Services
99.	Zimbabwe Power Company (ZPC)	√	√	√	√	√	√	Energy and Power Development
100.	Zimbabwe United Passenger Company (ZUPCO)	X	X	√	√	√	√	Transport
COUNCILS								
101.	Agricultural Research Council of Zimbabwe	X	√	√	√	√	√	Agriculture
102.	Allied Health Practitioners Council (AHPZ)	X	√	√	√	√	√	Health and Child care
103.	Consumer Council of Zimbabwe	√	√	√	√	√	√	Industry and Commerce
104.	Environmental Health Practitioners Council of Zimbabwe	X	√	√	√	√	√	Health and Child care
105.	Food and Nutrition Council	√	√	√	The operations were being accounted for under SIRDC			Agriculture
106.	Medical and Dental Practitioners Council of Zimbabwe	√	√	√	√	√	√	Health and Child care
107.	Medical Laboratory and Clinical Scientists Council of Zimbabwe	√	√	√	√	√	√	Health and Child care
108.	Medical Rehabilitation Practitioners Council of Zimbabwe	X	√	√	√	√	√	Health and Child care
109.	National AIDS Council of Zimbabwe (NAC)	√	√	√	√	√	√	Health and Child care

	ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31							
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
110.	National Arts Council of Zimbabwe	X	√	√	√	√	√	Sports, Arts and Culture
111.	Nurses Council of Zimbabwe	X	X	√	√	√	√	Health and Child care
112.	Pharmacists Council of Zimbabwe	X	√	√	√	√	√	Health and Child care
113.	Research Council of Zimbabwe (RCZ)	√	√	√	√	√	√	Higher and Tertiary Education
114.	Traditional Medical Practitioners Council	√	√	√	Started to submit in 2022			Health and child care
115.	Traffic Safety Council of Zimbabwe	√	√	√	√	√	√	Transport and Infrastructure Development
116.	Valuers Council of Zimbabwe	X	√	√	√	√	√	Regulator - valuers
117.	Zimbabwe Council for Higher Education (ZIMCHE)	√	√	√	√	√	√	Higher and Tertiary Education
118.	Zimbabwe National Family Planning Council (ZNFPCC)	√	√	√	√	√	√	Health and Child care
119.	Zimbabwe Schools Examination Council (ZIMSEC)	X	√	√	√	√	√	Education
120.	Zimbabwe Youth Council (ZYC)	X	X	√	√	√	√	Youth and Empowerment
FINANCIAL INSTITUTIONS								
121.	AFC Commercial Bank	√	√	√	√	√	√	Financial services
122.	AFC Land and Development bank	√	√	√	The Company started operations in 2022			Financial services
123.	Deposit Protection Corporation (DPC)	√	√	√	√	√	√	Financial services
124.	EmpowerBank Limited	√	√	√	√	√	√	Financial services
125.	Infrastructure Development Bank of Zimbabwe (IDBZ)	√	√	√	√	√	√	Financial services
126.	Lenderspark Finance (Private) Limited	√	The microfinance started operations in 2024					Financial services
127.	National Building Society (NBS)	√	√	√	√	√	√	Financial services

	ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31							
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
128.	People’s Own Savings Bank (POSB)	√	√	√	√	√	√	Financial services
129.	Small and Medium Enterprise Development Corporation (SMEDCO)	√	√	√	√	√	√	Financial services
130.	Zimbabwe Women Microfinance Bank (ZWMB)	√	√	√	√	√	√	Financial services
	FUNDS							
131.	Agricultural Marketing Fund (AMF)	√	√	√	√	√	√	Agriculture
132.	Aviation Infrastructure Development Fund (AIDEF)	x	x	x	√	√	√	Transport and Infrastructure Development
133.	Investor Protection Fund	√	√	√	√	√	√	Insurance and Pensions
134.	Lake Kariba Fisheries Research Institute	√	√	√	√	√	√	Environment, water and climate
135.	Rhodes Matopos Estate Fund	√	√	√	√	√	√	Environment, water and climate
136.	Rhodes Nyanga Estate Fund	√	√	√	√	√	√	Environment, water and climate
137.	Rural Electrification Fund (REF)	√	√	√	√	√	√	Energy and Power Development
138.	State Lotteries Fund	√	√	√	√	√	√	Sports, Arts and culture
139.	Universal Services Fund (USF)	√	√	√	√	√	√	Telecommunication
140.	Zimbabwe Manpower Development Fund (ZIMDEF)	√	√	√	√	√	√	Higher and Tertiary Education

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
141.	Zimbabwe Tourism Fund	X	√	√	√	√	√	Tourism and Hospitality
STATE HOSPITALS								
142.	Chitungwiza Central Hospital	X	X	X	√	√	√	Health and child care
143.	Ingutsheni Central Hospital	X	X	√	√	√	√	Health and child care
144.	Mpilo Central Hospital	X	√	√	√	√	√	Health and child care
145.	Parirenyatwa Group of Hospitals	√	√	√	√	√	√	Health and child care
146.	Sally Mugabe Central Hospital	X	√	√	√	√	√	Health and child care
147.	United Bulawayo Hospitals (UBH)	X	√	√	√	√	√	Health and child care
TERTIARY INSTITUTIONS								
148.	Bindura University of Science Education	√	√	√	√	√	√	Higher and Tertiary Education
149.	Chinhoyi University of Technology	√	√	√	√	√	√	Higher and Tertiary Education
150.	Chinhoyi University Hotel Trust	√	√	√	The Trust started to report independently 2022			Higher and Tertiary Education
151.	Great Zimbabwe University (GZU)	√	√	√	√	√	√	Higher and Tertiary Education
152.	Gwanda State University (GSU)	√	√	√	√	√	√	Higher and Tertiary Education

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
153.	Harare Institute of Technology (HIT)	√	√	√	√	√	√	Higher and Tertiary Education
154.	Lupane State University (LSU)	x	√	√	√	√	√	Higher and Tertiary Education
155.	Management Training Bureau (MTB)	√	√	√	√	√	√	Higher and Tertiary Education
156.	Manicaland State University of Applied Sciences (MSUAS)	√	√	√	√	√	√	Higher and Tertiary Education
157.	Marondera University of Agricultural Sciences and Technology	√	√	√	√	√	√	Higher and Tertiary Education
158.	Midlands State University (MSU)	√	√	√	√	√	√	Higher and Tertiary Education
159.	National University of Science and Technology (NUST)	x	√	√	√	√	√	Higher and Tertiary Education
160.	School of Hospitality and Tourism (SCHOTO)	x	x	x	x	√	√	Higher and Tertiary Education
161.	University of Zimbabwe (UZ)	√	√	√	√	√	√	Higher and Tertiary Education
162.	University of Zimbabwe Specific Funds	√	√	√	The Specific Fund started to report independently 2022			Higher and Tertiary Education
163.	Zimbabwe Centre for High Performance and Computing	x	√	√	√	√	The company started	Higher and Tertiary Education

ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31								
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
							operations in 2020	
164.	Zimbabwe Foreign Services Institute (ZFSI)	√	√	The Institute started to report independently 2023				Higher and Tertiary Education
165.	Zimbabwe Institute of Public Administration and Management (ZIPAM)	√	√	√	√	√	√	Higher and Tertiary Education
166.	Zimbabwe National Defense University (ZNDU)	x	x	x	x	x	x	Defence
167.	Zimbabwe Open University (ZOU)	√	√	√	√	√	√	Higher and Tertiary Education
168.	Zimbabwe School of Mines (ZSM)	√	√	√	√	√	√	Higher and Tertiary Education
OTHERS								
169.	Bindura University of Science Education Farm Trust	√	√	The Trust started to be report independently 2023				Agriculture
170.	Chinhoyi University Farm Trust	√	√	√	The Trust started to report independently 2022			Higher and Tertiary Education
171.	National Gallery of Zimbabwe	x	√	√	√	√	√	Sports, Arts and Culture
172.	National Handicraft Centre (NHC)	x	x	x	√	√	√	Sports, Arts and Culture
	National Libraries and Documentation Services	N/A ³		x	x	x	x	Education

³ National Library and Documentation of Zimbabwe became a department under Ministry of Primary and Secondary Education

	ANNEXTURE “E”: OVERALL STATUS IN TERMS OF SUBMISSION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31							
	PUBLIC ENTITY	2024	2023	2022	2021	2020	2019	Sector / Industry
174.	National Museums and Monuments of Zimbabwe	x	√	√	√	√	√	Cultural heritage
175.	Scientific and Industrial Research Development Centre	√	√	√	√	√	√	Higher and Tertiary Education
176.	University of Zimbabwe Farm Trust	√	√	√	The Trust started to report independently 2022			Higher and Tertiary Education

ANNEXURE “F”: UNDELIVERED GOODS

	Public entity	Description of goods	Quantity	Amount	Comment
1.	Chinhoyi University of Technology	Procurement of generators	2 generators	ZAR51 853	
2.	CMED (Private) Limited	Purchase of roller drums	3 roller drums	USD358 083	Delivered 2 rollers and one refunded leaving a balance USD28 000
		Purchase of motor vehicles	23 vehicles	USD1 118 163	
3.	Lupane State University	Purchase of heifers	8 heifers	ZWL\$7.69 million	
4.	Print flow (Private) Limited	Printing services for 80 000 highway codes	80 000 highway codes	ZWL\$6.49 million	Recovered ZWL\$3.6 million (ZWL\$2.8 million outstanding).
		Purchase of digital spine tapping machine	1 digital spine tapping machine	ZWL\$16.4 million (equivalent USD18 422)	Recovered USD13 683.06 (USD4 478.94 outstanding)
5.	Scientific Industrial Research and Development Centre	Procurement of carbon incubator	1 carbon incubator	USD63 755	Supplier delivered incorrect specification
		Purchase of desks and laptops	15 desks 3 laptops		One desk delivered (14 outstanding) One laptop delivered (2 outstanding)
6.	Small and Medium Enterprises Development Corporation	Toyota fortuner	Non-delivery	ZWL\$41 million (equivalent USD59 900)	
7.	Tobacco Industry Marketing Board	Staff bus	1 bus	USD50 500	USD10 000 recovered and USD40 500 outstanding
8.	University of Zimbabwe Farm Trust	Innovation hub chairs	350 chairs	• ZAR1.42 million (equivalent USD 97 346) & • USD107 339	

9.	Zimbabwe Council of Higher Education	Motor vehicle	7 vehicles (5 Toyota Hilux and 2 Toyota GD6)	ZWL\$60.6 million	
10.	Zimbabwe Manpower Development Fund	Procurement of motor vehicles	Eight (8) vehicles	ZWL\$22.9 million	4 delivered (4 outstanding)
11.	Zimbabwe Media Commission	Procurement of vehicles	9 vehicles (7 Toyota Hilux & 2 Fortuners)	ZWL\$205.5 million	3 vehicles outstanding
12.	Zimbabwe Power Company	Procurement of various items	• Transformers X 2 • Ground resister x 2, • Turbine hole cranes	USD1.4 million	
13.	Zimbabwe Revenue Authority	Procurement of vehicles	85 motor vehicles (50 Corolla vehicles and 35 Toyota Hilux double cab vehicles)	ZWL\$209 million	• 8 vehicles worth US\$303 200 delivered (42 pending). • 15 delivered (20 double cabs not delivered)
14.	Zimbabwe Statistical Agency	Procurement of furniture	furniture	ZWL\$7 million	